

## **Section 6.1: Changes in Median Income**

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### **Changing Conditions on the Olympic and Kitsap Peninsulas: 1990-2000**

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## Section 6.1

### Changes in Median Income

#### Introduction

Household income is a very important component of well-being and has important implications for economic development in an area. At the national level, household median income has continued to increase overall since 1967 although it remains sensitive to the ups and downs of business cycles. Between 1989 and 1999, median incomes initially declined in response to the recession of the early 1990s, then rebounded as the economy improved during the remainder of the decade.<sup>1</sup>

For households on the Olympic Peninsula, the decade of the 1990s presented substantial economic challenges because of the decline in timber-dependent jobs due to reduced timber harvests resulting from both the restructuring of the timber industry and the inclusion of the Northern Spotted Owl under the Endangered Species Act. This section provides insight as to how the incomes of households located on the Olympic and Kitsap peninsulas were impacted by these events. This section shows that while all areas experienced increases in median household income, the median income in many sub-county areas dropped dramatically.

An important consideration in looking at changing incomes is whether income growth kept pace with inflation. In table 6.1, on pages 9 and 10, 1989 incomes are adjusted by reporting them in 1999 dollars<sup>2</sup>. The maps on page 8 show the dollar change

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<sup>1</sup> U.S. Bureau of the Census, Current Population Reports, P60-203, *Measuring 50 Years of Economic Change Using the March Current Population Survey*, U.S. Government Printing Office, Washington, D.C., 1998.

<sup>2</sup> Because the Census asks for incomes in the prior year, income data are reported for 1989 and 1999.

in median income between 1989 and 1999 (controlling for inflation) and median income in 1999 by census tract.

## **Clallam County**

Between 1989 and 1999 Clallam County had the slowest growth in median income of all area counties, increasing by 6.9%, or \$2,367, over the past decade. This was well below the state's growth rate of 9.6%, an increase of \$3,991 since 1989. In 2000 Clallam County's median income was \$36, 449, compared to a state average of \$45,776, a difference of \$9,327. In 1989 this difference was \$7,703.

When viewed at the sub-county level, substantial disparities existed in median household income. The areas of Neah Bay and East of Neah Bay experienced a decline in median income (when controlled for inflation), decreasing by \$1,807 and \$345, respectively. The average median income for a household located in the Neah Bay area dropped from \$25,898 in 1989 to \$24,091 in 1999—the lowest median income in the county for this time period. Median income in the area East of Neah Bay dropped slightly from \$31,944 in 1989 to \$31,599 in 1999. Median household income in the Forks area remained basically stagnant with a growth of only \$107 per household during the decade. In 1999, median household income in the Forks area was \$35,567.

The Port Angeles and Sequim areas present a sharp contrast to the declining and stagnant incomes experienced in the western part of the county. These two areas had substantial increases in median income since 1989. In Port Angeles, median household income grew from \$35,262 in 1989 to \$39,493 in 1999, a growth rate of 12% over the decade. Port Angeles had the highest median household income in the county in 1999. In

the Sequim area, median household income grew from \$31,328 in 1989 to \$37,907 in 1999—a dramatic increase of 21% since 1989.

### **Grays Harbor County**

The median income in Grays Harbor increased from \$30,876 in 1989 to \$34,160 in 1999 (controlling for inflation), a growth rate of 10.6%—slightly higher than the state’s growth rate of 9.6%. Despite this increase, the median income in Grays Harbor continued to be well below the state’s average of \$45,776 in 1999.

At the sub-county level, only two areas experienced a decrease in median income. In these two areas, both located in Aberdeen, median income dropped by \$992 to \$32,332, and by \$2,877 to \$40,473 in 1999. The median income of nearly half of the remaining areas (six census tracts out of fourteen) within the county experienced only slight growth, increasing at rates between 1.2% and 5.3%, with median incomes in these tracts in 1999 ranging between \$27,093 to \$41,687. The greatest increase occurred in the Elma area (\$7,165, or a 25.9% increase), the Southeast/Oakville area (\$7,063, or a 23.3% increase) and an area of Aberdeen (\$4,601, or a 24.9% increase). The median incomes for these three areas in 1999 were \$34,883 in the Elma area, \$37,382 in the Southeast/Oakville area, and \$23,088 in the section of Aberdeen—still well below the state and county averages in spite of this growth.

