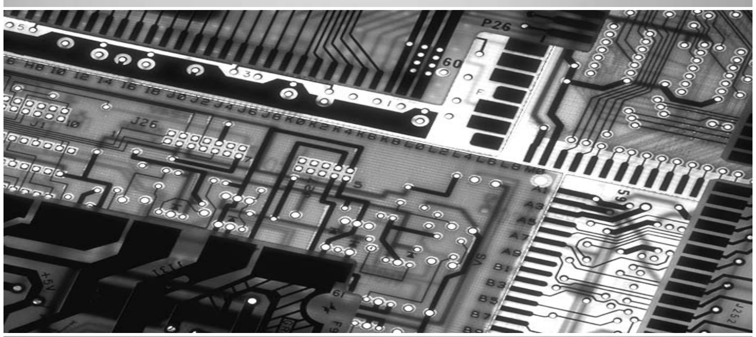
Washington State Labor Area Summaries


Prepared by the
Labor Market and
Economic Analysis Branch
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Greg Weeks, Director

In This Issue

Washington State Employment Security

June 2002–Volume 17, Number 6

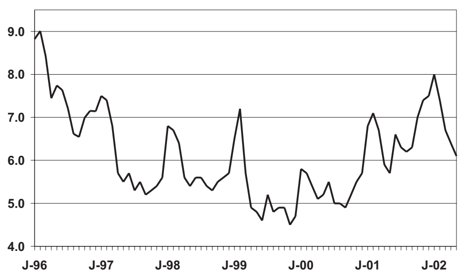
Resident Labor Force and Employment in Washington State and Labor Market Areas 1/

	May 2002 Preliminary				*April 2002 Revised*				*May 2001 Revised*			
Not seasonally adjusted	**Labor Force**	**Employed**	**Unemploy.**	**Rate**	**Labor Force**	**Employed**	**Unemploy.**	**Rate**	**Labor Force**	**Employed**	**Unemploy.**	**Rate**
United States (in 1,000s)	142,253	134,365	7,888	**5.5**	141,886	133,740	8,146	**5.7**	141,048	135,202	5,846	**4.1**
Washington State Total	3,025,300	2,816,300	209,000	**6.9**	3,008,900	2,796,800	212,100	**7.0**	3,000,400	2,822,100	178,300	**5.9**
Bellingham MSA	80,400	75,500	4,900	**6.1**	80,500	75,400	5,100	**6.4**	80,300	75,400	4,900	**6.2**
Bremerton PMSA	94,200	88,600	5,600	**5.9**	94,500	88,700	5,700	**6.1**	92,400	87,200	5,300	**5.7**
Olympia PMSA	101,400	95,800	5,500	**5.5**	101,400	95,700	5,700	**5.6**	98,500	93,300	5,300	**5.3**
Seattle-Bellevue-Everett PMSA	1,366,900	1,276,800	90,100	**6.6**	1,362,400	1,273,000	89,400	**6.6**	1,367,200	1,302,200	64,900	**4.7**
King County 2/	1,000,100	936,800	63,200	**6.3**	996,500	934,100	62,500	**6.3**	1,003,100	955,500	47,600	**4.7**
Snohomish County 2/	338,300	313,100	25,300	**7.5**	337,400	312,200	25,200	**7.5**	335,400	319,300	16,100	**4.8**
Island County 2/	28,400	26,900	1600	**5.5**	28,500	26,800	1700	**5.9**	28,620	27,410	1,210	**4.2**
Spokane MSA	208,000	195,300	12,800	**6.1**	207,100	193,500	13,600	**6.6**	208,400	196,300	12,000	**5.8**
Tacoma PMSA	337,000	312,200	24,800	**7.4**	335,900	311,400	24,500	**7.3**	328,700	308,800	19,900	**6.0**
Tri-Cities MSA	100,400	94,700	5,800	**5.7**	99,000	93,100	5,900	**6.0**	94,900	89,100	5,800	**6.1**
Benton County 2/	76,800	72,600	4,200	**5.5**	75,400	71,300	4,000	**5.4**	72,400	68,300	4,200	**5.7**
Franklin County 2/	23,700	22,100	1,500	**6.5**	23,600	21,800	1,900	**7.9**	22,500	20,800	1,700	**7.4**
Yakima MSA	105,600	95,300	10,300	**9.8**	102,800	92,000	10,800	**10.5**	107,700	96,200	11,500	**10.7**
Adams	8,030	7,420	610	**7.5**	8,000	7,040	960	**12.0**	7,860	7,170	690	**8.7**
Asotin 2/	11,630	11,130	490	**4.2**	11,710	11,130	580	**5.0**	11,620	11,180	450	**3.8**
Chelan-Douglas LMA	50,470	45,870	4,610	**9.1**	49,520	45,230	4,290	**8.7**	50,530	45,980	4,550	**9.0**
Chelan County 2/	32,450	29,250	3,200	**9.9**	31,940	28,840	3,090	**9.7**	32,460	29,320	3,140	**9.7**
Douglas County 2/	18,020	16,620	1,400	**7.8**	17,590	16,390	1,200	**6.8**	18,070	16,660	1,410	**7.8**
Clallam	23,760	22,140	1,620	**6.8**	23,930	22,160	1,770	**7.4**	24,140	22,370	1,770	**7.3**
Clark 2/	184,600	170,200	14,400	**7.8**	180,200	166,100	14,100	**7.8**	179,400	167,500	11,900	**6.6**
Columbia	1,620	1,480	140	**8.5**	1,600	1,430	170	**10.4**	1,880	1,740	140	**7.2**
Cowlitz	40,320	35,920	4,410	**10.9**	40,310	35,660	4,650	**11.5**	41,180	36,570	4,610	**11.2**
Ferry	2,530	2,270	260	**10.2**	2,540	2,200	340	**13.5**	2,490	2,090	400	**16.0**
Garfield	1,200	1,160	40	**3.3**	1,190	1,140	50	**4.4**	1,170	1,130	40	**3.3**
Grant	37,910	34,060	3,850	**10.2**	36,960	33,540	3,420	**9.2**	35,840	31,910	3,930	**11.0**
Grays Harbor	26,090	23,950	2,140	**8.2**	25,850	23,640	2,210	**8.6**	25,870	23,170	2,700	**10.4**
Jefferson	11,250	10,540	700	**6.3**	11,190	10,490	700	**6.3**	11,140	10,550	590	**5.3**
Kittitas	15,250	14,360	900	**5.9**	15,670	14,650	1020	**6.5**	14,950	14,020	940	**6.3**
Klickitat	8,030	6,900	1120	**14.0**	7,970	6,660	1310	**16.4**	8,480	7,110	1370	**16.1**
Lewis	28,890	26,520	2,370	**8.2**	28,880	26,400	2,480	**8.6**	27,820	25,300	2,520	**9.0**
Lincoln	4,830	4,600	220	**4.6**	4,690	4,460	240	**5.0**	4,670	4,490	180	**3.9**
Mason	19,770	18,470	1,300	**6.6**	19,550	18,210	1,330	**6.8**	17,970	16,630	1,340	**7.5**
Okanogan	17,960	16,360	1,600	**8.9**	17,680	15,800	1,880	**10.6**	19,740	17,680	2,060	**10.4**
Pacific	7,940	7,330	610	**7.7**	7,970	7,260	710	**8.9**	7,560	6,860	700	**9.3**
Pend Oreille	4,450	4,110	340	**7.6**	4,420	3,970	440	**10.1**	4,170	3,770	400	**9.6**
San Juan	6,380	6,120	260	**4.1**	6,310	6,020	290	**4.6**	6,490	6,280	220	**3.3**
Skagit	51,400	47,690	3,710	**7.2**	51,960	48,070	3,890	**7.5**	50,710	47,290	3,420	**6.7**
Skamania	3,880	3,470	410	**10.6**	3,800	3,330	470	**12.3**	3,830	3,440	390	**10.3**
Stevens	16,150	14,660	1,490	**9.2**	16,130	14,250	1,870	**11.6**	16,200	14,550	1,650	**10.2**
Wahkiakum	1,680	1,560	120	**7.0**	1,740	1,600	150	**8.4**	1,700	1,560	140	**8.4**
Walla Walla	26,350	25,170	1,180	**4.5**	26,250	24,430	1,820	**6.9**	26,020	24,770	1,250	**4.8**
Whitman	18,950	18,560	380	**2.0**	19,340	18,930	410	**2.1**	18,910	18,540	370	**2.0**

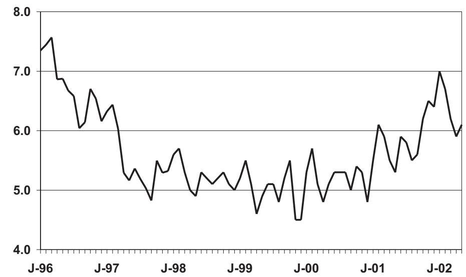
1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. 2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

MSA Jobless Rates 1996-2002

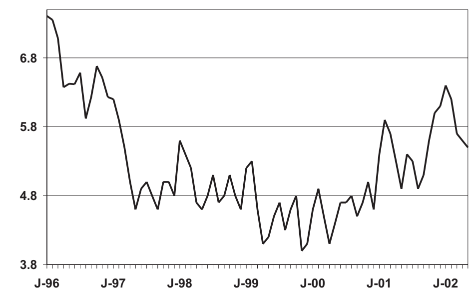
Bellingham MSA



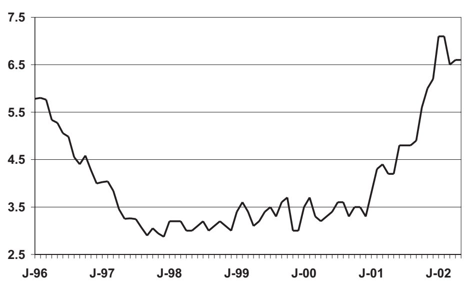
Bremerton PMSA



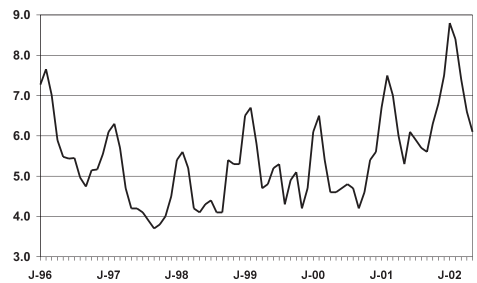
Olympia PMSA



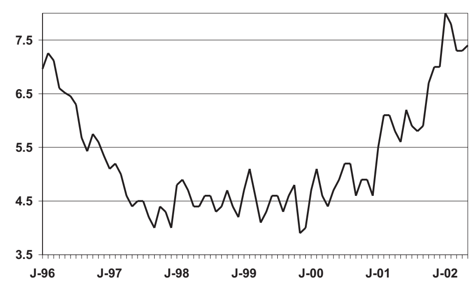
Seattle-Bellevue-Everett PMSA



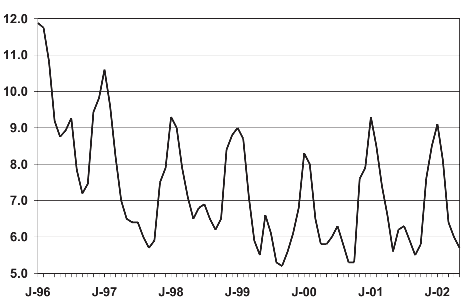
Spokane MSA



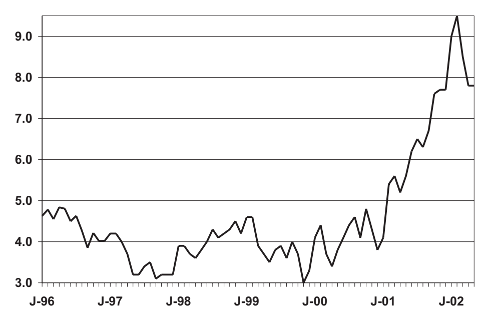
Tacoma PMSA



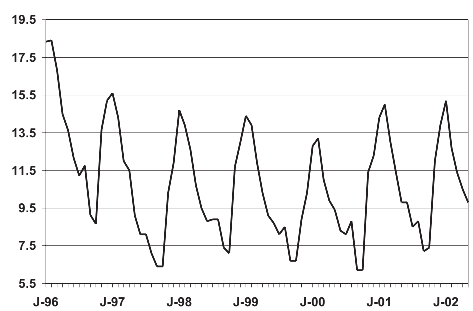
Richland-Kennewick-Pasco MSA



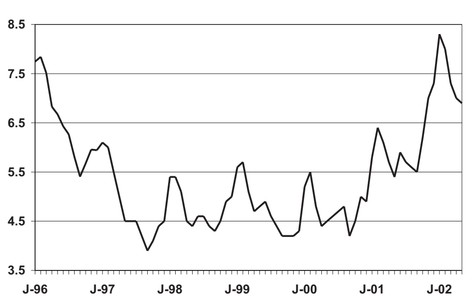
Clark County



Yakima MSA

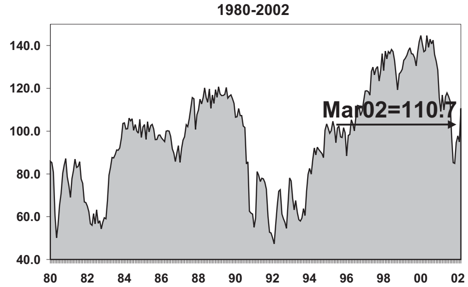


Washington State



Index of Consumer Confidence

1980-2002



Also In This Issue

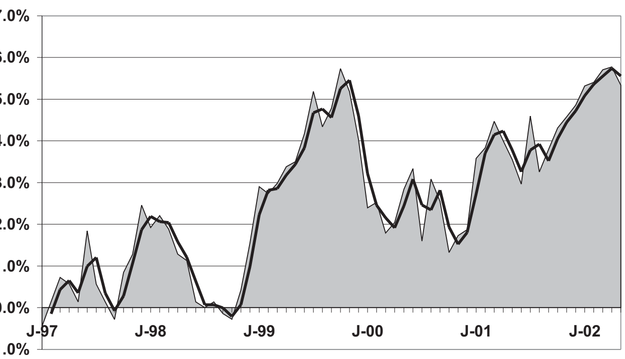
Across the MSA

One good hand, four bad

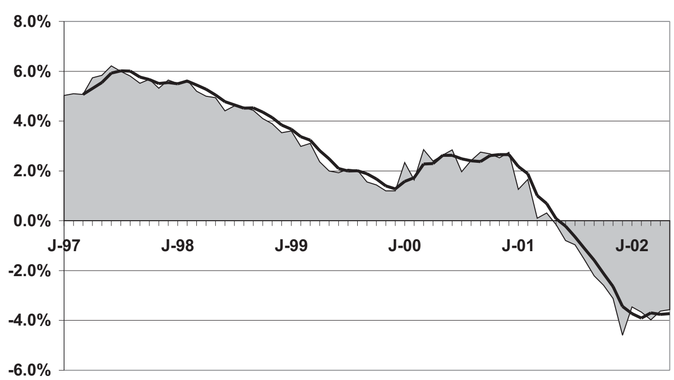
The cards speak for themselves

Poker is a game where you don't need a referee, unlike football, basketball, etc. And the reason is: the cards speak for themselves. If you've got a pair, two pair, three of a kind, a straight, a flush, a full house, etc., you don't have to argue about it—just put down your cards. And the same is true of graphs showing nonag performance by percent change over the year. Here is a representative sample of hands dealt to four big MSAs (Seattle, Tacoma, Spokane and Clark County) and one small one (Tri-Cities) from 1997 to May 2002. Note that the Bellingham and Yakima MSAs and Cowlitz County (*vide infra*) are not paragons of pulchritude either.

