

ARCHITECTURE AND THE WASHINGTON STATE ECONOMY

STATEWIDE

EMPLOYMENT

There are 18% fewer architects in Washington today than the profession's peak in 2009.ⁱ

Last year, hundreds of millions of dollars shifted away from dedicated public works funding and into the state's general funds.

Diversions like these have been enacted since 2009 with disastrous results:

Architectural & Engineering Employment: 36,400 (8.3% ↓ than high)ⁱⁱ

Construction Employment: 145,300 (30.8% ↓ than high)ⁱⁱⁱ

Peak Architectural & Engineering Employment: 39,700 - July 2008ⁱⁱⁱ

Peak Construction Employment: 210,100 - Aug 2008¹

ARCHITECTURE

Architect annual wages fell \$7,791.00 since their peak in 2009 or \$3.74/hour in lost wages.ⁱ

Today, there are fewer architects residing in Washington State, despite more architects licensed in-state than in 2011.ⁱⁱⁱ Out-of-state competition is eroding the practices of Washington architects.

Architects Residing in Washington: 3,953ⁱⁱⁱ

Architects Licensed in Washington: 6,233ⁱⁱⁱ

ECONOMICS:

Gross revenue at firms in Q1-3 2012 is down 21% when compared to gross earnings in Q1-3 of 2010.^{vi}

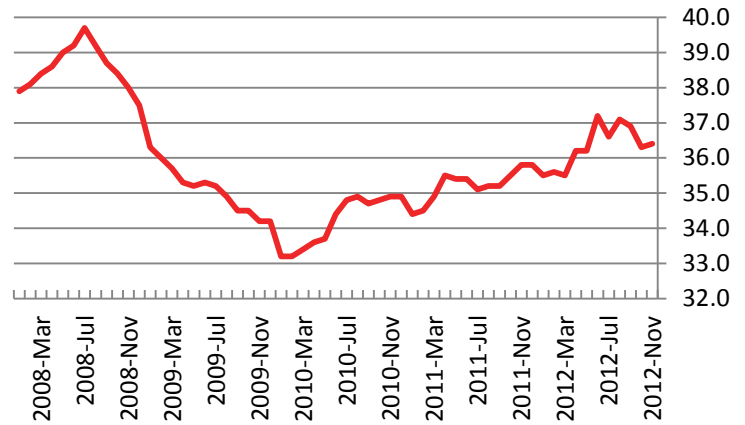
Architects and engineers paid \$32.9 million more in B&O taxes due to a surcharge enacted in July 2010. This surcharge is set to expire in 2013.

In 2012, Washington had 47% fewer building permits for new, privately-owned housing units than the ten-year high in 2005.^{iv}

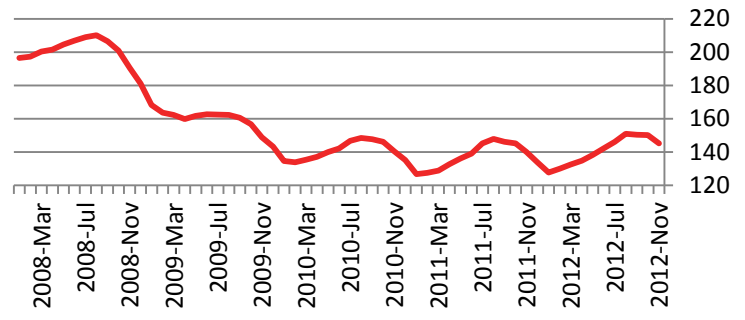
Projected 2013 Tax Growth: 5.2%^v

Architecture, Engineering, & Related Services Gross Income: \$8.8bn (2011 Annual; Subject to B&O; Q4 2012 data unavailable)^{vi}

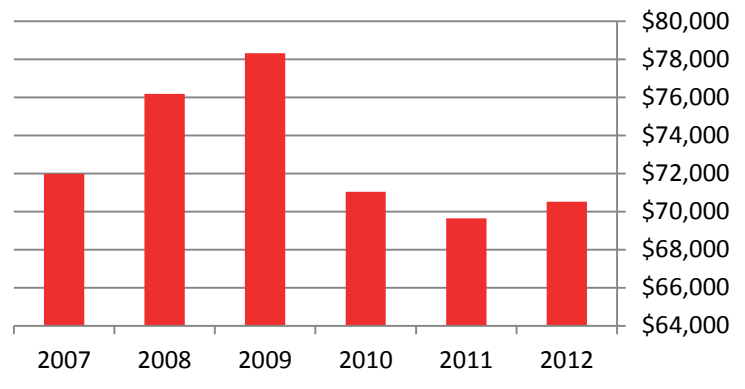
Architectural & Engineering Employment
Washington State, in thousandsⁱⁱ



Construction Employment
Washington State, in thousandsⁱⁱ



Architect Wages (Mean; Annual)



