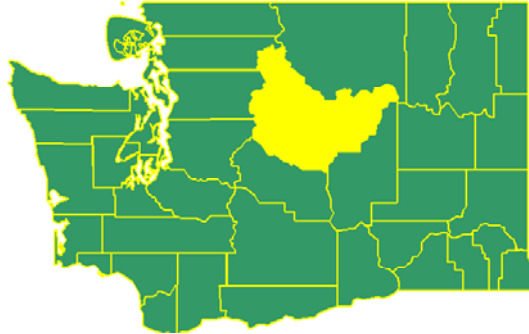


The Chelan and Douglas Counties Labor Economy (October 2003)



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Total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) contracted by 340 jobs for a 0.9-percent shortening of payrolls over the month of October 2003. Nonagricultural employment here this October provided 35,970 jobs (see Table 1). Accommodation and Food Services cut approximately 250 jobs as hotels and restaurants experienced normal slowdowns in operations at the end of the summer vacation season.

Over-the-year job growth rates in the Wenatchee LMA dipped into the negative column for each of the last three months. Job growth rates in this two-county area fell 1.4 percent in August, declined 1.6 percent in September, and slipped 0.7-percent this October, below corresponding levels in the prior year (see Figure 1). It appears that the local economy is running out of steam. However, much of this softness in the local labor market is simply due to this year's smaller apple harvest. Washington's apple harvest in 2003 was smaller than the 2002 crop, which yielded 88.8 million 42-pound fresh-packed boxes. 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. Employment slackened by 350 in Wholesale Trade, primarily due to cutbacks at fresh fruit packinghouses. There was less need this season for packers, sorters, and graders than in October 2002.

The unemployment rate in Chelan and Douglas Counties rose from 5.1 percent in October 2002 to the October 2003 reading of 6.1 percent. This has been the fifth consecutive month in which the local unemployment rate has risen above the corresponding month in 2002 (see Figure 2). Two factors seem to have combined to push the October rate one point above last October. First, a sluggish statewide economy has been dourly affecting

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residents who commute to jobs outside the LMA. Second, a smaller (but likely more profitable) apple harvest has been putting more workers from local fresh fruit packinghouses and trucking firms onto the unemployment rolls.

	Oct 2003 ¹	Sep 2003	Oct 2002	CHANGE ³		% CHANGE	
				Sep 03 Oct 03	Oct 02 Oct 03	Sep 03 Oct 03	Oct 02 Oct 03
TOTAL NONFARM²	35,970	36,310	36,220	-340	-250	-0.9%	-0.7%
TOTAL PRIVATE	27,680	28,380	28,020	-700	-340	-2.5%	-1.2%
GOODS PRODUCING	5,210	5,420	5,230	-210	-20	-3.9%	-0.4%
NATURAL RESOURCES, MINING, and CONSTRUCTION	3,280	3,380	3,030	-100	250	-3.0%	8.3%
MANUFACTURING	1,940	2,050	2,200	-110	-260	-5.4%	-11.8%
Durable Goods	1,140	1,270	1,400	-130	-260	-10.2%	-18.6%
Non-Durable Goods	800	780	800	20	0	2.6%	0.0%
SERVICES PROVIDING	30,760	30,890	30,990	-130	-230	-0.4%	-0.7%
WHOLESALE TRADE	1,470	1,480	1,820	-10	-350	-0.7%	-19.2%
RETAIL TRADE	5,270	5,330	5,400	-60	-130	-1.1%	-2.4%
TRANSPORTATION, WAREHOUSING, and UTILITIES	1,220	1,150	1,300	70	-80	6.1%	-6.2%
INFORMATION and FINANCIAL ACTIVITIES	2,110	2,130	2,070	-20	40	-0.9%	1.9%
ALL OTHER SERVICES	12,400	12,860	12,200	-460	200	-3.6%	1.6%
Health Services and Social Assistance	4,950	4,900	4,790	50	160	1.0%	3.3%
Accommodation and Food Services	3,910	4,160	3,950	-250	-40	-6.0%	-1.0%
GOVERNMENT	8,290	7,930	8,200	360	90	4.5%	1.1%
Federal Government	1,030	1,030	990	0	40	0.0%	4.0%
State Government	1,230	1,150	1,200	80	30	7.0%	2.5%
Local Government	6,030	5,750	6,010	280	20	4.9%	0.3%
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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