

Communities Count 2008

Data Updates for January 2010

- Affordable Housing
- Living Wage
- Bankruptcies
- Home Foreclosures
- Unemployment

www.communitiescount.org

Communities Count reports on a set of social and health indicators every three years. **Communities Count 2008** is the fourth such report. One strength of the report is that it contains a stable set of indicators that can show trends over time. Generally, a three year cycle for updating the report has been an efficient approach to making information available for planning, decision-making and guiding action/advocacy. However, the current economic recession, which began in December 2007, has undoubtedly had an impact on many of the indicators reported in **Communities Count 2008**. Even as it went to print, conditions in our communities were changing.

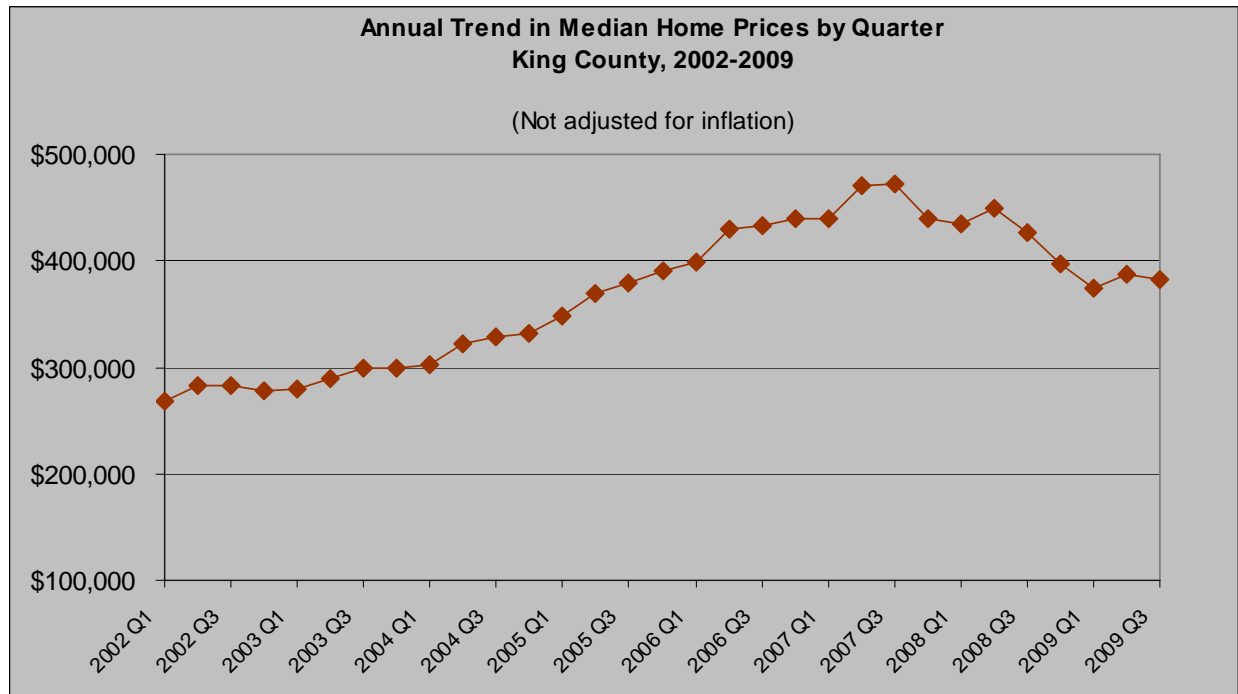
In response to the many requests we have received for more timely information and new information related to the economic downturn, we will be updating our indicators as new data become available. In addition, we will add supplemental data likely to be related to the impact of this recession. Previous data reports, along with the full 2008 report, is available online at www.communitiescount.org.

I. Updates to Communities Count 2008 Indicators

Affordable Housing

Last updated: 01/21/2010

Next update: Monthly home/condo prices by month for previous month; February 2010 for 4th Quarter home prices; May 2010 for rental prices.



- In December 2009, the median single family home price was \$380,000, a decline of 5.8% from the same month in 2008. The condominium median price was \$244,000, 15.5% lower than in December 2008.

Sources: Quarterly figures for home prices from Washington Center for Real Estate Research. Monthly home and condominium prices from NW Multiple Listing Service.