### **Jefferson County**

Between 1989 and 1999 median income increased in Jefferson County from \$33,764 in 1989 to \$37,869 in 1999 (controlling for inflation)—a growth rate of 12.2%. Despite this growth which was higher than the state’s rate of 9.6%, Jefferson County continued to be below the state’s average median income of \$45,776 in 1999.

Nearly all sub-county areas of Jefferson County experienced growth in median household income with the exception of the West End area, where household income declined dramatically over the past ten years by 46.9%, dropping from \$37,520 in 1989 to just \$19,931 in 1999. This census tract had the lowest median income in Jefferson County and for the entire Olympic and Kitsap Peninsulas.

In contrast to the dramatic decline in the West End's median income, income increased dramatically in the Quilcene Bay and Port Ludlow area. Median income in the Quilcene Bay area increased nearly \$10,000 since 1989, increasing from \$23,292 to \$33,214 in 1999—a growth rate of 42.6%. But income in this area was still well below the county average. The Port Ludlow area had the highest median income in Jefferson County due to a substantial increase of \$7,309 over the past decade. In this area, median income grew from \$38,678 in 1989 to \$45,987 in 1999, not only above the county averages but above the state average.

### **Kitsap County**

Between 1989 and 1999 median income in Kitsap County increased at a dollar amount and rate similar to the state's for the same time period. In 1989, household median income in the county was \$42,938 and increased to \$46,840 (when controlled for inflation)—a growth rate of 9.1%. The state's average median income for 1999 was \$45,776, with a growth rate of 9.6%. This was the only area county to exceed the state average.

However, sub-county areas varied greatly. Several areas experienced decreases in the average median household income. These areas included several sections of Bremerton, the Bangor Trident Base, a section of Silverdale, and the Parkwood area.

Median income in these areas decreased between \$3,369 and \$361 (controlling for inflation). In several of these areas, median incomes were already below the county average in 1989 and this decline increased the gap in income.

The Bremerton area had both the highest and lowest median incomes in 1999 within the county, with median incomes for this time period ranging between \$22,787 and \$91,695. Median incomes in nearly all other areas of the county in 1999 were between \$40,000 and \$80,000. Three of the four census tracts on Bainbridge Island had median incomes ranging between \$76,366 to \$80,734 for 1999. The most dramatic increase in median income occurred in a section of Bainbridge Island where median income jumped \$20,864 over the decade, from \$59,870 in 1989 to \$80,734 in 1999. Similarly, a section of Bremerton experienced a substantial increase of \$16,442, with median income growing from \$75,253 in 1989 to \$91,695 in 1999.

### **Mason County**

Median income in Mason County increased by 12.3% over the last decade, from \$35,247 in 1989 to \$39,586 in 1999 (controlling for inflation). Despite this increase the county's median income continued to be below the state's average of \$45,776 for 1999.

At the sub-county level nearly all areas experienced an increase in median income with the exception of a section of Shelton, where median income declined slightly by \$594, from \$33,733 in 1989 to \$33,139 in 1999, and the Mason Lake area, where median income dropped by \$4,185, from \$42,713 in 1989 to \$38,528 in 1999. The area with the lowest median income continued to be the Skokomish Reservation although median income increased over the last ten years, growing from \$20,100 in 1989 to \$25,156 in 1999.

The greatest increases in household median income over the past decade occurred in the Shelton and the South Canal areas. Median income increased in nearly all sections of Shelton between \$3,093 and \$9,581. For 1999, median incomes in most sections of Shelton ranged from \$33,707 to \$46,214. Median income in the South Canal area grew from \$37,629 in 1989 to \$45,127—an increase of \$7,498. The Allyn-Grapeview area also had one of the highest median incomes in the county in 1999 with its income increasing from \$42,518 in 1989 to \$46,114 in 1999.

