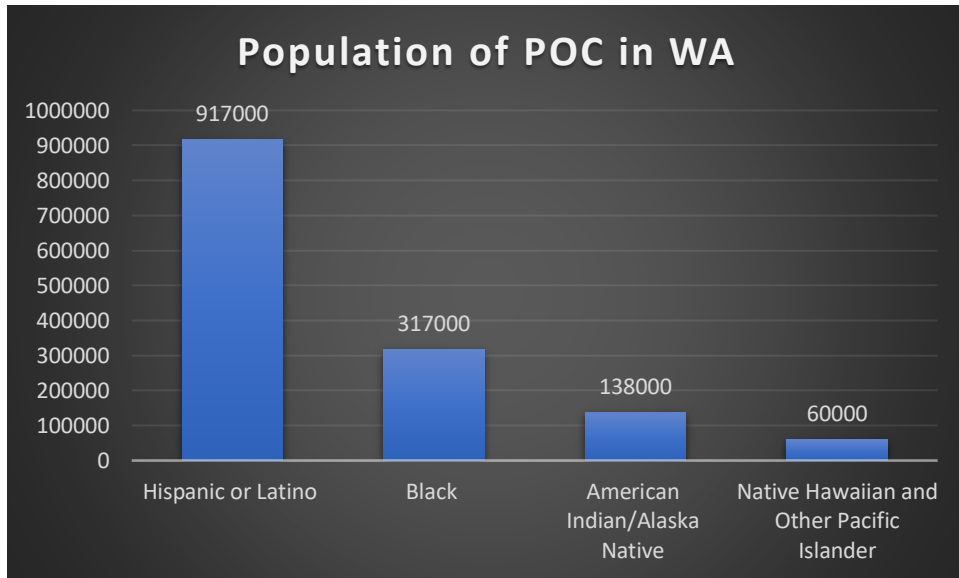


Report on Mental Health Demographics in WA State

Storm Consulting Services aims to provide mental health services to Clark County and provide accessible health care. The center will focus on providing services to children, women, minorities and senior citizens. Research has shown that these groups in WA state seek out mental health care services. Other research specific to Clark County has shown that minority youth groups are affected by a relatively high rate of generalized anxiety disorder.

The state of Washington is fairly diverse. The Latino population of Washington is by far the largest group at 917k out of 7.29 M residents (12.6%). The next largest group is Asian (not shown) at 552k residents (7.6%), African Americans at 317k residents (4.3%) followed by American Indian/Alaska Natives at 138k (1.8%) and Native Hawaiians/Pacific Islanders at 60k (0.8%).

As our research has found, people of color in the state of Washington are receiving mental health treatment services – most groups we studied receive mental health treatment from the state Mental Health Authority at a slightly higher rate than their respective population percentages.



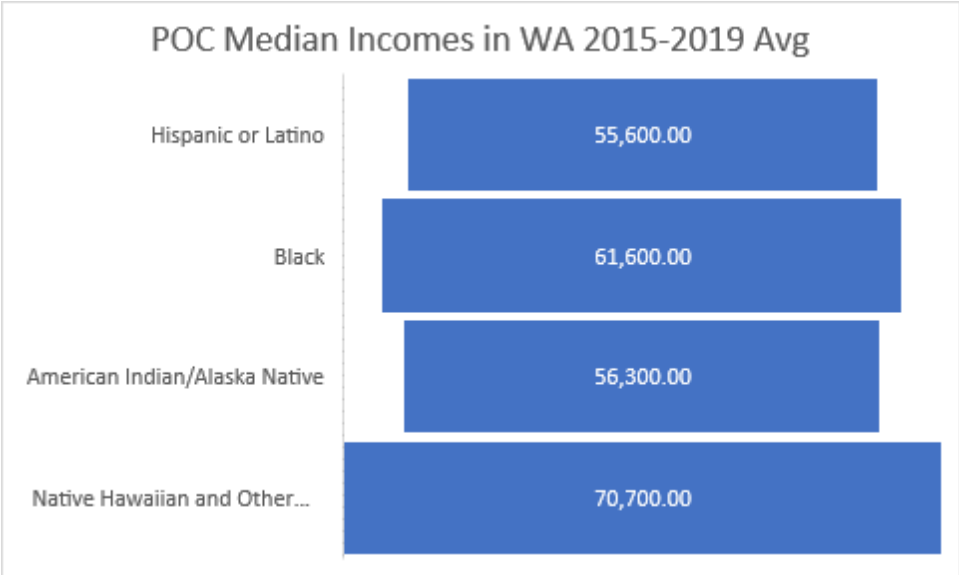
Clark County WA Demographics

Some preliminary statistics on Clark County can help narrow down the target market and help Storm Consulting Services determine potential interest and target market size.