**Living Wage, Percent of Jobs That Pay Less Than a Living Wage in King County and Ratio of Job Seekers to Living Wage Job Openings in Washington State
By Household Type, 2006, 2007, 2008**

	Household 1	Household 2	Household 3	Household 4	Household 5								
Living Wage, 2006 King County	Single adult	Single adult with a school-age child (6-8 years)	Single adult with a toddler and a school-age child	Two adults (one working) with a toddler and a school-age child	Two adults (both working) with a toddler and a school-age child								
	\$25,685/year or \$12.35/hour	\$40,694/year or \$19.56/hour	\$58,293/year or \$28.03/hour	\$49,812/year or \$23.95/hour	\$71,374/year* or \$34.31/hour*								
Living Wage, 2008 King County	\$30,597/year or \$14.71/hour	\$48,693/year or \$23.41/hour	\$67,246/year or \$32.33/hour	\$59,176/year or \$28.45/hour	\$82,514/year* or \$39.67/hour*								
Jobs Paying Less Than a Living Wage, 2006** King County	24%	52%	76%	64%	varies								
Job Seekers per Job Opening Paying Living Wage, Washington State	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	varies
	3:1	3:1	2:1	5:1	6:1	4:1	10:1	10:1	8:1	9:1	8:1	6:1	

*Two full time working adults would need a combined income of this amount.

**After 2006, percent of job openings that pay less than a living wage is no longer available by county.

Updated 1/27/10

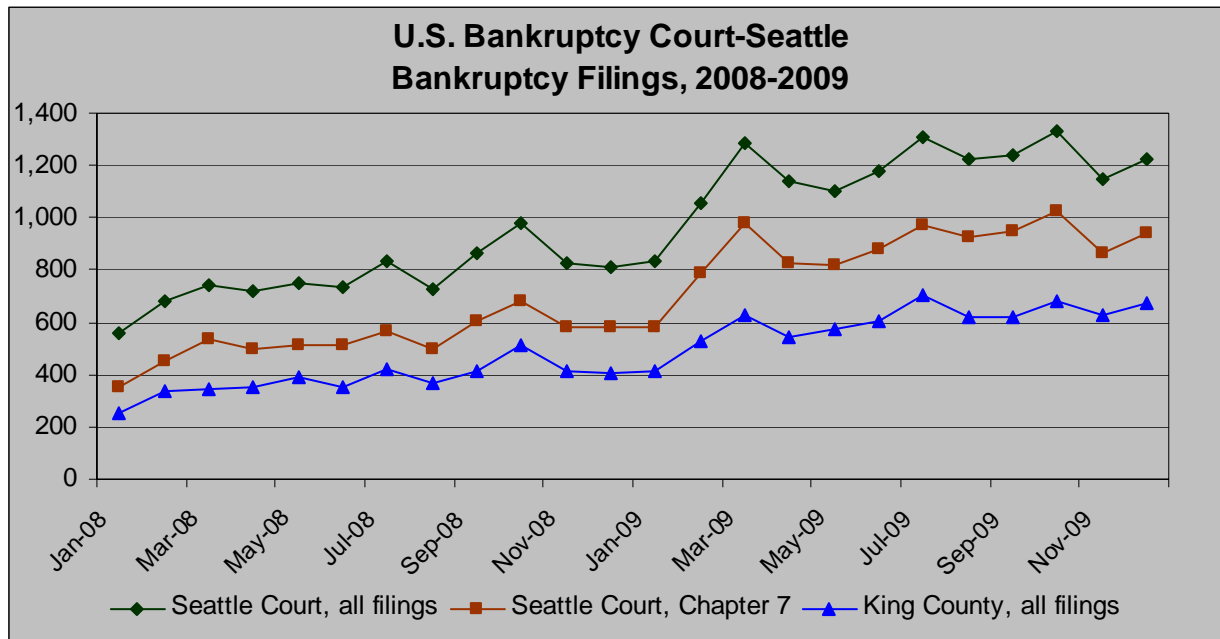
- The Northwest Federation of Community Organizations (NWFCO) calculates a living wage for certain household sizes by estimating the costs of basic needs such as housing, food, utilities, transportation, health care and childcare. They use this information to identify the “job gap”-- the percent of job openings that pay less than a living wage, and the ratio of the number of living wage job openings to the number of people looking for work. For details on their methodology, see their website www.nwfc.org.
- Since 2006, the full time hourly wage needed to meet basic needs increased by almost \$2.00 per hour for a single person and about \$5.00 per hour for a single adult with one child or a household with two adults (one working) and two children.
- The percent of living wage jobs has not changed much from 2006 to 2008. However, the ratio of job seekers to job openings paying a living wage has increased substantially. For each job opening that pays at least the \$14.71 an hour living wage for a single adult, the number of job seekers has risen from two to three on average. For each job opening that pays at least the \$32.33 an hour living wage for a family with two adults (one working) and two children, there are ten job seekers on average compared to eight in 2006. Since the end of 2008, this situation has undoubtedly become more severe. Between December 2008 and December 2009, the unemployment rate rose from 5.6% in to 8.5%. This represents an increase of over 32,000 unemployed persons or a 52% increase in King County.
- The Washington State Office of Financial Management estimates that the median household income, statewide, dropped by almost \$2,000 in 2009.

