

Washington State Snapshot

Business services cluster is the most diverse of all clusters as it is comprised of industries and occupations providing a wide array of professional services to the business community: transportation and logistics, information, financial services, real estate, professional services, management, and administrative services. This cluster is the vital backdrop to the successful operation of all other clusters and is often used a barometer for the regional economy and its workforce due to the diversity of firms within the cluster. Historically, the business services cluster has represented one of the most rapidly growing sectors as measured by the rate of job growth. Over 1,100,000 individuals work in business services; the cluster grew 22% from 2001 and is projected to grow 6% through 2015. Washington has been ranked as a [top state for business](#)¹ for many years with 2011 placing the state in seventh position.

This edition of the business services cluster report highlights information, financial services, and transportation and logistics.

Snohomish County Snapshot

The North American Industrial Classification System (NAICS) is the current industry classification standard in the United States. NAICS breaks business services into subsectors according to specialization. The table below depicts [NAICS codes](#)² for the Snohomish County business services cluster.

NAICS Code	Industry Title
	TRANSPORTATION AND LOGISTICS
4811	Scheduled air transportation
4812	Nonscheduled air transportation
4821	Rail transportation
4831	Sea, coastal, and Great Lakes transportation
4832	Inland water transportation
4841	General freight trucking
4842	Specialized freight trucking
4851	Urban transit systems
4852	Interurban and rural bus transportation
4853	Taxi and limousine service
4854	School and employee bus transportation
4855	Charter bus industry
4859	Other transit and ground passenger transportation
4861	Pipeline transportation of crude oil

4862	Pipeline transportation of natural gas
4869	Other pipeline transportation
4871	Scenic and sightseeing transportation, land
4872	Scenic and sightseeing transportation, water
4879	Scenic and sightseeing transportation, other
4881	Support activities for air transportation
4882	Support activities for rail transportation
4883	Support activities for water transportation
4884	Support activities for road transportation
4885	Freight transportation arrangement
4889	Other support activities for transportation
4991	Postal service
4921	Couriers and express delivery services
4922	Local messengers and local delivery
4931	Warehousing and storage
	INFORMATION
5111	Newspaper, periodical, book, and directory publishers
5112	Software publishers
5121	Motion picture and video production
5122	Sound recording industries
5151	Radio and television broadcasting
5152	Cable and Other Subscription Programming
5171	Wired telecommunications carriers
5172	Wireless telecommunications carriers (except satellite)
5174	Satellite telecommunications
5179	Other telecommunications
5182	Data processing, hosting, and related services
5191	Other information services
	FINANCIAL SERVICES
5211	Monetary credit intermediation
5221	Depository credit intermediation
5222	Nondepository credit intermediation
5223	Activities related to credit information
5231	Securities and commodity contracts intermediation and brokerage
5232	Securities and commodity exchanges
5239	Other financial investment activities
5241	Insurance carriers
5242	Insurance agencies, brokerages, and related

5251	Insurance and employee benefit funds
5259	Other investment pools and funds
	REAL ESTATE
5311	Lessors of real estate
5312	Offices of real estate agents and brokers
5313	Activities related to real estate
5321	Automotive equipment rental and leasing
5322	Consumer goods rental
5323	General rental centers
5324	Commercial and industrial machinery and equipment rental and leasing
5331	Lessors of nonfinancial intangible assets
	PROFESSIONAL SERVICES
5411	Legal services
5412	Accounting, tax preparation, bookkeeping, and payroll services
5413	Architectural, engineering, and related services
5414	Specialized design services
5415	Computer systems design and related services
5416	Management, scientific, and technical consulting services
5417	Scientific research and development services
5418	Advertising, public relations, and related services
5419	Other professional, scientific, and technical services
	MANAGEMENT
5511	Management of companies and enterprises
	ADMINISTRATIVE SERVICES
5611	Office administrative services
5612	Facilities support services
5613	Employment services
5614	Business support services
5615	Travel arrangement and reservation services
5616	Investigation and security services
5617	Services to buildings and dwellings
5619	Other support services
5621	Waste collection
5622	Waste treatment and disposal
5629	Remediation and other waste management services

Employment

The Snohomish County business services cluster employs nearly 80,000 workers. Employment within the cluster increased 41% from 2001 and 3% since 2011. Data forecasts a 6% increase in business services jobs through 2015. The table on the following page shows industry makeup and average earnings per worker in each industry within the business services cluster.

