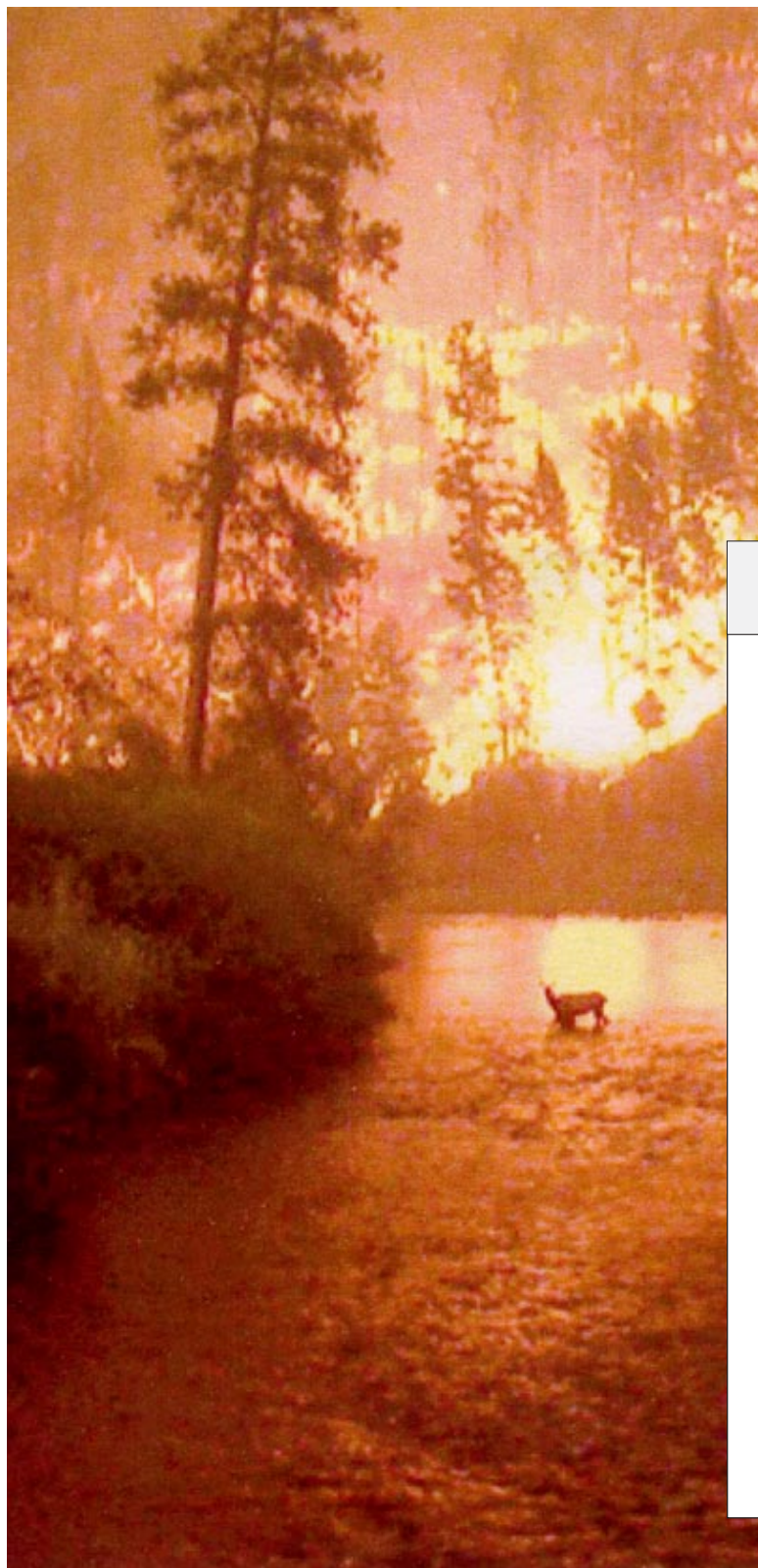


# Washington Labor Market



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Washington State  
Employment Security

## SOMETHING ABOUT SUMMER

Maybe it was the heat. Maybe it was the dry weather. Maybe it was the Mariners. Whatever the reason, summer produced some strong labor force numbers for Washington in July as the state's jobless rate fell in both seasonally and not seasonally adjusted terms. Easing in the non-seasonally adjusted numbers is typical for July given the fair weather factor, but a similar degree of easing in the seasonally adjusted numbers is not. Looking at those seasonally adjusted numbers, it was clear that the declining jobless rate resulted from a labor force that grew only modestly (0.3 percent) and did only slightly better in terms of the number of employed (0.6 percent) while the number of unemployed fell nearly 4.5 percent. For what it's worth, the state's weekly initial Unemployment Claims data appear to support the decline in the number of unemployed. They fell in each of the four weeks leading up to and including the week of August 18 based on a four-week running average. At the same time, however, seasonally adjusted nonagricultural employment in Washington in July revealed virtually no growth at 0.1 percent, creating some puzzlement. Perhaps some of those formerly unemployed individuals were showing up in the agricultural sector and therefore were not reflected in the nonfarm estimates, something that would not be surprising in July when agricultural employment heats up. Perhaps some found work across the state line in Oregon or Idaho, which would account for their not showing up in Washington's nonfarm numbers. Perhaps it is simply the quirk of trying to assess the state's labor market situation using two separate and distinct measurement tools—one for resident civilian labor force, another for nonfarm employment. Then again, maybe there's simply something about summer...

## LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate fell three-tenths of a percent over the month to 5.6 percent in July. When adjusted for seasonal changes, Washington's unemployment rate also fell three-tenths of a percent to 5.7 percent. The seasonally adjusted national rate held fixed over the month at 4.5 percent in July. Some of the peculiarities of the labor force numbers were described in the opening piece.

Over the month, unemployment rates in most counties followed that state pattern by falling as well. This was the case for most of the state's metropolitan areas, which tended to fall around the state average. Notable exceptions were

Clark County and the Tri-Cities, which saw their jobless rates rise more than a percentage point and a tenth of a percentage point, respectively. Joining the two metro areas with rising unemployment rates were Walla Walla, Clallam, and Kittitas counties. At the other end of the spectrum, Yakima County, a metro area, saw its jobless rate fall more than a percentage point. Neighboring Klickitat County registered the biggest jobless rate decline at more than four percentage points. Chelan, Columbia, and Asotin counties followed with declines of roughly two percentage points. For the most part, these and other counties that experienced falling unemployment rates over the month were characterized either by labor-intensive agriculture or forest products.

Over the year, fewer than half of Washington's counties posted rising unemployment rates, which would be consistent with the statewide pattern, while the balance registered declining jobless rates. Among those with rising unemployment rates, southwest Washington counties saw their rates climb the most. Cowlitz's jobless rate was up nearly three percentage points over the year, Klickitat's more than two percentage points, Clark's nearly two percentage points, and Skamania's nearly a full percentage point. The unemployment rate in the Seattle-Bellevue-Everett PMSA rose seven-tenths of a percentage point with its King County component up eight-tenths and its Snohomish County component up six-tenths. Among the counties that experienced declining unemployment rates, Columbia's fell the most at nearly three percentage points. Wahkiakum, the one southwest Washington county that appeared to escape the upward trend, saw its jobless rate fall more than two percentage points. A number of counties in northeast, southeast, and central Washington saw their jobless rate fall from one to two percentage points.

In absolute terms, Cowlitz and Klickitat counties had the highest unemployment rates in the state in July at 10.7 percent, which was considerably higher for both relative to last year. Ferry County followed at 10.2 percent, though that represented an improvement over the year to the tune of one percentage point. At the other end of the spectrum, Garfield County, a wheat county, had the lowest unemployment rate in the state in July at 1.6 percent. Whitman and Asotin, also wheat counties, had jobless rates of around 2.5 percent. In all three cases, their July unemployment rates were lower

than that seen a year ago, in Garfield's case by more than a percentage point. Among the state's metropolitan areas, Yakima had the highest jobless rate in July at 8.5 percent, though this was half a percentage point lower than the year previous. Over the same period, Clark County saw its relative position worsen as its jobless rate rose nearly three percentage points to 6.4 percent. King and Snohomish counties continued to post the lowest metro area unemployment rates at 4.7 percent, though that again constituted an erosion of their positions from a year ago.

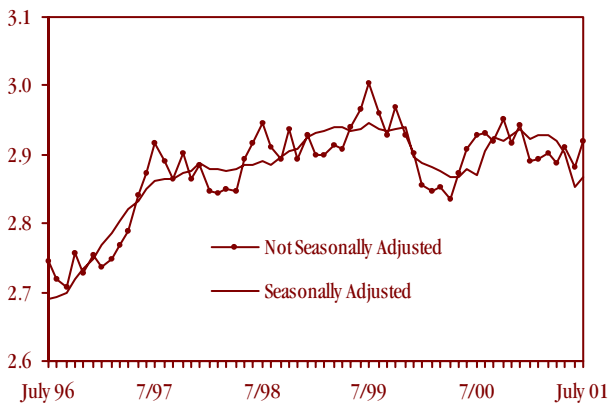
## INDUSTRY DEVELOPMENTS

### *Over the Month*

Total nonfarm wage and salary employment fell by 26,600 or 1.0 percent over the month in July. The loss was largely tied to seasonal contraction in state (-19,000) and local education (-12,100) as well as private educational services (-4,700). There was only modest activity in manufacturing, which remained unchanged over the month as a net loss of 200 in durable goods was offset by a net gain of 200 in nondurable goods. Of note, aircraft and parts added 600 and logging added 100 among durable goods sectors, while preserved fruits and vegetables was up 400 among nondurable goods sectors. Construction held its own, adding 4,000 workers with the gains in all sectors, in particular special trades contracting (+2,200). Transportation, communication, and utilities was down 100 while finance, insurance, and real estate experienced no change. Trade lost 600 jobs, all retail-related, with gains in general merchandise stores (+400), food stores (+200), and auto dealers and service stations (+200) being offset by losses in building materials and garden supply stores (-800), eating and drinking places (-200), and apparel and accessory stores (-100). Services lost 3,200 jobs, compared to last year's increase of 3,300. Business services and its computer and data processing sector were key drivers with both down 2,100 in stark contrast to the gains posted last year. Amusement and recreation services, however, added 2,300 jobs and hotels and lodging added 800. Health services added 700. Government shed 26,800 workers for the reason already mentioned.

