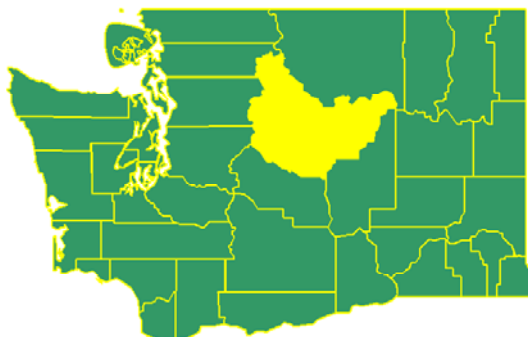


The Chelan and Douglas Counties Labor Economy (August 2003)



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Total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) contracted by 360 jobs for a 1.0-percent shortening of payrolls over the month of August 2003. Nonagricultural employment here this August provided 36,010 jobs. Wholesale trade businesses, primarily fresh fruit packinghouses, laid off 200 workers as this year's bumper cherry crop ended. Of August's 280-job downturn in Local Government, the lion's share was attributable to summer layoffs of non-teaching staff at public schools (see Table 1).

Over-the-year employment changes in Washington's nonagricultural sector during the past eleven months reveals that although some jobs were added in the first half of 2003, the economy slowed to a virtual standstill this July and August. Over-the-year rates of change have not exceeded 0.6 percent since February 2003, and this July and August, the State's job growth rates again slipped backwards "into the red," (see Figure 1).

When one compares over-the-year job growth rates in the Wenatchee LMA from June through August 2003 with corresponding months in 2002, it appears that the local economy is also running out of steam. The job growth pace in this two-county area dipped into the negative column in June 2003, then edged upwards in July, but slipped 1.4 percent in August, as depicted in Figure 1. Local job growth rates were healthier in the final calendar quarter of 2002 and during the first five months of this year than during the last three months. This August, total nonagricultural employment in the LMA netted 520 fewer jobs than in August 2002. Manufacturing was down by 200 jobs, Wholesale Trade diminished by 190, and Retail Trade was off by 250. Conversely, Construction, Natural resources, and Mining employed approximately 370 more workers than in August of 2002.

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The local unemployment rate inched upwards, from 8.6 percent in August 2002 to the August 2003 reading of 8.7 percent, as illustrated in Figure 2. Although 130 fewer Chelan and Douglas Counties residents were unemployed this August than in the corresponding month last year, the number of residents employed in the labor force was also estimated to have declined by 1,690, a 3.3-percent, over-the-year drop. Nonagricultural employment, as mentioned earlier, shrank by 1.4 percent in this period. This decline in both nonagricultural employment (i.e., "place of work" numbers) and in labor force employment (i.e., "place of residence figures), indicates that discouraged workers could be leaving the workforce. The good news is that substantial hiring in Chelan and Douglas Counties' agricultural sector has helped counter a cooling nonagricultural sector. The number of jobs on local farms and orchards rose about 500 jobs over the year, a 4.9-percent upturn. This agricultural advance has helped hold the local unemployment rate in check.

**Table 1
AUGUST 2003 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
IN CHELAN AND DOUGLAS COUNTIES
(Prepared October 16, 2003)**

	CHANGE ³				% CHANGE		
	Aug 2003 ¹	Jul 2003	Aug 2002	Jul 03 Aug 03	Aug 02 Aug 03	Jul 03 Aug 03	Aug 02 Aug 03
TOTAL NONFARM²	36,010	36,370	36,530	-360	-520	-1.0%	-1.4%
TOTAL PRIVATE	28,010	28,050	28,350	-40	-340	-0.1%	-1.2%
GOODS PRODUCING	5,410	5,220	5,240	190	170	3.6%	3.2%
NATURAL RESOURCES, MINING, and CONSTRUCTION	3,450	3,280	3,080	170	370	5.2%	12.0%
MANUFACTURING	1,960	1,940	2,160	20	-200	1.0%	-9.3%
Durable Goods	1,240	1,240	1,420	0	-180	0.0%	-12.7%
Non-Durable Goods	720	700	740	20	-20	2.9%	-2.7%
SERVICES PROVIDING	30,600	31,150	31,290	-550	-690	-1.8%	-2.2%
WHOLESALE TRADE	1,220	1,420	1,410	-200	-190	-14.1%	-13.5%
RETAIL TRADE	5,180	5,160	5,430	20	-250	0.4%	-4.6%
TRANSPORTATION, WAREHOUSING, and UTILITIES	980	950	1,050	30	-70	3.2%	-6.7%
INFORMATION and FINANCIAL ACTIVITIES	2,170	2,190	2,140	-20	30	-0.9%	1.4%
ALL OTHER SERVICES	13,050	13,110	13,080	-60	-30	-0.5%	-0.2%
Health Services and Social Assistance	4,840	4,850	4,840	-10	0	-0.2%	0.0%
Accommodation and Food Services	4,320	4,340	4,330	-20	-10	-0.5%	-0.2%
GOVERNMENT	8,010	8,320	8,180	-310	-170	-3.7%	-2.1%
Federal Government	1,020	1,020	1,110	0	-90	0.0%	-8.1%
State Government	1,210	1,240	1,240	-30	-30	-2.4%	-2.4%
Local Government	5,780	6,060	5,830	-280	-50	-4.6%	-0.9%
Workers in Labor Disputes	0	0	0	0	0	XXX	XXX

¹ Preliminary employment estimates.

² Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes all full and part-time wage and salary workers receiving pay during the pay period including the 12th of the month, by place of work.

³ Differences in industry employment of 20 or less may not be significant due to rounding.

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