NAICS Code	Industry Title	2012 Jobs	2015 Jobs	% Change	Earnings Per Worker
	TRANSPORTATION AND LOGISTICS	6,410	6,591	3%	\$55,543
4811	Scheduled air transportation	30	28	(-7%)	\$55,142
4812	Nonscheduled air transportation	38	38	0%	\$60,207
4821	Rail transportation	453	452	0%	\$117,071
4831	Sea, coastal, and Great Lakes transportation	<10	<10	--	\$47,721
4832	Inland water transportation	<10	<10	--	\$54,186
4841	General freight trucking	1,330	1,377	4%	\$46,868
4842	Specialized freight trucking	615	628	2%	\$47,626
4851	Urban transit systems	<10	<10	--	\$49,770
4852	Interurban and rural bus transportation	312	334	7%	\$46,285
4853	Taxi and limousine service	171	174	2%	\$23,610
4854	School and employee bus transportation	177	174	(-1%)	\$39,620
4855	Charter bus industry	22	<10	--	\$23,920
4859	Other transit and ground passenger transportation	102	107	5%	\$23,190
4861	Pipeline transportation of crude oil	--	--	--	--
4862	Pipeline transportation of natural gas	--	--	--	--
4869	Other pipeline transportation	--	--	--	--
4871	Scenic and sightseeing transportation, land	<10	<10	--	\$6,632
4872	Scenic and sightseeing transportation, water	23	24	4%	\$23,176
4879	Scenic and sightseeing transportation, other	--	--	--	--
4881	Support activities for air transportation	328	337	3%	\$75,027
4882	Support activities for rail transportation	16	17	6%	\$45,406
4883	Support activities for water transportation	213	221	4%	\$85,861
4884	Support activities for road transportation	184	191	4%	\$35,926
4885	Freight transportation arrangement	226	235	4%	\$56,591
4889	Other support activities for transportation	<10	<10	--	\$32,266
4991	Postal service	1,026	1,051	2%	\$73,955
4921	Couriers and express delivery services	532	544	2%	\$43,896
4922	Local messengers and local delivery	270	282	4%	\$9,106
4931	Warehousing and storage	310	341	10%	\$46,331

	INFORMATION	6,283	6,394	2%	\$63,652
5111	Newspaper, periodical, book, and directory publishers	782	695	(-11%)	\$46,331
5112	Software publishers	232	223	(-4%)	\$78,999
5121	Motion picture and video production	549	590	7%	\$25,053
5122	Sound recording industries	51	53	4%	\$23,548
5151	Radio and television broadcasting	63	66	5%	\$43,909
5152	Cable and other subscription programming	<10	<10	--	\$157,729
5171	Wired telecommunications carriers	2,173	2,197	1%	\$69,675
5172	Wireless telecommunications carriers (except satellite)	1,849	1,956	6%	\$80,753
5174	Satellite telecommunications	<10	<10	--	\$23,649
5179	Other telecommunications	69	74	7%	\$54,055
5182	Data processing, hosting, and related services	340	360	6%	\$80,753
5191	Other information services	162	165	2%	\$52,541
	FINANCIAL SERVICES	14,108	14,793	5%	\$61,819
5211	Monetary credit intermediation	<10	<10	--	\$137,165
5221	Depository credit intermediation	2,390	2,266	(-5%)	\$62,167
5222	Nondepository credit intermediation	1,075	1,136	6%	\$87,682
5223	Activities related to credit information	975	1,080	11%	\$44,752
5231	Securities and commodity contracts intermediation and brokerage	562	653	16%	\$231,053
5232	Securities and commodity exchanges	--	--	--	--
5239	Other financial investment activities	3,203	3,701	16%	\$15,001
5241	Insurance carriers	3,290	3,252	(-1%)	\$85,760
5242	Insurance agencies, brokerages, and related	2,525	2,641	5%	\$46,405
5251	Insurance and employee benefit funds	53	19	(-64%)	\$24,678
5259	Other investment pools and funds	43	43	0%	\$72,433
	REAL ESTATE	14,370	15,265	6%	\$20,367
5311	Lessors of real estate	4,494	4,744	6%	\$31,518
5312	Offices of real estate agents and brokers	4,990	5,338	7%	\$7,107
5313	Activities related to real estate	3,836	4,109	7%	\$17,067
5321	Automotive equipment rental and leasing	172	171	(-1%)	\$47,318
5322	Consumer goods rental	422	438	4%	\$29,344
5323	General rental centers	76	78	3%	\$58,685
5324	Commercial and industrial machinery and equipment rental and leasing	354	361	2%	\$62,670
5331	Lessors of nonfinancial intangible assets	26	26	0%	\$75,031

