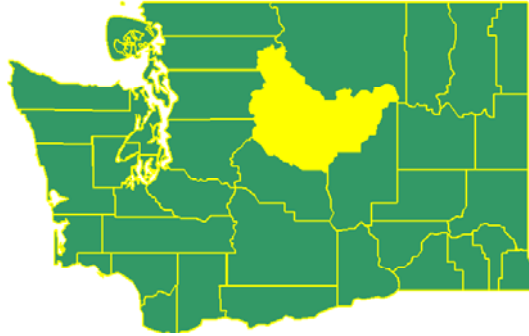


# The Chelan and Douglas Counties Labor Economy (February 2003)



Prepared April 8, 2003

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## Nonagricultural Employment

Table 1 shows that total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) contracted by 390 jobs for a 1.1-percent shortening of payrolls over the month of February 2002. Nonagricultural employment here this December provided 34,140 jobs. The 390-job, over-the-month contraction was largely caused by a 320-job seasonal layoff in the local transportation and warehouse industry, primarily at firms that warehouse fruits and vegetables. Washington's non-adjusted wage and salary employment grew by 2,300 in February, an increase of less than 0.1-percent. Washington's losses were concentrated in manufacturing (-2,100) and retail trade (-5,900). Gains occurred in professional and business services (+2,000), education and health services (+2,700), and government (+4,200).

Figure 1 plots over-the-year total nonagricultural employment change rates in the Wenatchee LMA and in Washington for the last six months of 2002 and the first two months of 2003. Statewide, the job-growth pace was in the negative column until December 2002 when job gains matched job losses. Then, in January and February of this year, Washington's labor economy started to turn the corner. Over-the-year job growth rates weighed in at a positive 0.5-percent for each of these months. This is certainly not a dramatic improvement, but when one considers that Washington lost jobs from May 2001 until December 2002, it is a step in the right direction. The economy in the Wenatchee LMA began to turn the corner approximately in August 2002, as Figure 1 illustrates.

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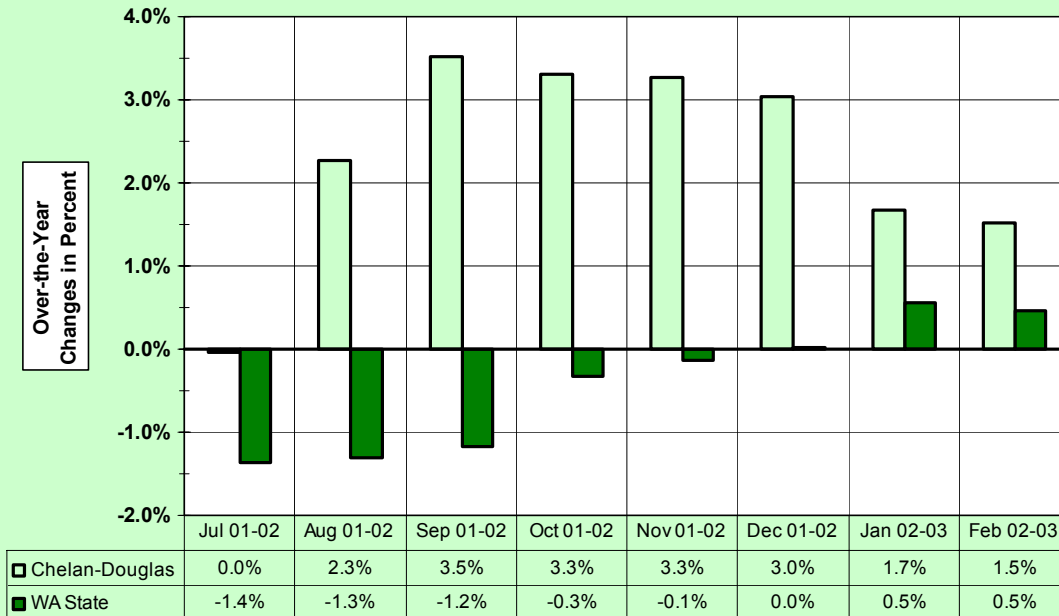
**Figure 2 depicts that in the last five months of 2002, total nonagricultural employment in the Wenatchee LMA surpassed levels for corresponding months of 2001.** This expansion continued into 2003. By February 2003, total nonagricultural employment was 520 jobs higher than in February 2002. However, manufacturing job losses occurred in durable goods (-190) and in non-durable goods (-130). The former was caused by downturns in the local primary metals industry, and the latter was primarily due to downturns amongst local food processors. Last year's apple crop was smaller and more profitable than previous years, and a higher percentage of fruit was fresh-packed leaving fewer cull apples for juice processing and related food-processing operations. Conversely, between February 2002 and February 2003 the following industries added jobs: accommodation and food services (+160), health services and social assistance (+170), local government (+220), and construction (+270). Thus, the bad news is that the two-county area lost good paying manufacturing jobs over the year, especially in durable goods. The good news is that the LMA added some family wage jobs in construction, government, and health services.

