

Walla Walla Trends e-Newsletter #2 2018:

News from the Port:

As summer begins, the construction season is in full swing in Walla Walla County. This year, the Port of Walla Walla has many construction projects that will be initiated or continued from the prior construction season. All the projects, except for the Wallula Dodd Water System, will be completed by year end. The Port construction projects include the following:

Taxiway Project – Phase 3 & 4 (North half of the Taxiway): This project is in the second and final construction season. Phases 1 & 2 (South half of the Taxiway) were completed last summer and this summer we expect the completion of the remainder of the project. This will result in a new taxiway system to serve the main Runway 2/20. This is a \$15+ million investment to meet the FAA standards and replace the existing taxiway system.

Gateway Water and Sewer Improvement Project: Water and sewer line extensions to serve the future home of Northwest Equipment (Volvo/Mack Dealership). This project allows for the development of 10+ acres west of Fifth Avenue within the Burbank Business Park. This was a \$170,000 investment in public utility infrastructure. NW Equipment will invest an additional \$2M in private capital to complete their Volvo/Mack Dealership.

Grain Terminal Loop Roadway Improvement Project: This project will allow for two-way access within the Burbank Industrial Park off Second Avenue. This project will accommodate the truck traffic generated by harvest and bringing wheat to Scoular and Tri-City Grain. This was a \$250,000 investment to serve the industrial park with a safer entryway access.

Burbank Business Park Landscaping Project: This project completed the landscaping along Jantz Boulevard in front of the two new convenience stores within the Burbank Business Park. This was a \$40,000 investment in landscaping beautification of the Burbank Business Park.

The summer of 2018 will produce many new capital improvements for the Port of Walla Walla. Enjoy your summer and be safe in your travels.

Patrick H. Reay, Executive Director, Port of Walla Walla

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Indicators in the News:

How Much is Washington State Taxing and Spending?



Curious to know how much the state is spending on college education? Parks? Public health and safety? State and local governments have responded to the demand for transparency by posting more and more information online; however, people with a strong background in internet research were the only ones able to find that information – until now.

The [State and Local Government Snapshot](#) is the most comprehensive and compact view of local government data spanning across the U.S. The tool,

created by the U.S. Census Bureau, is a nifty innovation allowing an average American the ability to evaluate the decisions made by our elected representatives on how they are collecting and spending tax dollars.

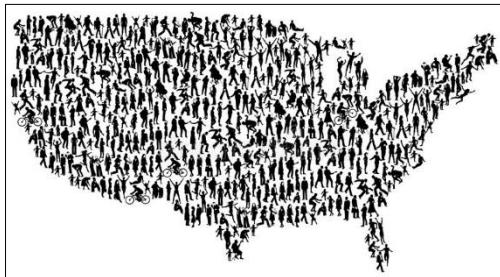
Digging into the tool, you quickly see that the data available includes all 50 states and can be switched from: only local government, only state government, or a combination of both state and local government. Variables include a variety, such as employment of local and government sectors, expenditures cation, health & welfare, public safety, etc.) and for revenues (property tax, sales tax, utilities, etc.).

Digging even deeper into one of the options - property tax revenue for all local and state governments combined in Washington State, you can read that the 2015 total was \$10.1 billion. Digging deeper yet, looking at the per capita property tax revenues during 2015, you learn that Washington came in at \$1,411, compared to \$1,457 in California, \$1,510 in Montana, \$1,406 in Oregon, and \$965 in Idaho. In sum, state and local government revenue in Washington State during 2015 was about \$73.6 billion and nearly \$3.1 trillion in all of the U.S.

This is but one example that is available from the U.S. Census State & Local Government Snapshot. After a few minutes of changing a few dropdown menus and highlighting different information tabs, you will know a lot more about tax revenues and expenditures - and have fun doing so!

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A Day in the Life of Americans - This is How America Runs



Apart from the lengthy and detailed scientific method, it is still part of the human experience to try and simplify complicated things in order to help make sense of them. Simplifying the complicated is part of the beauty of data visualizations.

