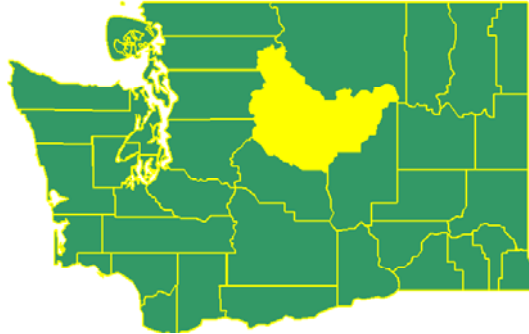


The Chelan and Douglas Counties Labor Economy (November 2003)



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Total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) contracted by 400 jobs for a 1.1-percent shortening of payrolls over the month of November 2003. Two industries accounted for the lion's share of this over-the-month employment drop: Accommodation and Food Services; and Natural Resources, Mining, and Construction (see Table 1). The former chopped approximately 200 jobs as hotels and restaurants experienced the typical lull between the end of the summer and the beginning of the winter vacation periods. The latter experienced a 140-job cutback due to weather-related layoffs at local construction companies.

Over-the-year job growth rates in the Wenatchee LMA slipped into the negative column during each of the last six months (see Figure 1). The softness in the local labor market has been exacerbated by the smaller apple harvest this autumn. According to an article in the November 7th edition of *The Wenatchee World*, the 2003 harvest is estimated to have produced only 75.5 million fresh packed boxes whereas Washington's apple crop in 2002 yielded 88.8 million boxes. This year's smaller crop resulted in less need for packers, sorters, and graders than in November 2002. Thus, Wholesale Trade employment plummeted by 370 primarily because of fresh fruit packinghouse cutbacks (see Table 1). Transportation, Warehousing, and Utilities also declined over the year since fewer trucking jobs were required to haul produce from orchards to packinghouses, processors, ports, or grocery stores.

Nonagricultural employment across the LMA for 2003 will average out lower than in 2002, but higher than in 2001 (see Figure 2-A). Durable Goods manufacturers have seen the number of people on their payrolls slowly and steadily decline since the large Alcoa Wenatchee Works layoffs took effect in the last quarter of 2001 (see Figure 2-B). Wholesale Trade

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employers (i.e., fresh fruit packinghouses) shortened their personnel rosters over the year, as mentioned earlier. Conversely, Mining, Natural Resources, and Construction has reached and rested on a higher employment plateau since June 2003 (see Figure 2-C). Much of this job growth occurred amongst residential construction contractors and is still fueled by low interest rates. Retail trade employment has also been creeping upward (see Figure 2-D). The December 2003 opening of Home Depot, and corresponding hiring one-month earlier, helped Retail Trade return to the same employment level it was at in November 2002.

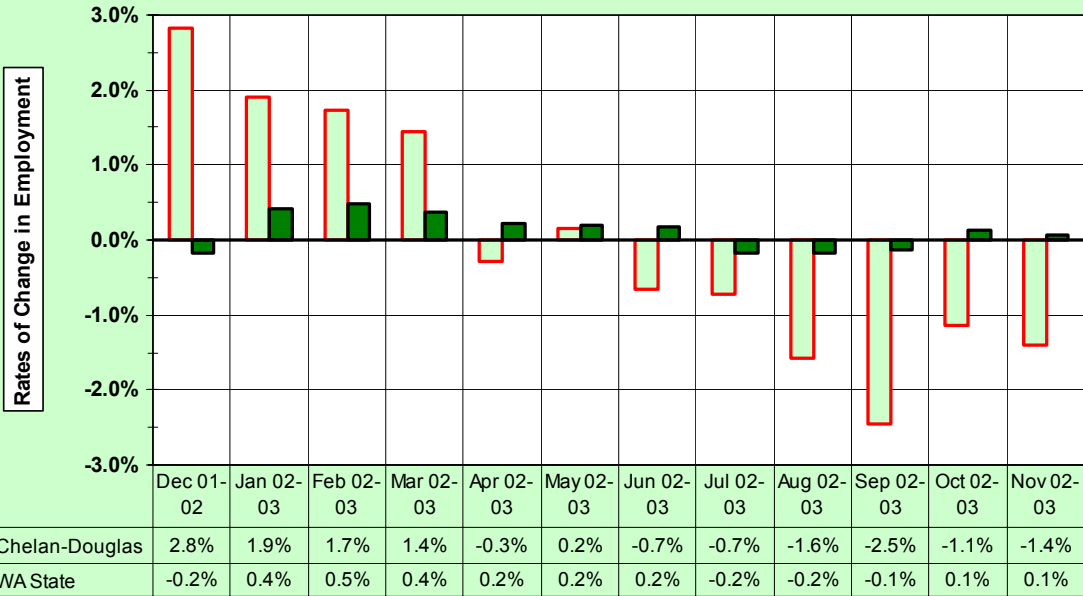
The unemployment rate in Chelan and Douglas Counties rose from 8.4 percent in November 2002 to the November 2003 reading of 8.7 percent. This has been the sixth consecutive month in which the local unemployment rate rose above the corresponding month in 2002 (see Figure 3). It is no coincidence that November 2003 was also the sixth consecutive month in which the nonagricultural sector lost jobs over the year (see Figure 1). Agricultural employment estimates also indicate fewer workers were required this November at local orchards due to a smaller, but more profitable, 2003 apple crop.