II. Supplemental Data

Bankruptcies

Last updated: 01/21/2010

Next scheduled update: Monthly for previous month.



- In December, 1,226 bankruptcy petitions (all types) were filed in the Seattle court, an increase of 51% over the same month last year. Of these, 940 were personal (Chapter 7) filings.
- In 2009, a total of 14,076 petitions were filed through the Seattle court, up 53% over 2008. For this same period, Chapter 7 filings were up 65%.
- Many of the cases filed with the Seattle court come from outside of King County. The total number of cases originating in King County in 2009 was 7,207, an increase of 58% over 2008.

Bankruptcy Overview:

Bankruptcies in King County are generally handled through the Federal Bankruptcy Court in Seattle. Individuals can file under either Chapter 7 or Chapter 13. Businesses usually file under Chapter 11.

Chapter 7, entitled Liquidation, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor's estate, reduces them to cash, and makes distributions to creditors, subject to the debtor's right to retain certain exempt property and the rights of secured creditors. Because there is usually little or no nonexempt property in most chapter 7 cases, there may not be an actual liquidation of the debtor's assets. These cases are called "no-asset cases." If such a debtor's income is in excess of certain thresholds, the debtor may not be eligible for chapter 7 relief.

Chapter 13, entitled Adjustment of Debts of an Individual With Regular Income, is designed for an individual debtor who has a regular source of income. Chapter 13 enables the debtor to keep a valuable asset, such as a house, and to propose a "plan" to repay creditors over time – usually three to five years. Chapter 13 is also used by consumer debtors who do not qualify for chapter 7 relief under the means test.

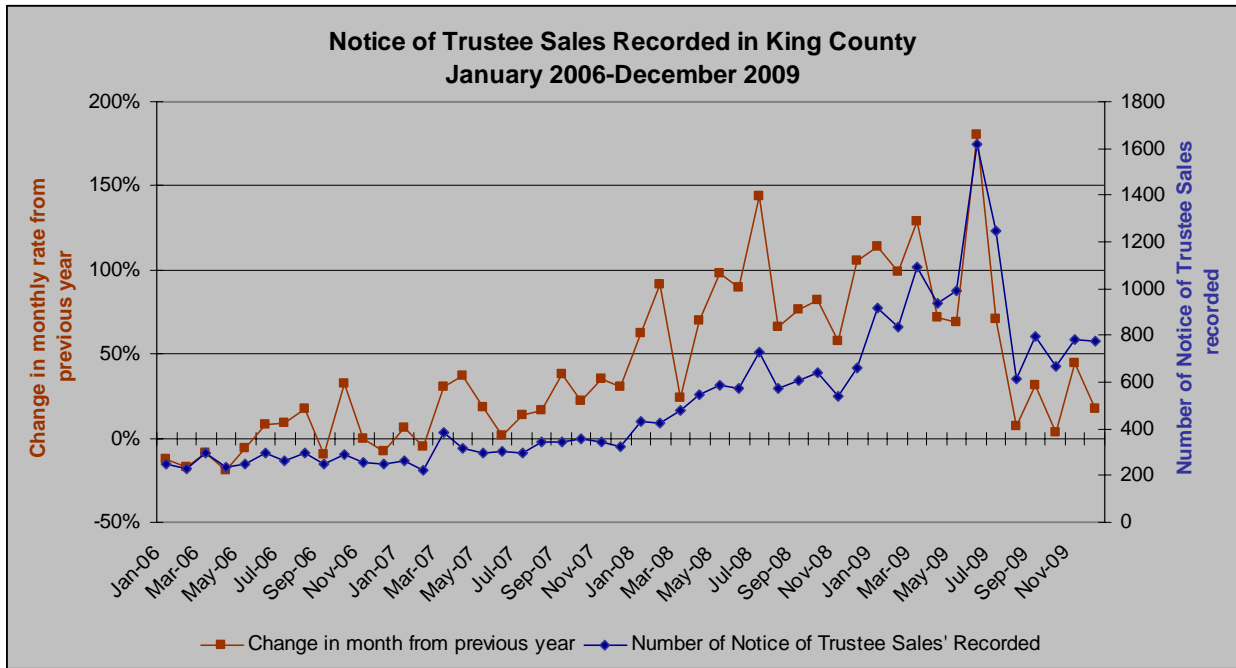
Chapter 11, entitled Reorganization, ordinarily is used by commercial enterprises that desire to continue operating a business and repay creditors concurrently through a court-approved plan of reorganization. The debtor normally goes through a period of consolidation and emerges with a reduced debt load and a reorganized business.