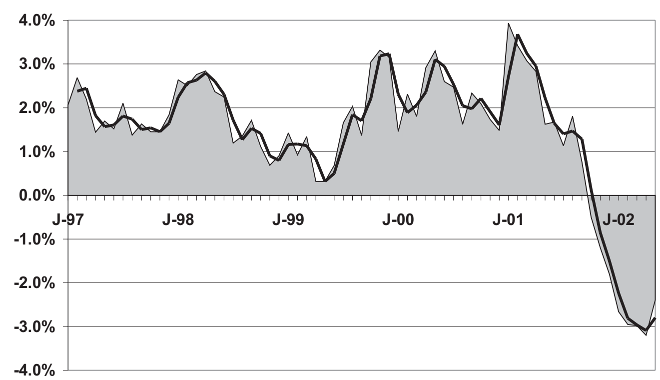
Nonagricultural Employment
Richland-Kennewick-Pasco MSA
% Change over year 1997-May 2002



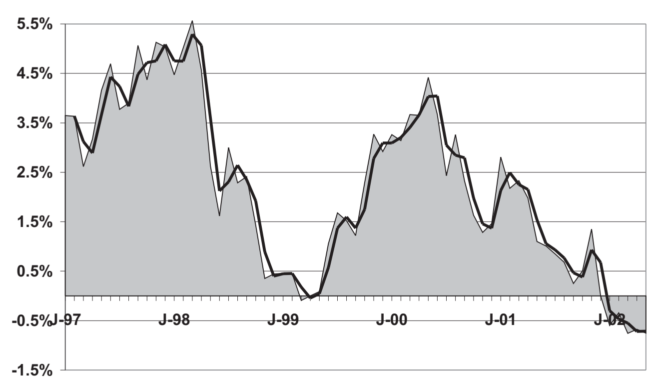
Nonagricultural Employment
Seattle-Bellevue-Everett PMSA
% Change over year 1997-May 2002



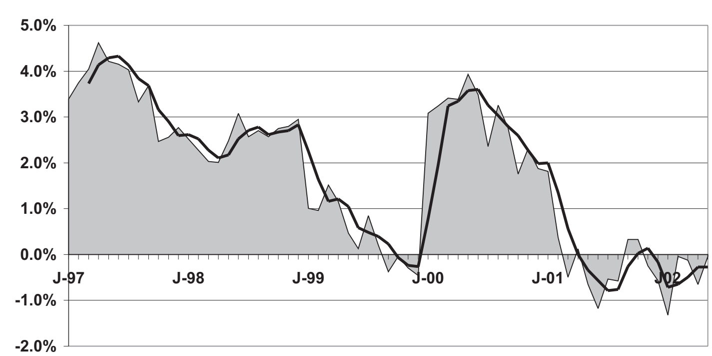
Spokane MSA Nonag Employment
% Change over year 1997-May 2002



Clark County Nonag Employment
% Change over year 1997-May 2002



Tacoma PMSA Nonag Employment
% Change over year 1997-May 2002



By Jack Schillinger

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Washington State Employment Security

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LABOR AREA SUMMARY

Bellingham MSA

HIGHLIGHTS

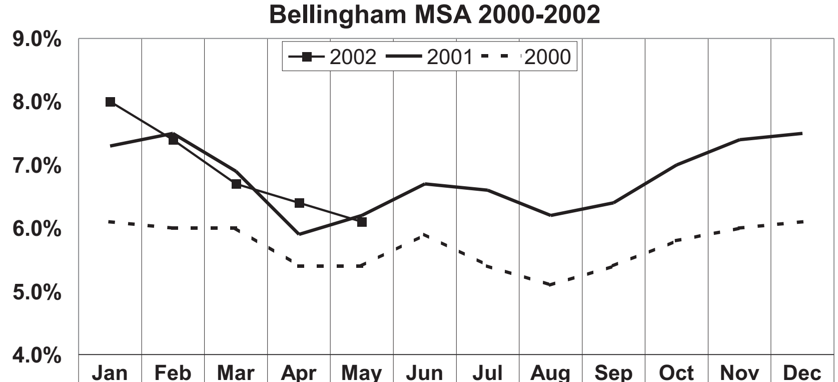
May must have been a merry time in the Bellingham MSA, as nonag jobs jumped over April's level by 700. Virtually all industries except manufacturing and FIRE moved up a notch at the tail end of spring's timid efflorescence.

On the other hand, offsetting yang with a near double dose of yin, the number of jobs declined over the year by 1,300. Most of this falloff came in the manufacturing sector, off by 800 from last May. The remainder of the negative was scattered among most industries, with trade down by 200 and government off 300.

Not pretty is the recent segment of Bellingham's historical view (1997 to present), as presented in the adjoining chart. It shows the MSA went snorkeling in early 2001, pulled up gasping for a brief spell, then slipped deeper into the bathos after 9/11, and only in the last few months of this year has it shown any signs of wanting to come up again for air. Let's hope the ascent is not too fast, or else there'll be need of a hyperbaric chamber.

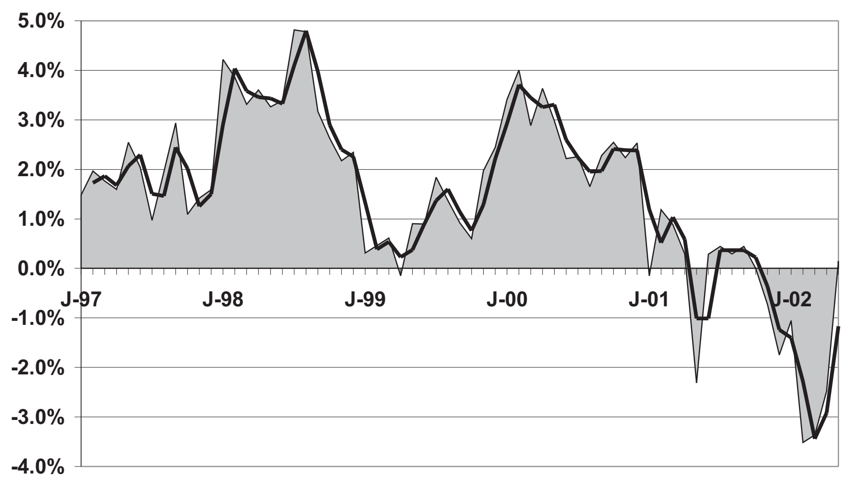
On the jobless front, the rate fell from 6.4 in April to 6.1 in May. Surprisingly, this month's rate was actually lower than the year-ago figure of 6.2. And the number of job seekers (4,900) was also the same. No other MSA in the state can stake such a claim, and you read about this singular fact only here.

Unemployment Rates by Month
Bellingham MSA 2000-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	8.0%	7.4%	6.7%	6.4%	6.1%							
2001	7.3%	7.5%	6.9%	5.9%	6.2%	6.7%	6.6%	6.2%	6.4%	7.0%	7.4%	7.5%
2000	6.1%	6.0%	6.0%	5.4%	5.4%	5.9%	5.4%	5.1%	5.4%	5.8%	6.0%	6.1%

Bellingham MSA Nonag Employment
% Change over year 1997-2002



Nonagricultural Wage and Salary Workers
Employed in the Bellingham MSA (Whatcom County)

	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	Change Yr-Yr %
TOTAL 2/	**67,600**	**66,900**	**68,900**	**700**	**-1,300**	**-1.9%**
MANUFACTURING	**8,800**	**8,800**	**9,600**	**0**	**-800**	-8.3%
Lumber & Wood Products	1,500	1,500	1,500	0	0	0.0%
Food Processing	1,400	1,400	1,400	0	0	0.0%
MINING & MISC	**600**	**500**	**700**	**100**	**-100**	-14.3%
CONSTRUCTION	**5,400**	**5,200**	**5,400**	**200**	**0**	0.0%
TRANSPORTATION & UTILITIES	**3,400**	**3,300**	**3,400**	**100**	**0**	0.0%
WHOLESALE & RETAIL TRADE	**17,200**	**17,000**	**17,400**	**200**	**-200**	-1.1%
FINANCE, INSURANCE & REAL ESTATE	**2,400**	**2,400**	**2,500**	**0**	**-100**	-4.0%
SERVICES	**17,400**	**17,300**	**17,200**	**100**	**200**	1.2%
GOVERNMENT	**12,400**	**12,400**	**12,700**	**0**	**-300**	-2.4%
Federal	900	900	900	0	0	0.0%
State	3,500	3,500	3,600	0	-100	-2.8%
Local	8,000	8,000	8,200	0	-200	-2.4%
Labor-Management Disputes	0	0	0	xxx	xxx	

Continued...

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received pay during the pay period including the 12th of the month, by place of work. This information is also available on the Internet at:

http://www.wa.gov/esd/lmea

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Washington State
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LABOR AREA SUMMARY

Bremerton PMSA

HIGHLIGHTS

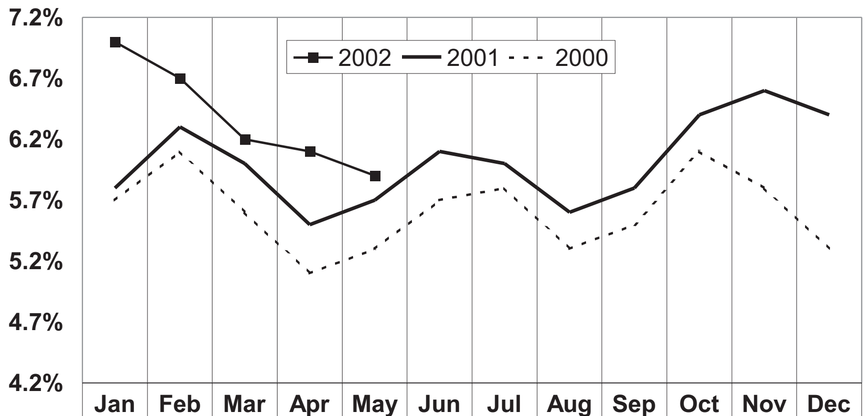
Nonag jobs in the PMSA stood at 74,500 in May, down 500 from a year ago. Not exactly merry, then, in the month of May, but no cause for gloom and doom either. Local economists note the Kitsap economy is battling the recession with much greater resiliency (viz. an infusion of military defense dollars) than what can be mustered for the mainland mega-economy, undermined as it is by commercial demand setbacks at the Boeing. Company

Speaking of defense dollars, we now have a better picture of civilian and military employment in Kitsap, thanks to updated information obtained from the Navy by the Kitsap Regional Economic Development Council. Counting all top military and federal civil service employers, there are 13,236 civilian workers (excluding contractors) and 12,754 military personnel (including those on ships and submarines), making for a total of almost 26,000 FTEs (for more detail, go to *www.kitsapedc.org*).

Local unemployment stood at 5.9 percent in May, down from a revised 6.1 in April and only a few ticks higher than the year-ago figure of 5.7. In contrast, the Seattle-Bellevue-Everett PMSA registered 6.6 in the same time frame, up almost two points from last May's 4.7 percent.

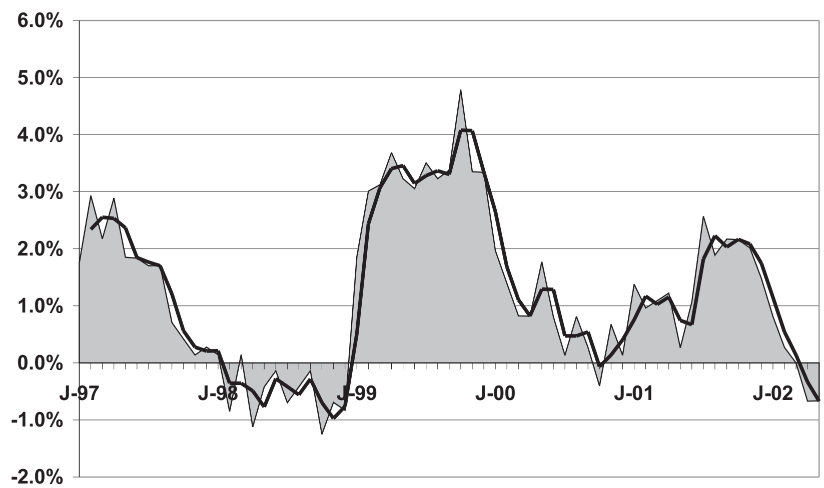
But maybe merry, like the month, is something that goes around.

Unemployment Rates by Month
Bremerton PMSA 2000-2002

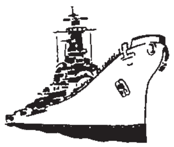


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	7.0%	6.7%	6.2%	6.1%	5.9%							
2001	5.8%	6.3%	6.0%	5.5%	5.7%	6.1%	6.0%	5.6%	5.8%	6.4%	6.6%	6.4%
2000	5.7%	6.1%	5.6%	5.1%	5.3%	5.7%	5.8%	5.3%	5.5%	6.1%	5.8%	5.3%

Bremerton PMSA Nonag Employment
% Change over year 1997-May 2002



Nonagricultural Wage and Salary Workers
Employed in the Bremerton PMSA (Kitsap County)



	May 2002 1/	Apr. 2002	May 2001	*Change* Apr-02 May-02	May-01 May-02	Yr-Yr %
TOTAL 2/	**74,500**	**74,100**	**75,000**	**400**	**-500**	**-0.7%**
MANUFACTURING	**2,400**	**2,300**	**2,300**	**100**	**100**	4.3%
MINING AND MISCELLANEOUS	**700**	**700**	**800**	**0**	**-100**	-12.5%
CONSTRUCTION	**4,000**	**4,000**	**4,300**	**0**	**-300**	-7.0%
TRANSPORT., AND PUBLIC UTILITIES	**2,100**	**2,100**	**2,200**	**0**	**-100**	-4.5%
WHOLESALE AND RETAIL TRADE	**17,000**	**16,800**	**16,900**	**200**	**100**	0.6%
FINANCE, INSUR. AND REAL ESTATE	**2,700**	**2,700**	**2,600**	**0**	**100**	3.8%
SERVICES	**19,400**	**19,300**	**19,500**	**100**	**-100**	-0.5%
GOVERNMENT	**26,200**	**26,200**	**26,400**	**0**	**-200**	-0.8%
Labor-Management Disputes	0	0	0	xxx	xxx	

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. This information is also available on the Internet at:

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LABOR AREA SUMMARY

Olympia PMSA

HIGHLIGHTS

Slow and steady recovery conditions describe the May economic situation. Evidence of sustained growth continues to gather but improvements in labor market conditions appear to be very gradual. The latest economic indicators suggest that the rather strong national economic growth registered within the first quarter of the year has failed to carry over its momentum into the second quarter.

The preliminary estimate of GDP growth for the second quarter stood at 1.1 percent, down precipitously from the revised figure of 6.1 percent for the first quarter. Combined with this month's BLS report on labor productivity, the short-term outlook for job seekers tends to be problematic at best. The 8.4 percent gain in output per hour worked for the first quarter was the strongest in nearly two decades for first quarters. This augurs well for business firms as increasingly productive employees provide the prospect for translating efficiency gains into future profits later on. Not all the gains tend to accrue to companies, however. Productivity growth also generates healthier income gains for those who have managed to retain their jobs during the slowdown. For those who did not, there is little reason to rejoice as companies can extract more output from existing staff and delay hiring even as product demand recovers. In order to ramp up hiring near term, the economy must recover at a pace that generates a rate of job creation sufficient to offset labor market growth and productivity growth. For now, that target appears to be somewhat in excess of 3 percent annually. Output growth at such a level would be consistent with creating something in excess of 125,000 new payroll jobs per month, net of seasonal gains. This would have the effect of pushing unemployment rates down. Labor market recovery would be experienced along with the economists' definition of economic recovery, which is sustained output growth. The point to be made is that magnitude matters for labor markets.

Meanwhile, the nation is experiencing sluggish labor market conditions. Payroll employment increased in May by a seasonally adjusted 41,000. Gains from previous months have been revised downward and have been struggling to remain in positive territory. Although May's employment gain is small, it is still positive and should be interpreted as such. However, one should be wary about attaching too much significance to the employment data as an indicator that the economy has turned upward. The unemployment rate for the nation decreased this month from 6 percent to 5.8 percent. The unemployment rate numbers are generated from household survey results and tend to be more volatile from month to month. Payroll numbers are generated instead from establishment surveys and as such serve as a better barometer of labor market conditions. It will be important to monitor consumer behavior and business profit performance in the coming months in order to ascertain the depth of the recovery throughout the year and its impact upon the labor market.