			CHANGE ³		% CHANGE		
	Nov 2003 ¹	Oct 2003	Nov 2002	Oct 03 Nov 03	Nov 02 Nov 03	Oct 03 Nov 03	
TOTAL NONFARM²	35,400	35,800	35,900	-400	-500	-1.1%	-1.4%
TOTAL PRIVATE	26,910	27,480	27,480	-570	-570	-2.1%	-2.1%
GOODS PRODUCING	4,780	4,960	5,000	-180	-220	-3.6%	-4.4%
NATURAL RESOURCES, MINING, and CONSTRUCTION	2,780	2,920	2,860	-140	-80	-4.8%	-2.8%
MANUFACTURING	1,990	2,050	2,140	-60	-150	-2.9%	-7.0%
Durable Goods	1,210	1,230	1,340	-20	-130	-1.6%	-9.7%
Non-Durable Goods	780	820	790	-40	-10	-4.9%	-1.3%
SERVICES PROVIDING	30,620	30,830	30,910	-210	-290	-0.7%	-0.9%
WHOLESALE TRADE	1,440	1,490	1,810	-50	-370	-3.4%	-20.4%
RETAIL TRADE	5,520	5,420	5,520	100	0	1.8%	0.0%
TRANSPORTATION, WAREHOUSING, and UTILITIES	1,070	1,090	1,280	-20	-210	-1.8%	-16.4%
INFORMATION and FINANCIAL ACTIVITIES	1,960	2,040	1,970	-80	-10	-3.9%	-0.5%
ALL OTHER SERVICES	12,150	12,460	11,910	-310	240	-2.5%	2.0%
Health Services and Social Assistance	5,010	5,010	4,820	0	190	0.0%	3.9%
Accommodation and Food Services	3,740	3,940	3,750	-200	-10	-5.1%	-0.3%
GOVERNMENT	8,490	8,320	8,430	170	60	2.0%	0.7%
Federal Government	1,010	1,020	930	-10	80	-1.0%	8.6%
State Government	1,300	1,220	1,350	80	-50	6.6%	-3.7%
Local Government	6,180	6,080	6,150	100	30	1.6%	0.5%
Workers in Labor Disputes	0	0	0	0	0	XXX	XXX