One informative and fun example shows what Americans are doing at any given time throughout a standard 24-hour day. What are typically considered standard working hours from 8am to 5pm are also the best time for leisure and sleep activities for many people, but for how many people in America and exactly at what time are engaging what activities?

Thanks to Nathan Yau and FlowingData.com, we can find out we are doing collectively as part of American society throughout a typical weekday. Based on the U.S. Census Time Use Survey, Yau created a simulation of 1,000 dots that represent of sample all of America and what we are doing throughout the day by activity and time.

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Incarceration Rates for Each U.S. State - Compared to Other Countries



Crime statistics, by nature, can be a little fuzzy, since they are based on crimes that law enforcement know about. To “know” of a crime, the crime needs to receive an official response from law enforcement. In the minimum, law enforcement must acknowledge it having occurred to officially count in crime statistics.

There are crimes that are almost always reported, like motor vehicle theft and arson, as well as crimes like arson that the authorities will discover on their own as part of an overall public safety response to a hazardous situation. There are also crimes that while common, like petty theft out of people’s yards or vehicle prowling, are not consistently reported to law enforcement.

One unfortunate and perhaps the extreme example are rapes. The [Rape, Abuse & Incest National Network](#) (RAINN) estimates only 310 of every 1,000 rapes are reported. Unless law enforcement somehow learns of a rape on their own without it actually having been reported to them, these inevitably are crimes that will not be counted in any official crime statistics.

One criminal justice statistic that has zero or very little ambiguity associated with it is the number of people incarcerated because it is as simple as counting heads.

What is less often available is a breakdown of the incarceration rate by individual state, comparing them to incarceration rate of countries across the globe. But just such a breakdown has been calculated by the [Prison Policy Initiative](#).

During 2018, there are approximately 698 incarcerated people in the U.S. per 100,000 residents. In many ways, especially when compared to more oppressive forms of government, like China, Russia, Saudi Arabia, and Iran, it can appear contradictory to the U.S. being heralded as one of the freest societies in the world.

More locally, during 2018, Washington State has had the 11th lowest incarceration among all states, at a rate of 480 per 100,000 residents, versus the U.S. rate of 698. For purposes of comparison, the incarceration rate per 100,000 residents of China was 118, Russia was 413, Saudi Arabia was 197, and Iran was 284.

To be fair, most people who commit crimes are not forced to do so, aside from perhaps a few people who might have stolen things like food or water to survive. People have the freedom to commit crimes or not to, and both decisions have their own unique set of consequences. But it is difficult not to see the unfortunate irony in the U.S. having the highest incarcerated population in the world. Perhaps the old song speaks to the truth when it claimed “Living so free is a tragedy, when you can’t be what you want to be.”

Indicators in Action:

TANF Enrollment Decreasing by Scott Richter and Dr. Patrick Jones

Often heard is the claim that spending for public benefits have increased and are unsustainable long-term into the future. Less often heard are the payments into these programs or how many people receiving public benefits had previously paid into them at some point such as part of employment taxes paid. The [Center for American Progress](#) estimates about 39% of people receiving public benefits had paid into the programs for which they were receiving benefits.

According to the [U.S. Department of Health and Human Services](#) (HHS), Temporary Assistance for Needy Families (TANF) “assists families with children when the parents or other responsible