Washington State's labor market economy mirrored the malaise felt at the national level. Typical seasonal gains in employment were realized. Beyond that, the job picture was lackluster. Nonagricultural wage and salary jobs grew by 0.7 percent while the seasonally adjusted unemployment rate for Washington dropped a tenth of a point to 7.1 percent. The weakness in high tech employment during the downturn, along with the well-publicized problems in aerospace employment, has carried the state in tandem with Oregon to what have been the highest unemployment rates in the nation. As the Boeing situation gradually settles and as tech employment begins to recover, the state and nation's unemployment rates should begin to converge to around a percentage point of difference.

The Olympia economy also lurched forward at a pace indicative of slow recovery. The local economy generated 400 jobs for the month, below the normal monthly average of around 600. The number was in line with what the area has experienced in the past after a downturn. Gains of 100 jobs in both construction and manu-

Continued next page

Nonagricultural Wage and Salary Workers
Employed in the Olympia PMSA (Thurston County)

	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	Change Yr-Yr %
TOTAL 2/	**87,200**	**86,800**	**86,650**	**400**	**550**	**0.6%**
GOODS PRODUCING	**7,600**	**7,400**	**7,850**	**200**	**-250**	-3.2%
MINING	**100**	**100**	**50**	**0**	**50**	100.0%
CONSTRUCTION	**3,800**	**3,700**	**4,000**	**100**	**-200**	-5.0%
MANUFACTURING	**3,700**	**3,600**	**3,800**	**100**	**-100**	-2.6%
SERVICES PRODUCING	**79,600**	**79,400**	**78,800**	**200**	**800**	1.0%
TRANSPORT, COMMUNICATIONS, UTILITIES	**2,400**	**2,300**	**2,300**	**100**	**100**	4.3%
TRADE	**16,900**	**16,800**	**16,900**	**100**	**0**	0.0%
FINANCE, INSURANCE, REAL-ESTATE	**3,400**	**3,400**	**3,200**	**0**	**200**	6.3%
SERVICES	**20,800**	**20,800**	**20,400**	**0**	**400**	2.0%
GOVERNMENT	**36,100**	**36,100**	**36,000**	**0**	**100**	0.3%
FEDERAL	1,300	1,200	1,100	100	200	18.2%
U.S. Postal Service	500	500	500	0	0	0.0%
Other Federal	800	700	600	100	200	33.3%
STATE /3	**23,400**	**23,500**	**23,600**	**-100**	**-200**	-0.8%
Education Services	2,400	2,400	2,400	0	0	0.0%
Non-Education	21,000	21,100	21,200	-100	-200	-0.9%
LOCAL	**11,400**	**11,400**	**11,300**	**0**	**100**	0.9%
Education Services	6,700	6,700	7,300	0	-600	-8.2%
Non-Education	4,700	4,700	4,000	0	700	17.5%
Cities and Towns	3,200	3,100	2,500	100	700	28.0%
Other Local Non-Education	1,500	1,600	1,500	-100	0	0.0%
LABOR DISPUTES	0	0	0	xxx	xxx	

Continued...

facturing were realized although both industries remain somewhat down from this time last year. Government employment remained stable for the month while the services sector combined for a total gain of 200 jobs. The recent gains in temporary and help supply industry employment were derailed this month as this category experienced a slight decline. The greater use of temp workers to satisfy labor demands generally acts as a "testing of waters" by employers and can be viewed as a precursor to improved labor market conditions. Whether the decline this month can be interpreted as a fluke or a prelude to employers' hiring additional full time workers is difficult to say at this point. It does, however, warrant special attention in future months. The jobless rate for the Olympia economy was virtually unchanged for the month, dropping by a tenth of a point to 5.5

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received pay during the pay period including the 12th of the month, by place of work. 3/ State government employment estimates are for jobs, not for full-time equivalent (FTE) positions, and therefore may differ from data available from other state agencies. This information is also available on the Internet at:

http://www.wa.gov/esd/lmea

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Washington State
Employment Security

Washington State

LABOR AREA SUMMARY

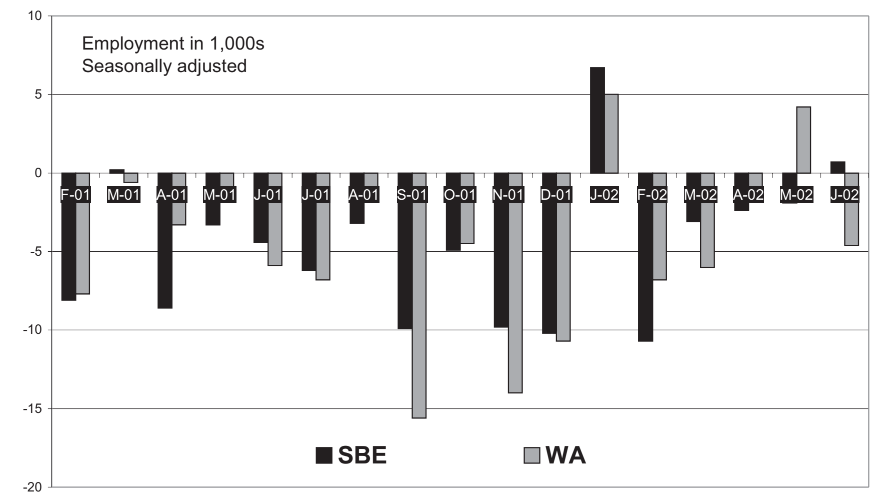
Seattle/Bellevue/Everett PMSA

HIGHLIGHTS

June's labor market showed very mixed signals: The unemployment rate did improve but the number of wage and salary jobs in the statewide economy actually fell. The statewide economy lost –4700 jobs (seasonally adjusted) in June, after gaining about the same number in May, +4,300.

So it remains premature to pronounce the Puget Sound and Statewide recession "over". Still, cautious optimism may be in order, since mixed signals are always an indicator of turning points in the economic cycle.

Recession Trends Seattle-Bellevue-Everett vs. Statewide
Job Gains/Losses by Month Feb. 2001 to June 2002



- **Monthly Job Gains/Losses**

Looking at job gains and losses using a statistical method called "seasonal adjustment", to remove the effects of purely seasonal staffing patterns, can help us see the trend of the recession's course. Without seasonal adjustment of the monthly figures, we can be misled by the effects of weather and temperature on a variety of industries, such as construction and recreation. Also, summer always brings education institutions into the seasonal picture in a major way, as schools cut staff in June and July, and then add them back on the payrolls in August and September. Job gains and losses, by month, for the full period of Washington State's recession (February, 2001 through the current month of June, 2002) show the worst of the recession may be past us. Losses in the metro Seattle labor market have tapered off. Statewide, the monthly figures are alternating between positive and negative.

- **Unemployment**

June's unemployment rate statewide dropped to 6.8 from 7.1% in May (seasonally adjusted) (NOT seasonally adjusted, it only dropped .1 to the same figure, 6.8% from May's 6.9%). So that piece of data is encouraging. In metropolitan Seattle, unemployment remained constant over the month, at 6.5%.

The statewide economy lost –4700 jobs (seasonally adjusted) in June, after gaining about the same number in May, +4,300. And so the bumpy bottom of the recession trough may still be with us.

In Metropolitan Seattle, the margin between local unemployment and statewide unemployment is markedly closer than before the recession –an indicator of how this recession has hit the local labor markets so much hard than other areas of the state. In June,

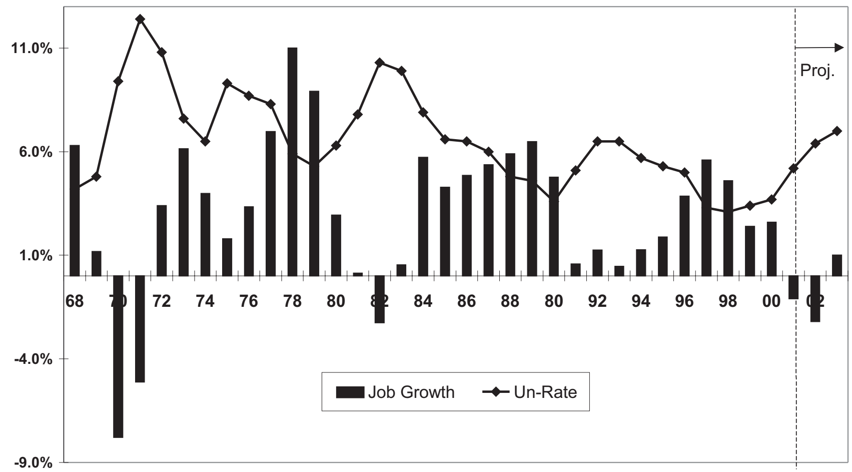
Continued next page

metropolitan Seattle's unemployment rate, at 6.5%, was only .3% lower than the statewide figure of 6.8%; just two years ago, in June of 2000, Seattle's unemployment registered 3.7%, much lower than the statewide figure of 5.0%.

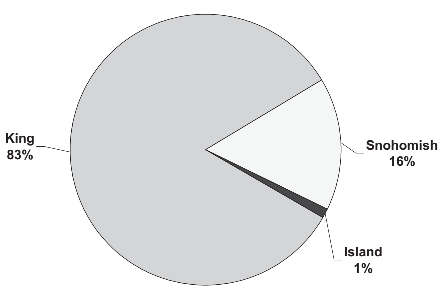
- **Tech Notes:**

The term "Metropolitan Seattle" is the informal title of a statistical labor market designated by the U.S. Dept. of Labor since 1958 to comprise King, Snohomish and Island Counties, combined, and is labelled "Seattle-Bellevue-Everett" in our tables. This labor market accounts for 50 percent of the state's nonfarm employment base.

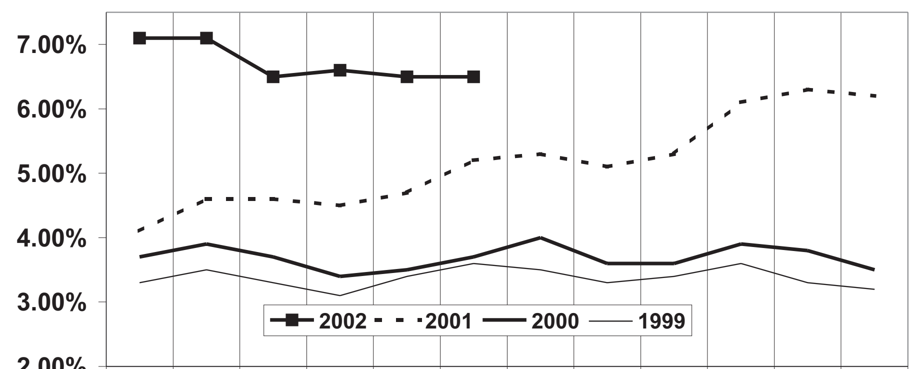
Job Growth and Unemployment
Seattle-Bellevue-Everett PMSA 1968-2001; 2002-2003 Projected



Seattle Jobs 2001
King vs. Snohomish vs. Island



Unemployment Rates by Month
Seattle-Bellevue-Everett PMSA 1999-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	7.1%	7.1%	6.5%	6.6%	6.5%	6.5%						
2001	4.1%	4.6%	4.6%	4.5%	4.7%	5.2%	5.3%	5.1%	5.3%	6.1%	6.3%	6.2%
2000	3.7%	3.9%	3.7%	3.4%	3.5%	3.7%	4.0%	3.6%	3.6%	3.9%	3.8%	3.5%
1999	3.3%	3.5%	3.3%	3.1%	3.4%	3.6%	3.5%	3.3%	3.4%	3.6%	3.3%	3.2%

Nonagricultural Wage and Salary Workers
Employed in the Seattle-Bellevue-Everett PMSA
(King, Snohomish and Island Counties)

				Change		
INDUSTRY 1/ 2/	Preliminary May-02	Revised Apr-02	Revised May-01	Apr-02 May-02	May-01 May-02	Yr-Yr %
TOTAL in 1,000s	**1,362.3**	**1,354.0**	**1,412.7**	**8.3**	**-50.4**	**-3.6%**
MANUFACTURING	**180.9**	**181.0**	**197.2**	**-0.1**	**-16.3**	-8.3%
Durable Goods	141.2	141.3	154.6	-0.1	-13.4	-8.7%
Lumber & Wood Products	8.4	8.3	8.6	0.1	-0.2	-2.3%
Stone, Clay & Glass Products	3.5	3.4	3.7	0.1	-0.2	-5.4%
Primary Metal Industries	1.3	1.3	1.4	0.0	-0.1	-7.1%
Fabricated Metal Products	7.0	7.0	7.4	0.0	-0.4	-5.4%
Industrial Machinery & Equip.	10.5	10.4	12.0	0.1	-1.5	-12.5%
Electronic & Other Elec. Equip.	9.1	9.1	10.1	0.0	-1.0	-9.9%
Transportation Equipment	82.1	82.1	90.7	0.0	-8.6	-9.5%
Aircraft & Parts	74.9	75.2	83.7	-0.3	-8.8	-10.5%
Ship & Boat Build/Repair	4.0	3.9	3.8	0.1	0.2	5.3%
Instruments & Related Prods.	11.1	11.1	11.6	0.0	-0.5	-4.3%
Nondurable Goods	39.7	39.7	42.6	0.0	-2.9	-6.8%
Food & Kindred Products	13.1	13.1	14.7	0.0	-1.6	-10.9%
Textiles, Apparel & Leather	3.7	3.7	4.3	0.0	-0.6	-14.0%
Paper & Allied Products	3.1	3.1	3.3	0.0	-0.2	-6.1%
Printing and Publishing	13.0	13.0	13.7	0.0	-0.7	-5.1%
Chemicals & Allied Products	3.0	3.0	2.9	0.0	0.1	3.4%
Petroleum, Coal; Plastics	3.8	3.8	3.7	0.0	0.1	2.7%
MINING & QUARRYING	**1.0**	**1.0**	**1.1**	**0.0**	**-0.1**	-9.1%
CONSTRUCTION	**73.9**	**72.5**	**80.2**	**1.4**	**-6.3**	-7.9%
Building Construction	20.2	20.1	21.0	0.1	-0.8	-3.8%
Heavy Construction	7.0	6.7	7.7	0.3	-0.7	-9.1%
Special Trade Contractors	46.7	45.7	51.5	1.0	-4.8	-9.3%
TRANSPOR., COMM. & PUBL. UTIL.	**81.5**	**81.1**	**88.0**	**0.4**	**-6.5**	-7.4%
Transportation	53.9	53.6	57.9	0.3	-4.0	-6.9%
Water Transportation	5.7	5.7	6.0	0.0	-0.3	-5.0%
Transportation by Air	20.1	20.1	22.3	0.0	-2.2	-9.9%
Communications	23.4	23.3	25.7	0.1	-2.3	-8.9%
Gas, Electric & Sanit. Services	4.2	4.2	4.4	0.0	-0.2	-4.5%
WHOLESALE & RETAIL TRADE	**314.9**	**312.6**	**325.3**	**2.3**	**-10.4**	-3.2%
Wholesale Trade	82.5	82.4	86.2	0.1	-3.7	-4.3%
Durable Goods	52.3	52.2	54.1	0.1	-1.8	-3.3%
Nondurable Goods	30.2	30.2	32.1	0.0	-1.9	-5.9%
Retail Trade	232.4	230.2	239.1	2.2	-6.7	-2.8%
Building Materials & Garden	9.4	9.2	10.5	0.2	-1.1	-10.5%
General Merchandise	21.6	21.5	21.6	0.1	0.0	0.0%
Food Stores	30.7	30.5	31.4	0.2	-0.7	-2.2%
Apparel & Accessory	15.2	15.2	15.8	0.0	-0.6	-3.8%
Furniture & Homefurnishings	12.5	12.5	12.6	0.0	-0.1	-0.8%
Eating & Drinking Places	88.5	86.9	90.1	1.6	-1.6	-1.8%

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Nonagricultural Wage and Salary Workers
Employed in the Seattle-Bellevue-Everett PMSA
(King, Snohomish and Island Counties)