Additional information on bankruptcies in Western Washington is available on the U.S. courts website. Bankruptcy statistics can be found at <http://www.wawb.uscourts.gov/posts.htm?f=3>

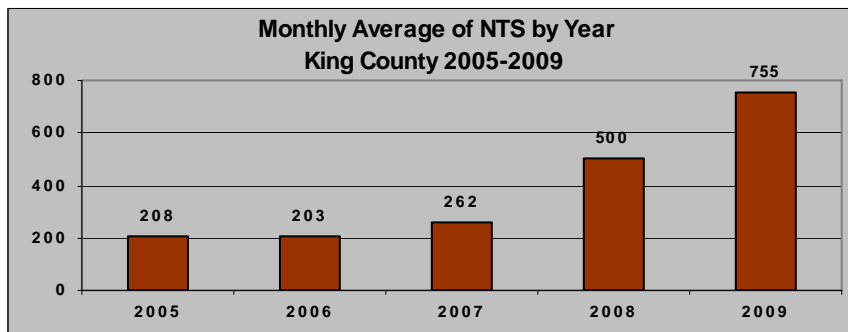
Home Foreclosures

Last updated: 01/22/2010

Next scheduled update: Monthly for previous month.



- December foreclosures, represented by Notice of Trustee Sales, remained below the high in June 2009. The year-over-year increase in December was 17%.
- The following chart summarizes the monthly average number of foreclosures in King County by year.