PROFESSIONAL SERVICES		19,128	20,245	6%	\$55,134
5411	Legal services	1,324	1,387	5%	\$51,621
5412	Accounting, tax preparation, bookkeeping, and payroll services	2,495	2,562	3%	\$36,389
5413	Architectural, engineering, and related services	2,962	3,072	5%	\$81,315
5414	Specialized design services	655	705	8%	\$19,534
5415	Computer systems design and related services	2,486	2,639	6%	\$53,296
5416	Management, scientific, and technical consulting services	2,535	2,786	10%	\$45,688
5417	Scientific research and development services	2,057	2,174	6%	\$123,307
5418	Advertising, public relations, and related services	637	642	1%	\$39,637
5419	Other professional, scientific, and technical services	3,978	4,279	8%	\$26,648
MANAGEMENT		1,538	1,612	5%	\$88,401
5511	Management of companies and enterprises	1,538	1,612	5%	\$88,401
ADMINISTRATIVE SERVICES		16,260	17,682	9%	\$28,564
5611	Office administrative services	879	919	5%	\$30,050
5612	Facilities support services	90	77	(-14%)	\$36,533
5613	Employment services	3,209	3,619	13%	\$33,595
5614	Business support services	1,895	2,010	6%	\$28,964
5615	Travel arrangement and reservation services	422	427	1%	\$46,506
5616	Investigation and security services	956	1,009	6%	\$32,125
5617	Services to buildings and dwellings	7,359	8,134	11%	\$21,556
5619	Other support services	685	702	2%	\$24,507
5621	Waste collection	114	123	8%	\$52,625
5622	Waste treatment and disposal	323	316	(-2%)	\$66,653
5629	Remediation and other waste management services	329	345	5%	\$52,544
		78,099	82,582	6%	\$45,864

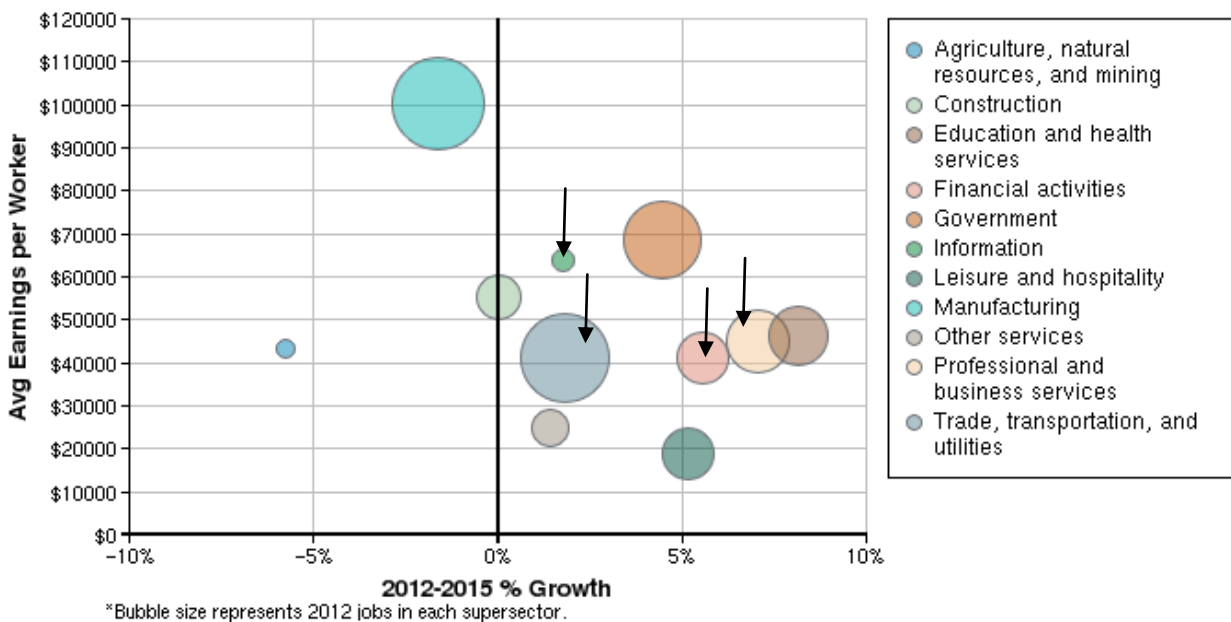
The table below shows the job forecast among the Snohomish County business services cluster's top ten occupations.