Clark County has a population of 472,000 people making it the 5th most populated county in the state. The demographics of Clark County for POC are 10.2% Hispanic or Latino, 2.4% Black, 1.2% American Indian or Alaska Native, and 0.9% Native Hawaiian or Pacific Islander. The per capita income of the county is \$37,247 while the median household income is \$80,555.

Median Incomes of POC in WA (Averaged From 2015-2019)

The median income of various groups of people of color varies significantly from one group to another. The Native Hawaiian/Other Pacific Islander group has one of the highest median incomes at \$70.7k followed by Black at \$61.6k, American Indian/Alaskan Native at \$56.3k, and finally Hispanic at \$55.6k. The below chart averages median POC income for the years of 2015 through 2019. The WA State Authority provides a range of covered mental health services for individuals earning less than \$1415 per month and families of 4 earning less than \$972 per month (scaled based on family size).

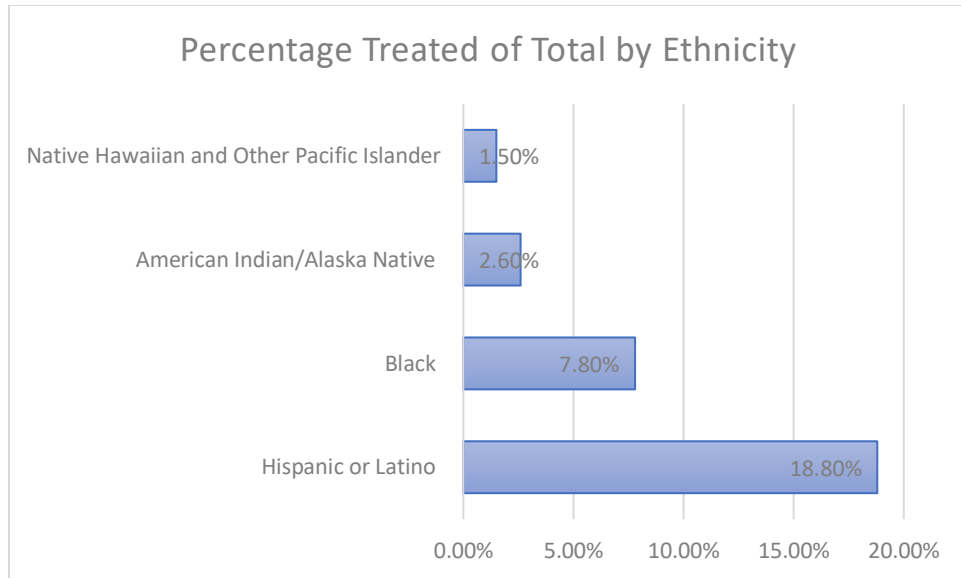


POC Percentages (compared to total) Treated by the State Mental Health

Authority

People of color (POC) seek and receive mental health treatment in the state of Washington at rates that correlate with their population – yet other studies that we will reference later indicate that the population of the state as a whole suffers from a lack of mental health care access. The chart below shows the rate of POC patients served by the State Mental Health Authority in FY 2018. White patients were approximately 72.2% of the percentage of patients served.

These are the percentages of POC cared for, showing the percentages of each ethnicity treated compared to the total population of patients served by the State Mental Health Authority. As the findings show, many groups are receiving mental health care at a slightly higher rate than their respective populations.