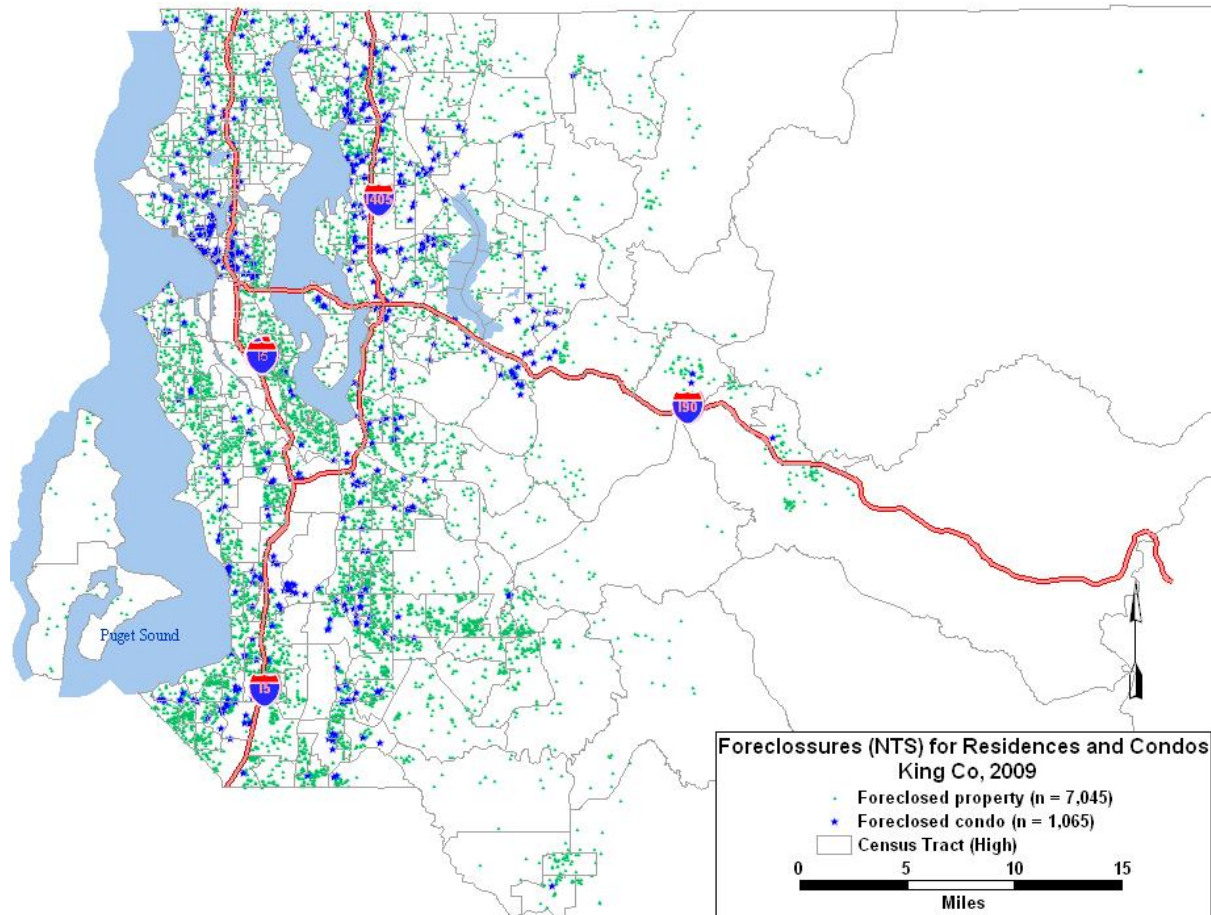
There are a number of stages in the foreclosure process. The King County Recorder's Office has partial data on properties that have mortgages in arrears more than 30 days, a situation that need not legally be registered. The more useful data are on properties that have moved to the next stage, a Notice of Trustee Sale (NTS). NTS means a property will be lost to foreclosure in 120 days without substantial intervention, so it is used as an indicator of serious foreclosure risk.

Source: King County recorder: <http://146.129.54.93:8193/search.asp?cabinet=opr> Data were queried monthly by 'Notice of Trustee Sale'.

Map 1: Foreclosure Locations

The first map shows the location of 90% of the 9,060 NTS recorded on real property parcels in King County between January 1 and December 31, 2009. Ten percent of NTS properties could not be matched to a location, due to missing or inaccurate data.

- Condominiums are included in the total NTS count and are represented in blue on the map. There were 1,076 condo unit foreclosures in 551 condo complexes, concentrated in downtown Seattle but scattered throughout the western county.
- Of the 9,060 foreclosed parcels, 45 (0.5%) were apartment buildings and 73 (0.8%) were other commercial buildings. Therefore approximately 98% of NTS were owned or rented residential units (houses, townhouses or condos). The non-condo foreclosed properties are represented in the map in green.