INDUSTRY 1/ 2/	Preliminary May-02	Revised Apr-02	Revised May-01	Apr-02 May-02	May-01 May-02	Yr-Yr %
FINANCE, INSUR. & REAL ESTATE	**88.0**	**87.8**	**86.4**	**0.2**	**1.6**	1.9%
Finance	37.7	37.7	36.4	0.0	1.3	3.6%
Insurance	29.1	29.1	28.6	0.0	0.5	1.7%
Real Estate	21.2	21.0	21.4	0.2	-0.2	-0.9%
SERVICES	**419.1**	**415.4**	**436.9**	**3.7**	**-17.8**	-4.1%
Hotels	13.5	13.2	14.4	0.3	-0.9	-6.3%
Business Services	120.1	118.8	135.4	1.3	-15.3	-11.3%
Computer & Data Processing	57.2	57.2	63.2	0.0	-6.0	-9.5%
Health Services	87.7	87.5	85.0	0.2	2.7	3.2%
Nursing & Personal Care	14.4	14.3	13.9	0.1	0.5	3.6%
Hospitals	26.4	26.4	26.0	0.0	0.4	1.5%
Legal Services	12.6	12.5	12.8	0.1	-0.2	-1.6%
Educational Services	21.0	20.8	19.7	0.2	1.3	6.6%
Social Services	28.6	28.6	28.6	0.0	0.0	0.0%
Engineering & Management	46.2	46.2	48.0	0.0	-1.8	-3.8%
GOVERNMENT	**203.0**	**202.6**	**197.6**	**0.4**	**5.4**	2.7%
Federal	24.0	24.0	24.2	0.0	-0.2	-0.8%
U.S. Postal Service	8.2	8.2	8.4	0.0	-0.2	-2.4%
State	60.1	59.9	58.9	0.2	1.2	2.0%
State Education	43.5	43.3	42.4	0.2	1.1	2.6%
Local	118.9	118.7	114.5	0.2	4.4	3.8%
Local Education	56.2	56.2	53.3	0.0	2.9	5.4%
IN LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	
GOODS PRODUCING	255.8	254.5	278.5	1.3	-22.7	-8.2%
SERVICES PRODUCING	1106.5	1099.5	1134.2	7.0	-27.7	-2.4%

1/Preliminary.Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes all full- and part-time workers receiving pay during the pay period including the 12th of the month (by place of work). 5/ Employment affected by labor management disputes. Prepared by the Current Employment Statistics Unit (CES). This information is also available on the Internet at **http://www.wa.gov/esd/lmea**

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Washington State Employment Security

Washington State

LABOR AREA SUMMARY

Snohomish County

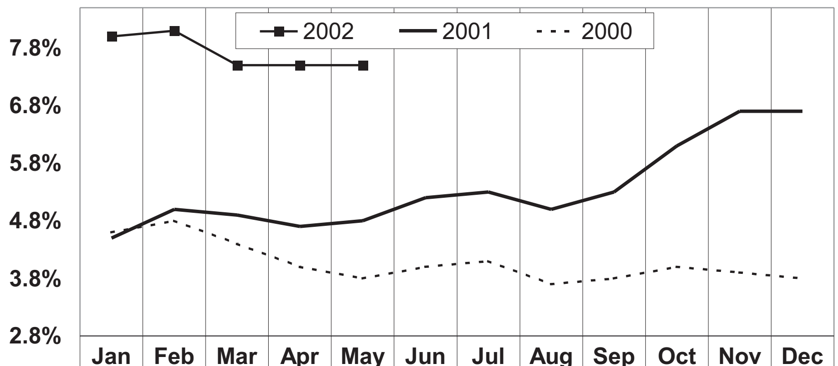
HIGHLIGHTS

T'was the merry, merry, month of May and the consumers were consuming and orange traffic cones were sprouting as the builders were building. Increases in construction and retail helped boost non-farm jobs in Snohomish County by 1,400 over the month, bringing a welcome ray of light to an economy that's been in the gloom of recession for too long. While seasonal increases are expected at this time of year, last May saw only an increase of 800 jobs.

Meanwhile, the unemployment rate held steady at 7.5 percent, mirroring the revised rate for April. Although this is up from the year-ago rate of 4.8 percent, it's a welcome change from the sharp increases that occurred during the months that followed September 11, which saw the unemployment rate rise to 8.1 percent in February.

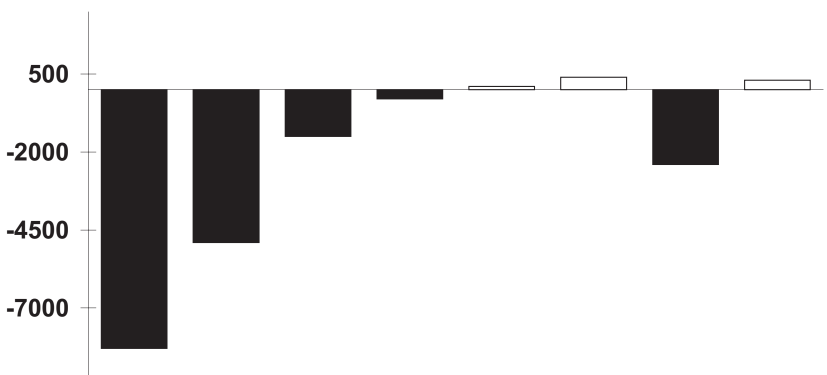
Non-farm jobs increased to 208,000, while manufacturing jobs held steady over the month at 48,400. A loss of 100 jobs in aircraft and parts was offset by an increase of 100 jobs in industrial machinery and equipment. Construction posted an increase of 600 jobs, with 500 of that in special trade contractors. Retail trade increased by 600 jobs as well, with 200 coming in food stores and 200 in eating & drinking establishments.

Unemployment Rates by Month
Snohomish County 2000-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	8.0%	8.1%	7.5%	7.5%	7.5%							
2001	4.5%	5.0%	4.9%	4.7%	4.8%	5.2%	5.3%	5.0%	5.3%	6.1%	6.7%	6.7%
2000	4.6%	4.8%	4.4%	4.0%	3.8%	4.0%	4.1%	3.7%	3.8%	4.0%	3.9%	3.8%

Job Gains/Losses by Industry
Snohomish County: May-01/May-02



	Total	MFG	Cons	TCU	Trade	FIRE	Serv	Govt
'	-8,300	-4,900	-1,500	-300	100	400	-2,400	300

Nonagricultural Wage and Salary Workers Employed in Snohomish County

	Prelim.1/ May-02	Revised Apr-02	Revised May-01	Apr-02 May-02	May-01 May-02	Yr-Yr %
TOTAL 2/	**208,000**	**206,600**	**216,300**	**1,400**	**(8,300)**	**-3.8%**
MANUFACTURING	**48,400**	**48,400**	**53,300**	**0**	**(4,900)**	-9.2%
Durable Goods	42,300	42,400	47,300	(100)	(5,000)	-10.6%
Lumber & Wood Products	2,700	2,700	3,100	0	(400)	-12.9%
Fabricated Metal Products	1,400	1,400	1,700	0	(300)	-17.6%
Industrial Machinery & Equip.	2,500	2,400	2,700	100	(200)	-7.4%
Electronic & Other Elec. Equip.	2,000	2,000	2,400	0	(400)	-16.7%
Transportation Equipment	27,800	27,900	31,400	(100)	(3,600)	-11.5%
Aircraft & Parts	26,700	26,800	30,200	(100)	(3,500)	-11.6%
Other Transp. Equip.	1,100	1,100	1,200	0	(100)	-8.3%
Instruments & Related Prods.	4,300	4,400	4,200	(100)	100	2.4%
Nondurable Goods	6,100	6,000	6,000	100	100	1.7%
Food & Kindred Products	1,400	1,400	1,300	0	100	7.7%
Printing and Publishing	2,000	2,000	2,100	0	(100)	-4.8%
Petroleum, Coal; Plastics	800	800	700	0	100	14.3%
MINING & QUARRYING	500	500	500	0	0	0.0%
CONSTRUCTION	**14,400**	**13,800**	**15,900**	**600**	**(1,500)**	-9.4%
General Building Contractors	3,000	3,000	3,300	0	(300)	-9.1%
Heavy Construction	1,800	1,700	1,900	100	(100)	-5.3%
Special Trade Contractors	9,600	9,100	10,700	500	(1,100)	-10.3%
TRANSPOR., COMM. & PUBL. UTILITIES	**5,500**	**5,500**	**5,800**	**0**	**(300)**	-5.2%
Transportation	3,300	3,300	3,600	0	(300)	-8.3%
Communications	2,000	2,000	2,000	0	0	0.0%
Gas, Electric & Sanit. Services	200	200	200	0	0	0.0%
WHOLESALE & RETAIL TRADE	**49,000**	**48,400**	**48,900**	**600**	**100**	0.2%
Wholesale Trade	7,200	7,200	7,600	0	(400)	-5.3%
Durable Goods	4,900	4,800	4,700	100	200	4.3%
Nondurable Goods	2,300	2,400	2,900	(100)	(600)	-20.7%
Retail Trade	41,800	41,200	41,300	600	500	1.2%
Building Materials & Garden	2,200	2,200	2,300	0	(100)	-4.3%
General Merchandise	4,600	4,500	4,500	100	100	2.2%
Food Stores	6,600	6,400	6,700	200	(100)	-1.5%
Apparel & Accessory	1,300	1,300	1,400	0	(100)	-7.1%
Furniture & Homefurnishings	1,700	1,700	1,700	0	0	0.0%
Eating & Drinking Places	15,200	15,000	14,700	200	500	3.4%
FINANCE, INSUR. & REAL ESTATE	**10,300**	**10,200**	**9,900**	**100**	**400**	4.0%
Finance	3,800	3,800	3,400	0	400	11.8%
Insurance	4,300	4,200	4,300	100	0	0.0%
Real Estate	2,200	2,200	2,200	0	0	0.0%
SERVICES	**45,200**	**44,900**	**47,600**	**300**	**(2,400)**	-5.0%
Hotels & Lodging	800	800	900	0	(100)	-11.1%
Business Services	7,000	6,700	8,000	300	(1,000)	-12.5%
Personnel Supply	2,300	2,000	3,100	300	(800)	-25.8%
Computer & Data Processing	800	800	900	0	(100)	-11.1%
Other Business Services	3,900	3,900	4,000	0	(100)	-2.5%
Health Services	14,600	14,300	13,900	300	700	5.0%
Nursing & Personal Care	2,900	2,800	2,800	100	100	3.6%
Hospitals	3,100	3,000	2,800	100	300	10.7%
Other Health Services	8,600	8,500	8,300	100	300	3.6%
Educational Services	1,200	1,200	1,300	0	(100)	-7.7%
Social Services	4,000	4,100	4,400	(100)	(400)	-9.1%
Engineering & Management	3,400	3,600	3,700	(200)	(300)	-8.1%
GOVERNMENT	**34,700**	**34,900**	**34,400**	**(200)**	**300**	0.9%
Federal	2,000	2,000	2,300	0	(300)	-13.0%
U.S. Postal Service	1,000	1,000	1,300	0	(300)	-23.1%
State	5,200	5,200	5,200	0	0	0.0%
State Education	2,200	2,200	2,200	0	0	0.0%
Local	27,500	27,700	26,900	(200)	600	2.2%
Local Education	15,300	15,300	14,500	0	800	5.5%
Workers in labor-management disputes	0	0	0	xxx	xxx	

1/ Preliminary. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes all full- and part-time workers receiving pay during the pay period including the 12th of the month (by place of work).
3/ Employment affected by labor management disputes.

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LABOR AREA SUMMARY

Spokane MSA

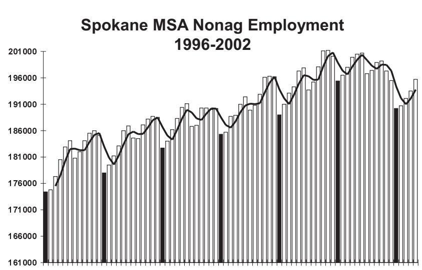
HIGHLIGHTS

The seasonal shift in nonagricultural wage and salary employment for this May was stronger than that of last May (+1.2 percent compared to +0.3 percent for April-May 2001). Over the year it shrank 2.5 percent compared to growth of 1.6 percent for the previous over-the-year period. Services gained the most jobs both over the month and over the year. "Continuing apprehensiveness" seems to be the condition of the local economy so far this year.

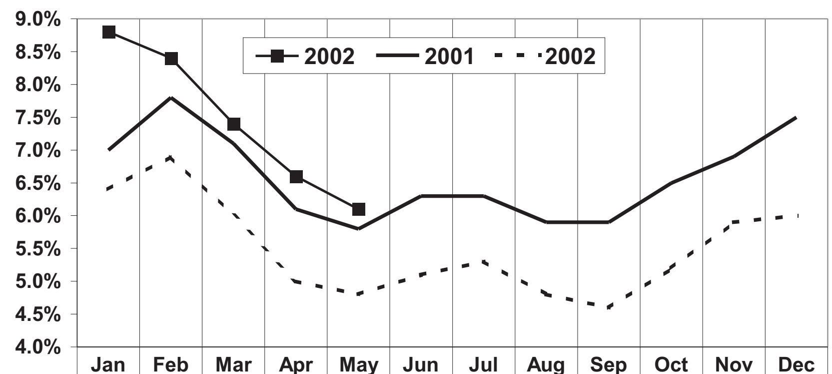
Construction's good–weather hiring continued upward by 4.6 percent, but that to a level 11.3 percent below that of the same month a year ago.

Manufacturing held even over the month, as it did last year at this time. Over the year it had fallen 15.3 percent, even worse than the over-the-year loss of 2.5 percent of May 2000-May 2001.

Transportation, communications and utilities held even over the month and fell back 8.4 percent over the year.



Unemployment Rates by Month
Spokane MSA 2000-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	8.8%	8.4%	7.4%	6.6%	6.1%							
2001	7.0%	7.8%	7.1%	6.1%	5.8%	6.3%	6.3%	5.9%	5.9%	6.5%	6.9%	7.5%
2002	6.4%	6.9%	6.0%	5.0%	4.8%	5.1%	5.3%	4.8%	4.6%	5.2%	5.9%	6.0%

Wholesale trade also held even over the month but slipped backward 2.8 percent over the year. **Retail trade** rose only 0.8 percent for the month, falling just below 2001's +1.1 percent and well below 2000's +2.0 percent seasonal shifts. The over-the-year figure was off 1.9 percent, compared to May 2001's over-the-year gain of 1.0 percent.

Finance, too, held even for the month but improved 2.5 percent over the year, while **insurance and real estate** reported +1.0 percent and +0.7 percent, respectively, for the same periods.

The services group's over-the-month growth was 1.5 percent, somewhat better than last year's +1.1 percent. Over the year services as a whole rose 2.5 percent. Business services and private educational services were both down over the year.

In government, federal civilian and state noneducational employment held even for the month. From May of 2001 state noneducational employment rose 5.5 percent and state educational employment declined 1.7 percent. Local government, both educational and noneducational, contracted over the year, -3.1 percent and -3.5 percent, respectively.