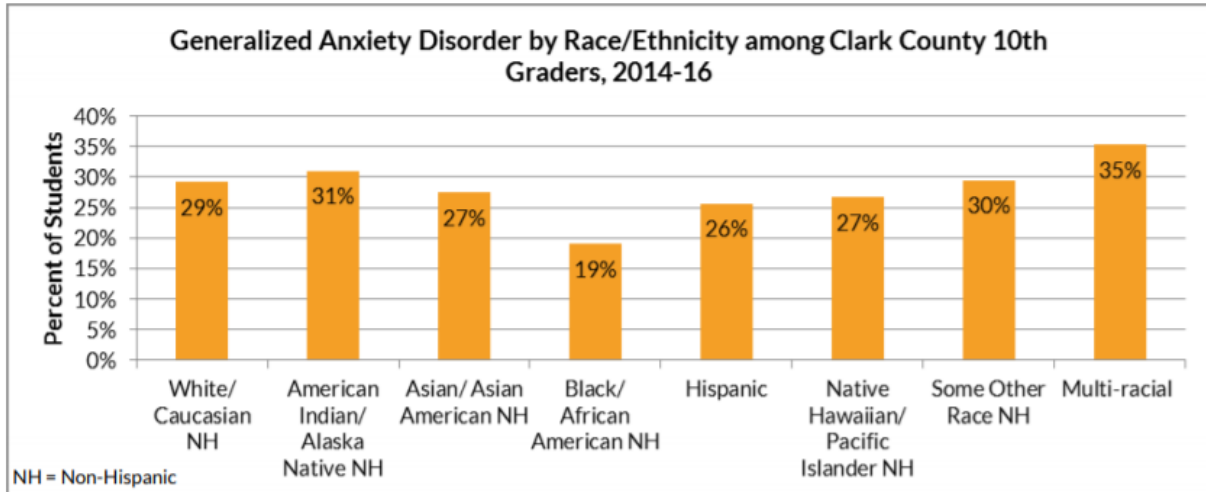


Clark County Youth Mental Health

Studies have been performed on youth mental health in Clark County specifically – helpful research when determining the market. A study was performed on rates of generalized anxiety disorder among Clark County 10th graders from 2014-2016.

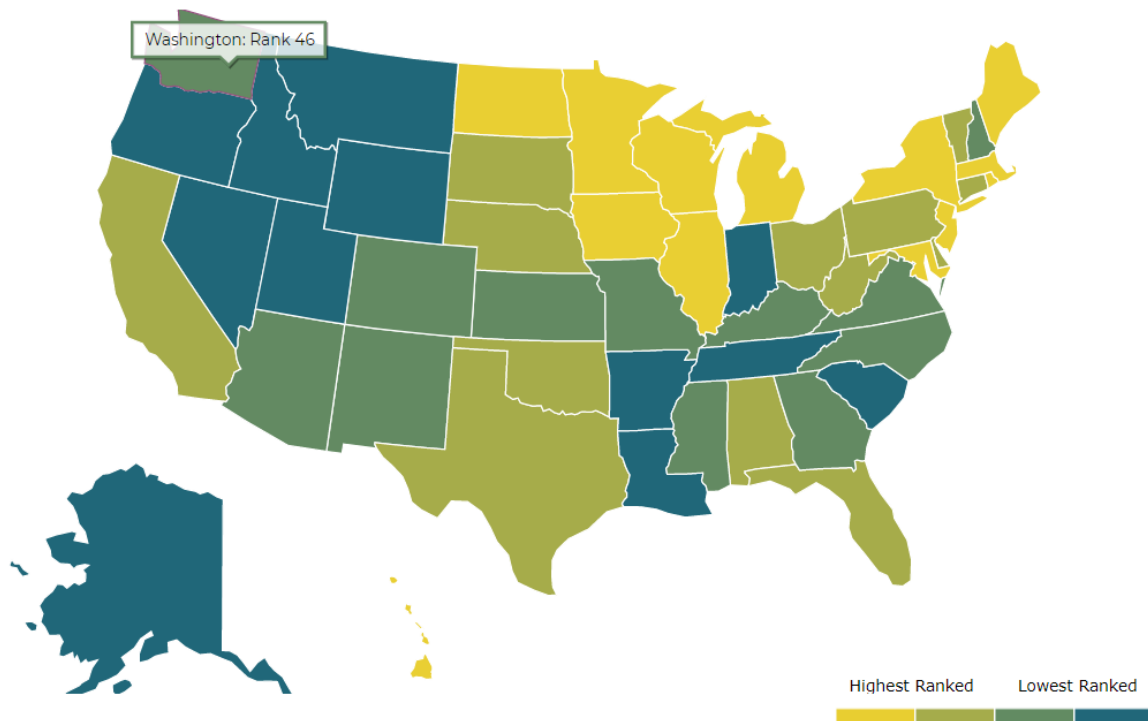
The study determined a steady rate of generalized anxiety disorder among POC – with American Indian/Alaska Natives experiencing it at 31%, 19% among Black students, 26% of Hispanic students and 27% of Native Hawaiian students.

