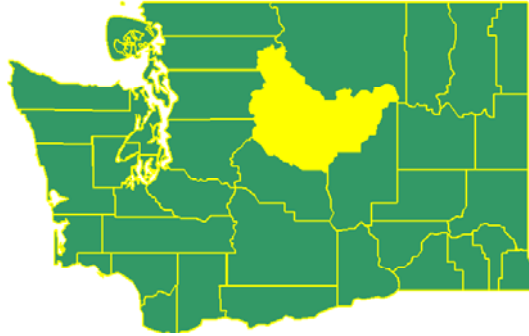


The Chelan and Douglas Counties Labor Economy (July 2003)



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Total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) expanded by 190 jobs for a 0.5-percent lengthening of payrolls over the month of July 2003, as shown in Table 1. Nonagricultural employment here this July provided 37,280 jobs. Major contributors to the over-the-month advance were the 210-job increase in All Other Services, the 100-job expansion in Information and Financial Activities, and the 90-job gain in Wholesale Trade. Much of the Information and Financial Activities expansion occurred in an industry called Real Estate and Rental Leasing. Between June and July of this year real estate agents/brokers, property management businesses, and rental/leasing firms (of everything from autos, utility trailers, RVs, and recreational goods to construction equipment) contributed heavily to the seasonal upturn in this industry. Many of the 90 new jobs in Wholesale Trade were packing and sorting jobs at fresh fruit packinghouses, attributable to this year's bumper cherry crop. According to Northwest Cherry Growers (representing growers in Idaho, Oregon, Utah, and Washington), approximately 10.0 million boxes of cherries were picked in 2003, surpassing the previous record year of 2001 when 9.7 million boxes were harvested.

Over-the-year total nonagricultural employment changes in the Wenatchee LMA and in Washington for the last calendar quarter of 2002 and the first seven months of 2003 are plotted in Figure 1. The local economy began to post positive over-the-year job growth rates in August 2002 and the trend has continued through July 2003. Although this job-growth pace has decelerated over the last few months, the pace is still positive. The July 2002-July 2003 local job growth rate was 0.6 percent. When one compares over-the-year job growth rates across Washington with corresponding rates in the Wenatchee LMA, the local economy looks pretty good. This July, total nonagricultural employment in the LMA netted 240 more jobs than

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in July 2002 although Manufacturing was down by 250 jobs and Retail Trade was off by 60. Conversely, Construction, Natural resources, and Mining employed approximately 350 more workers and All Other Services employed about 170 more workers than in July of 2002 (see Table 1).

The local unemployment rate inched upwards, from 6.0 percent in July 2002 to the July 2003 reading of 6.3 percent, as illustrated in Figure 2. Approximately 150 more Chelan and Douglas Counties residents were unemployed this July than in the corresponding month last year, a step backwards. Nonagricultural employment made a moderate 0.6-percent advance over the year while agricultural employment grew by 3.4 percent, thanks to the strong cherry harvest. Thus, substantial hiring in Chelan and Douglas Counties' agricultural sector over the past two or three months has helped counter a cooling nonagricultural sector. This has helped hold the local unemployment rate in check.

	Jul 2003 ¹	Jun 2003	Jul 2002	CHANGE ³		% CHANGE	
				Jun 03 Jul 03	Jul 02 Jul 03	Jun 03 Jul 03	Jul 02 Jul 03
TOTAL NONFARM²	37,280	37,090	37,040	190	240	0.5%	0.6%
TOTAL PRIVATE	28,860	28,340	28,570	520	290	1.8%	1.0%
GOODS PRODUCING	5,140	5,050	5,040	90	100	1.8%	2.0%
NATURAL RESOURCES, MINING, and CONSTRUCTION	3,210	3,110	2,860	100	350	3.2%	12.2%
MANUFACTURING	1,930	1,940	2,180	-10	-250	-0.5%	-11.5%
Durable Goods	1,280	1,320	1,420	-40	-140	-3.0%	-9.9%
Non-Durable Goods	650	620	760	30	-110	4.8%	-14.5%
SERVICES PROVIDING	32,140	32,040	32,000	100	140	0.3%	0.4%
WHOLESALE TRADE	1,720	1,630	1,660	90	60	5.5%	3.6%
RETAIL TRADE	5,710	5,690	5,770	20	-60	0.4%	-1.0%
TRANSPORTATION, WAREHOUSING, and UTILITIES	1,040	1,030	1,030	10	10	1.0%	1.0%
INFORMATION and FINANCIAL ACTIVITIES	2,180	2,080	2,170	100	10	4.8%	0.5%
ALL OTHER SERVICES	13,070	12,860	12,900	210	170	1.6%	1.3%
Health Services and Social Assistance	4,880	4,800	4,790	80	90	1.7%	1.9%
Accommodation and Food Services	4,400	4,290	4,300	110	100	2.6%	2.3%
GOVERNMENT	8,420	8,750	8,470	-330	-50	-3.8%	-0.6%
Federal Government	1,050	990	1,130	60	-80	6.1%	-7.1%
State Government	1,260	1,450	1,300	-190	-40	-13.1%	-3.1%
Local Government	6,100	6,310	6,040	-210	60	-3.3%	1.0%
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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Figure 1
CHELAN and DOUGLAS COUNTIES versus WASHINGTON STATE:
OVER-THE-YEAR EMPLOYMENT CHANGE RATES
(Prepared August 28, 2003)

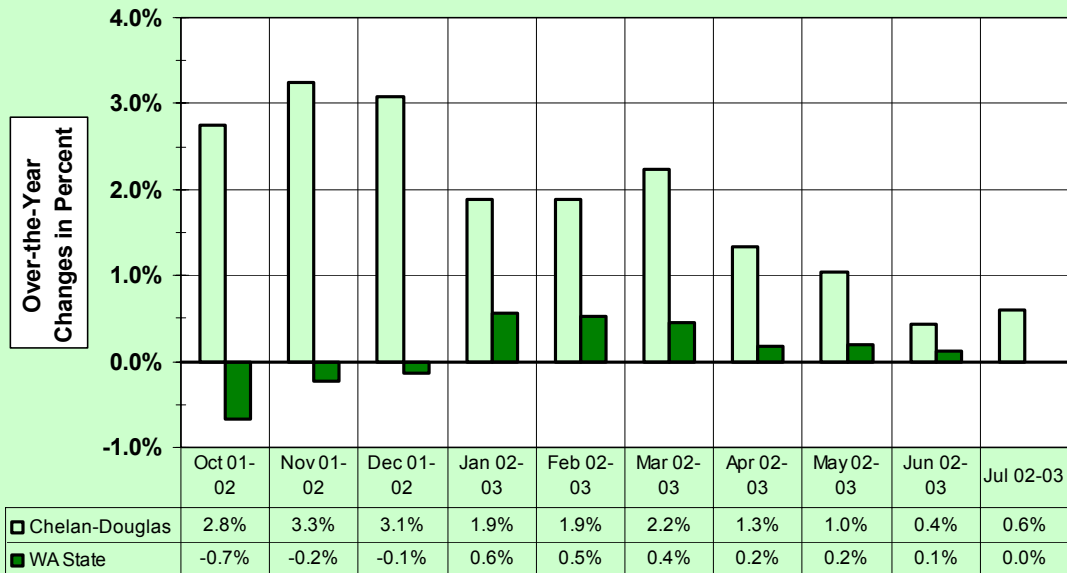


Figure 2
UNEMPLOYMENT RATES IN CHELAN AND DOUGLAS COUNTIES
AND IN WASHINGTON FROM JANUARY 2001 TO JULY 2003
(Prepared August 12, 2003)