	Feb 2003 <sup>1</sup>	Jan 2003	Feb 2002	CHANGE <sup>3</sup>		% CHANGE	
				Jan 03 Feb 03	Feb 02 Feb 03	Jan 03 Feb 03	Feb 02 Feb 03
<b>TOTAL NONFARM<sup>2</sup></b>	<b>34,140</b>	<b>34,530</b>	<b>33,620</b>	<b>-390</b>	<b>520</b>	<b>-1.1%</b>	<b>1.5%</b>
<b>TOTAL PRIVATE</b>	<b>25,840</b>	<b>26,270</b>	<b>25,560</b>	<b>-430</b>	<b>280</b>	<b>-1.6%</b>	<b>1.1%</b>
<b>NATURAL RESOURCES, MINING, AND UTILITIES</b>	<b>130</b>	<b>140</b>	<b>140</b>	<b>-10</b>	<b>-10</b>	<b>-7.1%</b>	<b>-7.1%</b>
<b>CONSTRUCTION</b>	<b>2,040</b>	<b>2,120</b>	<b>1,770</b>	<b>-80</b>	<b>270</b>	<b>-3.8%</b>	<b>15.3%</b>
<b>MANUFACTURING</b>	<b>1,880</b>	<b>1,930</b>	<b>2,190</b>	<b>-50</b>	<b>-310</b>	<b>-2.6%</b>	<b>-14.2%</b>
Durable Goods	1,270	1,310	1,460	-40	-190	-3.1%	-13.0%
Non-Durable Goods	600	630	730	-30	-130	-4.8%	-17.8%
<b>WHOLESALE TRADE</b>	<b>1,470</b>	<b>1,470</b>	<b>1,480</b>	<b>0</b>	<b>-10</b>	<b>0.0%</b>	<b>-0.7%</b>
<b>RETAIL TRADE</b>	<b>5,810</b>	<b>5,780</b>	<b>5,790</b>	<b>30</b>	<b>20</b>	<b>0.5%</b>	<b>0.3%</b>
<b>TRANSPORTATION and WAREHOUSING</b>	<b>840</b>	<b>1,160</b>	<b>940</b>	<b>-320</b>	<b>-100</b>	<b>-27.6%</b>	<b>-10.6%</b>
<b>INFORMATION, FINANCE, INSURANCE, AND REAL ESTATE</b>	<b>1,940</b>	<b>1,950</b>	<b>1,920</b>	<b>-10</b>	<b>20</b>	<b>-0.5%</b>	<b>1.0%</b>
<b>SERVICES</b>	<b>11,740</b>	<b>11,720</b>	<b>11,320</b>	<b>20</b>	<b>420</b>	<b>0.2%</b>	<b>3.7%</b>
Health Services and Social Assistance	4,920	4,910	4,750	10	170	0.2%	3.6%
Accommodation and Food Services	3,480	3,480	3,320	0	160	0.0%	4.8%
<b>GOVERNMENT</b>	<b>8,300</b>	<b>8,260</b>	<b>8,070</b>	<b>40</b>	<b>230</b>	<b>0.5%</b>	<b>2.9%</b>
Federal Government	800	800	800	0	0	0.0%	0.0%
State Government	1,350	1,370	1,350	-20	0	-1.5%	0.0%
Local Government	6,150	6,090	5,930	60	220	1.0%	3.7%
Workers in Labor Disputes	0	0	0	0	0	XXX	XXX