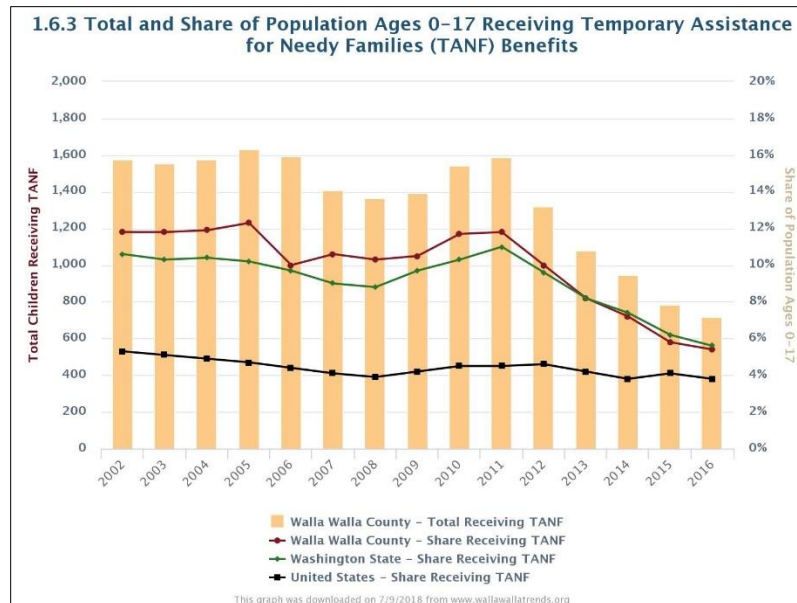
relatives cannot provide for the family's basic needs. The Federal government provides grants to States to run the TANF program.” This is essentially the decades-only federal welfare program.

Federal law requires each individual state submit a detailed plan describing their intended TANF program to the HHS, which are required to meet four fundamental goals:

- “to provide assistance to needy families so that children may be cared for in

their own homes or in the homes of relatives;

- to end the dependency of needy parents on government benefits by promoting job preparation, work, and marriage;
- to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- to encourage the formation and maintenance of two-parent families.”



According to the [Office of Family Assistance](#), a division of the HHS Administration for Children & Families, for calendar year 2017 there were nearly 2.4 million TANF recipients nationally. 58,609 of those were in

Washington State, composed of 42,176 children and 26,831 families.

To be eligible for TANF benefits in [Washington State](#), a family must have resources totaling less than \$1,000. The state considers resources to be bank accounts and investments, as well as vehicles with more than \$5,000 in equity. Currently, a family of three with no income would receive \$521 a month and if required to, must participate in the [WorkFirst](#) program.

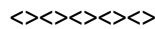
Looking at the [Total and Share of Population Ages 0-17 Receiving TANF Benefits](#) indicator on the Trends website, we observe a couple interesting aspects.

First are the decreases observed from 2007 to 2009 (2008 being the low year in this group) when compared to 2002-2006 towards the beginning of the series. Perhaps the Great Recession, to one degree or another, was responsible for the annual increases occurring in 2009, 2010 and 2011 before the trend shifted to annual decreases beginning in 2012.

Second, while the trend line of Walla Walla County closely matches the state, the U.S.

benchmark has been consistently been below the county and state. More specifically, the largest gap between the county and U.S. in the series was 7.6 percentage points occurring in 2005, and the largest gap between the state and U.S. was about 6.5 percentage points occurring in 2011. The last three years in the series (2014, 2015, and 2016), the county share of the population receiving TANF benefits was lower than the state share ending the series in 2016 at 5.4% and 5.6% respectively.

In the end, TANF is playing a diminishing role in the social service delivery net.



Local Expenditures on Law Enforcement - Effective and Cost-Efficient by Scott Richter and Dr. Patrick Jones

Publicly funding for government services walks a fine line between the cost of services and the quality and positive effect of the services rendered. Costs of services for police and fire services are commonly the two largest items in any local government's budget - and for good reason. This holds true for the recent disbursement budget for the [City of Walla Walla](#) (see: page 38), as well as for [Walla Walla County](#) (see: page 4).

Walla Walla Police Department's Chief Scott Bieber said "population, demographics, crime levels, types of crimes, traffic patterns, number of calls for service, geographic size, make up of jurisdiction, response times, zoning make-up (commercial vs. industrial vs. residential), community feeling of safety, community ability, and desire to fund public safety, etc." are all part of the funding equation.