Nonagricultural Wage and Salary Workers
Employed in the Spokane MSA (Spokane County)

	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	Change Yr-Yr %
TOTAL 2/	**195,700**	**193,500**	**200,500**	**2,200**	**-4,800**	**-2.4%**
CONSTRUCTION & MINING	**10,200**	**9,800**	**11,500**	**400**	**-1,300**	**-11.3%**
MANUFACTURING	**18,300**	**18,300**	**21,500**	**0**	**-3,200**	**-14.9%**
TRANSP., COMM. & UTILITIES	**7,600**	**7,600**	**8,300**	**0**	**-700**	**-8.4%**
WHOLESALE & RETAIL TRADE	**48,400**	**48,100**	**49,500**	**300**	**-1,100**	**-2.2%**
Wholesale Trade	11,900	11,900	12,300	0	-400	-3.3%
Retail Trade	36,500	36,200	37,200	300	-700	-1.9%
General Merchandise & Apparel	5,800	6,000	5,800	-200	0	0.0%
Food Stores	5,700	5,600	5,500	100	200	3.6%
Eating & Drinking Establishments	12,600	12,400	13,300	200	-700	-5.3%
FINANCE, INSUR. & REAL ESTATE	**11,400**	**11,300**	**11,200**	**100**	**200**	**1.8%**
Finance	5,700	5,700	5,600	0	100	1.8%
SERVICES	**65,400**	**64,400**	**63,800**	**1,000**	**1,600**	**2.5%**
Business Services	8,900	8,800	9,200	100	-300	-3.3%
Health Services	24,000	23,000	22,400	1,000	1,600	7.1%
Educational Services	4,400	4,700	4,500	-300	-100	-2.2%
GOVERNMENT	**34,400**	**34,000**	**34,700**	**400**	**-300**	-0.9%
Federal	4,500	4,500	4,400	0	100	2.3%
State	11,100	11,000	10,900	100	200	1.8%
State Education	6,000	5,900	6,100	100	-100	-1.6%
Local	18,800	18,500	19,400	300	-600	-3.1%
Local Education	11,900	11,800	12,200	100	-300	-2.5%
Labor-Management Disputes	-	-	-	xxx	xxx	

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. 3/ Labor-management dispute. Produced in cooperation with the U.S. Bureau of Labor Statistics. This information is also available on the Internet at:

http://www.wa.gov/esd/lmea

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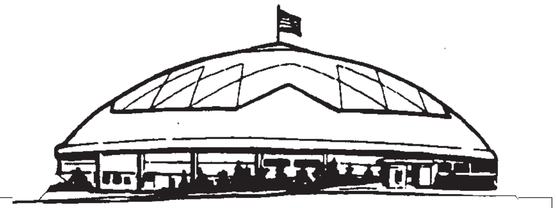
LABOR AREA SUMMARY

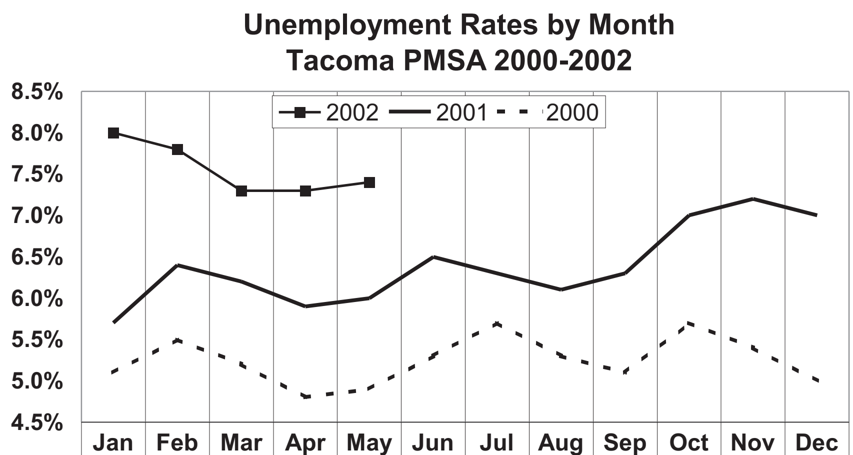
Tacoma PMSA



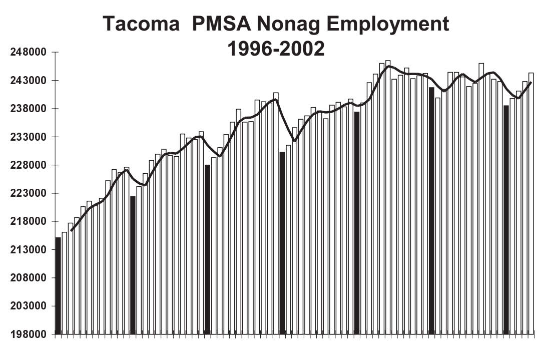
HIGHLIGHTS

Nonagricultural employment remains off from last year in the Tacoma metropolitan area, but the short-term trend appears to be improving. Offsetting gains in construction and mining versus manufacturing employment have resulted in an uptick for the entire goods producing sector.

In the May preliminary estimate of nonagricultural jobs, services producing employment was up by 1,100 jobs over the month, but down by 1,200 jobs over the year. At 21,200 jobs in May, manufacturing on the other hand remains flat over the month, and still off by 1,100 jobs from May of last year. All of the manufacturing sectors are flat from last month, except for an uptick in the residual "other durable" manufacturing sector, and a downtick in machinery, computers, electronic, and electrical equipment.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	8.0%	7.8%	7.3%	7.3%	7.4%							
2001	5.7%	6.4%	6.2%	5.9%	6.0%	6.5%	6.3%	6.1%	6.3%	7.0%	7.2%	7.0%
2000	5.1%	5.5%	5.2%	4.8%	4.9%	5.3%	5.7%	5.3%	5.1%	5.7%	5.4%	5.0%



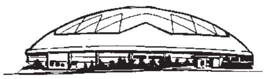
In nonmanufacturing, construction employment was up by 1,100 jobs over the year, and by 400 jobs from April. Wholesale trade was off by 600 over the year, and flat over the month. Retail trade employment was off by 1,900 jobs over the year, with the weakness centered in eating and drinking establishments (down 600) and in other retail trade (down 800).

U.S. Department of Defense civilian employment was 7,500 jobs, unchanged from April and up by 400 jobs from last May. U.S. Postal Service employment, at 1,700, continued to be unchanged over the month and year.

State government employment was up slightly over the year. In local government, public schools were up by 500 jobs from last year, and up by a tick from last month.

The unemployment rate for May was 7.4 per cent, 0.5 point above the statewide rate,and 1.9 points above the comparable rate for the U.S.

Nonagricultural Wage and Salary Workers Employed in the Tacoma PMSA (Pierce County)



	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	Yr-Yr %
TOTAL 2/	**244,300**	**242,800**	**245,400**	**1,500**	**-1,100**	**-0.4%**
GOODS PRODUCING 3/	38,700	38,300	38,600	400	100	0.3%
MINING	300	300	200	0	100	50.0%
CONSTRUCTION	**17,200**	**16,800**	**16,100**	**400**	**1,100**	6.8%
Buildings and Heavy Construction	6,700	6,400	6,700	300	0	0.0%
Special Trade Contractors	10,500	10,400	9,400	100	1,100	11.7%
MANUFACTURING	**21,200**	**21,200**	**22,300**	**0**	**-1,100**	-4.9%
Nondurable Products	8,200	8,200	8,700	0	-500	-5.7%
Food and Kindred Products	1,500	1,500	1,500	0	0	0.0%
Textiles, Apparel and Leather	900	900	1,100	0	-200	-18.2%
Paper and Allied Products	1,200	1,200	1,200	0	0	0.0%
Printing, Publishing and Allied	2,100	2,100	2,300	0	-200	-8.7%
Chemicals, Petroleum and Allied Products	900	900	900	0	0	0.0%
Rubber and Misc. Plastics Products	1,600	1,600	1,700	0	-100	-5.9%
Durable Products	13,000	13,000	13,600	0	-600	-4.4%
Lumber and Wood Products	3,700	3,700	3,500	0	200	5.7%
Stone, Clay, Glass and Concrete Products	1,700	1,700	1,600	0	100	6.3%
Metals, Primary and Fabricated 3/	1,800	1,800	2,000	0	-200	-10.0%
Mach., Comput., Electronic & Elect. Equip.	2,500	2,600	2,700	-100	-200	-7.4%
Transportation Equipment	2,200	2,200	2,300	0	-100	-4.3%
Aircraft, Guided Missiles, Space Veh. & Parts	1,500	1,500	1,600	0	-100	-6.3%
SERVICES PRODUCING 4/	205,600	204,500	206,800	1,100	-1,200	-0.6%
TRANSPORTATION, COMMUNICATIONS and PUBLIC UTILITIES	**10,500**	**10,500**	**10,700**	**0**	**-200**	-1.9%
Transportation	7,900	7,900	7,900	0	0	0.0%
Water Transportation	1,200	1,200	1,200	0	0	
Communications and Utilities	2,600	2,600	2,800	0	-200	-7.1%
TRADE	**57,000**	**56,500**	**59,500**	**500**	**-2,500**	-4.2%
Wholesale Trade	10,900	10,900	11,500	0	-600	-5.2%
Retail Trade	46,100	45,600	48,000	500	-1,900	-4.0%
Food Stores	6,500	6,500	6,800	0	-300	-4.4%
Automotive Dealers and Service Stations	5,400	5,300	5,500	100	-100	-1.8%
Department, Apparel and Accessory Stores	6,400	6,300	6,500	100	-100	-1.5%
Eating and Drinking Places	18,800	18,500	19,400	300	-600	-3.1%
FINANCE, INSURANCE, REAL ESTATE	**13,200**	**13,200**	**13,100**	**0**	**100**	0.8%
SERVICES /5	**71,000**	**70,900**	**70,500**	**100**	**500**	0.7%
Hotels, Rooming Houses, Camps & Other Lodging	1,400	1,300	1,500	100	-100	-6.7%
Business Services	8,700	8,400	8,900	300	-200	-2.2%
Health Services	23,700	23,600	22,300	100	1,400	6.3%
Nursing and Pers. Care Facilities	3,000	3,100	2,800	-100	200	7.1%
Hospitals	7,800	7,800	7,700	0	100	1.3%
Educational Services (private)	7,000	7,000	6,500	0	500	7.7%
GOVERNMENT /5	**53,900**	**53,400**	**53,000**	**500**	**900**	1.7%
FEDERAL	10,900	10,600	10,300	300	600	5.8%
United States Postal Service	1,700	1,700	1,700	0	0	0.0%
Department of Defense	7,500	7,500	7,100	0	400	5.6%
STATE	11,600	11,500	11,400	100	200	1.8%
Educational Services	3,800	3,800	3,700	0	100	2.7%
LOCAL	31,400	31,300	31,300	100	100	0.3%
Educational Services (Public Schools)	18,100	18,100	18,500	0	-400	-2.2%
Labor-Management Disputes	0	0	0	xxx	xxx	

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. Prepared in cooperation with the Bureau of Labor Statistics.3/ Includes mining, construction and manufacturing. 4/ Includes TCU, trade, FIRE, services and government. 5/ Effective Jan. 2001, tribal establishments are in local government; over 1,500 affected by this change compared to Dec. 2000. This information also available on the Internet at **http://www.wa.gov/esd/lmea**

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Washington State Employment Security

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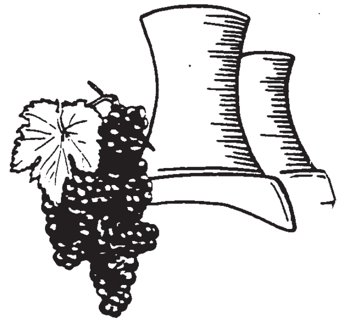
LABOR AREA SUMMARY



Richland/Kennewick/Pasco MSA

HIGHLIGHTS

The torrid pace of Tri-Cities nonfarm employment growth continued in May with an over the year increase of 5.3 percent. In absolute numbers, the community has created 4,200 new jobs in the past twelve-month period.

It would seem that for every worker being brought in for the Vitrification project, almost another job is also being created in the community. While the majority of the workers associated with the new Hanford project are living on the South side of the Columbia River in Richland and then Kennewick, many of the people with secondary jobs created because of the new project are living in Pasco.

One perhaps too simple rule of thumb would be that for every new job, there would be 2.5 additional persons for a population gain of 10,500, more or less. How this impacts housing demands is easy to approximate but difficult to pinpoint. Owner occupied housing in the Tri-Cities accounts for roughly 68.1 percent of housing while the remanding renters is 31.9 percent. Some of the new workers will rent, others will buy and occupy homes, some will bring their RVs to live in and some others will commute on a daily or sometimes weekly basis. The average owner-occupied housing unit contains 2.87 persons. The average number of persons occupying a rented housing unit is 2.67. Let us split the difference (higher econometrics) at 2.77. So, 4,200 new jobs means roughly 10,500 added population and the demand for 3,790 homes, condos, apartments, and RV sites, more or less. In other words, my forecast for the summer is that if the wind is blowing, the dust will be going so you will need to keep the windows and doors closed. Do the Westsiders get the same dust in the air due to the soil exposed at construction sites as we do on the East side of the state?

Again the key element generating the employment growth is the Vitrification project which during May had a total of 2,450 jobs. This was 210 greater than the April total and roughly 540 more than in January. Other areas of the Tri-Cities economic base have looked anemic over the past year. This would include agriculture and several areas in manufacturing.

Other areas of Hanford from April to May were a mixture of slight gains and slight losses. The total number of DOE connected jobs among the main contractors during May was reported to be 14,101 but this total does not include an unknown number of subcontractors.

The segment of the Tri-Cities economy leading the growth from April to May was services with two-thirds of this gain from engineering and research services. This category included Battelle at Hanford but also Bechtel National which is the prime contractor on the vitrification project.

Also in services, lodging, business services, health and recreation added to the total number of jobs during the month.

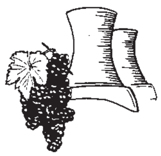
Three Billion and Counting: During the fourth quarter of last year, the preliminary count of wage and salary income totaled $764,344,639 for the TCs. This was roughly $70 million greater or 10.1 percent more than the $694,041,767 posted for the same quarter in the year 2000. If the fourth quarter of 2001 is prorated (i.e., multiplied by 4) outwards for the year, this means that the TCs in 2002 is on the verge of being a three billion wage and salary economy and of the three billion, the Hanford payroll appears to be about a third of the total.

At the farm level, the number of jobs rose seasonally and modestly, going from 10,020 in April to 11,270 for May. The May count was down moderately from the count of 11,620 for May of last year.

The increase in farm and nonfarm jobs pushed the number of persons drawing unemployment benefits from 2,709 in April to 2,249 in May. This was down considerably from the count of 4,032 posted in January. During May of last year, the U.I. beneficiary count was 1,951. The higher level this year may reflect the 300 non-seasonal

Continued next page

Nonagricultural Wage and Salary Workers Employed in the Richland-Kennewick-Pasco MSA (Benton and Franklin Counties)



	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	Change Yr-Yr %
TOTAL 2/	**82,900**	**82,400**	**78,700**	**500**	**4,200**	**5.3%**
MANUFACTURING	**5,800**	**6,100**	**6,100**	**-300**	**-300**	-4.9%
Food and Kindred Products	3,200	3,500	3,400	-300	-200	-5.9%
Printing and Publishing	400	400	400	0	0	0.0%
Chemicals and Allied Products	900	900	1,000	0	-100	-10.0%
Primary & Fab. Metal Products	300	300	400	0	-100	-25.0%
Other Manufacturing	1,000	1,000	900	0	100	11.1%
CONTRACT CONSTRUCTION	**5,200**	**5,000**	**4,600**	**200**	**600**	13.0%
TRANSPORTATION & PUBLIC UTILITIES	**9,500**	**9,500**	**9,100**	**0**	**400**	4.4%
WHOLESALE AND RETAIL TRADE	**18,500**	**18,400**	**17,600**	**100**	**900**	5.1%
FINANCE, INSURANCE & REAL ESTATE	**2,400**	**2,400**	**2,300**	**0**	**100**	4.3%
SERVICES	**26,200**	**25,800**	**24,100**	**400**	**2,100**	8.7%
Business Services	3,600	3,500	3,400	100	200	5.9%
Research Services	8,500	8,300	7,100	200	1,400	19.7%
GOVERNMENT	**15,300**	**15,200**	**14,900**	**100**	**400**	2.7%
Federal	1,320	1,320	1,320	0	0	0.0%
State and Local	13,980	13,880	13,580	100	400	2.9%
Public Education	7,600	7,600	7,300	0	300	4.1%
Workers in Labor-Management Disputes	0	0	0			

Continued...

decline in food processing employment.

Employment in chemicals and metal products was also down over the year and these have been fairly well paying, very important manufacturing jobs of which the TCs does not have a large number.

Employment in the public sector was up over the month by 100 and up over the year by 400. Of the yearly growth, three-quarters was in public education and much of the remainder was with the many local municipal governments, which are finally beginning to accommodate the substantial gain in population over the past several years.

It is unusual for the Tri-Cities rate of unemployment to be below the state average. It is even more unusual for the Franklin County rate to be below the state average but such has been the health of the TCs economy relative to the state. In most bad budget Hanford years, the rate of unemployment for this MSA was generally the second highest in the state following Yakima County. Now, in May, the Tri-Cities ties Olympia for the lowest rate of unemployment for any major metropolitan region in the state.