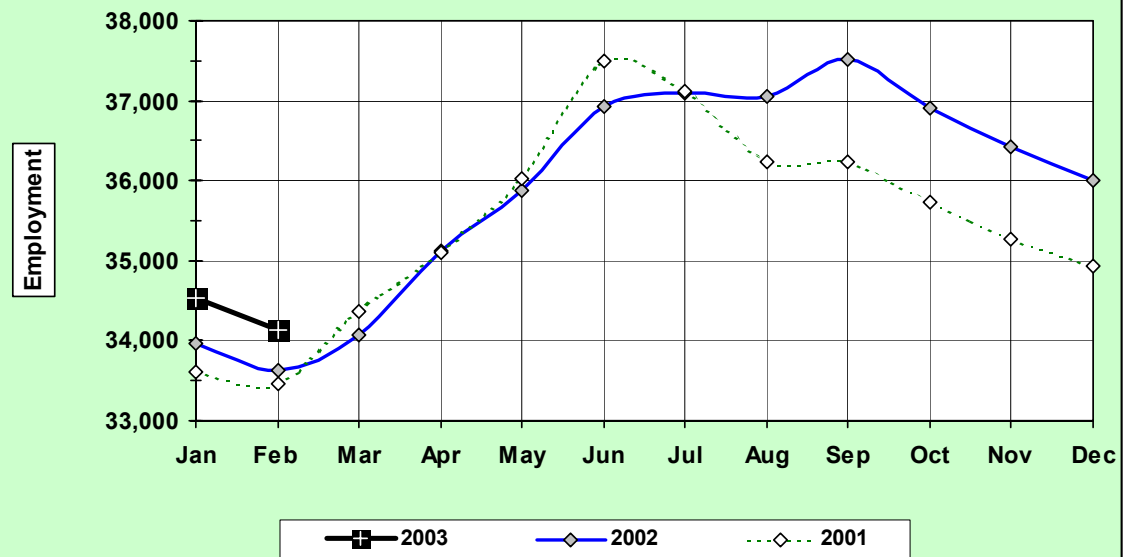
<sup>1</sup> Preliminary employment estimates.  
<sup>2</sup> Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes all full and part-time wage and salary workers receiving pay during the pay period including the 12th of the month, by place of work.  
<sup>3</sup> Differences in industry employment of 20 or less may not be significant due to rounding.

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**Figure 1  
CHELAN and DOUGLAS COUNTIES versus WASHINGTON STATE:  
OVER-THE-YEAR (OTY) ACTUAL and PROJECTED EMPLOYMENT CHANGE RATES  
(Prepared April 1, 2003)**



**Figure 2  
CHELAN AND DOUGLAS COUNTIES: TOTAL NONAGRICULTURAL EMPLOYMENT  
FROM JANUARY 2001 TO FEBRUARY 2003  
(Prepared April 1, 2003)**



### Unemployment

The unemployment rate in Chelan and Douglas counties was virtually unchanged over the month, edging upwards a tick from 10.0 percent in January to 10.1 percent in February 2003 (see Figure 3). This minute February upturn was not significant. For example, between January and February 2001, the unemployment rate held constant at an even higher 11.7 percent. According to resident labor force estimates, the number of *unemployed* residents rose by 40 in February, to 5,040 and the number of *employed* declined by 600, to 12,600. Nonagricultural employment shrank by 390 jobs, led by a 320-job seasonal downturn in the transportation and warehouse industry.

Over the year, the local unemployment rate declined, from 10.7 percent in February 2002 to the February 2003 reading of 10.1 percent. This over-the-year contraction in the rate is encouraging since it is a lower reading than for the corresponding month in at least the two previous years. Also, 260 fewer Chelan and Douglas Counties residents were *unemployed* this February than in February 2002, and the number of *employed* rose by 890. The resident labor force is currently estimated at 49,990, which is 1.3-percent higher than the 49,360 figure in February 2002. Nonagricultural employment stands at 34,140 jobs in February 2003, 1.5-percent ahead of the 33,620-job figure for the same month in 2002.