The [Local Government Expenditures on Law Enforcement](#) indicator on the Walla Walla Trends site, offers disbursements based on both per capita and per \$1,000 of total personal income (TPI). Walla Walla County, as a whole, has been a little below their local government counterparts across the rest of the state. "Local government" here represents all municipal – and county – level governments.

Per capita figures are the average expenses per resident while TPI (Total Personal Income) takes the TPI earned in Walla Walla County, and calculates the dollar amount allocated to law enforcement per \$1,000 of TPI within Walla Walla County. Expenses included in this indicator are for: administration, police operations, crime prevention, training, facilities, traffic policing, and "other" services.

This indicator includes expenses for all law enforcement services throughout Walla Walla County, - both city police departments and the county sheriffs' office – but excludes the Washington State Patrol as they do not receive

funding from any local and county government sources.

As with most, if not all, of the indicators on the Trends site with TPI measurements, they can be affected by the highly populated communities along the Interstate – 5 corridor on the West side of the state. Other indicators on the Walla Walla Trends website with TPI calculations are local government expenses on: [parks and recreation](#); [public health](#); and [road maintenance and operations](#).

Chief Bieber said the WWPDP “is funded via the City’s General Fund which comes mostly from sales tax and property tax revenues. In Walla Walla, the PD budget for 2018 is \$9.2 million – 76.1% of that is for personnel costs” which stands at approximately \$7.05 million. The next largest department expense for 2018 is for WESCOM,

more commonly known as 9-1-1 services. This totals \$811,720, or approximately 8.3% of the WWPDP’s department expense budget for 2018.

WESCOM 9-1-1 serves: College Place Fire and Police Departments, Walla Walla Fire and Police Departments, the Walla Walla County Sheriff’s Office, as well as Rural Fire Districts 1, 3, 4, 6, 7, & 8.

WESCOM funding is “based on usage – we have a three year running average of calls for service that we base everyone’s user fee on. Roughly the budget is \$2.2 million with about \$800,000

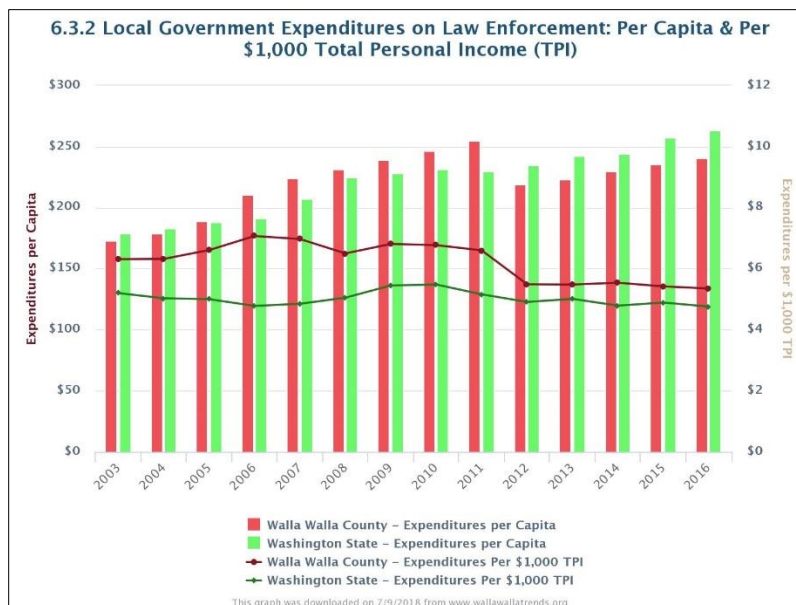
coming from the State 9-1-1 tax”, said Chief Bieber. Local government funding pays the remaining portion, which is based on the number of calls for services received by each department.

“The Walla Walla Police Department and Fire Department pay the greatest share of the user fees since our calls for service are significantly greater than the other users”, said Chief Bieber.

The third largest department expense were police and fire vehicles. The vehicles were at the high expense of \$336,290 or approximately 3.6% of the total WWPDP budget, and the fourth largest expense, computers and servers

(Computer SSMA) was \$236,740, or approximately 2.6% of the total WWPDP 2018 budget.

