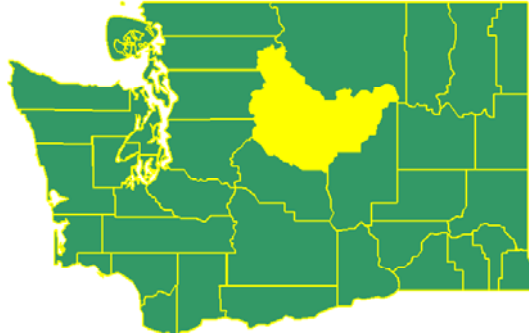


# The Chelan and Douglas Counties Labor Economy (September 2003)



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**Total nonagricultural employment in Chelan and Douglas counties (also called the Wenatchee Labor Market Area or LMA) expanded by 350 jobs for a 1.0-percent lengthening of payrolls over the month of September 2003.** Nonagricultural employment here this September provided 36,360 jobs. Wholesale Trade businesses, primarily fresh fruit packinghouses, took on 260 workers as this year's apple crop began. Retail trade rose by 180. Transportation, Warehousing, and Utilities employment also advanced over the month primarily due to agriculturally related hiring at local trucking firms (see Table 1).

**Over-the-year rates of change in Washington's nonagricultural employment show that although job growth was positive during the first two quarters of 2003, it stagnated in the third quarter.** This September there were 0.3-percent fewer jobs across Washington than in September 2002, the largest over-the-year decline since October 2002. Over-the-year rates of change have not exceeded 0.6 percent since February 2003, and job growth rates actually slipped backward during the third quarter of this year (see Figure 1).

**When one compares over-the-year job growth rates in the Wenatchee LMA from August and September 2003 with corresponding months in 2002, it appears that the local economy is running out of steam.** The job growth pace in this two-county area slipped 1.4 percent in August and declined 1.6 percent in September. Local job growth rates were much healthier in the fourth quarter of 2002 and even during the first two quarters of this year, than during the most recent quarter (see Figure 1). Total nonagricultural employment in the LMA netted 610 fewer jobs this September than in the corresponding month last year. Wholesale Trade (i.e., fresh fruit packinghouses) and Transportation, Warehousing, and Utilities (i.e. trucking companies) have been particularly hard hit. Washington's apple harvest this year was

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smaller than the 2002 crop, which yielded 88.8 million 42-pound fresh-packed boxes. According to an article in the November 7<sup>th</sup> edition of *The Wenatchee World*, the 2003 harvest is estimated to have produced only 75.5 million fresh packed boxes. Thus, employment slackened at local fresh fruit packinghouses and trucking firms. One of the few bright spots in the local labor market occurred in Construction, Natural Resources, and Mining, which provided approximately 370 more positions in September 2003 than in September 2002.

**The unemployment rate in Chelan and Douglas Counties rose from 5.6 percent in September 2002 to the September 2003 reading of 6.3 percent (see Figure 2).** Approximately 330 more local residents were unemployed this September than last while the number of employed residents in the labor force declined by 2,330. This equates to a 4.2-percent drop in labor force employment (i.e., “place of residence”) versus a 1.6-percent dip in nonagricultural employment (i.e., “place of work”). This likely reflects the fact that a sluggish statewide economy is dourly affecting residents who commute to jobs outside the LMA.

	Sep 2003 <sup>1</sup>	Aug 2003	Sep 2002	CHANGE <sup>3</sup>		% CHANGE	
				Aug 03 Sep 03	Sep 02 Sep 03	Aug 03 Sep 03	Sep 03 Sep 03
<b>TOTAL NONFARM<sup>2</sup></b>	<b>36,360</b>	<b>36,010</b>	<b>36,970</b>	<b>350</b>	<b>-610</b>	<b>1.0%</b>	<b>-1.6%</b>
<b>TOTAL PRIVATE</b>	<b>28,400</b>	<b>28,010</b>	<b>28,830</b>	<b>390</b>	<b>-430</b>	<b>1.4%</b>	<b>-1.5%</b>
<b>GOODS PRODUCING</b>	<b>5,420</b>	<b>5,410</b>	<b>5,300</b>	<b>10</b>	<b>120</b>	<b>0.2%</b>	<b>2.3%</b>
NATURAL RESOURCES, MINING, and CONSTRUCTION	3,380	3,450	3,010	-70	370	-2.0%	12.3%
<b>MANUFACTURING</b>	<b>2,050</b>	<b>1,960</b>	<b>2,290</b>	<b>90</b>	<b>-240</b>	<b>4.6%</b>	<b>-10.5%</b>
Durable Goods	1,270	1,240	1,480	30	-210	2.4%	-14.2%
Non-Durable Goods	780	720	810	60	-30	8.3%	-3.7%
<b>SERVICES PROVIDING</b>	<b>30,930</b>	<b>30,600</b>	<b>31,670</b>	<b>330</b>	<b>-740</b>	<b>1.1%</b>	<b>-2.3%</b>
WHOLESALE TRADE	1,480	1,220	1,820	260	-340	21.3%	-18.7%
RETAIL TRADE	5,360	5,180	5,530	180	-170	3.5%	-3.1%
TRANSPORTATION, WAREHOUSING, and UTILITIES	1,110	980	1,280	130	-170	13.3%	-13.3%
INFORMATION and FINANCIAL ACTIVITIES	2,130	2,170	2,100	-40	30	-1.8%	1.4%
<b>ALL OTHER SERVICES</b>	<b>12,900</b>	<b>13,050</b>	<b>12,820</b>	<b>-150</b>	<b>80</b>	<b>-1.1%</b>	<b>0.6%</b>
Health Services and Social Assistance	4,930	4,840	4,840	90	90	1.9%	1.9%
Accommodation and Food Services	4,160	4,320	4,180	-160	-20	-3.7%	-0.5%
<b>GOVERNMENT</b>	<b>7,950</b>	<b>8,010</b>	<b>8,130</b>	<b>-60</b>	<b>-180</b>	<b>-0.7%</b>	<b>-2.2%</b>
Federal Government	1,010	1,020	1,100	-10	-90	-1.0%	-8.2%
State Government	1,150	1,210	1,200	-60	-50	-5.0%	-4.2%
Local Government	5,790	5,780	5,840	10	-50	0.2%	-0.9%
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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