

EDUCATIONAL SERVICES: Downtown Federal Way

INTRODUCTION

The North American Industry Classification System (NAICS) identifies establishments that provide instruction and training in a wide variety of subjects under NAICS Code 61. This activity is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for-profit or not-for-profit, or they may be publicly owned and operated.

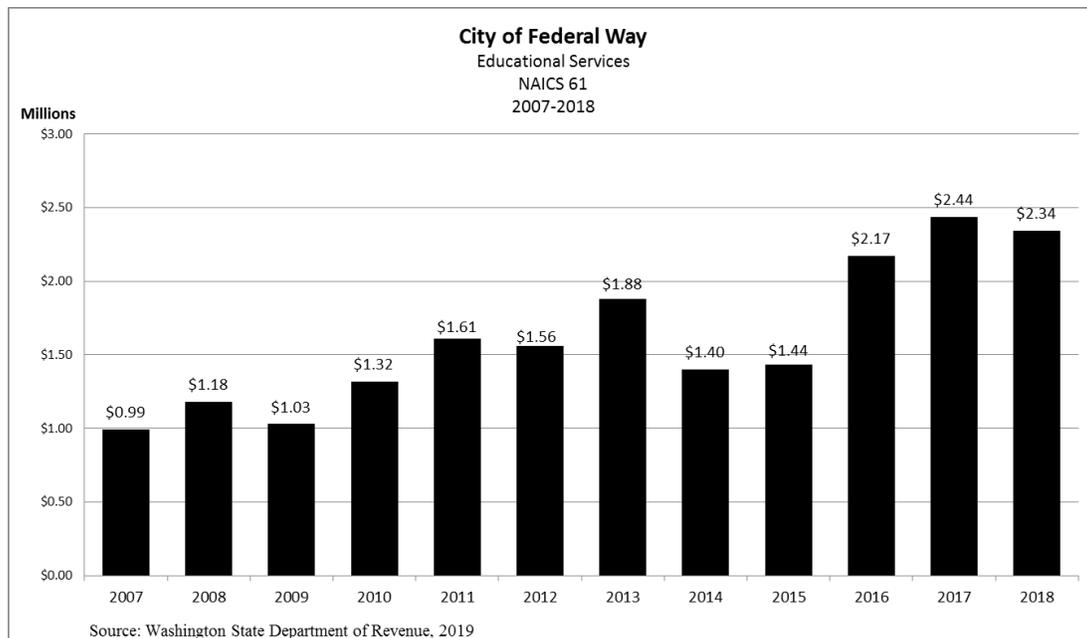
For the purpose of this analysis, the NAICS Code 61 was used to capture the broad array of establishments.

BACKGROUND

According to the Census Bureau's 2017 National Service Annual Survey, the Educational Services sector revenue was estimated at \$67 billion in 2017. Additionally, the Survey estimates that the number of people employed in the Educational Services Industry Sector has been growing at a rate of 1.59 percent, from 13.8 million people in 2016 to 14 million people in 2017.

The research firm Data USA reports that the top occupations in the sector are: Elementary & Middle School Teachers, Postsecondary Teachers, Teacher Assistants, Education Administrators, and Secondary School Teachers. According to the Bureau of Labor Statistics, employees in the Educational Services Sector make an average of \$45,165 annually.

Research on taxable retail sales from 2007 to 2018 in Federal Way, specifically before and through the recovery from the "Great Recession," saw a slight decline during the recession. In 2016, a sharp growth occurred continuing into 2017. However, there was a slight drop in 2018 as sales dropped to \$2.34 million. See chart below.



MARKET

Downtown has five establishments that provide educational services. Of those establishments one is a future university satellite campus for the University of Washington and Highline College; one is a massage therapy school, one is a cosmetology school, one is a tutoring center, and one is a daycare.

The City of Federal Way has been working to recruit a four-year university satellite campus in the downtown core to serve the growing higher education needs of Federal Way and South King County.

Currently, only 26 percent of Federal Way residents possess a four-year-degree or higher, just slightly less than the South King County/South Seattle regional average of 27 percent. However, these percentages are significantly lower than the state and King County averages at 31 percent.

“The Federal Way Satellite Campus is key to enhancing individual opportunities for prosperity, economic development, and job creation in South King County.”