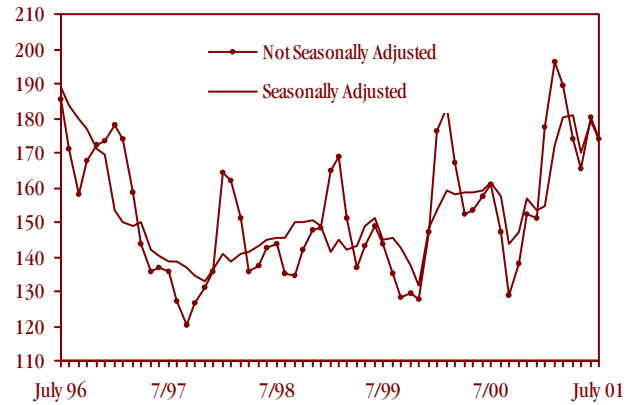
## Washington State Total Resident Employment and Unemployment July 1996 - July 2001

Millions of Employed



Source: Employment Security Department

Thousands of Unemployed



### Year-Over-Year

From July 2000 to July 2001, manufacturing shed 13,300 jobs, including 8,800 in durable goods and 4,500 in nondurable goods. Over the year, construction added 3,400 workers to payrolls. Wholesale trade fell 1,200 with twice the losses coming in durables (-800) as nondurables (-400). Retail trade was up 3,700 jobs with the 5,600 gain in eating and drinking places offset by losses in building material and garden supply stores (-1,100), general merchandise stores (-800), apparel stores (-700), and food stores (-400). Services added 18,100 jobs with most of that concentrated in health services (+5,100), engineering and management services (+3,900), and social services (+2,200). Business services, however, was down 600 and its computer and data processing component was up only 1,600, and 4,500 in health services. Government was up 9,200 over the year. Total nonfarm wage and salary employment adjusted in collaboration with the Office of the Forecast Council was up 23,000 or 0.8 percent over the year.

### AREA TRENDS

As noted, Washington's not seasonally adjusted unemployment rate fell three-tenths of a percentage point in July. The dip was most pronounced in agriculture and other natural resource-dependent areas as captured in the nine-tenths of a percentage point drop in timber dependent areas and the six-tenths of a percentage point drop in eastern Washington.

The four-tenths of a percentage point increase in statewide unemployment over the year was driven by trends in the

state's metropolitan areas, naturally, which was also up four-tenths of a percentage point, but also western Washington generally, which was up six-tenths of a percentage point. Ironically, the jobless rate was down over the year in both eastern Washington (two-tenths) and timber dependent areas (one-tenth).

All told, however, jobless rates in timber dependent areas and eastern Washington were higher than other regions of the state. Nevertheless, the gap in July 2001 was narrower than it was in July 2000 by roughly half a percentage point as jobless rates have gotten a little higher in metro and western Washington and a little lower in timber dependent and eastern Washington.

Unemployment Rates by Geographic Areas State of Washington			
Areas	July 2001	June 2001	July 2000
Washington State Total	5.6%	5.9%	5.2%
Metropolitan Areas	5.3%	5.5%	4.9%
Log & Lumber Areas	7.6%	8.5%	7.7%
All Western WA Areas	5.4%	5.6%	4.8%
All Eastern WA Areas	6.5%	7.1%	6.7%

*Source: Employment Security Department*

## INDUSTRY NOTES

### *The "Wals" Wow Washington*

Arkansas-based Wal-Mart, the nation's largest retailer, has at least a dozen stores on the board for its further expansion into Washington, notably in Clark County (2), Thurston County (2), and Pierce County. Wal-Mart first established a presence in Washington with a store in Omak on April 30, 1993. Today, it has 29 stores and nearly 8,880 associates across the state. Wal-Mart opened five of those stores this year in Vancouver, Marysville, Othello, Ephrata, and Kennewick with another opening slated for mid-October and yet another slated for January 2002. Wal-Mart currently has more than 3,100 stores (Wal-Mart Stores, Wal-Mart Superstores, Sam's Clubs, and Wal-Mart Neighborhood Markets) and 962,000 employees nationwide (not to mention 1,092 overseas stores with 282,000 employees). Its principal competitors in Washington include Fred Meyer, Target, and Costco.

Meanwhile, Illinois-based Walgreens has also made a major push into Washington over the past half decade. Walgreen's actually had a presence in Washington many years ago and pulled out of the market. It re-entered the Washington market in 1993 with the establishment of a Walgreens Rx Express (a pharmacy only format) in Spokane and followed with the establishment of a full-line Walgreens Drugstore in Tacoma in 1995. Today, Walgreens has 41 stores in Washington and 1,200-1,300 employees. Six of those stores opened in 2001 alone and more are planned for the future. Walgreens employs 116,000 workers at 3,400 stores across the nation. Its principal competitor in Washington in the drugstore category is Rite Aid.