Looking at another law enforcement personnel indicator, the [Total Number of Commissioned Officers & Rate per 1,000](#)



[Residents](#), we see the rate of law enforcement officers per 1,000 residents of Walla Walla County is below the State benchmark (1.34 per 1,000 residents in the county compared to 1.52 per 1,000 residents of the state during 2016).

Considering local government funding for law enforcement, looking at the [property crime](#) (larceny / theft, burglary, and motor vehicle theft) and [violent crime](#) (murder, rape, aggravated assault, and robbery) indicators on the Trends site provides some additional insight. Property crimes have been below the

state benchmark, but above the national benchmark. Violent crimes have consistently been below both the state and U.S. benchmarks.

Typically, decreased funding for public safety occurs when local government is experiencing decreased revenues. The result is having to trim budgets so they remain balanced. Increases in funding; however, typically occur when the need and the ability to fund intersect.

“Walla Walla was very fortunate in 2015/16 when Council funded the addition of 3.5 police officer positions to focus on violent and gang crime which had slowly gotten out of hand. We believe with the additional staffing that we have gotten a handle on this issue and continue to focus enforcement strategies to control it,” concluded Chief Bieber.

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Rate of College Degrees Granted in County Higher than State by Scott Richter and Dr. Patrick Jones

Get a 2- or a 4-year degree? There are advantages to either path taken. Earning an associate’s degree implies less time, which also translates into fewer foregone years earning and lower educational costs, but the income potential of a 4-year degree is more than that of a 2-year degree. Yet, both offer something different to the student plotting their academic course.

According to [Community College Review](#), across the nation, the “average two-year educational instate costs [are] approximately \$3,347 each year. On the other hand, an average four-year university costs more than twice as much, with an average tuition expense of \$9,650.”

A report recently released by the U.S. Department of Labor Bureau of Labor Statistics: [Unemployment Rates and Earnings by Educational Attainment for 2017](#), shows the median weekly earnings for U.S. workers holding an associate’s degree was \$836, compared to \$1,173 for those holding a bachelor’s degree. The average weekly income for all U.S. workers during 2017 was \$907.

Unemployment rates varied as well. The unemployment rate for people with an associate’s degree was 3.4% during 2017, compared to 2.5% for bachelor degree holders. The overall unemployment rate for the U.S. for 2017 was 3.6%.

This helpful information, but just as not every high school student is geared towards college in general, not all college-bound students are geared toward earning a 4-year degree.

Many 2-year programs teach the skills required to find work in a skilled or specialized trade right out of school. The ability to find work quickly is certainly an allure of community colleges. Looking at the [Degrees and Certificates](#) website for Walla Walla Community College (WWCC), one can see that there are a number of certificates and two-year degrees, and even a few Bachelor of Science and Bachelor of Applied Science degree options that will help job seekers find employment in the type of fields they want to work in. These are typically more numerous than the degree offerings of a four-year institution. Yet, the four year institutions may offer degrees that bring more flexibility in the job market. In sum, it’s good for a community to have options.

Gillian Frew, Media Relations Strategist at Whitman College, said “Walla Walla is fortunate enough to have three institutions of higher learning offering educational experiences to fit many different needs and goals. Every student is different.”

Looking at the [Total Degrees Awarded and per 1,000 Residents, by Degree Level, at Walla Walla University, Walla Walla Community College or Whitman College](#), we see that during 2015-2016 school year, the majority of degrees earned were

Associate’s degrees (799, up from 461 during the 2001-2002 school year), with Bachelor degrees next (695, up from 564), and Master’s degrees the least amount earned (106, decreasing from 137).

In total, the number of degrees awarded

in Walla Walla County increased from 1,162 during the 2001-2002 school year to 1,600 during the 2015-2016 school year.