Although research on mental health for other adult groups is limited, these statistics may potentially be indicative of POC adults in Clark County.

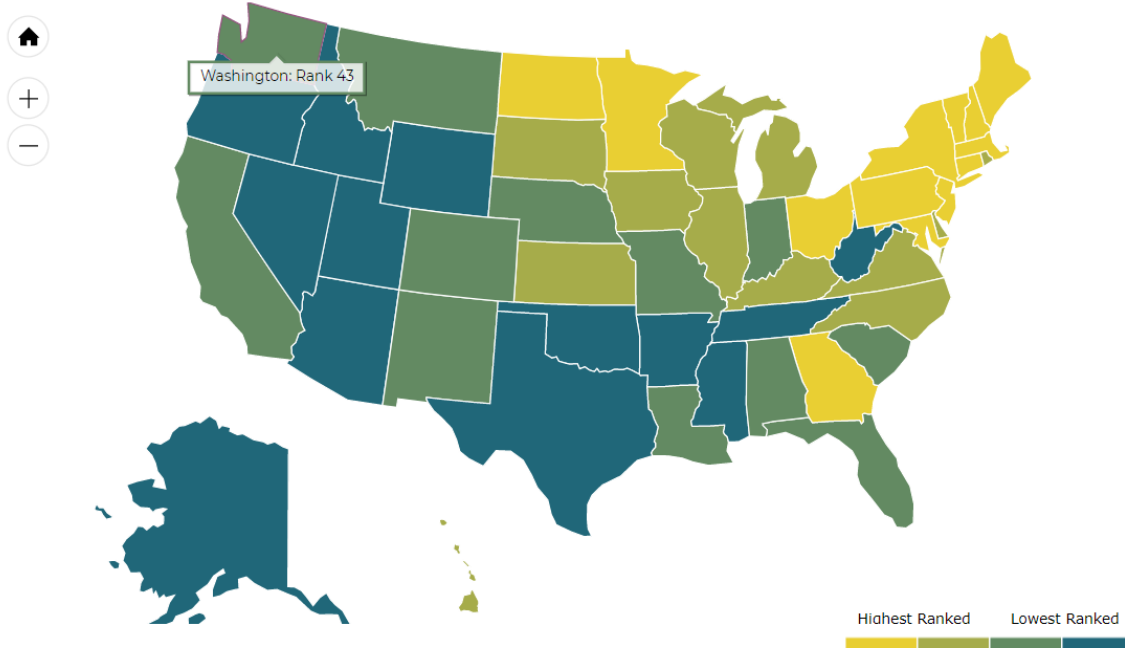


Mental Illness in WA State

Research indicates that Washington State trails many other states in its effectiveness in treating its mentally ill residents. Mental Health America National ranks Washington State among the lowest (46 out of 51) for adult mental health care – indicating the state has one of the highest rates of mental illness in the country along with having one of the lowest rates of access to care. This indicates that there is much room for access to care improvement throughout the entire state and likely in Clark County. States ranked 1-13 in the study had the best access to care combined with the lowest rates of mental illness.



On top of this, Mental Health America National ranks WA state 43 out of 51 for youth access to mental care – indicating that WA state is also falling behind the vast majority of states for youth mental health care. This indicates that young people in the state suffer from one of the highest rates of mental illness in the country combined with low access to care. Once again this presents another opportunity for Storm Consulting Services to potentially provide services to underserved demographics, as the entire state as a whole suffers from a lack of mental health access.