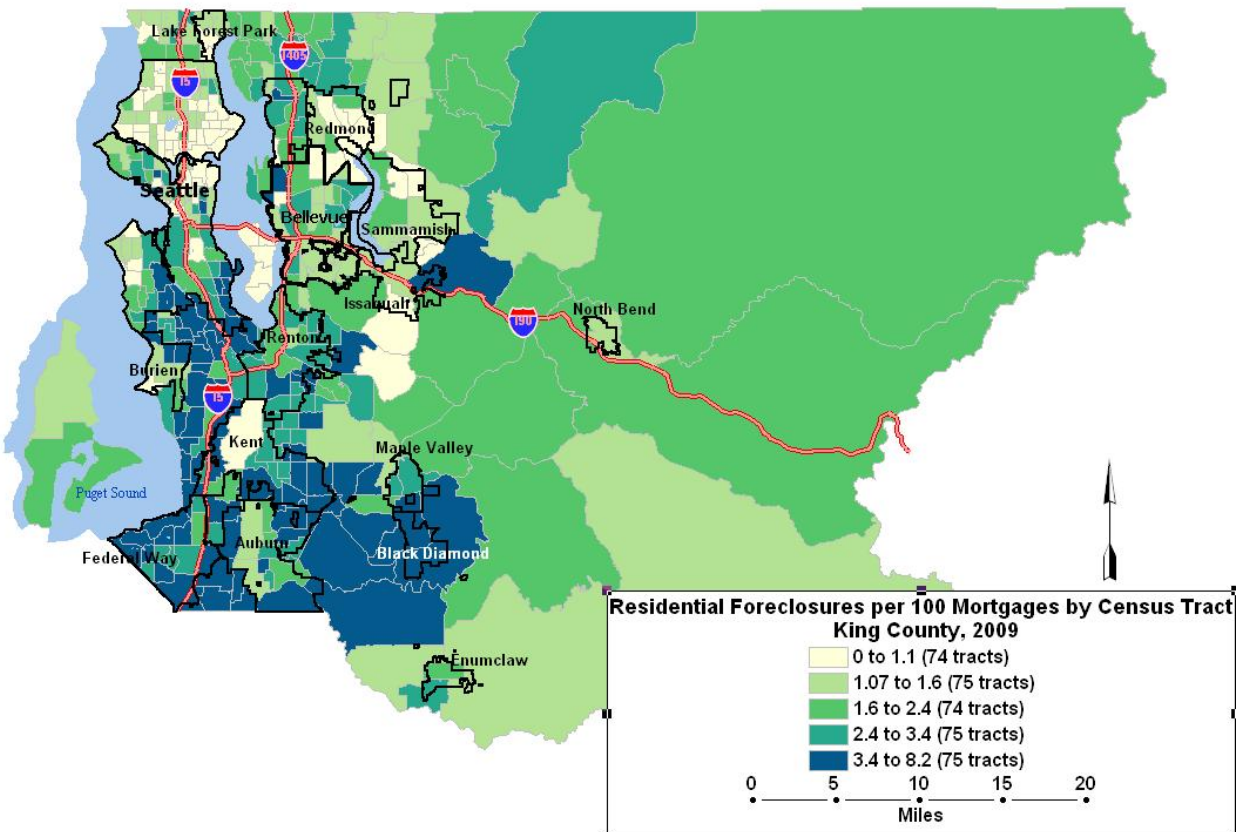


Note on data: Duplicate NTS were filed on many properties. Some filings were duplicates to notify multiple owners. There were also 704 NTS filed in serial foreclosures on a single property in subsequent months. All these duplicate NTS were removed from the count data displayed in the map, because we are interested in the location and concentration of foreclosures, rather than numbers.

Map 2: Residential Foreclosures per 100 Residential Mortgages

We'd expect more residential foreclosures in areas with more population and more mortgages. The next map shows the 2009 residential NTS in each census tract (houses, townhomes and condos) as a percentage of all mortgages in the tract (estimated by the Puget Sound Regional Council). Boundaries of major cities are shown.

With mortgages as the denominator, we see a distinct concentration of higher rates of NTS (dark blue tracts) in south Seattle, and the south/central and southwest parts of the county.



Foreclosure Overview & Foreclosure Process

What is Foreclosure?

Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan. The foreclosure process begins when a borrower/owner defaults on loan payments (usually mortgage payments) and the lender files a public default notice, called a Notice of Default. The foreclosure process can end one of four ways:

1. The borrower/owner reinstates the loan by paying off the default amount during a grace period determined by state law. This grace period is also known as pre-foreclosure.
2. The borrower/owner sells the property to a third party during the pre-foreclosure period. The sale allows the borrower/owner to pay off the loan and avoid having a foreclosure on his or her credit history.
3. A third party buys the property at a public auction at the end of the pre-foreclosure period.
4. The lender takes ownership of the property, usually with the intent to re-sell it on the open market. Properties repossessed by the lender are also known as bank-owned or REO properties (Real Estate Owned by the lender).

Major Elements of Washington Foreclosure Include:

1. Mailing and posting the Notice of Default (at least 30 days after default occurs).
2. Setting the Trustee's Sale that includes recording mailing and posting of the Notice of Trustee's Sale (must be done more than 90 days before sale date).
3. Publication - 2 times at specific intervals in the last month before sale.
4. Holding the Sale (Must be at least 190 days after date of first default, 90 days after NTS is posted)
5. Sales can be continued up to 120 days at the will of the lender.