What really stands out is the total number of degrees awarded (by any level of attainment) per 1,000 residents of Walla Walla County compared to the state. The county has consistently produced more than the state average, ending the series for the 2015-2016 school year at 18.0 degrees of any level awarded in the county, compared to 10.7 in the state. The 2015-2016 data point is very representative of the entire series, although the benchmark (rate per 1,000 residents) does not

break down degrees awarded by the degree level. Given the size of the student to the general population, this is not surprising.

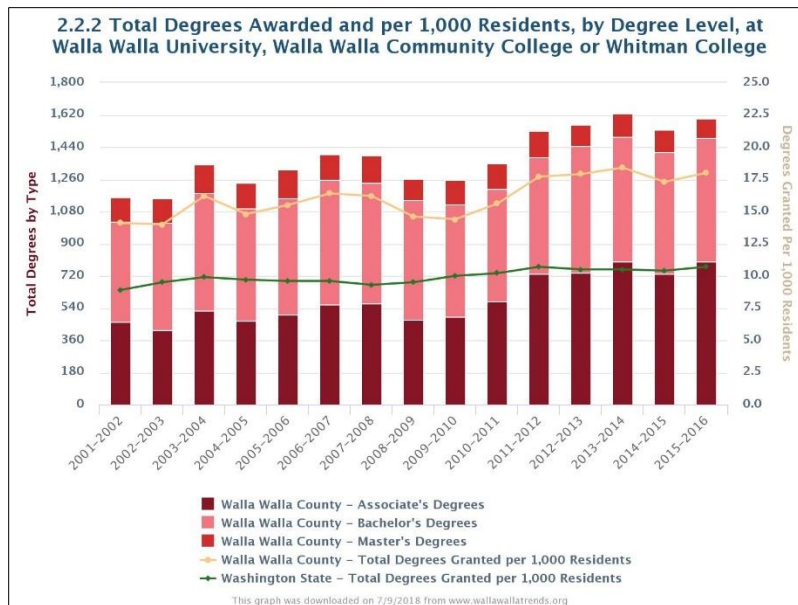
A difference between the two types of schools lies in the ultimate address of its graduates. Most community college grads stay close to home; this is typically not the case of liberal arts colleges like Whitman although a little more so for comprehensive universities like WWU. Yet, Frew remarked that there are “more than 560 Whitman alumni currently residing in the

greater Walla Walla Valley.” It is likely that WWU grads are at least this numerous, give the relative size of the university compared to Whitman.

In the end, one hopes

that a higher number of degree holders, at various levels, will enrich any community. A better educated workforce pushes up the level of service delivery and manufacturing. More training usually leads to a more entrepreneurial climate. And let’s not forget the social and creative benefits brought by a more educated populace.

Communities covet the presence of higher educational institutions, for good reason. Walla Walla is fortunate to three outstanding institutions in one county that is growing slowly, but steadily.



Travel and Tourism Spending: It's Not Just About Wine

by Brian Kennedy and Dr. Patrick Jones

Tourism spending is great for most any community. This type of spending, as opposed to everyday spending done by residents, injects outside money into the economy, As such, it contributes to growth more so than local spending, because it isn't subjected to the economics behind the "substitution effect."

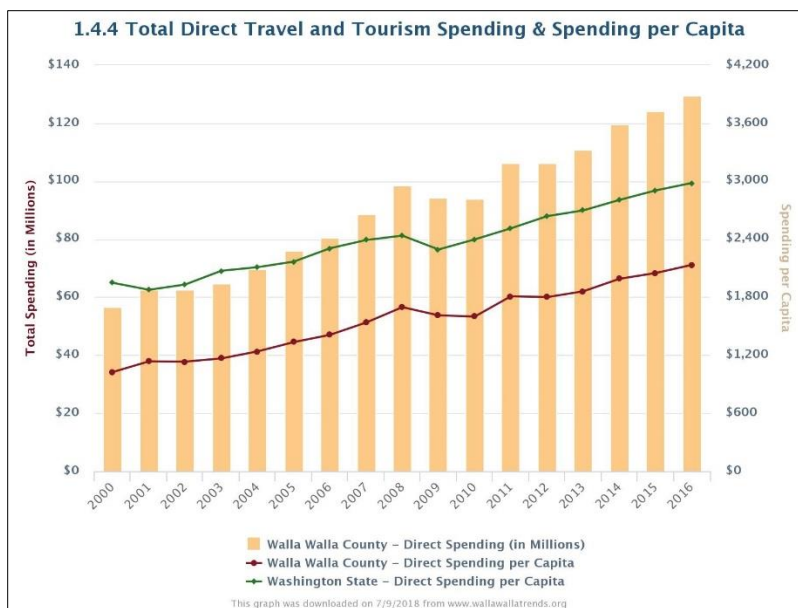
This effect states that within a fixed budget household members must allocate their funds to discrete categories. So spending in one sector of the economy essentially reduces one's ability to spend that money elsewhere. For example, a person may go to a movie but forego going to out to dinner with friends.