SOC Code	Occupation Title	Jobs	% of Industry
41-9022	Real estate sales agents	5,127	7%
11-9141	Property, real estate, and community association managers	3,136	4%
11-9199	Managers, all other	2,170	3%
37-3011	Landscaping and groundskeeping workers	1,919	2%
27-4021	Photographers	1,777	2%

13-2011	Accountants and auditors	1,684	2%
13-1111	Management analysts	1,640	2%
13-2052	Personal finance advisors	1,629	2%
41-9021	Real estate brokers	1,599	2%

The figure below shows that business services (indicated with arrows) is forecasting an increase in the number of workers through 2015 and moderate average earnings per worker compared to average earnings per worker in other industries.

2012 - 2015 Size and Growth



Hotspot – Financial Services

A shining star in the financial services industry is Snohomish County’s locally based community banks. These institutions fared well in 2011 and the coming year is expected to be a time of exciting economic improvement. While 2011 did see the loss of four Snohomish County banks – First Heritage Bank, North County Bank, City Bank, and Cascade Bank – the remaining survivors found ways to thrive. An [article on local banks](#)³ highlights the spending, activity, and accomplishments of Coastal Community Bank, Mountain Pacific Bank, The Bank of Washington, Prime Pacific Bank, Unibank, 1st Security Bank of Washington, and Pacific Crest Savings Bank. The end of 2011 found [customers flocking from big banks to smaller banks](#)⁴, a trend that has continued into 2012. For example, the Boeing Employee Credit Union welcomed 1,182 new members in October 2011, 200% of what it would normally expect. Accounts at Coastal Community Bank are up 43% and Northwest Plus Credit Union has also seen a rush of new members.

Hotspot – Information

The [region's Information industry](#)⁵ is rooted in the local concentration of aerospace, university research, and technical occupations in other industries. The success of Microsoft and McCaw Cellular grew the industry in the 1980s and early 1990s, with Amazon.com and other companies emerging in the late 1990s and anchoring the industry today. Washington now has [more software publishers than any state in the nation](#)⁶ and continues to be the primary hub for software production in the United States. Seattle has emerged as the [number one region for high-tech growth](#)⁷ based on long- and short-term job numbers and is expected to hold that ranking for the next decade.

Hotspot – Transportation and Logistics

The entire nation depends on the ability of Puget Sound highways and rail lines to move goods for retail, industrial, and agricultural sectors. Snohomish County has major rail service both north-south and east-west and both Burlington Northern Santa Fe and Amtrak have their major north-south and east-west routes passing through Snohomish County. The [Port of Everett](#)⁸ provides direct deep-water access and container shipping opportunities. Primary exports include logs, lumber, and agricultural products. Primary imports include bulk alumina ore and specialized aircraft parts for the Boeing Company. The Port of Everett also operates a 4,000 ton warehouse and has cold storage capacity. The Port of Everett is a [strong economic driver](#)⁹ in the region, providing \$2.7 billion in total wages, salaries, and local consumption expenditures to the local and regional economy. In addition, the Port of Everett generated roughly \$3.6 billion of revenue for local businesses and \$246.8 million in state and local tax revenues. Puget Sound ports serve a national market; 65% to 75% of the international containers entering these ports are transferred to rail to supply inland markets beyond Washington. Since 1998, the Freight Action Strategy for the Everett-Seattle-Tacoma Corridor ([FAST Corridor](#)¹⁰), a coalition of public and private partners in the Puget Sound, has leveraged over \$568 million of public and private funding for strategic freight mobility infrastructure improvements. Such improvements support Washington's effort to actively pursue global markets to participate in the international economy. For Snohomish County, Washington's desire to remain a global leader along with local infrastructure improvements translates to increased need for transportation services and considerable growth in this industry.