*Forest Fires  
Fuel Job Growth*

In the third week of August, more than 5,900 firefighters were battling nine major forest fires (defined by the U.S. Forest Service as encompassing 500 acres or more) that had consumed nearly 152,000 acres of Washington forest land. In the northwest region that encompasses Washington and Oregon, nearly 9,200 firefighters were engaged against 15 major fires that had already consumed nearly 257,000 acres of forest land. This translates into a lot of seasonal workers in Washington and the Northwest engaged in fighting forest fires. Indeed, there are probably more state and federal firefighters here in this drought-affected season than in the past seasons. This is not meant to suggest that the state should welcome forest fires because of their ability to create jobs. It is simply to note that many (though not all) of those firefighters will spend at least some of their \$8.40 an hour and up paychecks in the local communities they are trying to protect. Two days of rain at the outset of the third week of August helped slow the fires, but the region's forests remain exceptionally dry and Forest Service officials warn that it would take weeks of continual rain to lower the fire danger. Since it is still early in what has proven to be a very volatile fire season, expect more forest fires—and more firefighters.

*U.S. Plays Hardball  
on Softwood*

Effective at midnight on August 20, the U.S. Department of Commerce imposed a countervailing duty or tariff of 19.31 percent on certain categories of softwood lumber products imported from Canada. Additionally, the tariff will be applied retroactively to cover all softwood lumber products in the affected categories imported in the three months prior to imposition of the tariff. The action has its roots in a petition

delivered to the Commerce Department by the Coalition for Fair Lumber Imports—which represents more than 250 U.S. lumber companies—on April 2, 2001 and which was later amended to include four individual companies: Moose River Lumber Company, Shearer Lumber Products, Shuqualak Lumber Company, and Tolleson Lumber Company. The group filed its petition immediately after the expiration of the U.S.-Canada Softwood Lumber Agreement on March 31, 2001. After reviewing the allegations in the petition, the Commerce Department announced that a number of categories of softwood (coniferous) lumber, flooring, and siding would be subject to the tariff. Excluded from this investigation are imports of softwood lumber from the Canadian Provinces of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (the Maritime Provinces). Nevertheless, the impact in Canadian provinces affected by the ruling is expected to be immediate. By one estimate, approximately 42,000 Canadian lumber and wood product jobs could be lost. In response, the Canadian government is expected to fight the tariff through channels available via the North American Free Trade Agreement and World Trade Organization. One should also not be surprised if the Canadian government retaliates by slapping tariffs of its own on U.S. exports to Canada, including those completely unrelated to lumber and wood products.

### *Everett or Bust (Again)*

A month after announcing that it would relocate up to 700 in its electrical wire bundling operations from Renton to Everett, the Boeing Company announced yet another workforce relocation from Renton to Everett. In the latest move, up to 1,000 Boeing engineers and technicians currently part of the company's product development team based in Renton and other parts of Everett will be relocated to Boeing's Bomarc Building to work on new and modified designs for all Boeing aircraft, including the proposed Sonic Cruiser. The transfers started in June and will be done by August. As with the wire bundling move, which consolidated what were once separate operations for narrow-body jets (Renton) and wide-body jets (Everett) in a single location, this move will consolidate what were once separate engineering and design teams for the two classes of jets in Everett. Even when combined, however, these moves pale in comparison to the 6,000 workers that were transferred from Renton to Everett to launch the 777 program.



In other non-Washington news related to Boeing on the move, the company is moving the jobs of 1,100 engineers who were working on the space shuttle and space station from southern California to sites in Houston, Texas and Cape Canaveral, Florida. It is also moving 500 jobs related to 747 installation work from Wichita, Kansas to China. That follows the announcement a couple of months earlier to send 500 jobs (including 80 engineering jobs) related to 757 fuselage work from Renton to Wichita.

### *Hanford Gears Up For Glass*

The U.S. Department of Energy's (DOE) largest, most complex environmental cleanup project is the Hanford nuclear reservation's tank waste retrieval, treatment, and disposal project. Sixty percent of the nation's high-level radioactive waste is stored at Hanford in aging, deteriorating tanks. That waste currently threatens the Columbia River and its surroundings. The Office of River Protection within DOE was assigned the task of integrating and coordinating the work of multiple contractors in this effort. The prime contractors on this 10-year, \$4 billion project are CH2M Hill Hanford Group and Bechtel-Washington. CH2M Hill Hanford Group is responsible for storing and retrieving approximately 53 million gallons of highly radioactive and hazardous waste. The waste, stored in 177 huge underground tanks at Hanford, will be treated and converted to solid glass form called a "log" in a process known as vitrification, in facilities that will be built on a 65-acre site at Hanford. CH2M Hill is also responsible for storing the treated waste until a federal geologic repository for permanent disposal is identified and available to accept the glass waste. Bechtel-Washington will design, build, and start up the waste treatment facilities that will convert the liquid radioactive waste into stable glass form.