The theater is better off but that gain is offset by the restaurant being worse off. For the economy as a whole, no new economic impact materializes; rather, funds are transferred from sector to sector. In other words, money is merely recirculated.

Enter a visitor, however, one who brings money earned from outside the community. Each dollar of spending is new to the local economy. While a visitor may still pick a movie over the

restaurant, because these are new dollars, a net positive is created. It's no surprise, why many communities focus so heavily on tourism. It nearly always creates a positive impact on the overall economy.

Walla Walla County, while still lagging the State, has recently started to make considerable gains. Direct travel and tourism spending in Walla Walla added roughly \$130 million to the county economy, in 2016, as shown in [Indicator 1.4.4](#). In a community that has a metro area GDP of about \$2.5 billion, this accounts for just about 5% of the overall economy. While this is a not a



small portion of the economy, the County still falls below the State in per capita terms.

In the most recent year (2016), Walla Walla County took in \$2,134 per capita in visitor spending. This lagged the state considerably, by

nearly \$500. In other words, on average, Walla Walla visitors aren't spending as much as they would on an average trip in the state. Yet, the county has been narrowing the gap. In 2000, Walla Walla showed per capita spending of \$1,026 versus the state, at \$1,948. The increase since then equates to compound annual growth rates of 2.5% for the state and a 4.4% for the county.

Of course, total direct spending alone doesn't always tell the whole tourism story. Spending is

naturally going to be cheaper in Walla Walla compared to state average, since state averages are largely driven by the west side, where hotel prices, food, and events are much higher.

[Indicator 1.4.2](#), on lodging tax redistributions, gives insight into the intensity of tourism, as measured by “heads in beds.” This indicator measures the hotel and motel lodging tax imposed on consumers for stays less than 30 consecutive days. In essence there are two parts to this tax, one levied by the State and another by local jurisdictions. This indicator only counts those levied by the State, however, so that a direct comparison can be made, one that reflects the strength of overnight tourism in the county.

At the start of the trend in 2004, Walla Walla County and State values were equivalent, both sitting at \$3.1 per capita. However, Walla Walla began to grow at a faster rate. By 2016 Walla Walla was receiving \$8.2 per capita in tax redistributions while the state average was at \$5.5. This equates to a total of just under half a million dollars in total tax redistributions.

This creates an interesting dichotomy, with per capita travel and tourism spending well below the state but per capita hotel activity in the county running at a higher rate. Much of this can be explained by the differences in the cost of living. Typically, this measure serves residents to better understand the prices they face. But in this case it provides a bit of context to the differing trends. Spending will be lower in a community where hotel, restaurants, and activity prices are lower than those of places like Seattle. These prices impact visitors just as they would locals, so lower prices in Walla Walla mean lower visitor spending. So even though Walla Walla County may fall well short of the state in per capita tourism spending, visitors are still setting their sights on Walla Walla.