### **Pacific County**

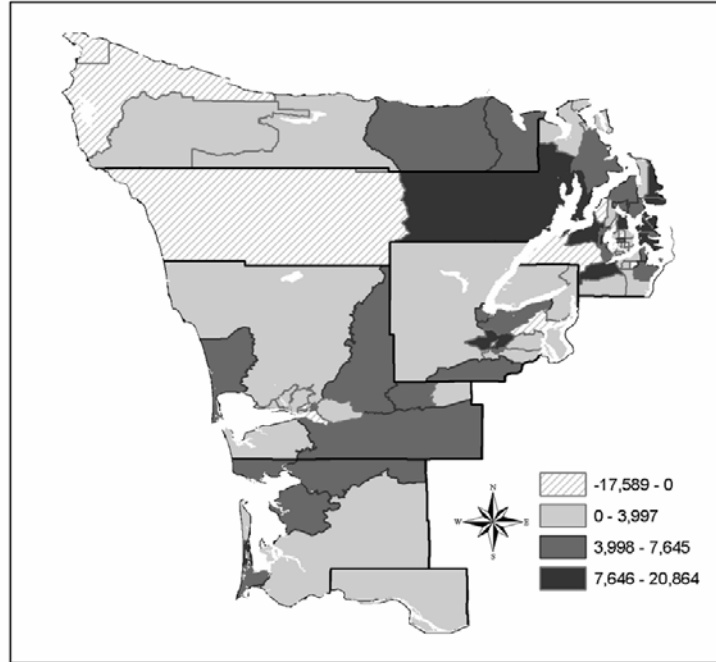
The greatest rate of increase in median income in the area occurred in Pacific County, where median income increased by 16.3%, or \$4,370 between 1989 and 1999 (controlling for inflation). Despite this increase, median income in the county continued to be well below the state's average, with the county's income increasing from \$26,839 in 1989 to \$31,209 in 1999 (for comparison, the state's median income for 1999 was \$45,776), and represented the lowest median income for area counties.

Unlike the other counties on the Olympic Peninsula, between 1989 and 1999, all sub-county areas of Pacific County experienced increases in median income. The increases ranged between \$1,144 (a section of Ocean Park) to \$6,196 (the South Bend area). The Long Beach City area had the lowest median income in the county for 1999, at \$23,889. A section of Ocean Park and the Raymond area also had low median incomes in 1999, at \$26,928 and \$27,574, respectively. In contrast, the East area of the county had the highest median income, at \$37,943.

## **Wahkiakum County**

During the past decade median income in Wahkiakum County increased from \$36,138 in 1989 to \$39,444 in 1999. This was a 9.1% increase, or \$3,306. Despite this increase, median income in the county continued to be lower than the state's average of \$45,776 in 1999.

Dollar Change in Median Income: 1989 - 1999  
(controlling for inflation)



Median Income: 1999

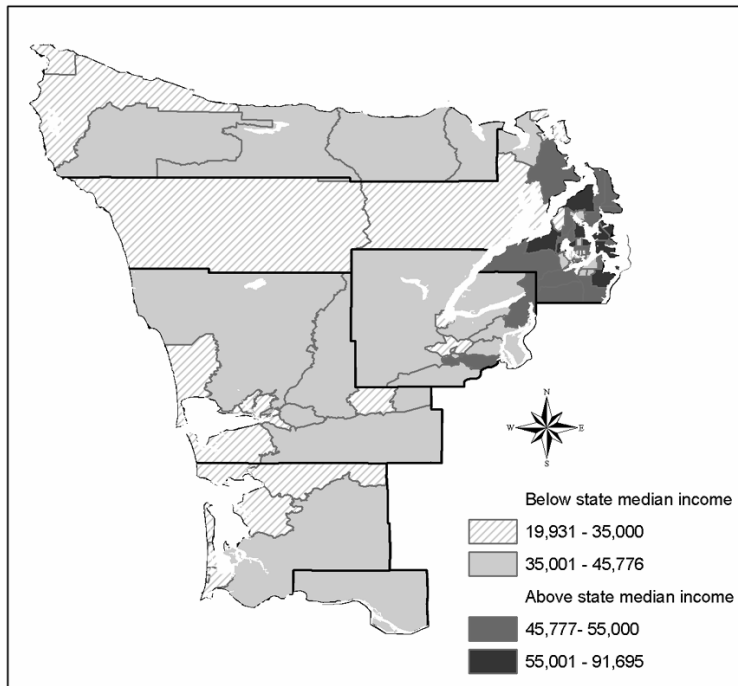


Table 6.1. Median Income (controlling for inflation)