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. This information is also available on the Internet at:

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Washington State Employment Security

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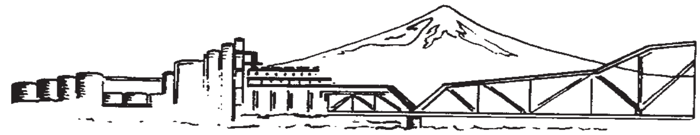
LABOR AREA SUMMARY

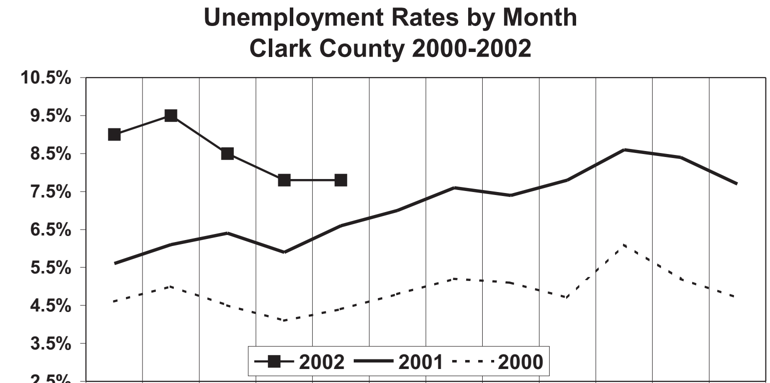
Clark County



HIGHLIGHTS

What suddenly happened was… some good news for the region, the first good economic news in many a month. SEH America announced that 200 jobs slated to be shifted to Malaysia this summer would instead be retained at their Vancouver operation, due to better than expected orders for 6” silicon wafers. The good news was almost enough to make one forget that Triquest Plastics closed in May, and Electric Lightwave cut another 150 workers (100 in Vancouver) in June.

The state of Washington also remained in the doldrums. The unemployment rate was essentially unchanged, and while nonfarm employment increased by 18,000 jobs, typically 25,000 would have been added at this time of year. The state has lost 68,500 jobs over the past twelve months, or 2.5 percent of the total. Almost half of the decline was in manufacturing. Oregon, however, is beginning to show signs of recovery. Unemployment is trending down, and employment is starting to grow, including manufacturing. Particularly encouraging was a jump in heavy truck manufacturing.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	9.0%	9.5%	8.5%	7.8%	7.8%							
2001	5.6%	6.1%	6.4%	5.9%	6.6%	7.0%	7.6%	7.4%	7.8%	8.6%	8.4%	7.7%
2000	4.6%	5.0%	4.5%	4.1%	4.4%	4.8%	5.2%	5.1%	4.7%	6.1%	5.2%	4.7%

Clark County’s jobless rate stayed put at 7.8 percent in May. The estimated number of unemployed residents rose by 300 to 14,400. The number of employed increased as well. Seasonally-adjusted nonfarm employment, however, fell by 200 to 118,300. There were losses (or hiring at below the usual levels) in plastics (-200), retail trade (-200), and recreation services (-100). Construction (+200), business services (+100), and local government (+100) all posted gains. Unadjusted employment went up by 700 jobs: 400 in construction, 300 in retail trade, 200 in business services, and 100 in government. Manufacturing fell by 200, all in plastics, and telecom inched down by 100.

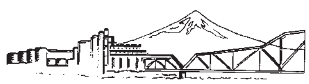
Nonfarm employment remains 1,100 below its overall peak in March 2001—which happens to be the date the national recession began. The table below looks at how the most recent business cycle has played itself out by major industry. Manufacturing was declining well before the overall peak, and is the only industry to have a substantial loss. Construction and wholesale trade peaked a bit early, while retail trade’s apex coincided with the overall peak. Transportation, finance, services, and government continued to grow after the March 2001 peak, adding a total of 2,300 jobs over the period

The pieces appear to be in place for Clark’s job market to snap out of its funk. There are signs Portland has turned the corner, and that the semiconductor industry is on the mend. It remains to be seen how quickly these positives will translate into hiring, and the rate at which growth will take off. Conventional wisdom has it that the recovery will be neither very soon nor very rapid.

Clark County in the latest Business Cycle

Industry	May-02	Peak Month	Peak Jobs	Change
Total	118,300	Mar-01	119,400	-1,100
MFG	16,300	Aug-00	20,200	-3,900
Cons	10,000	Jan-01	10,300	-300
TCU	7,400	Jan-02	7,500	-100

Nonagricultural Wage and Salary Workers
Employed in Clark County



	May 2002 1/	Apr. 2002 2/	May 2001	Change: Apr-02 May-02	Change: May-01 May-02	Change: Yr-Yr %
TOTAL 3/	**118,600**	**117,900**	**118,900**	**700**	**-300**	**-0.3%**
TOTAL MANUFACTURING	**16,000**	**16,200**	**18,200**	**-200**	**-2,200**	-12.1%
DURABLE GOODS	**10,300**	**10,300**	**11,800**	**0**	**-1,500**	-12.7%
Lumber & Wood Products	1,000	1,000	1,000	0	0	0.0%
Metals & Metal Products	900	900	900	0	0	0.0%
Machinery & Computers	3,200	3,200	3,400	0	-200	-5.9%
Electronics & Instruments	3,900	3,900	5,100	0	-1,200	-23.5%
Other Durable Goods	1,300	1,300	1,400	0	-100	-7.1%
NONDURABLE GOODS	**5,700**	**5,900**	**6,400**	**-200**	**-700**	-10.9%
Food Processing	1,100	1,100	1,100	0	0	0.0%
Textiles & Apparel	600	600	700	0	-100	-14.3%
Paper Products	2,300	2,300	2,600	0	-300	-11.5%
Plastics	700	900	1,000	-200	-300	-30.0%
Other Nondurable Goods	1,000	1,000	1,000	0	0	0.0%
CONSTRUCTION & MINING	**9,900**	**9,500**	**9,700**	**400**	**200**	2.1%
TRANSPORTATION, UTILITIES	**7,300**	**7,400**	**7,400**	**-100**	**-100**	-1.4%
Transportation	5,100	5,100	5,100	0	0	0.0%
Communication & Utilities	2,200	2,300	2,300	-100	-100	-4.3%
WHOLESALE TRADE	**4,900**	**4,900**	**5,000**	**0**	**-100**	-2.0%
RETAIL TRADE	**22,500**	**22,200**	**22,700**	**300**	**-200**	-0.9%
General Merchandise	2,700	2,700	2,800	0	-100	-3.6%
Grocery Stores	3,400	3,400	3,500	0	-100	-2.9%
Auto Dealers & Service Stations	2,500	2,400	2,300	100	200	8.7%
Other Retail Trade	13,900	13,700	14,100	200	-200	-1.4%
FINANCE, INS. & REAL ESTATE	**4,800**	**4,800**	**4,500**	**0**	**300**	6.7%
SERVICES	**31,300**	**31,100**	**30,900**	**200**	**400**	1.3%
Business Services	6,100	5,900	6,000	200	100	1.7%
Health Care	9,500	9,500	9,000	0	500	5.6%
Social Services	3,400	3,400	3,400	0	0	0.0%
Other Services	12,300	12,300	12,500	0	-200	-1.6%
GOVERNMENT	**21,900**	**21,800**	**20,500**	**100**	**1,400**	6.8%
Federal Government	3,100	3,100	2,700	0	400	14.8%
State Government	3,400	3,400	3,300	0	100	3.0%
Local Government	15,400	15,300	14,500	100	900	6.2%
Primary & Secondary Education	10,600	10,500	9,900	100	700	7.1%
Other Local Government	4,800	4,800	4,600	0	200	4.3%
Labor-Management Disputes	0	0	0	xxx	xxx	

1/Preliminary. Totals may not add due to rounding. 2/ Revised. 3/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. This information is also available on the Internet at:

http://www.wa.gov/esd/lmea

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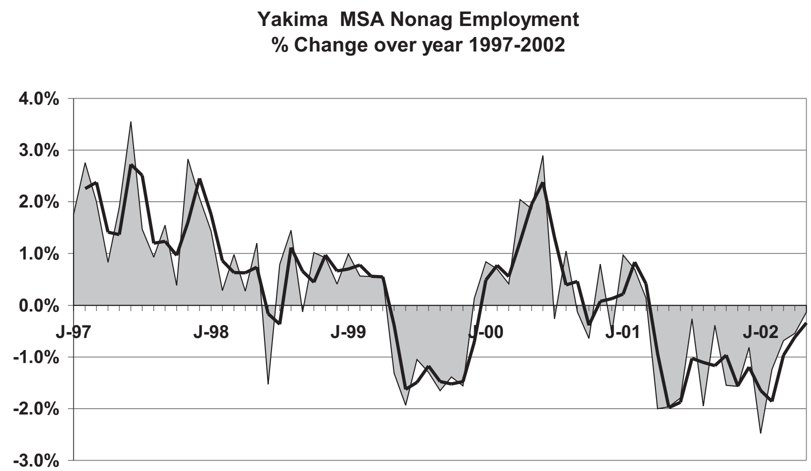
LABOR AREA SUMMARY

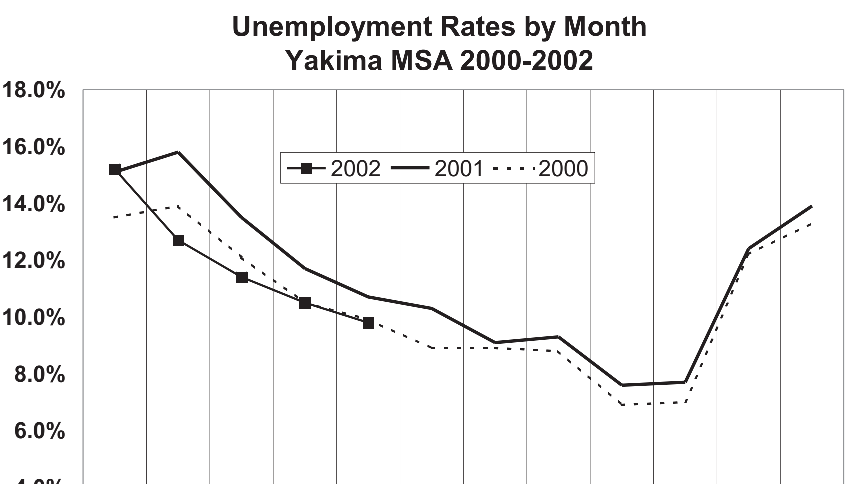
Yakima MSA

HIGHLIGHTS

Nonagricultural employment in Yakima County expanded in May by 1,700 jobs, a 2.3 percent advance. During this same period, nonagricultural employers across Washington gained 18,000 jobs, a 0.7 percent upturn. May saw a 400-job advance at manufacturing firms that can, freeze or preserve foods. Services and government each added 300 jobs over the month.



Statewide the job growth pace slowed 2.3 percent between compared with last May, a 62,500 job contraction. Aircraft and parts manufacturers alone have laid off 9,600 workers. Washington's labor market has been losing jobs since May 2001 and its job growth-rates had been slowing long before that. However, the local economy has not been shedding jobs as quickly as Washington has throughout the last six months and in May local nonagricultural employment was close to stabilizing.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	15.2%	12.7%	11.4%	10.5%	9.8%							
2001	15.1%	15.8%	13.5%	11.7%	10.7%	10.3%	9.1%	9.3%	7.6%	7.7%	12.4%	13.9%
2000	13.5%	13.9%	12.1%	10.5%	9.9%	8.9%	8.9%	8.8%	6.9%	7.0%	12.2%	13.3%

The local labor market has pulled almost even to last May's employment level. Barring unforeseen economic events, the labor market should resume a positive job growth rate around August. Current employment now stands at about 74,800 jobs.

The unemployment rate declined from 10.5 percent in April to 9.8 per-

Continued next page

Nonagricultural Wage and Salary Workers Employed in the Yakima MSA (Yakima County)

	May 2002 1/	Apr. 2002 2/	May 2001	Change Apr-02 May-02	Change May-01 May-02	Yr-Yr %
TOTAL	**74,800**	**73,100**	**74,900**	**1,700**	**-100**	**-0.1%**
MANUFACTURING	**11,000**	**10,400**	**11,300**	**600**	**-300**	-2.7%
Food & Kindred Products	3,700	3,300	4,000	400	-300	-7.5%
Canned, Frozen, & Preserved Foods	2,300	1,900	2,700	400	-400	-14.8%
Lumber and Wood Products	1,500	1,400	1,600	100	-100	-6.3%
Paper and Allied Products	700	700	800	0	-100	-12.5%
Printing and Publishing	500	500	500	0	0	0.0%
Machinery, excluding Electrical	800	800	800	0	0	0.0%
Transportation Equipment	900	900	1,000	0	-100	-10.0%
NONMANUFACTURING	63,800	62,700	63,600	1,100	200	0.3%
CONSTRUCTION & MINING	**2,900**	**2,800**	**3,000**	**100**	**-100**	-3.3%
TRANSP, COMM., & UTILITIES	**2,900**	**2,900**	**2,700**	**0**	**200**	7.4%
Motor Freight Transportation	1,600	1,600	1,400	0	200	14.3%
WHOLESALE TRADE	**5,000**	**4,800**	**5,500**	**200**	**-500**	-9.1%
Fresh Fruit and Vegetables	2,000	1,800	2,400	200	-400	-16.7%
RETAIL TRADE	**13,400**	**13,200**	**13,200**	**200**	**200**	1.5%
General Merchandise and Apparel	2,400	2,400	2,200	0	200	9.1%
FINANCE, INSUR., & REAL ESTATE	**2,400**	**2,400**	**2,300**	**0**	**100**	4.3%
SERVICES & MISCELLANEOUS	**21,000**	**20,700**	**20,800**	**300**	**200**	**1.0%**
Business and Personnel Services	3,100	3,100	3,000	0	100	3.3%
Health Services	8,700	8,600	8,500	100	200	2.4%
GOVERNMENT	**16,200**	**15,900**	**16,100**	**300**	**100**	0.6%
Federal Government	1,500	1,400	1,400	100	100	7.1%
State and Local Governments	14,700	14,500	14,700	200	0	0.0%
Workers in Labor Disputes	0	0	0	xxx	xxx	

Continued...

cent in May. The number of residents who were unemployed decreased from 10,800 to 10,300, a drop of 500. Nonagricultural employment rose by 1,700 while the estimated number of agricultural jobs advanced by almost 1,800.

The rate fell over the year from 10.7 to 9.8 percent. This May the number of "unemployed" tumbled to 10,300 people, 1,200 below the May 2001 level of 11,500. Although this appears on the surface to be good news other economic indicators are not so positive. For example, the number of "employed" in the resident labor force dropped by 900 people, and the size of the labor force contracted by 2,100 over the year. Nonagricultural employment dipped by 100 and estimated agricultural employment was about 550 jobs lower in May than one year prior. There are indicators that some unemployed workers have retreated to the sidelines to wait for the economy to recover rather than actively seek work. It is also possible that we are seeing some people moving out of the county to find employment.

1/ Preliminary. 2/ Revised. 3/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received during the pay period including the 12th of the month, by place of work. Totals may not add due to rounding. 4/ Employment estimates affected by labor management disputes.
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LABOR AREA SUMMARY

Wenatchee Labor Market

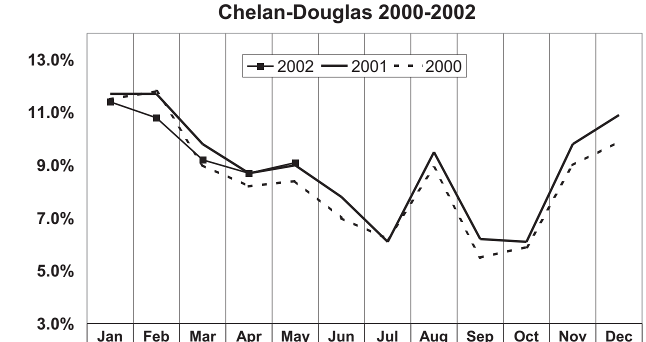
HIGHLIGHTS

Nonagricultural employment in Chelan and Douglas counties expanded by 750 jobs or 2.1 percent in May. Nonagricultural employment here currently stands at 36,340 jobs. Hiring activity was fairly strong in retail trade with this employment group adding 300 to its total. Roughly half of the upturn occurred at local restaurants and taverns. The other half of retail's gain was spread between building material and garden supply stores, food stores, general merchandise and apparel stores, and miscellaneous retail. Between April and May of last year, retail advanced by 320, whereas in the corresponding months of 2000 retail employment moved forward by 230. Statewide, total nonagricultural labor market grew by 18,000 jobs, or 0.7 percent. Washington's construction contractors and retail trade employers each added 4,600 workers, while services businesses lengthened payrolls by 6,100.