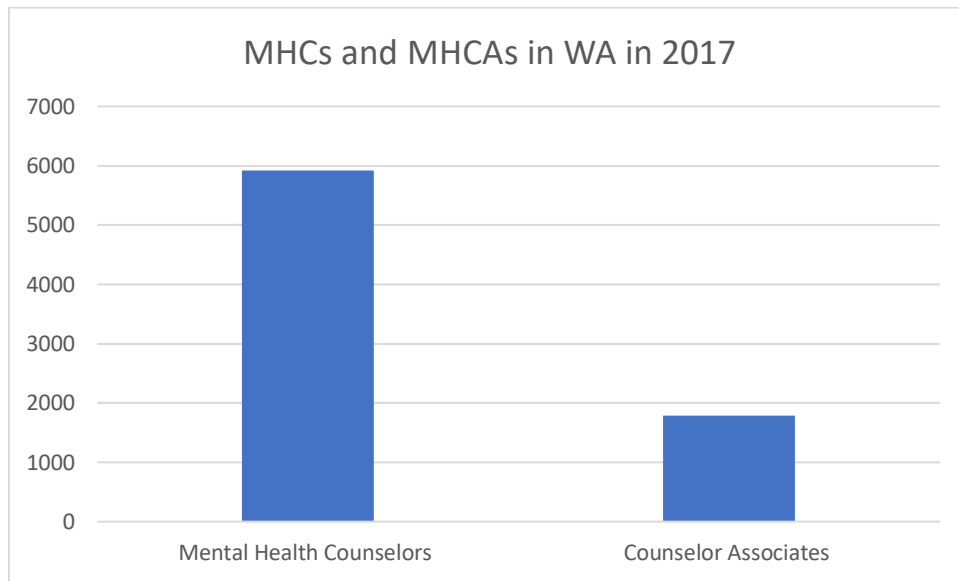
MHCs and MHCAs in the State of WA

Mental health counselor associates are those who have completed the required education to become a mental health counselor and are undergoing the process of completing extended supervised practice hours to obtain their license. The median age of MHCs in WA state is 52 and 76.2% are female. 94.6% of MHCs have urban addresses while 95.9% of MHCAs have urban addresses.

Mental Health Counselors (MHCs) and Mental Health Counselor Associates (MHCAs) with WA State Licenses (2017)

Mental Health Counselors 5,923

Counselor Associates 1,790



Summary

Our findings are that mental health coverage for POC in the state of Washington is likely to be falling short, and that a current gap exists between demand for mental health care and access. Being one of the lowest ranked states in the country for access to mental healthcare compared to rates of mental illness, Washington provides businesses like Storm Consulting Services an excellent opportunity to assist underserved groups and build a client base.

POC are likely to seek out the targeted services provided by Storm Consulting Services – especially if there is a current lack of specified mental health services for the potentially underserved POC, elderly and female groups. Again, studies indicate that other populations may also require greater access to mental health care including Caucasian and other ethnicities who may be impoverished.

Research indicates that POC groups earn a sufficient amount to afford counseling services; those who do not may still be targeted through the state Medicaid program (Apple Health) and other potential service reimbursement programs. In addition, the full range of services offered by Storm Consulting Services that include holistic healthcare, retreats, and spiritual care can further add to the revenue of the organization.

Further competitor research would help determine the feasibility of launching this business – one competitor could potentially dramatically reduce target market size. With a quick search of providers listed on the Clark County government website, there are no clinics that specifically target the groups that Storm Consulting Services is aiming to target. This indicates that the market may be open for this business, and with a relatively high barrier to entry, the chance of new competitors taking market share is not likely. Existing competitors however may adjust their services to be similar to Storm Consulting Services as a potential future threat.:

<https://clark.wa.gov/community-services/mental-health-providers>

The competitors mentioned in the business plan: Lutheran Community Services NW, Columbia Services NW, Vancouver Wellness Center, Emerge Wellness Center, and Columbia River Mental Health do not have services that correlate exactly with what Storm Consulting Services will offer; nor do they have the same focus on POC and other underserved groups.

This indicates that Storm Consulting Services may have an open pathway to a moderate to strong market demand upon launching.

Sources:

https://depts.washington.edu/fammed/chws/wp-content/uploads/sites/5/2017/12/WA_Beh_Hlth_Profile_Mental_Health_Counselors_Dec_2017.pdf

<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/population-changes/population-race>

<https://datacenter.kidscount.org/data/tables/4682-median-family-income-by-race-and-ethnicity-5-year-average#detailed/2/any/false/1983,1692,1691,1607,1572,1485,1376,1201,1074,880/437,172,133,12,4100,826,816,13,438/10944>

<https://www.samhsa.gov/data/sites/default/files/cbhsq-reports/Washington-2018.pdf>

<https://clark.wa.gov/community-services/mental-health-providers>

<https://www.mhanational.org/issues/ranking-states>