Area	1989*	1999	Change 1989-1999	
			Number	Percent
<b>Washington</b>	<b>41,785</b>	<b>45,776</b>	<b>3,991</b>	<b>9.6</b>
<b>Clallam</b>	<b>34,082</b>	<b>36,449</b>	<b>2,367</b>	<b>6.9</b>
BNA 9801 Neah Bay	25,898	24,091	-1,807	-7.0
BNA 9802 East of Neah Bay	31,944	31,599	-345	-1.1
<sup>C1</sup> BNA 9803 Forks	35,460	35,567	107	0.3
BNA 9806 Crescent Lake	38,347	39,387	1,040	2.7
<sup>C2</sup> BNA 9807 Port Angeles	35,262	39,493	4,231	12.0
<sup>C3</sup> BNA 9819 Sequim	31,328	37,907	6,579	21.0
<b>Grays Harbor</b>	<b>30,876</b>	<b>34,160</b>	<b>3,284</b>	<b>10.6</b>
<sup>G1</sup> Tract 1 Quinalt Reservation	35,078	35,905	827	2.4
Tract 2 North Beach/Ocean Shores	27,741	31,913	4,172	15.0
Tract 4 Montesano	37,491	42,133	4,642	12.4
Tract 5 Elma	27,718	34,883	7,165	25.9
Tract 6 McCleary	31,800	35,503	3,703	11.6
Tract 7 Southeast/Oakville	30,319	37,382	7,063	23.3
Tract 8 Central Park	40,749	41,687	938	2.3
Tract 9 Aberdeen	33,324	32,332	-992	-3.0
Tract 10 Aberdeen	18,487	23,088	4,601	24.9
Tract 11 Aberdeen	43,350	40,473	-2,877	-6.6
Tract 12 Aberdeen	28,357	29,551	1,194	4.2
Tract 13 Hoquiam	31,984	33,553	1,569	4.9
Tract 14 Hoquiam	26,772	27,093	321	1.2
Tract 15 Hoquiam	30,328	31,948	1,620	5.3
Tract 16 South Shore/Westport	28,500	31,094	2,594	9.1
<b>Jefferson</b>	<b>33,764</b>	<b>37,869</b>	<b>4,105</b>	<b>12.2</b>
BNA 9501 West End	37,520	19,931	-17,589	-46.9
<sup>J1</sup> BNA 9502 Quilcene Bay	23,292	33,214	9,922	42.6
BNA 9503 Port Ludlow	38,678	45,987	7,309	18.9
BNA 9504 Marrowstone Island	29,353	33,350	3,997	13.6
BNA 9505 Discovery Bay	40,372	41,128	756	1.9
<sup>J2</sup> BNA 9506 Port Townsend	34,496	34,617	122	0.4
<b>Kitsap</b>	<b>42,938</b>	<b>46,840</b>	<b>3,902</b>	<b>9.1</b>
Tract 801.01 Bremerton	35,084	36,136	1,052	3.0
Tract 801.02 Bremerton	34,836	34,475	-361	-1.0
Tract 802 Bremerton	37,051	33,682	-3,369	-9.1
Tract 803 Bremerton	27,463	28,856	1,393	5.1
Tract 804 Bremerton	40,665	38,652	-2,013	-5.0
<sup>K1</sup> Tract 805 Bremerton	24,553	22,787	-1,766	-7.2
Tract 806 Bremerton	32,100	35,820	3,720	11.6
Tract 807 Bremerton	44,480	43,203	-1,277	-2.9
Tract 808.98 Bremerton	29,034	30,523	1,489	5.1
Tract 809.98 Bremerton	34,469	39,199	4,730	13.7
Tract 810 Bremerton	22,312	23,496	1,184	5.3
<sup>K2</sup> Tract 811 Bremerton	30,852	30,529	-323	-1.0
<sup>K3</sup> Tract 814 Bremerton	75,253	91,695	16,442	21.8
Tract 901.01 Port Gamble Reservation	47,104	50,250	3,146	6.7
Tract 901.02 Kingston	42,741	52,910	10,169	23.8
Tract 902 Port Gamble City	55,057	62,339	7,282	13.2
<sup>K4</sup> Tract 903 Bangor Trident Base	33,152	32,246	-906	-2.7
Tract 904 Poulsbo	52,895	55,000	2,105	4.0
Tract 905 Poulsbo	35,030	40,386	5,356	15.3
Tract 906.01 Port Madison Reservation	45,335	50,346	5,011	11.1