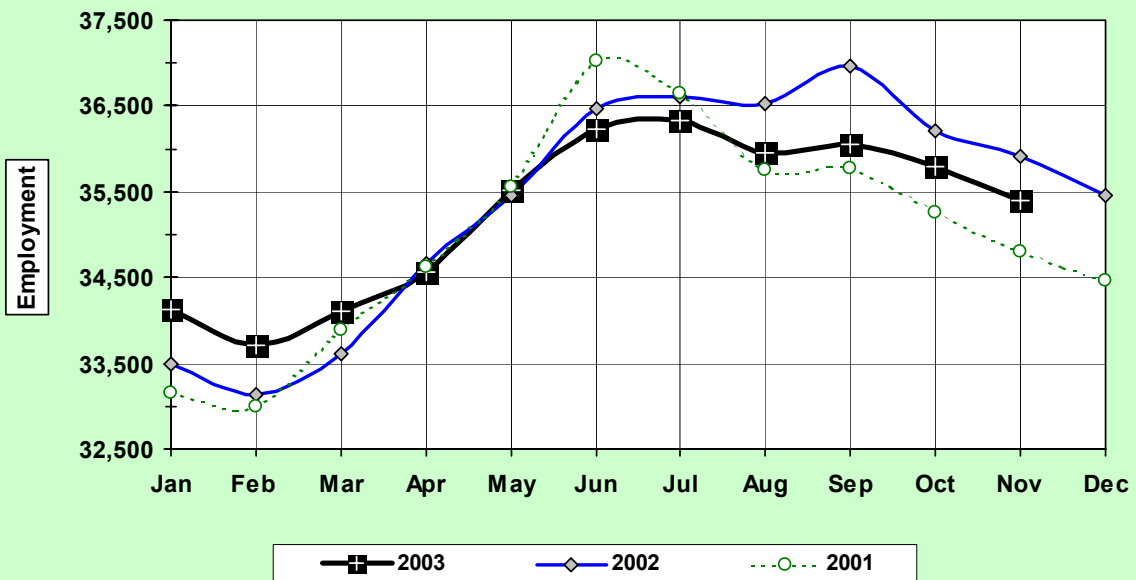
¹ Preliminary employment estimates.
² Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes all full and part-time wage and salary workers receiving pay during the pay period including the 12th 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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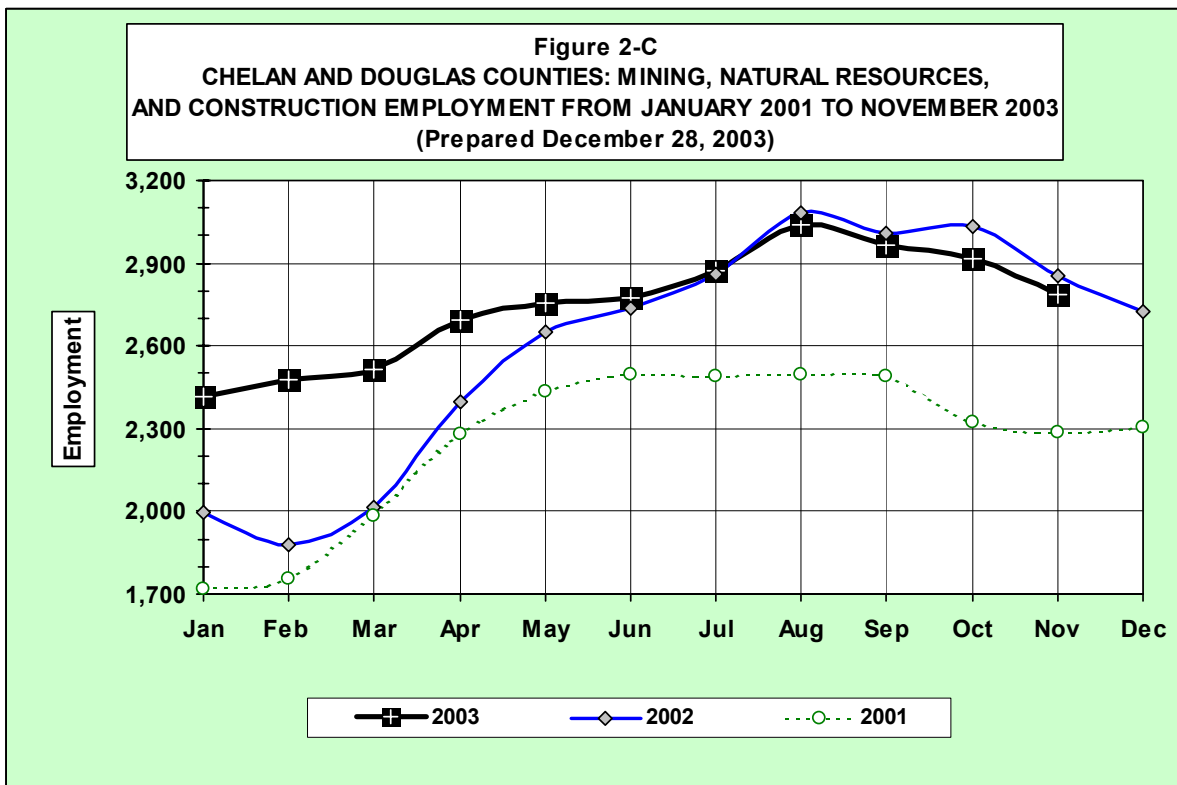