City of Federal Way

But Federal Way’s numbers pale in comparison to Seattle. More than 50 percent of Seattle’s population possesses a four year-degree. This is a point of concern as the low rates of college attainment poses limited economic opportunity and social mobility for Federal Way residents and their families.

The Washington State Legislature established five satellite campuses in 1989 to increase access to higher education and promote regional economic development. Since that time, Washington’s need for higher education has grown dramatically. In South King County, demographic shifts documented in “Confronting Suburban Poverty” by the Brookings Institute in 2014 show a concentrated lower income and the need for college classes to help improve employment opportunities for Federal Way and south King County residents.

The Federal Way Satellite Campus project will provide greater access to college opportunities for South King County and South Seattle residents. It will also address the demands for educated, skilled workers ready to compete in a global economy.

Additionally the Federal Way Public School District is an extension of the University of Cambridge Preparatory system. Federal Way High School offers Cambridge Pathway coursework and offers the Cambridge Lower Secondary Checkpoint Assessment for some 8th grade students at Sacajawea and Lakota Middle School. The Cambridge Pathway focuses on an international, pre-university curriculum and examination system that emphasizes the value of a broad and balanced study program. It aims to encourage the skills of independent search and investigation, the use of initiative and creativity, and the application of knowledge and skills.

TRENDS

There are several trends that impact the sector nationally, statewide and locally.

First, the U.S Department of Education reports that the number of children who speak a language other than English at home has more than doubled in the past three decades. Because of the cognitive and social advantages of bilingualism, the U.S education system is looking to expand dual language education especially in early childhood programs. The Bureau of Labor Statistics reports that demand for

bilingual employees is expected to rise over the next ten years, with 70 percent of employers predicting Spanish-speaking skills will be highly sought after among job candidates.

In addition to a shift toward multilingualism, there is also a growing shift toward trade schools. According to the Bureau of Labor Statistics' *Occupational Outlook Handbooks*, the true ratio of jobs in our economy is 1:2:7. For every occupation that requires a master's degree or more, two professional jobs require a university degree, and there are over half a dozen jobs requiring a 1-year certificate or 2-year degree for very high-skilled personnel.

Another trend impacting Educational Services is that education programs in the science, technology, engineering, and mathematics (STEM) fields are expected to grow as more and more STEM jobs become available. According to the Bureau of Labor Statistics, the national average for annual salaries for STEM jobs is \$87,570. The national average for non-STEM occupations is \$45,700.

SOURCES

- U.S Department of Education
- U.S. Department of Commerce, Census Bureau
- Bureau of Labor Statistics, U.S. Department of Labor
- City of Federal Way
- Data USA
- ESRI
- North American Industry Classification System
- Washington State Department of Revenue

Location of Educational Services



This map is intended for use as a graphical representation. The City of Federal Way makes no warranty as to its accuracy.

Aerial Photo: May 2018

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Educational Services

Downtown Federal Way has a wide variety of educational services. Additionally, Downtown Federal Way will soon be home to the HUB, a joint satellite campus of the University of Washington and Highline College. The institutions listed below represent the educational opportunities offered in Downtown.

Year Built is the calendar year in which at least 50 percent of the original construction was complete. Effective Year Built is the adjusted year built taking into account any subsequent new construction or major rehabilitation.

1. University of Washington/Highline College

Federal Way and Highline College Joint Campus

Located: Hillside Plaza

This 1861 research school in Downtown Seattle also has campuses in Tacoma and Bothell will soon be a joint campus with Highline College, a well-established community college.

2. Gene Juarez Academy

2222 S 314th St

Located: Hillside Plaza

Cosmetology and manicuring program students receive an innovative education backed by the knowledge and experience of the nationally recognized beauty brand located in the Pacific Northwest, Gene Juarez Salons & Spas.

3. Cortiva Institute

2030 S 314th St

Located: Hillside Plaza

Cortiva Institute is a network of massage therapy and skin care schools with 27 campuses in 12 states.

4. C2 Education

1414 S 324th #B106

Located: Celebration Center

Tutoring, test prep & college counseling.

5. Children's Dream Learning Center

1108 S 322nd Pl

Korean daycare center providing child care and preschool.