At present, roughly 1,500 management, engineering, and construction workers are engaged in the project with management and engineering comprising two-thirds of that number. That will change in 2002 as the construction phase gets fully underway and as affiliated jobs rise from about 500 at present to around 3,000 in 2003-04. At peak project employment in 2004, nearly 4,500 workers will be engaged in the project with roughly 3,000 in construction, 1,000 in management and engineering, and 500 in operations. Construction work will ramp down quickly after that

to where it is virtually completed by 2007. From that point through the end of the contract in 2011, management, engineering, and operations employment will constitute the bulk of project employment, and even those functions will taper off from 1,000 to around 600 over the period.

### *Welfare Limit Approaching*

It was five years ago in 1996 that President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act designed to “change welfare as we know it.” The act recast the Aid to Families with Dependent Children (AFDC) program into the Temporary Assistance to Needy Families (TANF) program, effectively transforming welfare from an entitlement program into a jobs program. States were given a fair degree of discretion to design their individual programs. Washington created WorkFirst in 1997, which included a lifetime eligibility of five years. Since 1997, Washington’s welfare rolls have been trimmed roughly in half (as have the nation’s welfare rolls), thanks largely to a strong economy. Still, more than 3,300 people have been on welfare continuously since August 1, 1997. That is, they are not working nor are they otherwise enrolled in job training programs, educational institutions, or community service positions. Come August 1, 2002, those individuals, barring any change in their status, will have permanently exhausted their eligibility for TANF. This is the group that concerns state lawmakers the most, particularly to the extent that children may be involved. The state legislature has the authority to exempt up to 11,000 individuals from the time limit by providing exemptions. Those discussions, however, have yet to begin. How state and federal lawmakers address the challenge posed by this particular group of individuals, particularly when the law comes up for reauthorization next year, will speak volumes about whether welfare is indeed a jobs program or if it will revert back to an entitlement program.

### *Good News on the Ag Front*

Washington’s total grape production for 2001 is expected to be 295,000 tons, up 11 percent from last year. Of that total, Washington’s wine grape production is projected at 105,000 tons, which would represent a 17 percent increase over last year. If the forecast is accurate, 2001 production will come in at a record high level. Washington’s juice grape production is forecast at 190,000 tons, up 9 percent from last year. Despite the drought, most grape producers have managed just fine. In fact, some wine grape producers believe that

the drier weather may have a hand in creating some of the best grapes ever, particularly for wines that rely on grapes with higher sugar content. At the same time, U.S. grape production is forecast at 6.5 million tons, which would be down 15 percent from last year. The national situation has had the effect pushing up wine grape prices, which bodes well for Washington producers.

In Washington's wheat country, the annual harvest got underway in earnest as the hot, dry weather that emerged in July continued through mid-August, allowing winter wheat harvests to get into full swing and spring wheat harvests to get underway. Those same conditions, however, are believed to be responsible for what is expected to be an average to below average harvest in terms of yield. The hot and dry situation gave way to cooler temperatures and some rain in the latter part of August, which was welcome relief to farmers who wanted to seed their fall wheat but could not do so previously because of the lack of precipitation. Best of all, wheat prices are up as Washington wheat harvest gets underway. The price of soft winter wheat, the principal variety grown in Washington, was just about \$3.50 a bushel in August, which is about a dollar higher than last year. Drought conditions have affected most of the nation's wheat growing regions, not just Washington, and the lower yields are translating into higher prices.

### *The Magnitude of Money*

In the four months following the 6.8 magnitude Nisqually earthquake, more than 35,500 individuals in 22 counties registered for state and federal assistance. As of June 17—a couple of weeks before the June 30 deadline to file for assistance—\$104.9 million had been approved to assist applicants, including \$44.1 million in grants from the Federal Emergency Management Agency (FEMA) Temporary Disaster Housing Program, \$2.5 million in grants from the Washington State Individual and Family Grant Program, and \$57.7 million in low-interest loans from the Small Business Administration (SBA). Most of those dollars either have or will flow into the state's economy in the form of payments to building inspectors, structural engineers, and residential and commercial building contractors. The most costly Washington disaster prior to the Nisqually earthquake was the winter flooding of 1996, which saw 11,998 people register for and receive \$85 million in state and federal assistance. As such,

the Nisqually earthquake now stands as the most costly natural disaster in Washington history in terms of property damage. Total federal and state disaster recovery costs for the February 28 earthquake are now estimated at \$322 million, not including damage to highways, roads, and bridges under the purview of the Federal Highway Administration (FHWA). The FHWA disaster allocation approved by U.S. Secretary of Transportation Norman Mineta funneled an additional \$20 million into Washington to repair highways, roads, and bridges damaged by the earthquake.

## NATIONAL INDICATORS

### *GDP Revised Downward*

The Bureau of Economic Analysis revised downward its estimate of real gross domestic product from an advanced estimate of 0.7 percent annual growth in the second quarter of 2001 to a more complete preliminary estimate of 0.2 percent. An even more complete final estimate will be released in late September. Consumers were almost wholly responsible for what little growth there was in the economy as Personal Consumption Expenditures rose 2.5 percent over the year, primarily due to durable goods purchases. Government purchases were also net positive. Private fixed investments and the import and export of goods, however, were sharply negative.

