

FIRE Sector Profile

SUMMARY

The FIRE (Finance, Insurance, and Real Estate) sector is relatively small in terms of the number of jobs—with roughly 4 percent of the workforce counted in the sector.

Employment in depository institutions and real estate firms account for more than 70 percent of the employment in the sector.

Trends in employment in the FIRE sector tend to mimic state trends, much more so than in other sectors.

While the average income earned in real estate (\$23,000) is slightly below the average for the county, the average income earned in the sector (\$31,000) is above the average.

One of the highest paying job categories in the county—security and commodity brokers—is in the FIRE sector. Insurance carriers and insurance agents also receive relatively high wages.

This profile is one of a series—with one profile for each major sector. Copies of the profiles can be found at: <http://www.cbe.wvu.edu/>. Follow the links to the Center of Economic and Business Research (CEBR).

EARNINGS

The table shows weighted average earnings in the sector as a whole. The average real wages (adjusted for inflation) paid in the FIRE sector has risen at a rate of about 2 percent a year since 1990. The average annual wage in 2000 for all employees in Whatcom County was \$26,295 per person.

Earnings in FIRE—Whatcom County

Year	Average Earnings—Dollars per Person per Year			
	Whole Sector	Depository Institutions	Real Estate	Insurance Agents, Brokers, and Service
1990	19,585	18,986	16,742	19,629
1991	21,219	20,622	15,470	19,936
1992	22,820	22,389	16,854	21,761
1993	23,377	22,886	17,623	22,480
1994	23,961	23,019	18,465	24,896
1995	26,167	24,059	22,123	26,960
1996	27,353	25,420	20,299	30,245
1997	28,079	26,983	20,328	27,451
1998	31,402	29,825	24,471	29,787
1999	30,459	29,841	23,668	29,980
2000	31,003	29,797	22,979	32,289

Source: Washington State Employment Security Department
Notes: Covered employees only (covered by unemployment insurance)

REAL ESTATE

The real estate industry is an important part of the FIRE sector in Whatcom County, with almost 35 percent of the total sector working in this industry. The table below shows the number of residences sold, average price, median price, and total dollar amount of residences sold for select years from 1980 through 2001.

Single-Family House Sales, Whatcom County, 1980-2001

Year	Number of Houses Sold	Average Price	Median Price	Total \$ (Millions)
1980	1,843	\$56,633	\$49,700	104.4
1985	1,769	59,940	52,600	106.0
1990	2,683	109,351	86,350	293.4
1995	2,154	140,692	127,000	303.1
2000	2,911	167,038	144,500	486.2
2001	3,190	174,903	151,050	557.9

Source: Whatcom County Real Estate Research Report Volume 24, 2002.

EMPLOYMENT

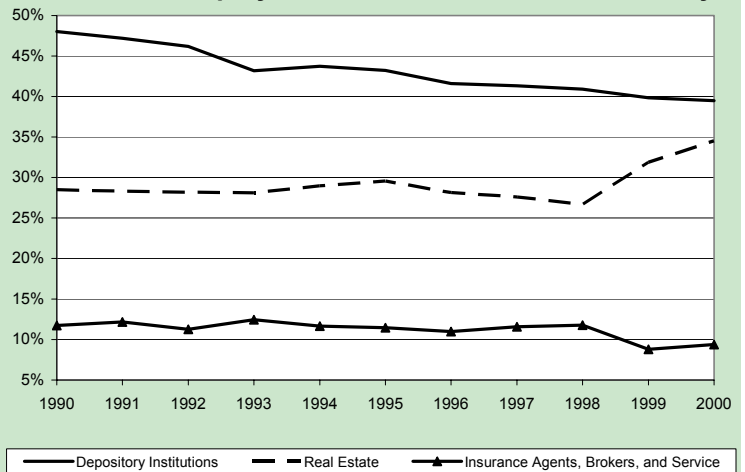
Two subsectors stand out—depository institutions and real estate. Each of these subsectors make up over 35 percent of the FIRE sector. The real estate subsector in particular has seen significant growth in number of workers. From 1990-2000, real estate employment grew by 56 percent. The larger industries are well represented in Whatcom County with a large number of employers. There are 191 real estate firms and 82 depository institutions in the county. The table shows the number of workers in the entire sector and the three largest subsectors. The figure shows the percentage of employment in the sector for the three largest subsectors, covering the period 1990–2000.

**Employment in FIRE Subsectors—
Whatcom County**

Year	Number of Workers			
	Whole Sector	Depository Institutions	Real Estate	Insurance Agents, Brokers, and Service
1990	1,911	918	545	224
1991	2,095	989	593	255
1992	2,230	1030	629	251
1993	2,101	907	591	261
1994	2,217	970	642	258
1995	2,162	935	639	248
1996	2,166	901	610	238
1997	2,185	903	603	253
1998	2,396	980	640	282
1999	2,550	1016	813	224
2000	2,464	973	851	231

Source: Washington State Employment Security Department
Notes: Covered employees only (covered by unemployment insurance)

Percent of Employment in Sector in Whatcom County

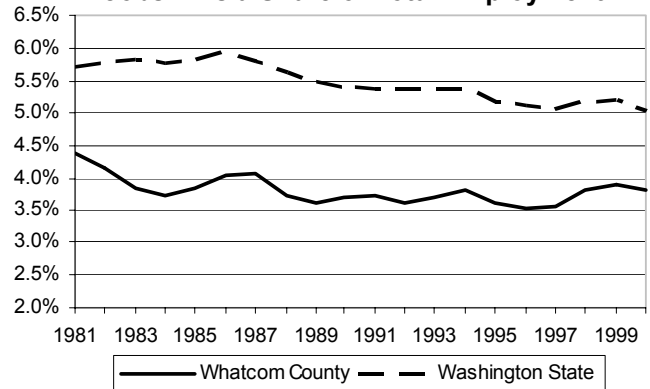


Source: Washington State Employment Security Department
Notes: Covered employees only (covered by unemployment insurance)

A QUIET SECTOR

FIRE in Whatcom County is a quiet sector—meaning that it does not include a large share of local businesses or share of local jobs. For example, the figure shows that FIRE has accounted for roughly 4 percent of the local jobs since 1980. The sector declined in size from 1980 to 1988, but has been roughly the same size since that time.

FIRE Jobs – As a Share of Total Employment



Source: Washington State Security Department
Notes: Statistics are for "Non-Agricultural" jobs, which include those covered by unemployment insurance, sole proprietors, and some contract positions.

Hidden in the sector is one of the top-paying business categories in the county, security and commodity brokers. The table shows the rank of the average wage paid for the top paying jobs in the FIRE sector in 1981 and 2000. The table also shows that many of the jobs in the sector have increased in terms of their relative pay (or rank in terms of pay compared to other jobs in the county). Of the top four paying jobs in the sector in 1981, two had a higher rank in 2000 and one fell only position.

Rank of Top-Paying Jobs in FIRE

Industry	Rank of Average Wage Paid— All Industries in Private Sector	
	1981	2000
Security and commodity brokers	1	2
Insurance carriers	28	12
Holding and other investment offices	30	44
Insurance agents, brokers, & service	32	20

Source: Washington State Security Department
Notes: Figures are for "covered" employees only (covered by unemployment insurance)