In over-the-year changes, the local economy continues to make some improvement. The current May 2001 to May 2002 comparison shows a 0.7 percent upturn in total nonagricultural employment (a 250-job gain), against the negative 2.3 percent statewide contraction (a 62,500 job loss). Statewide, the nonagricultural sector has been consistently losing jobs since May 2001. When one compares over-the-year employment change rates for the Wenatchee LMA and Washington State, the local labor market actually looks pretty good. It has been adding jobs each month since December 2001.

In the first five months of this year total nonagricultural employment in the Wenatchee area moved marginally ahead of employment for the corresponding time frame in 2001. Total nonag for this May was also slightly above that for the Mays of 2000 and 2001. Projections for the next two months indicate that this slightly positive job growth rate should continue. This positive job-growth rate in the nonag sector is certainly a step in the right direction. However as mentioned below, softening employment in the agricultural sector and a slightly declining resident labor force, are taking some "wind out of the sails" of the local economy.

Unemployment Rates by Month
Chelan-Douglas 2000-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	11.4%	10.8%	9.2%	8.7%	9.1%							
2001	11.7%	11.7%	9.8%	8.7%	9.0%	7.8%	6.1%	9.5%	6.2%	6.1%	9.8%	10.9%
2000	11.5%	11.8%	9.0%	8.2%	8.4%	7.0%	6.2%	8.9%	5.5%	5.9%	9.0%	9.9%

Is the economy of Chelan and Douglas counties slowly moving away from its dependence on agriculture? A quick comparison of the number of jobs in the agricultural and the nonagricultural sectors over the last ten, and within the last five years, will help answer this question—in the affirmative.

Over the last ten years, the percentage of total employment provided by the nonag sector increased relative to the percentage of jobs contributed by the agricultural sector for every odd year from 1991 to 2001. In 1991, the area generated about 29,250 nonagricultural and 11,950 agricultural jobs, for a total of 41,200, meaning 71.0 percent of all jobs were nonagricultural. Ten years later (in 2001), the proportion rose to 76.5 percent (35,870 nonagricultural and 11,020 agricultural jobs, for a total employment level of 46,890). Clearly, the nonagricultural sector slowly and steadily gained "market share" during this ten year period.

Continued next page

Nonagricultural Wage and Salary Workers Employed in the Wenatchee LMA (Chelan and Douglas Counties)

	May 2002 1/	Apr. 2002	May 2001	Change 3/ Apr-02 May-02	May-01 May-02	% Chg
TOTAL 2/	**36,340**	**35,590**	**36,090**	**750**	**250**	**0.7%**
MANUFACTURING	**2,580**	**2,580**	**2,780**	**0**	**-200**	-7.2%
Food & Kindred Products	380	390	380	-10	0	0.0%
Lumber & Wood Products	270	250	260	20	10	3.8%
Primary Metals	640	640	810	0	-170	-21.0%
Other Manufacturing	1,290	1,300	1,330	-10	-40	-3.0%
NONMANUFACTURING	33,760	33,010	33,310	750	450	1.4%
CONSTRUCTION & MINING	**2,230**	**2,060**	**2,300**	**170**	**-70**	-3.0%
TRANSPORTATION & PUBLIC UTIL	**1,450**	**1,430**	**1,430**	**20**	**20**	1.4%
WHOLESALE TRADE	**2,120**	**2,150**	**2,350**	**-30**	**-230**	-9.8%
RETAIL TRADE	**8,410**	**8,110**	**8,260**	**300**	**150**	1.8%
FINANCE, INS., & REAL ESTATE	**1,340**	**1,280**	**1,370**	**60**	**-30**	-2.2%
SERVICES & MISCELLANEOUS	**9,440**	**9,380**	**9,040**	**60**	**400**	4.4%
Health	3,910	3,880	3,770	30	140	3.7%
GOVERNMENT	**8,770**	**8,600**	**8,560**	**170**	**210**	2.5%
Federal	1,030	910	900	120	130	14.4%
State & Local	7,740	7,690	7,660	50	80	1.0%
Labor-Management Disputes	0	0	0	xxx	xxx	

Continued...

In the last five years nonag employment climbed 8.8 percent, for an annualized expansion rate of 1.7 percent. The two-county area provided 32,980 nonagricultural jobs in 1996 compared with 35,870 in 2001. Meanwhile agricultural employment declined from 12,190 to 11,020, a decrease of 9.6 percent. This equated to an annualized, 2.0 percent contraction rate in the number of jobs provided by local orchards and farms. Agricultural employment showed job losses in four out of the last five years while nonag posted job gains. In 1991, roughly three out of every ten local jobs were agricultural jobs while ten years later less than one out of every four was in the industry.

The unemployment rate rose from 8.7 percent in April to 9.1 in May. Over the month, the number of people unemployed increased by 320, from 4,290 to 4,610. Nonag employment improved by 750 jobs, led by hiring amongst local retailers and construction contractors. Agricultural employment retrenched by 60 jobs. Over the year, the rate edged up from 9.0 to the current 9.1 percent. Approximately 250 more people were working at nonagricultural jobs this May and there were about 60 fewer residents unemployed. there were roughly 100 fewer jobs in agriculture.. How can the unemployment rate rise, when the labor economy appears to be adding more jobs than it is losing and the number of unemployed is shrinking? One answer is the decline in the size of the resident labor force. The labor force dropped from 50,530 in May 2001 to the present figure of 50,470, indicating that some unemployed workers have retreated to the sidelines to wait for the economy to recover rather than actively seek work. It is also possible that some people are moving out of the area to find employment.

1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received pay during the pay period including the 12th of the month, by place of work. 3/ Differences in industry employment of 10 or less may not be significant due to rounding.
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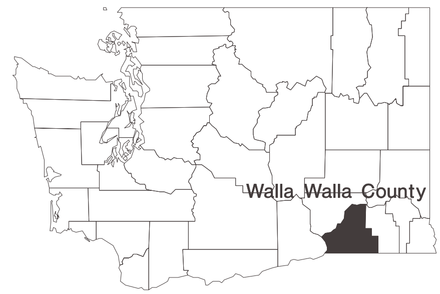
LABOR AREA SUMMARY



Walla Walla County

HIGHLIGHTS

Nonfarm jobs totals from April to May showed a strong gain of 540 but much of this was seasonal. Highlighting the over the month seasonal job creation was the trade sector where wholesale trade geared up to collect, clean and convey locally grown produce to retail market outside of valley.

The 140 gain in food and kindred products was with vegetable processors ramping up for this year's harvest.

When compared to last May, job totals are roughly similar but there have been changes by sector within the Walla Walla economy. Chief among these is the trade sector where entry of one large retailer boosted employment in the initial period but then reduced job totals due to added competition.

Job totals in construction were down only when compared to the hectic pace of 2001, which has been the best year of construction for the county since the massive addition to Boise Cascade at the end of the 1970s.

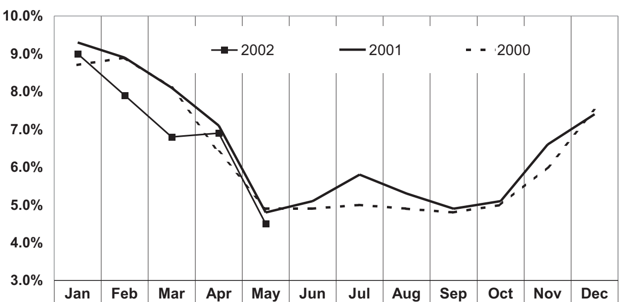
Farm employment was estimated to be 2,840 during May compared to 2,530 in April and 2,970 one year ago.

The gains in farm and nonfarm jobs sharply pushed the number of persons drawing unemployment benefits from 995 in April to only 464 in May. This is in strong comparison to the count of 1,162 posted during January. During May of last year the U.I. count was 442.

The gain in employment decreased the count of unemployment from 1,820 in April to only 1,180 in May. This was a tad better than May of last year when the count was 1,250.

This gave the county an unemployment rate of 4.5 percent, one of the lowest in the state.

Unemployment Rates by Month
Walla Walla County 2000-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	9.0%	7.9%	6.8%	6.9%	4.5%							
2001	9.3%	8.9%	8.1%	7.1%	4.8%	5.1%	5.8%	5.3%	4.9%	5.1%	6.6%	7.4%
2000	8.7%	8.9%	8.1%	6.4%	4.9%	4.9%	5.0%	4.9%	4.8%	5.0%	6.0%	7.5%

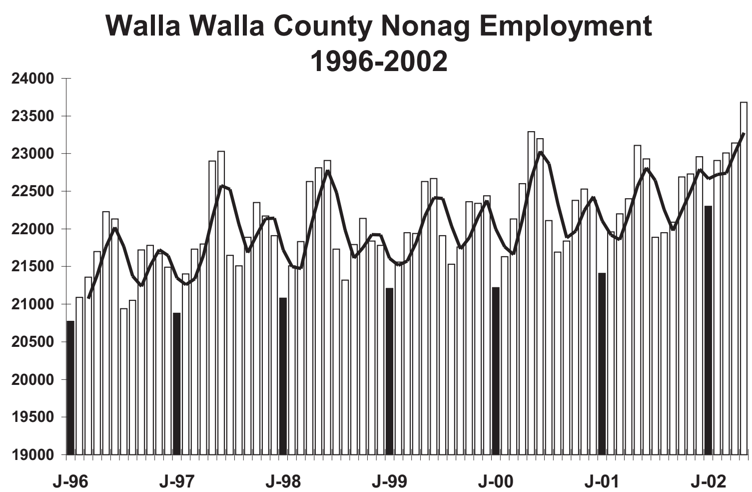
The total volume of wage and salary pay for Walla Walla county totaled $166,912,613 preliminary for the fourth quarter of last year. This compared somewhat favorably with the total of $161,996,959 posted for the same quarter in 2000. This was a gain of 3 percent which basically kept the county even with inflation. With the presence of four distinctive government agencies, government had the greatest contribution to the communities' payroll income at $42 million followed by services at $38 million. Manufacturing's share of roughly $36 million was a strong presence and it represented a healthy 21 percent of total. In manufacturing, food processing with IPB and others had a large share, followed by Boise Cascade in paper and Key Technology in machinery.

In retail trade, the total volume of pay from the fourth quarter of 2000 to the same quarter in 2001 was essentially flat, showing that the new entry by a large new employer did little to improve this segment of the local economy. Over this same period of time, the count of jobs was down moderately and so average wages did improve.

Nonagricultural Wage and Salary Workers
Employed in Walla Walla County

	May 2002 1/	Apr. 2002	May 2001	Change Apr-02 May-02	Change May-01 May-02	% Chg
TOTAL	**23,680**	**23,140**	**23,700**	**540**	**-20**	**-0.1%**
TOTAL MANUFACTURING	**4,200**	**4,050**	**4,170**	**150**	**30**	0.7%
Food and Kindred Products	2,280	2,140	2,290	140	-10	-0.4%
Other Manufacturing	1,920	1,910	1,880	10	40	2.1%
CONTRACT CONSTRUCTION	**910**	**880**	**940**	**30**	**-30**	-3.2%
TRANSPORT. & PUBLIC UTILITIES	**540**	**540**	**550**	**0**	**-10**	-1.8%
WHOLESALE & RETAIL TRADE	**5,040**	**4,820**	**5,200**	**220**	**-160**	-3.1%
FINANCE, INSUR. & REAL ESTATE	**780**	**780**	**760**	**0**	**20**	2.6%
SERVICES	**7,020**	**6,980**	**6,970**	**40**	**50**	0.7%
Private Education	1,750	1,720	1,740	30	10	0.6%
GOVERNMENT	**5,190**	**5,090**	**5,110**	**100**	**80**	1.6%
Federal	900	900	890	0	10	1.1%
State	1,830	1,800	1,790	30	40	2.2%
Public Education (State & Local)	2,150	2,150	2,110	0	40	1.9%
Labor-Management Disputes	0	0	0	xxx	xxx	

Continued...



1/Preliminary. Totals may not add due to rounding. 2/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers who received pay during the pay period including the 12th of the month, by place of work. 3/ Differences in industry employment of 10 or less may not be significant due to rounding. This information is also available on the Internet at:

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Washington State Employment Security

Washington State

LABOR AREA SUMMARY

Cowlitz County

HIGHLIGHTS

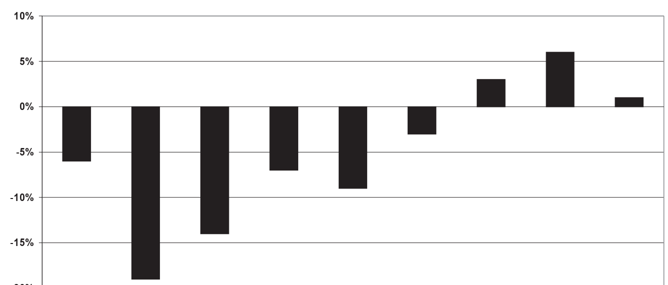
Cowlitz County's unemployment rate improved by six tenths of a point in May to 10.9 percent. The estimated number of jobless residents fell by 250 to 4,400. Happily, that estimate was very close to the increase in nonfarm jobs over the month, which came in at +330 making a total of 36,760. Hiring was active in most sectors, with construction (+150), retail trade (+60), manufacturing (+50), government (+50), and services (+40).all posting gains. After seasonal adjustment, the job count was still positive at +140, with most of the gain in construction, services and government.

Even with the uptick, employment is almost 2,200 below its peak in March of 2000, as the table above shows. Manufacturing dominates the loss column (-1,900), but construction, transportation, and wholesale trade have lost a substantial percentage of their base employment. Services industries have added 560 jobs, and finance and government have posted small gains.