Education and Training

[O*NET Online](#)¹¹ offers a profile of each occupation in the business services hotspots of [financial services](#)¹², [information](#)¹³, and [transportation and logistics](#)¹⁴ including: common tasks and activities performed by workers, tools and technology used in the workplace, KSAs (knowledge, skills, and abilities) required to be successful, levels of education and training required to be competitive, work styles and values most commonly found among top workers, national and state wage and employment trends, and related occupations for individuals looking to enter business services from another cluster or looking to

exit business services and move into another cluster. These occupation profiles provide rich information and are a valuable first step to exploring a career in business services.

Nearly every high school, community college, university, and career and technical school in the Puget Sound region offers courses and programs in business services. Snohomish County community colleges have certainly answered the call to train students on the [business and technology career tree](#)¹⁵. Given the vast spread of careers in this cluster, the most efficient way to browse certificate and degree options is by visiting the [Cascadia Community College](#)¹⁶, [Edmonds Community College](#)¹⁷, and [Everett Community College](#)¹⁸ list of majors and programs. The new [DeVry University in Lynnwood](#)¹⁹ offers degree programs through its College of Business & Management as do a number of other local education and training institutions. Additionally, business services workers looking to move into higher level positions would benefit from participating in various forms of continuing education to develop the KSAs needed to become a supervisor or manager.

Students interested in transportation and logistics education and training will find several options in the Puget Sound region. The University of Washington [Global Trade, Transportation, and Logistic Studies](#)²⁰, and [Intelligent Transportation Systems Research](#)²¹, and [School of Marine Affairs](#)²² departments prepare students for careers in the transportation and logistics industry via certificate and degree programs. The Washington State University [Geotechnical and Transportation Engineering](#)²³ program offers courses emphasizing the various human and material design aspects of transportation facilities including traffic, geometrics, planning, pavements, and materials. [Transportation Northwest](#)²⁴ (TransNow) is a Regional University Transportation Center hosted by the University of Washington and administered by the United States Department of Transportation. The mission of TransNow is to develop and maintain a center of excellence in transportation research and education, serving as a primary source of and resource for competent transportation professionals for the 21st century. TransNow focuses on traffic operations, freight operations and logistics, and infrastructure construction. TransNow is a showcase for transportation research and education in the Pacific Northwest and provides support for research, education, and technology transfer. Member universities include the University of Washington and Washington State University.

Innovation, Entrepreneurship, and Sustainability

Innovation and entrepreneurship in business service is driven by the information industry. The entire industry originated from a common interest in technology among skilled and educated people living in Seattle. The advancement of programming and communication technologies accelerated in the late 1970s and early 1980s, a time when Seattle's coffee-house culture and community values created an instant network of people interested in innovation and business start-ups. Local financiers and

entrepreneurs intersected and converged with the programming community to further develop new ideas. The success of Microsoft and McCaw Cellular enhanced the area's reputation as a place for success in the information industry. The development of new technologies and the breadth of their applications in turn spurred spin-off companies as employees of successful firms left their jobs to become entrepreneurs. Today, the region is known internationally as a hotspot of information business and talent.

The Port of Everett recognizes the importance of good environmental practices and is taking active steps to improve the [environmental health of the Port District](#)²⁵. The Port of Everett recently graduated from the Second Flight of the Environmental Management System (EMS), which is endorsed by the U.S. Environmental Protection Agency. The EMS is a management of processes and procedures that allow an organization to evaluate, control, and reduce the environmental impacts of its activities, products, and services and operate with greater efficiency and control. As the second port in the state to complete this project, the Port of Everett is a role model for other areas to implement clean energy practices. The Port of Everett is also upgrading its aging vehicle and equipment fleet with environmentally progressive options. Electric vehicles and hybrid and low-sulfur diesel vehicles joined the Port of Everett fleet in 2008. Additionally, the Port of Everett invested \$7 million into the cleanup of the North Marina and removed more than 85,260 tons of contaminated soil from the site. Other sustainability initiatives include restoration of habitat on Jetty Island and the Union Slough Saltmarsh sites, protection of habitat and salmon near the shore, and beach restoration.