Table 6.1 continued

Area	1989*	1999	Change 1989-1999		
			Number	Percent	
<i>Kitsap County, continued</i>					
Tract 906.02	Port Madison Reservation	43,050	52,852	9,802	22.8
Tract 907	Bainbridge Island	59,870	80,734	20,864	34.8
Tract 908	Bainbridge Island	66,853	80,363	13,510	20.2
Tract 909	Bainbridge Island	42,713	50,357	7,645	17.9
Tract 910	Bainbridge Island	65,585	76,366	10,781	16.4
Tract 911	Silverdale	47,952	57,017	9,065	18.9
Tract 912.01	Silverdale	41,068	47,005	5,937	14.5
<sup>K5</sup> Tract 912.02	Silverdale	48,634	47,218	-1,416	-2.9
<sup>K6</sup> Tract 913	Central Hood Canal Area	56,611	66,276	9,665	17.1
Tract 914	Bremerton	47,252	56,786	9,534	20.2
Tract 915	Bremerton	56,760	58,355	1,595	2.8
Tract 916	Bremerton	49,583	43,375	-6,208	-12.5
Tract 917	Bremerton	53,272	55,727	2,455	4.6
Tract 918	Bremerton	49,277	50,733	1,456	3.0
Tract 919	Tracyton	44,507	51,290	6,783	15.2
Tract 920	West of Bremerton	54,101	50,783	-3,318	-6.1
Tract 921	Gorst	41,565	49,656	8,091	19.5
Tract 922	Port Orchard	30,387	34,042	3,655	12.0
Tract 923	Port Orchard	40,841	42,427	1,586	3.9
Tract 924	Parkwood	43,898	41,680	-2,218	-5.1
Tract 925	Port Orchard/Parkwood	43,704	43,843	139	0.3
Tract 926	Manchester	47,565	52,807	5,242	11.0
Tract 927	Southworth	52,102	59,660	7,558	14.5
<sup>K7</sup> Tract 928	Southeast corner	49,096	49,378	282	0.6
<sup>K8</sup> Tract 929	Southeast corner	48,346	51,695	3,349	6.9
<b>Mason</b>		<b>35,247</b>	<b>39,586</b>	<b>4,339</b>	<b>12.3</b>
<sup>M1</sup> BNA 9602	West	34,360	35,926	1,565	4.6
BNA 9603	North Canal	38,623	42,137	3,514	9.1
BNA 9604	Allyn-Grapeview	42,518	46,114	3,596	8.5
BNA 9605	South Canal	37,629	45,127	7,498	19.9
<sup>M2</sup> BNA 9606	Shelton	24,126	33,707	9,581	39.7
BNA 9607	Shelton	33,733	33,139	-594	-1.8
BNA 9609	Shelton	30,535	37,394	6,859	22.5
BNA 9610	Shelton	43,121	46,214	3,093	7.2
BNA 9611	Oakland Bay	35,464	35,952	488	1.4
BNA 9612	Mason Lake	42,713	38,528	-4,185	-9.8
BNA 9613	South	36,342	41,083	4,741	13.0
BNA 9614	Skokomish Reservation	20,100	25,156	5,056	25.2
<b>Pacific</b>		<b>26,839</b>	<b>31,209</b>	<b>4,370</b>	<b>16.3</b>
BNA 9502	Raymond	23,206	27,574	4,368	18.8
BNA 9503	South Bend	26,800	32,996	6,196	23.1
<sup>P1</sup> BNA 9504	East	34,278	37,943	3,665	10.7
BNA 9505	Long Beach	27,490	31,964	4,474	16.3
BNA 9506	Long Beach city	22,646	23,889	1,243	5.5
BNA 9507	Ocean Park	23,848	32,631	8,783	36.8
<sup>P2</sup> BNA 9508	Ocean Park	25,784	26,928	1,144	4.4
<b>Wahkiakum</b>		<b>36,138</b>	<b>39,444</b>	<b>3,306</b>	<b>9.1</b>
BNA 9501		36,138	39,444	3,306	9.1

\*In 1999 dollars

Data from U.S. Census tables P080A STF3 (1990) and P053 SF3 (2000)