AIA WASHINGTON COUNCIL – ISSUE BRIEF

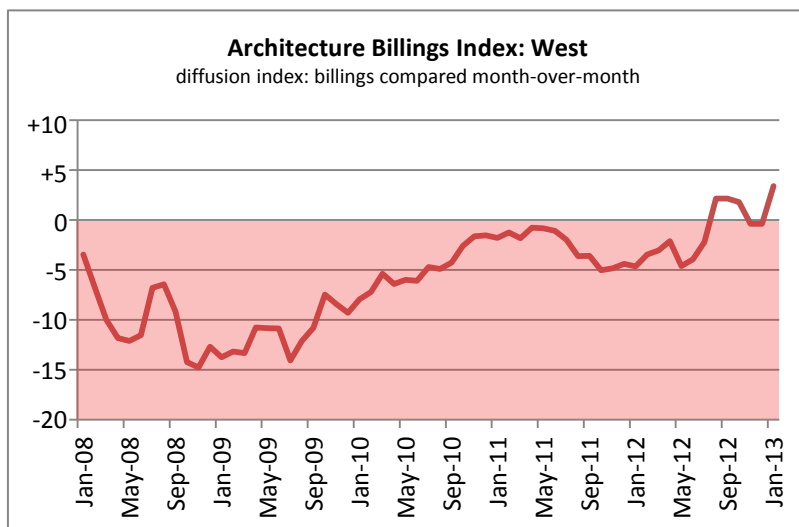
REGION

The Architectural Billings Index (ABI) serves as the leading economic indicator for non-residential construction activity leading by approximately 9-12 months. The Western Region ABI saw billings drop for 56 out of the last 60 months.^{viii}

“Business conditions continued to improve at firms in all regions of the country [...] with the exceptions of firms in the West, which continued to struggle from nearly five years of declining billings.” – Jennifer Riskus, Economist.^{vii}

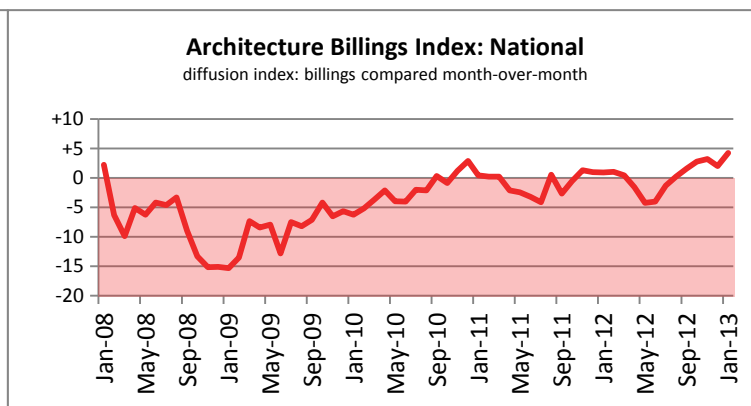
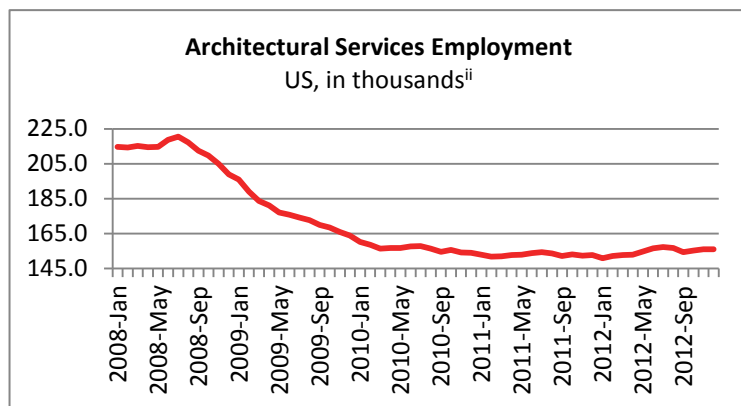
Architectural Billings Index (West): 53.4 ↑ versus previous month^{vii}

Number of Months with Fewer Billings than Previous: 56 out of the last 60 months^{viii}



NATIONAL

In November 2013, 55.2% of firms surveyed reported that their billings would stay the same or decrease in 2013. In October, 57% of firms cited *“coping with an unpredictable economy as one of their biggest concerns of 2012.”* Later that December, firms reported *“reduced state revenue suggests fewer new projects next year.”*^{vii}



ⁱ Comparison of Washington State Employment Security Department Labor Market and Economic Analysis (2012) and Bureau of Labor Statistics, “Occupational Employment and Wage Estimates: Washington” (2011 and prior). Accessed 11 Feb. 2013. <http://bls.gov/>

ⁱⁱ Bureau of Labor Statistics, “Series Report” US Department of Labor. Accessed 4 Feb. 2013. <http://data.bls.gov/cgi-bin/srgate>

ⁱⁱⁱ NCARB, “2012 Survey of Registered Architects,” Oct. 2012. Accessed Dec. 2012 <http://www.ncarb.org/News-and-Events/News/2012/10-2012SurveyofArchitects.aspx>

^{iv} US Census Bureau, “Building Permits Survey – Washington – December Year-to-Date” Dec 2007-2012. Accessed 6 Feb. 2013. <http://www.census.gov/construction/bps/statemonthly.html>

^v National Conference of State Legislatures, “Fiscal Brief: Projected Tax Growth in FY 2013,” Sep. 2012. Accessed Dec. 2012. <http://www.ncsl.org/documents/fiscal/ProjectedTaxGrowth20123.pdf>

^{vi} Washington State Department of Revenue, “Quarterly Business Review” 2006-2012, Q1-4 and Calendar. Accessed 4 Feb. 2013. <http://dor.wa.gov>

^{vii} Jennifer Riskus, “Architectural Billings Index” The American Institute of Architects, Oct-Dec 2012, Accessed 1 March. 2013 <http://www.aia.org/practicing/AIAB097350>

^{viii} Jennifer Riskus, “Architectural Billings Index” The American Institute of Architects, Dec 1995-Dec 2013, Excel Spreadsheet (as email attachment).