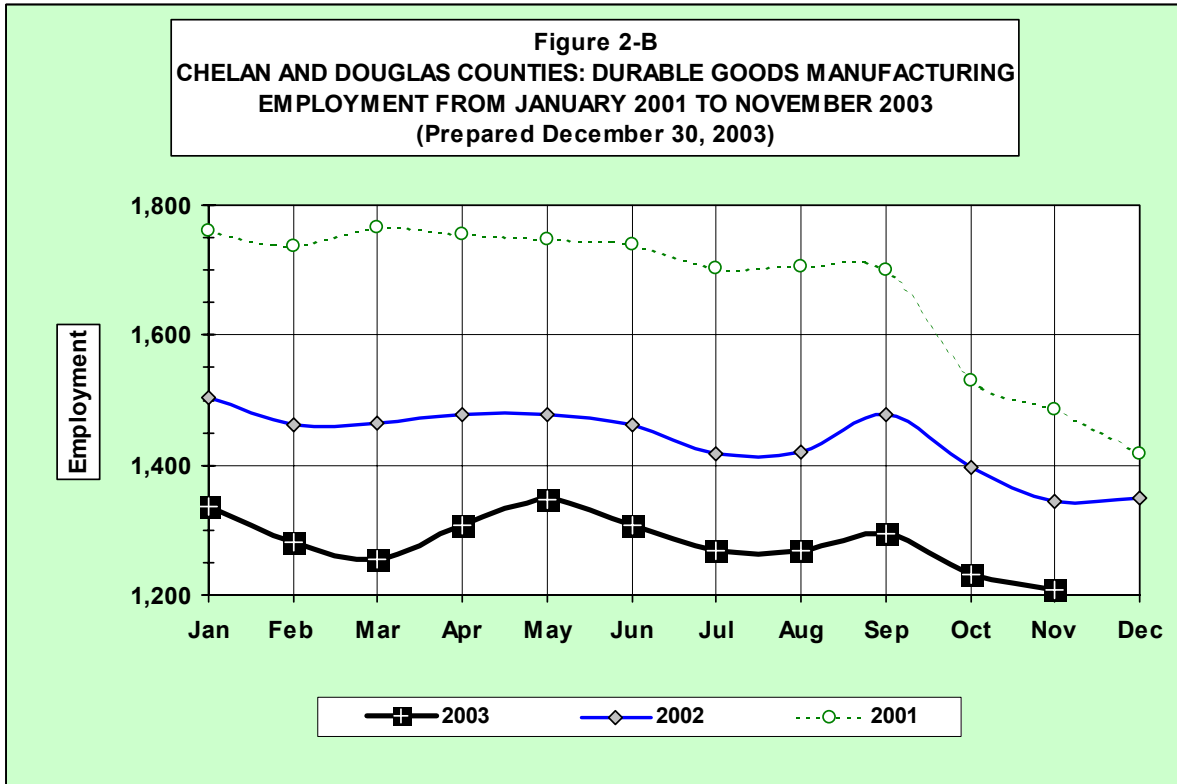
**Figure 1
CHELAN and DOUGLAS COUNTIES versus WASHINGTON STATE:
RATES OF CHANGE IN EMPLOYMENT OVER THE YEAR
(Prepared December 30, 2003)**



**Figure 2-A
CHELAN AND DOUGLAS COUNTIES: TOTAL NONAGRICULTURAL EMPLOYMENT
FROM JANUARY 2001 TO NOVEMBER 2003
(Prepared December 30, 2003)**



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