### *Did Someone Say Deflation?*

The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.3 percent in July on a not-seasonally adjusted monthly basis to 177.5. One has to go all the way back to 1965 (36 years) to find the last time the CPI-U fell in July. This was attributable largely to the marked decline in energy prices (-5.6 percent) and related transportation prices (-2.3 percent) in July compared to the same periods in 1999 and 2000. Indeed, the core rate of inflation (all items minus food and energy) was up 0.2 percent in July. Over the year, the CPI-U increased 2.7 percent. The indexes for housing, medical care, and tobacco and smoking products contributed most to the higher overall (year-over-year) rate of inflation thus far over the year.

Since the Seattle-Tacoma-Bremerton CPI-U is reported bi-monthly, there is nothing new to report until the June-August data are released next month. To recap, the last report of 186.3 in June was a 1.1 percent increase over the bimonthly period and a 4.0 percent increase over the year with the

April-June increase the largest since the present bimonthly reporting format was established in 1998. Though unlikely, it will be interesting to see if the Seattle CPI-U follows the national trend by exhibiting either no change in inflation or, better yet, deflation.

### *The Fed Signals Softness*

At its August 21 meeting (which this author had earlier understood was cancelled according to the Federal Reserve website), the Federal Open Market Committee (FOMC) decided to lower the federal funds rate by one-quarter percentage point to 3.5 percent. In a related action, the Board of Governors approved a similar percentage point reduction in the federal discount rate to 3.0 percent. This was the seventh time since the beginning of the year that the FOMC has moved to lower the federal funds rate. These actions have brought down the federal funds rate by three full percentage points over the period. In justifying its action, the Fed issued much the same statement as it did the last time it met to cut rates in late June. Namely, the Fed cited its belief that long-term prospects for productivity growth and the economy remain favorable, as evidenced by deflation in July, but that the risks continue to lean toward conditions that generate economic weakness, as evidenced by weak domestic and foreign business profits and capital spending. The FOMC's next regularly scheduled meeting is October 2.

### *Dow 10,000*

In their 1999 book, *Dow 36,000: The New Strategy for Profiting From the Coming Rise in the Stock Market*, James K. Glassman and Kevin A. Hassett, fellow and resident scholar at the American Enterprise Institute, respectively, argued that stock prices were much too low and were destined to rise dramatically in the coming years. They rejected the price-to-earnings ratio model traditionally used by Wall Street analysts to determine whether or not a stock was overvalued as well as the warning issued by Fed Chairman Alan Greenspan regarding the "irrational exuberance" of investors. Of course, the Dow Jones Industrial Average never rose much beyond 11,000 even at its high points in the spring of 2000, fall of 2000, or summer of 2001. It did, however, dip below 9,400 in April of this year and closed out the month of August at 9,950. With the Dow Jones Industrial Average unable to sustain a rally upon reopening after Labor Day—it closed the day at 9,997—those tradi-

tional yardsticks and Chairman Greenspan's warning appear to have been well founded indeed. This is not to say that stocks in general might not be a relatively good long-term play. Rather, it is simply to underscore that earnings and profits still matter and that the stock market is not likely to rebound until companies show evidence of such.

**Consumer Price Index**  
(All Items, Urban Consumers, 1982-84 = 100,  
Not Seasonally Adjusted)

	Indexes			% Change From	
	Jul-01	June-01	July-00	June-01	July-00
U.S. City Average	177.5	178.0	172.8	-0.3%	2.7%
	Jun-01	Apr-01	Jun-00	Apr-01	June-00
Seattle *	186.3	184.2	179.2	1.1%	4.0%

*\* The index for Seattle reflects prices in King, Pierce, Snohomish, Kitsap, Island, and Thurston counties.*