Cowlitz County Economy Peak to Trough
March 2000 to May 2002

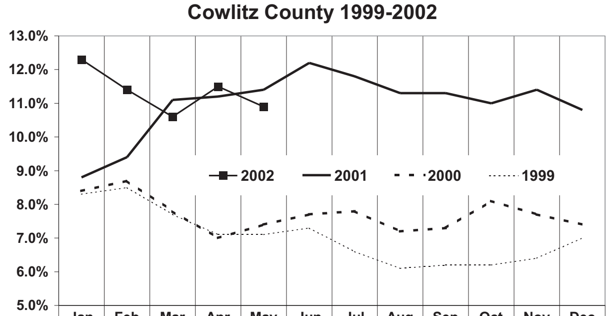
Industry	Mar-00	May-02	Change	Growth
Total	38,750	36,580	-2,170	-6%
Manufacturing	9,910	7,990	-1,920	-19%
Construction & Mining	2,990	2,570	-420	-14%
Transportation & Utilities	1,590	1,470	-120	-7%
Wholesale Trade	1,340	1,230	-110	-9%
Retail Trade	7,350	7,100	-250	-3%
Finance, Insurance & Real Estate	1,210	1,240	30	3%
Services	8,750	9,300	550	6%
Government	5,610	5,680	70	1%

Cowlitz County Nonag Jobs: Peak to Trough
% Change March 2000 to May 2002



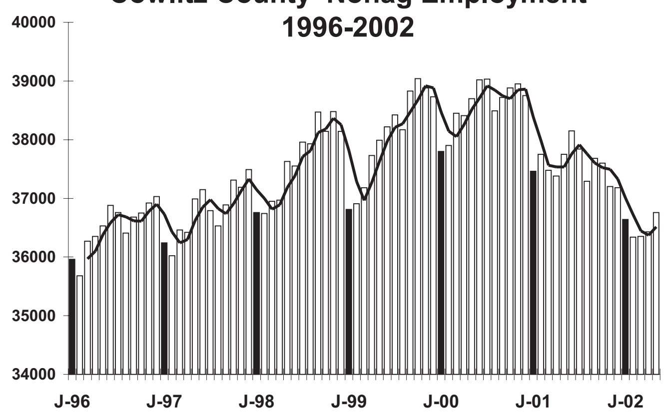
	Total	MFG	Con	TCU	W-Trade	R-Trade	FIRE	Serv	Gov
%	-6%	-19%	-14%	-7%	-9%	-3%	3%	6%	1%

Unemployment Rates by Month
Cowlitz County 1999-2002



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	12.3%	11.4%	10.6%	11.5%	10.9%							
2001	8.8%	9.4%	11.1%	11.2%	11.4%	12.2%	11.8%	11.3%	11.3%	11.0%	11.4%	10.8%
2000	8.4%	8.7%	7.8%	7.0%	7.4%	7.7%	7.8%	7.2%	7.3%	8.1%	7.7%	7.4%
1999	8.3%	8.5%	7.7%	7.1%	7.1%	7.3%	6.6%	6.1%	6.2%	6.2%	6.4%	7.0%

Cowlitz County Nonag Employment
1996-2002



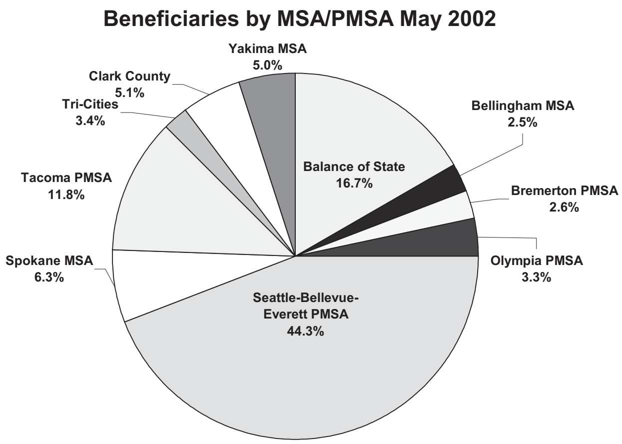
Nonagricultural Wage and Salary Workers Employed in Cowlitz County

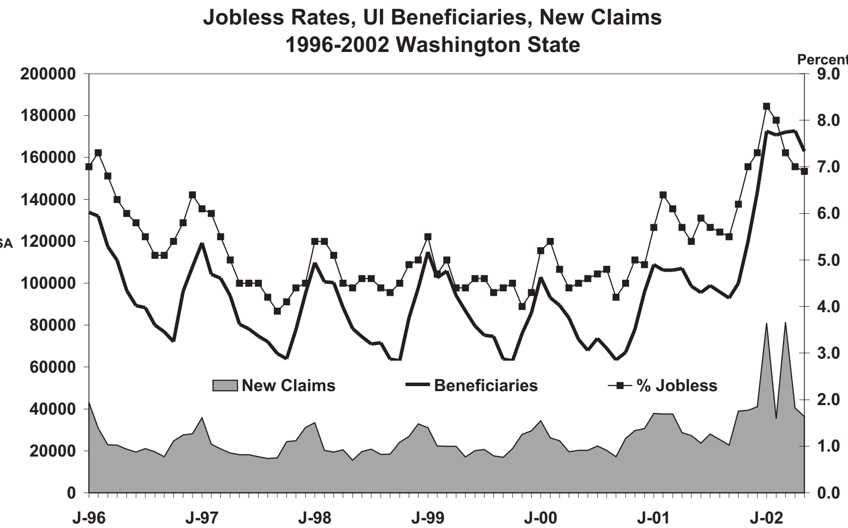
	May 2002 1/	Apr. 2002 2/	May 2001	Change Apr-02 May-02	Change May-01 May-02	Yr-Yr %
TOTAL 3/	**36,760**	**36,430**	**37,070**	**330**	**-310**	**-0.8%**
MANUFACTURING	**7,900**	**7,850**	**8,660**	**50**	**-760**	-8.8%
Lumber & Wood Products	2,010	1,980	1,890	30	120	6.3%
Other Durables	1,410	1,420	1,710	-10	-300	-17.5%
Paper Products	2,860	2,820	3,140	40	-280	-8.9%
Other Nondurables	1,620	1,630	1,920	-10	-300	-15.6%
CONSTRUCTION & MINING	**2,540**	**2,390**	**2,440**	**150**	**100**	4.1%
TRANSPORTATION & UTILITIES	**1,470**	**1,500**	**1,500**	**-30**	**-30**	-2.0%
WHOLESALE TRADE	**1,250**	**1,250**	**1,320**	**0**	**-70**	-5.3%
RETAIL TRADE	**7,130**	**7,070**	**7,080**	**60**	**50**	0.7%
General Merchandise	980	970	1,000	10	-20	-2.0%
Grocery Stores	1,210	1,190	1,340	20	-130	-9.7%
Other Retail Trade	4,940	4,910	4,740	30	200	4.2%
FINANCE, INS. & REAL ESTATE	**1,240**	**1,230**	**1,210**	**10**	**30**	2.5%
SERVICES	**9,380**	**9,340**	**8,980**	**40**	**400**	4.5%
Health Care	3,700	3,680	3,710	20	-10	-0.3%
Other Services	5,680	5,660	5,270	20	410	7.8%
GOVERNMENT	**5,850**	**5,800**	**5,880**	**50**	**-30**	-0.5%
State & Federal Government	1,500	1,490	1,530	10	-30	-2.0%
Local Government	4,350	4,310	4,350	40	0	0.0%
Primary & Secondary Education	2,760	2,720	2,690	40	70	2.6%
Other Local Government	1,590	1,590	1,660	0	-70	-4.2%
Labor-Management Disputes	0	0	0	xxx	xxx	

1/Preliminary. 2/ Revised. 3/ Excludes proprietors, self-employed, members of the armed services, unpaid family, workers in private households and agricultural workers. Includes full- and part-time workers receiving pay during the pay period including the 12th of the month, by place of work. Columns may not add due to rounding. This information is also available on the Internet at:

http://www.wa.gov/esd/lmea

UI Claims Data





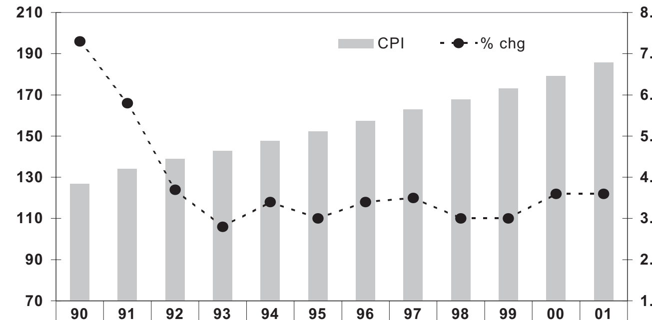
UI Beneficiaries & New Claims by MSA

LABOR MARKET AREAS	Number of Beneficiaries 1/ This Month 2/	Last Month	Year Ago	New Claims/Regular Entitlement This Month	Last Month	Year Ago
Bellingham MSA	4,003	4,354	2,884	804	1,033	731
Bremerton PMSA	4,291	4,412	2,577	989	1,208	758
Olympia PMSA	5,352	5,788	3,405	1,289	1,480	945
Seattle-Bellevue-Everett PMSA	72,159	73,858	37,385	16,045	17,074	10,790
Island County	1,258	1,321	714	317	278	241
King County	50,548	51,602	26,869	10,832	12,044	7,789
Snohomish County	20,354	20,935	9,802	4,896	4,752	2,760
Spokane MSA	10,200	11,626	7,356	2,387	2,791	2,175
Tacoma PMSA	19,295	19,652	10,700	4,235	4,978	3,013
Richland-Kennewick-Pasco MSA	3,979	4,609	2,649	937	1,106	677
Benton County	2,831	3,017	1,839	689	759	503
Franklin County	1,148	1,592	810	248	347	174
Clark County	8,295	9,023	5,314	2,068	1,964	2,657
Yakima MSA	8,198	9,426	6,018	1,811	2,273	1,283
Balance of State	27,264	29,923	20,272	5,778	6,639	4,242
WASHINGTON STATE	**163,036**	**172,671**	**98,561**	**36,343**	**40,546**	**27,271**

Note: 1/ Data do not include internet data, which are unavailable.
2/ Unduplicated count, all entitlements.

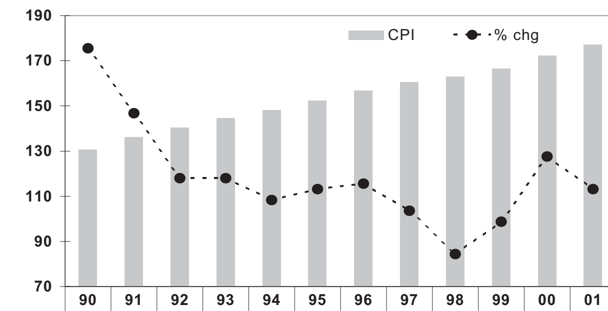
Consumer Price Indexes

Seattle-Tacoma Average 1990-2001



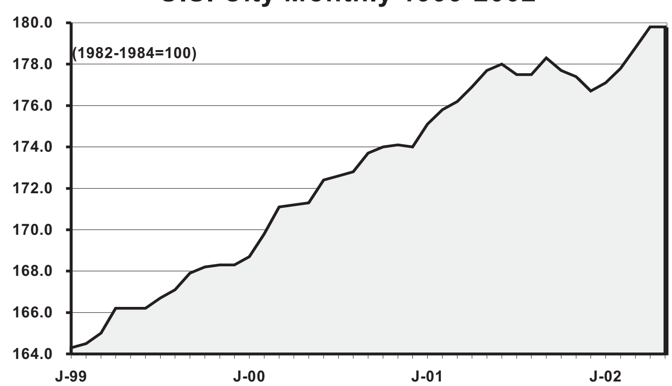
	90	91	92	93	94	95	96	97	98	99	00	01
CPI	126.8	134.1	139	142.9	147.8	152.3	157.5	163.0	167.9	173.0	179.2	185.7
% chg	7.3%	5.8%	3.7%	2.8%	3.4%	3.0%	3.4%	3.5%	3.0%	3.0%	3.6%	3.6%

U.S. City Average 1990-2001

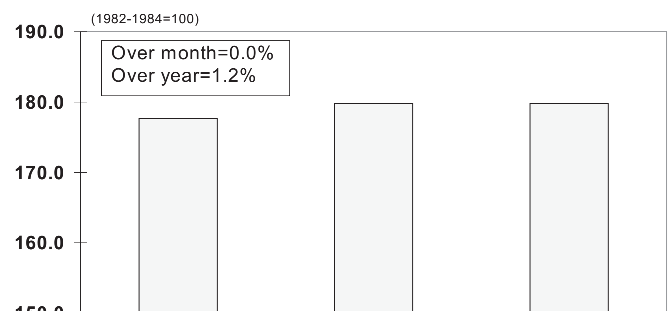


	90	91	92	93	94	95	96	97	98	99	00	01
CPI	130.7	136.2	140.3	144.5	148.2	152.4	156.8	160.5	163.0	166.6	172.2	177.1
% chg	5.4%	4.2%	3.0%	3.0%	2.6%	2.8%	2.9%	2.4%	1.6%	2.2%	3.4%	2.8%

U.S. City Monthly 1999-2002

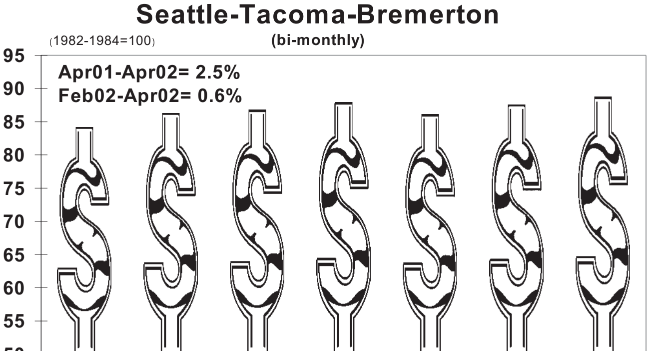


Current U.S. City Average



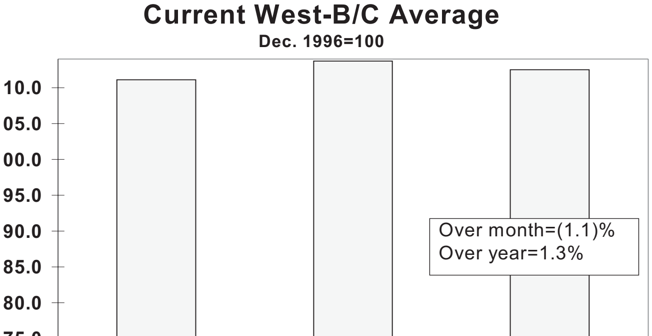
	May01	Apr02	May02
cpi	177.7	179.8	179.8

Seattle-Tacoma-Bremerton



	Apr-01	Jun-01	Aug-01	Oct-01	Dec-01	Feb-02	Apr-02
CPI	184.2	186.3	186.8	187.9	186.1	187.6	188.8

Current West-B/C Average



	May01	Apr02	May02
CPI	111.1	113.7	112.5

Note: Seattle-Tacoma-Bremerton now published bi-monthly on even months. Class "West-B/C" index covers populations 1,500,000 and less. Local area CPI indexes are by-products of the national CPI program. Each index has a smaller sample size than the national index and is subject to more error. Local indexes show greater volatility than the national index but long-term trends are similar. **The Bureau of Labor Statistics urges use of the national average CPI in escalator clauses.** The Consumer Price Index is a measure of the average change in prices over time in a fixed market basket of goods and services, such as food, clothing, shelter, transportation, medical care, and other goods and services that people buy for day-to-day living.

Technical Notes

This release is prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics. The current month's estimates are preliminary while all previous months are subject to revisions. Industries are classified in accord with the *Standard Industrial Classification Manual, 1987.* **The benchmark for all estimates is March 2001.** Material in this publication may be reproduced without special permission (but credit is welcome).

Nonagricultural wage and salary employment estimates include all full- and part-time wage and salary employees who worked during or received pay for the pay period through the twelfth of each month. Estimates measure the number of jobs by industry and reflect **employment by place of work.** The data are not strictly comparable with labor force data which represent persons by place of residence.

Excluded from wage and salary estimates are proprietors, self-employed workers, private household employees, and unpaid family workers. A small percentage of wage and salary workers cannot be assigned to specific counties because of the nature of their jobs. Therefore county data will not necessarily sum to state totals.

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Labor Market Information

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Linda Ojard, Editorial Assistant.

Economic/Demographic Profile of Metropolitan Areas

MSA/ County	Resident L. Force	Resident Employ.	Un. Rate	Nonag Employ.	Average Wage	Population	Per Cap. Income
Data Year	2001	2001	2001	2001	2000	2002	2000
Bellingham MSA	80,300	74,800	6.8	68,300	$26,295	172,200	$23,133
Bremerton PMSA	92,400	86,900	6.0	75,000	$30,527	234,700	$25,443
Olympia PMSA	98,900	93,200	5.7	86,200	$31,753	212,300	$26,460
S-B-Everett PMSA	1,396,500	1,292,600	5.2	1,401,500	$45,171	2,475,400	$40,686
King	999,600	948,500	5.1	1,173,300	$47,241	1,774,300	$45,536
Snohomish	334,900	317,000	5.4	215,600	$35,072	628,000	$28,394
Island	28,500	27,200	4.7	14,850	$23,949	73,100	$27,609
Spokane MSA	207,100	193,500	6.6	198,000	$29,743	425,600	$25,550
Tacoma PMSA	328,400	307,500	6.4	244,400	$30,162	725,000	$25,587
R-K-Pasco MSA	94,400	87,600	7.2	78,500	$31,533	198,900	$23,872
Benton	71,800	67,100	6.5	n/a	$34,183	147,600	$25,624
Franklin	22,600	20,500	9.4	n/a	$23,866	51,300	$18,813
Clark County	179,200	166,500	7.1	118,400	$32,157	363,400	$29,085
Yakima MSA	108,000	95,800	11.3	74,600	$23,252	225,000	$22,022
Washington	2,995,700	2,804,100	6.4	2,697,800	$37,038	6,041,700	$31,230

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