Measuring/Indicating Foreclosure

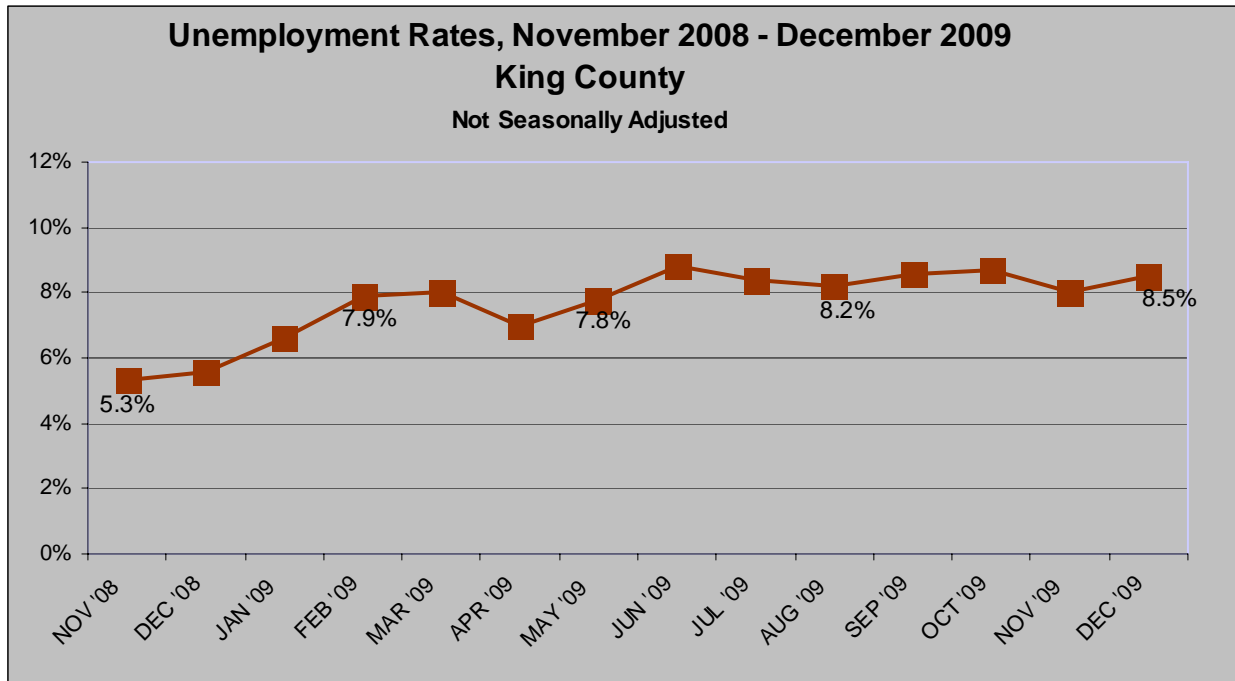
The Notice of Trustee Sale (NTS) is filed at least 30 days after the notice of default. There is no single point in the process that the experts call "a foreclosure". All NTS must be recorded with the King County Recorder's Office, but preliminary steps don't have to be. Therefore NTS is usually regarded as the best available marker of foreclosure: it indicates a default that will turn into loss of the property unless something big and costly happens. In Washington, the sale takes place no sooner than 90 days after the NTS is filed, and can be called off at any point if the debt is paid or restructured.

