SERVICES EMPLOYMENT DRIVES DIVERSE REGIONAL ECONOMY

Jobs in service industries now dominate an increasingly diverse central Puget Sound economy. This edition of Puget Sound Trends focuses on growth in the services sector from 1995 to 1998, a period of red-hot economic growth in the region.

Figure 1 shows the evolution of the regional economy over the last three decades. In the early 1970s, military and manufacturing jobs each outnumbered services jobs. In 1980, services were growing, but the economy still relied primarily on manufacturing and government employment. By 1998, services surpassed all other sectors as the largest sector of the regional economy.

Of all the service sectors, personnel supply services, which include temporary agencies, grew the most between 1995 and 1998. Regional growth in this sector followed a national trend in the 1990s, during which help-supply services added 1.6 million jobs nationally, an increase of 108 percent since 1990. But this trend is even stronger in the central Puget Sound region. From 1995 to 1998, this sector grew regionally by 69 percent; nationally, the industry grew by 31 percent (Figure 2).

Computer and data processing services also generated many jobs from 1995 to 1998. Perhaps more surprising, the 15,200 jobs that were added in these industries followed national trends fairly closely from 1995 to 1998. A strong national economy and the nationwide shift of employment into computer and data processing services together account for 11,400 of these new regional jobs. The remaining 25 percent is due to favorable regional conditions.

This analysis is part of a larger analysis of employment trends in all sectors presented in the Central Puget Sound Regional Economic Report: Employment Trends 1995 - 1998, which is scheduled for publication in January. In addition to a full analysis of the other regional employment sectors, the report will contain analyses of local jurisdiction employment trends and industrial clustering throughout the central Puget Sound region.

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