So what is driving tourism growth in Walla Walla? It’s hard to mention tourism here without mentioning wine. The industry is a driving force within the tourism and recreation sectors. The county boasts the second most wineries (181 in 2016) within the state, second only to King County (236 wineries). While claiming the most, King County had about 1 winery for every 10,000 residents; statewide there were almost 1.5. Walla Walla County sported nearly twenty times the state and nearly thirty times King County rates, with 29.5 wineries per 10,000 residents. Its 181 wineries make up 17% of all the wineries that call Washington home, shown in [indicator 1.4.7](#). According to Ron Williams, executive director of Visit Walla Walla, growth in the number of wineries can be ascribed to young and new winemakers choosing Walla Walla because it’s affordable, the industry is friendly to newcomers, and Walla Walla has a highly regarded enology and viticulture program at Walla Walla Community College.

While wine might be the attention getter, Walla Walla County also sports an established art scene that has continued to thrive. [Indicator 1.4.1](#) shows just how many art-related businesses call Walla Walla home. From the beginning of the trend in 1998, growth in the number of art-related establishments continued until they hit a peak of 20 establishments in 2011. Unfortunately, these are typically smaller businesses and nearly half of them became casualties of the Great Recession. Despite the crash, since 2012, they have experienced a resurgence. This is counter to the state, which has seen a steady decline in the arts since the peak in 2002.

For 2016, the most recent data available, Walla Walla County had 11 art related businesses per every 1,000 establishments, compared to Washington State, which sat at 6.9 per 1,000. If the trend builds on the last three years, this gap

is expected to widen. While in absolute terms this is a relatively small number of businesses, relative to all businesses in the county the art's scene seems rather robust. Williams attributes this to three main factors; first, Walla Walla has three universities with three art facilities that bring in artists and professionals; second, the Walla Walla Foundry, which employs upward to 50 people and is recognized on a world scale creating work from Paul McCarthy to Maya Lin; and third, Walla Walla attracts a diverse group of people who come retire, many of which are artists and art lovers.

Rachel Smith, local artist and assistant professor of Art at Columbia Basin College, echoes those sentiments stating that "many recent graduates are remaining in Walla Walla rather than immediately moving to larger urban centers and retirees from those urban centers are embedding themselves in the community and art scene." Finding a symbiotic relationship the arts and wine industries have grown hand in hand as tasting room often provide venues promoting local visual art, music, and theatre. Events like [ArtSquared](#), put on by [ArtWalla](#), have attracted many tourists and will take place at CAVU Cellars this year highlighting this relationship.

On the other hand, Walla Walla tourism faces some challenges. While there are great restaurants in town, the County actually lags the State in food and accommodation businesses. The [Quarterly Census of Employment and Wages](#) (QCEW) reported that in 2016 there were just 56 food and accommodation firms per 1,000 establishments in the county compared to the State, which

chalked up 65 per 1,000. While still lagging behind the state, here too, Walla Walla has been making up ground. The county rate per 1,000 establishments has grown 13% compared to the state growing by just 4% over the same time period. Here, too, this measure of tourism shows a narrowing of the gap to the state.

Ultimately, it's useful to step back to scrutinize how tourism spending translates to jobs and income. According to the QCEW, in 2016 there were 29 firms in the arts, entertainment, and recreation sector. In addition, there were 118 firms in the accommodation and food services sector. If we include beverage manufacturing, largely the wine industry, there would be another 74 firms added, creating a total of 221 firms largely associated with the tourism industry in Walla Wall County. These categories accounted for nearly \$60 million in wages and just over 2,700 jobs. That's 5% of all wages and 10% of all jobs across the Walla Walla County economy in 2016. By this measure, Walla Walla's experience is comparable to the State, where these industries account for 4% of all income and 10% of all jobs.

So Walla Walla's tourism has started at a low base but has generally made up ground. If one considers the lower prices in the community and the success with the lodging taxes. Walla Walla can said to be outperforming the state. Wine, coupled with a thriving art scene, has made Walla Walla attractive to visitors and the numbers corroborate that narrative. Smith may have said it best, "from wine to food to public art that is thoughtfully cared for and curated by the people who live and work here, this valley is full of unexpected delights."