*Source: U.S. Department of Labor, Bureau of Labor Statistics*

*Prepared by Gary Kamimura, Senior Economic Analyst*

## Nonagricultural Wage & Salary Workers in Washington State, Place of Work <sup>1</sup>

In Thousands, Not Seasonally Adjusted	July 2001 (Prel)	June 2001 (Rev)	July 2000 (Rev)	June 2000 (Rev)	Numeric Change	
					June 2001 to July 2001	July 2000 to July 2001
<b>Total Nonagricultural Wage &amp; Salary Workers ....</b>	2,746.2	2,772.8	2,722.3	2,751.2	-26.6	23.9
<b>Manufacturing .....</b>	340.4	340.4	353.7	355.4	0.0	-13.3
Durable Goods.....	235.9	236.1	244.7 <sup>2</sup>	245.3 <sup>2</sup>	-0.2	-8.8
Lumber & Wood Products.....	31.9	31.9	34.1	34.1	0.0	-2.2
Logging.....	6.9	6.8	7.4	7.3	0.1	-0.5
Sawmills & Plywood.....	21.7	21.8	23.1	23.2	-0.1	-1.4
Furniture & Fixtures.....	4.7	4.8	5.0	5.0	-0.1	-0.3
Stone, Clay & Glass.....	9.1	9.1	9.5	9.4	0.0	-0.4
Primary Metals.....	9.3	9.4	10.9	11.1	-0.1	-1.6
Aluminum.....	5.4	5.4	6.7 <sup>2</sup>	7.0 <sup>2</sup>	0.0	-1.3
Fabricated Metals.....	15.2	15.2	15.1	15.2	0.0	0.1
Industrial Machinery & Equipment.....	24.9	25.2	25.8	25.7	-0.3	-0.9
Computer & Office Equipment.....	5.9	6.0	6.2	6.2	-0.1	-0.3
Electronic & Other Electrical Equipment.....	18.3	18.4	20.1	20.0	-0.1	-1.8
Transportation Equipment.....	100.2	99.8	100.9	101.5	0.4	-0.7
Aircraft & Parts.....	87.1	86.5	85.8	86.0	0.6	1.3
Ship & Boat Building.....	6.4	6.5	7.3	7.6	-0.1	-0.9
Instruments & Related.....	14.0	14.0	14.8	14.8	0.0	-0.8
Miscellaneous Manufacturing.....	8.3	8.3	8.5	8.5	0.0	-0.2
Nondurable Goods.....	104.5	104.3	109.0	110.1	0.2	-4.5
Food & Kindred Products.....	39.1	39.0	41.8	42.5	0.1	-2.7
Preserved Fruits & Vegetables.....	12.8	12.4	14.5	14.6	0.4	-1.7
Textiles, Apparel & Leather.....	7.8	7.9	8.3	8.4	-0.1	-0.5
Paper & Allied Products.....	15.1	15.0	15.9	15.8	0.1	-0.8
Printing & Publishing.....	23.8	23.9	24.4	24.7	-0.1	-0.6
Chemicals & Allied Products.....	6.3	6.3	6.2	6.3	0.0	0.1
Petroleum, Coal, Plastics.....	12.4	12.2	12.4	12.4	0.2	0.0
<b>Mining &amp; Quarrying.....</b>	3.8	3.7	3.7 <sup>2</sup>	3.7	0.1	0.1
<b>Construction.....</b>	172.0	168.0	168.6	164.6	4.0	3.4
General Building Contractors.....	47.0	46.3	46.1	45.0	0.7	0.9
Heavy Construction, except Building.....	20.7	19.6	20.2	19.3	1.1	0.5
Special Trade Contractors.....	104.3	102.1	102.3	100.3	2.2	2.0
<b>Transportation, Communications &amp; Utilities.....</b>	148.8	148.9	147.7	146.4	-0.1	1.1
Transportation.....	96.8	97.0	95.2	94.4	-0.2	1.6
Trucking & Warehousing.....	35.3	34.8	34.7	34.3	0.5	0.6
Water Transportation.....	9.2	9.1	9.3	8.8	0.1	-0.1
Transportation by Air.....	27.3	27.6	27.1	26.7	-0.3	0.2
Communications.....	35.7	35.6	36.1	35.7	0.1	-0.4
Electric, Gas & Sanitary Services.....	16.3	16.3	16.4	16.3	0.0	-0.1
<b>Wholesale &amp; Retail Trade.....</b>	660.5	661.1	658.0	662.4	-0.6	2.5
Wholesale Trade.....	156.7	156.7	157.9	158.7	0.0	-1.2
Durable Goods.....	90.0	89.7	90.8	90.7	0.3	-0.8
Nondurable Goods.....	66.7	67.0	67.1	68.0	-0.3	-0.4
Retail Trade.....	503.8	504.4	500.1	503.7	-0.6	3.7
Building Materials/Garden Supplies.....	22.4	23.2	23.5	23.8	-0.8	-1.1
General Merchandise.....	49.3	48.9	50.1	50.3	0.4	-0.8
Food Stores.....	71.0	70.8	71.4	71.8	0.2	-0.4
Automobile Dealers & Service Stations.....	51.8	51.6	51.5	51.5	0.2	0.3
Apparel & Accessory Stores.....	24.9	25.0	25.6	25.4	-0.1	-0.7
Eating & Drinking Establishments.....	193.4	193.6	187.8	189.6	-0.2	5.6
<b>Finance, Insurance &amp; Real Estate.....</b>	140.6	140.6	137.8	137.2	0.0	2.8
Finance.....	63.0	62.9	61.0	60.8	0.1	2.0
Insurance.....	40.9	41.0	40.8	40.6	-0.1	0.1
Real Estate.....	36.7	36.7	36.0	35.8	0.0	0.7
<b>Services.....</b>	807.3	810.5	789.2	785.9	-3.2	18.1
Hotels & Lodging.....	32.1	31.3	31.9	31.0	0.8	0.2
Personal Services.....	22.7	22.9	22.7	23.1	-0.2	0.0
Business Services.....	191.5	193.6	192.1	188.0	-2.1	-0.6
Computer & Data Processing Services.....	72.7	74.8	71.1	69.8	-2.1	1.6
Amusement & Recreational Services.....	52.1	49.8	49.1	47.2	2.3	3.0
Health Services.....	195.4	194.7	190.3	190.3	0.7	5.1
Nursing & Personal Care.....	32.5	32.3	32.1	32.2	0.2	0.4
Hospitals.....	61.0	60.6	59.7	59.6	0.4	1.3
Legal Services.....	20.9	20.9	20.4	20.2	0.0	0.5
Educational Services.....	32.3	37.0	31.5	35.7	-4.7	0.8
Social Services.....	65.8	67.0	63.6	64.2	-1.2	2.2
Engineering & Management Services.....	75.6	75.3	71.7	71.3	0.3	3.9
<b>Government.....</b>	472.8	499.6	463.6	495.6	-26.8	9.2
Federal.....	68.9	68.2	70.4	73.9	0.7	-1.5
State.....	127.4	146.0	124.8	142.9	-18.6	2.6
State Education.....	59.9	78.9	58.6	76.3	-19.0	1.3
Local.....	276.5	285.4	268.4	278.8	-8.9	8.1
Local Education.....	143.8	155.9	137.0	150.8	-12.1	6.8
<b>Workers in Labor-Management Disputes.....</b>	0.0	0.0	2.2	2.2	0.0	-2.2