As part of its regional approach to sustainability in the transportation and logistics, the Puget Sound Regional Council released [Transportation 2040](#)²⁶: Final Environmental Impact Statement. This extensive report offers detailed information about how the region is responding to the needs of a growing region while sustaining the environment and supporting the regional economy.

In a move designed to improve the sustainability of transit services, Community Transit and Everett Transit recently released a fast and unique style of bus service to Highway 99 in Snohomish County. The [Swift bus](#)²⁷ not only enhances transportation on this route with more frequent service and fewer stops, it runs on hybrid diesel-electric propulsion. This technology is friendly to the environment and lowers operating costs over the life of the vehicle. Community Transit also released the region's first public transit double-decker bus. The double-decker bus accommodates twice as many riders as a standard bus while taking up the same amount of space on the road, thus transporting more people with less fuel and maintaining the same environmental footprint. Additionally, Community Transit has become a key proponent of bicycle travel in Snohomish County. [Bicycle use](#)²⁸ is growing and Community Transit encourages this mode of transportation through a number of actions and programs including: being a primary sponsor and coordinator of the annual Snohomish County Bike to Work Day and Community

Challenge, producing bicycling maps and guides, retrofitting all busses with three position bike racks instead of two position bike racks, and advocating for bicycle-compatible roadways and site design.

Conclusion

The business services cluster in Snohomish County is holding strong. If trends of the past years are any indicator, these industries will play an even more important role in the economy in coming decades. Despite current news reports that portray a mixed economic picture for business services, the positive news must be allowed to shine. The local economy is stronger than expected and Washington is still one of the top ten states in the nation for business. With future projections in mind, business services is an excellent cluster in which to begin a career.

¹ Forbes, <http://www.forbes.com/sites/kurtbadenhausen/2011/11/22/the-best-states-for-business/>

² U.S. Census Bureau, <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2007>

³ Snohomish County Business Journal, <http://www.heraldnet.com/article/20111229/SCBJ02/712299992/-1/SCBJ0204>

⁴ Snohomish County Business Journal, <http://www.heraldnet.com/article/20111115/SCBJ02/311159993/-1/SCBJ0204>

⁵ Berk & Associates, http://www.seattle.gov/economicdevelopment/files/ict_final_report_july_2005.pdf

⁶ TechAmerica Foundation, <http://www.techamericafoundation.org/cyberstates2011-washington>

⁷ Forbes, <http://www.forbes.com/sites/joelkotkin/2011/11/18/the-best-cities-for-technology-jobs/>

⁸ Port of Everett, <http://www.portofeverett.com/home/index.asp?page=1>

⁹ Port of Everett, http://www.portofeverett.com/docs/final_economic_brochure.pdf

¹⁰ Puget Sound Regional Council, <http://psrc.org/transportation/freight/fast>

¹¹ O*NET Online, <http://www.onetonline.org/>

¹² O*NET Online, <http://www.onetonline.org/find/industry?i=11&g=Go>

¹³ O*NET Online, <http://www.onetonline.org/find/industry?i=51&g=Go>

¹⁴ O*NET Online, <http://www.onetonline.org/find/industry?i=48&g=Go>

¹⁵ Workforce Development Council Snohomish County, <http://careertrees.org/documents/BusinessServicesCareerTree.pdf>

¹⁶ Cascadia Community College, http://www.cascadia.edu/programs/career_paths.aspx

¹⁷ Edmonds Community College, http://www.edcc.edu/programs/_divlist.php

¹⁸ Everett Community College, <http://www.everettcc.edu/programs/>

¹⁹ DeVry University, http://www.devry.edu/locations/campuses/loc_lynnwood.jsp

²⁰ University of Washington, <http://ymta.net/UWGTTLStudies.asp>

²¹ University of Washington, <http://www.its.washington.edu/>

²² University of Washington, <http://depts.washington.edu/smea/>

²³ Washington State University, <http://www.ce.wsu.edu/GeoTransp/gtoverview.htm>

²⁴ Transportation Northwest, <http://www.transnow.org/>

²⁵ Port of Everett, http://www.portofeverett.com/docs/environmental_stewardship.low.res.pdf

²⁶ Puget Sound Regional Council, <http://psrc.org/transportation/t2040>

²⁷ Community Transit, <http://www.commtrans.org/swift/>

²⁸ Community Transit, <http://www.commtrans.org/bikes/>