Source: <http://www.realtytrac.com/foreclosure/overview.html>

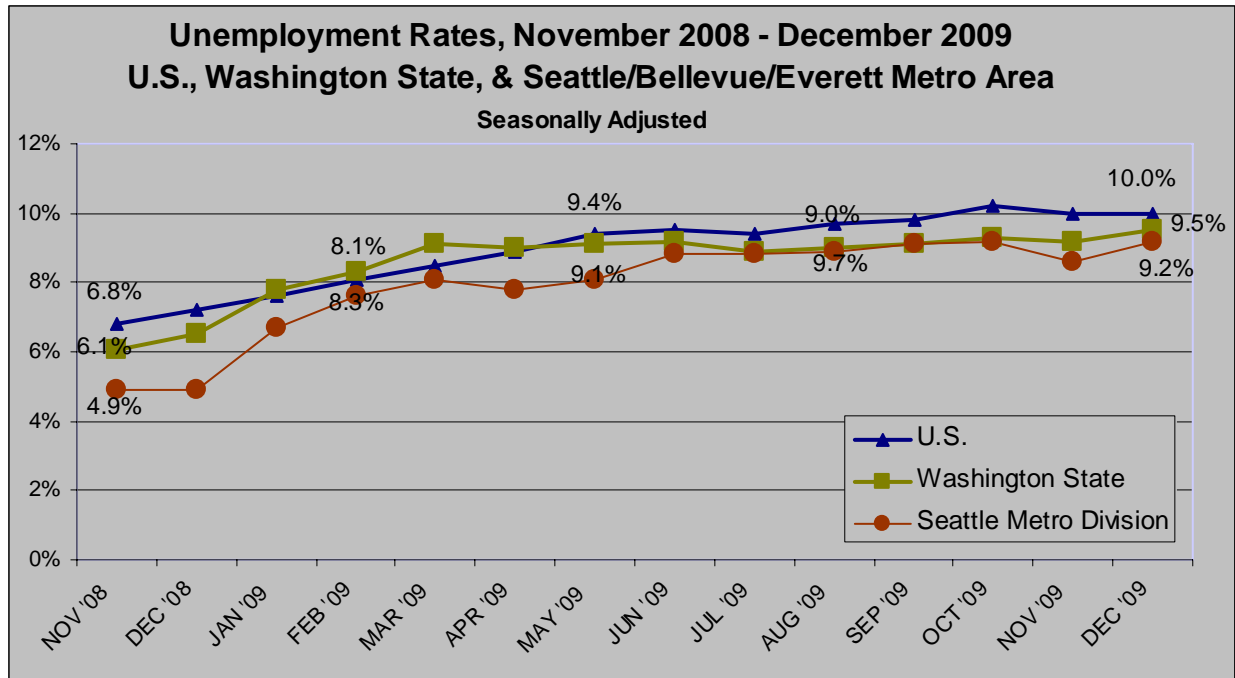
Unemployment

Last updated 01/21/2010

Next scheduled update: Monthly for previous month



- In December, unemployment in King County rose from 8.0% to 8.5%. By comparison, the unemployment rate one year ago was 5.6%.
- Unemployment in the county stands at 1.5 percentage points below the national rate and remains one point below the state level. The number of people in the labor force declined by 1,740 persons to 1,104,830. The number of unemployed workers rose by 5,310 to 94,050.
- In December, 7,050 fewer persons were employed in King County compared to last month.
- In periods of sustained, high unemployment, many workers who have either lost a job or have not been able to enter the job market become discouraged and stop looking for work. These 'discouraged workers' disappear from the numbers of unemployed and are no longer counted in the labor force. The Employment Security Department defines discouraged workers as "persons who had no employment during the survey week, want a job, have looked for work during the past year, and are available to work, but did not look for work in the last four weeks because they believed that no jobs were available to them. Discouraged workers are classified as not in the labor force. They are not counted as unemployed because they have not made specific efforts to find work."



- The nation's seasonally adjusted unemployment rate in December remained at 10.0%. Washington's unemployment rate inched up to 9.5% in December.
- Washington's seasonally adjusted employment fell by 3,800 between November and December 2009. This decline is larger than the revised decline of 1,100 between October and November, but is less than most month-over-month losses recorded this year.

What does SEASONALLY ADJUSTED mean?

Over the course of a year, the size of the state's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment at the national level.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make non-seasonal developments, such as declines in economic activity, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Note: Rates are adjusted for previous months when revised figures become available.

Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch.

Websites and Reports with Recession-relevant Data and Analysis

United Way of King County Community Assessment: Basic Needs

<http://www.uwkc.org/kcca/BasicNeeds/BasicNeeds.asp>

Examining the Health Consequences of the 2008-09 Recession

<http://www.gwumc.edu/sphhs/about/rapidresponse/Recession.cfm>

PolicyLink

[Reclaiming Foreclosed Properties for Community Benefit](#) highlights promising practices that are already underway for localities looking to stabilize their local housing market and prevent blight from spreading.

Demos and the Center for Responsible Lending

The Plastic Safety Net: The Reality Behind Debt in America, Tamara Draut, October 2005, http://www.demos.org/pubs/psn_7_28_09.pdf

Have you ever wondered why Communities Count reports data by educational level and what this means for health outcomes? To learn more about how education and health are linked, see this report from the Robert Wood Johnson Foundation:

Issue Brief 6: Education and Health, Education Matters for Health

<http://www.commissiononhealth.org/>

Look for other briefs on housing, work, the economy and other topics in this RWJ series: **What Drives Health?**

<http://www.commissiononhealth.org/WhatDrivesHealth.aspx>