<sup>1</sup> Excludes proprietors, self-employed, members of armed forces, & private household employees. Includes all full- & part-time wage & salary workers receiving pay during the pay period including the 12th of the month. <sup>2</sup> Workers excluded because of involvement in labor-management dispute. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Washington State  
Employment Security Department  
Labor Market and Economic Analysis

## Resident Labor Force and Employment in Washington State and Labor Market Areas 1/

Not Seasonally Adjusted	July 2001 Preliminary				June 2001 Revised				July 2000 Re		
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment
Washington State Total . . . . .	3,094,900	2,921,000	173,800	5.6	3,062,000	2,881,500	180,500	5.9	3,088,900	2,928,000	160,900
Bellingham MSA . . . . .	81,000	76,000	5,100	6.2	79,100	73,900	5,200	6.6	82,100	77,600	4,500
Bremerton PMSA . . . . .	91,500	86,300	5,200	5.7	90,900	85,600	5,400	5.9	94,500	89,000	5,500
Olympia PMSA . . . . .	99,700	94,600	5,200	5.2	98,500	93,200	5,300	5.4	98,900	93,800	5,100
Seattle-Bellevue-Everett PMSA . . . . .	1,421,600	1,354,800	66,900	4.7	1,407,900	1,339,900	68,000	4.8	1,403,300	1,347,300	56,000
King County 2/ . . . . .	1,043,100	994,000	49,100	4.7	1,033,300	983,100	50,100	4.9	1,029,200	988,600	40,600
Snohomish County 2/ . . . . .	348,800	332,200	16,600	4.7	345,100	328,600	16,600	4.8	344,600	330,400	14,200
Island County 2/ . . . . .	29,800	28,500	1,300	4.2	29,500	28,200	1,300	4.3	29,500	28,400	1,100
Spokane MSA . . . . .	205,800	193,600	12,200	5.9	205,700	193,200	12,500	6.1	207,700	196,700	11,000
Tacoma PMSA . . . . .	328,400	309,100	19,400	5.9	326,700	306,400	20,300	6.2	332,900	313,600	19,300
Tri-Cities MSA . . . . .	98,800	92,600	6,200	6.3	102,000	95,700	6,300	6.2	99,300	92,400	6,900
Benton County 2/ . . . . .	75,400	70,900	4,500	5.9	78,000	73,400	4,700	6.0	75,700	70,800	4,900
Franklin County 2/ . . . . .	23,400	21,600	1,800	7.5	24,000	22,400	1,600	6.8	23,600	21,600	2,000
Yakima MSA . . . . .	117,400	107,500	9,900	8.5	116,300	104,900	11,400	9.8	117,600	106,900	10,700
Adams . . . . .	9,490	8,870	630	6.6	8,470	7,790	680	8.1	9,470	8,800	670
Asotin 2/ . . . . .	12,510	12,200	310	2.5	11,610	11,080	540	4.6	11,560	11,230	330
Chelan-Douglas LMA . . . . .	61,880	58,350	3,520	5.7	57,290	53,080	4,210	7.3	60,920	57,090	3,830
Chelan County 2/ . . . . .	39,560	37,210	2,350	5.9	36,720	33,850	2,870	7.8	38,990	36,400	2,590
Douglas County 2/ . . . . .	22,310	21,140	1,170	5.2	20,570	19,230	1,340	6.5	21,930	20,680	1,250
Clallam . . . . .	24,640	22,920	1,720	7.0	24,040	22,420	1,620	6.7	24,450	22,510	1,940
Clark 2/ . . . . .	182,400	170,800	11,600	6.4	180,600	169,400	11,200	6.2	180,000	171,600	8,400
Columbia . . . . .	1,220	1,130	100	7.9	1,150	1,040	110	9.8	1,350	1,210	140
Cowlitz . . . . .	41,620	37,170	4,450	10.7	41,300	36,520	4,770	11.6	41,960	38,640	3,320
Ferry . . . . .	2,550	2,290	260	10.2	2,560	2,270	300	11.7	2,580	2,290	290
Garfield . . . . .	1,330	1,310	20	1.6	1,270	1,240	40	2.9	1,260	1,230	30
Grant . . . . .	39,000	36,050	2,950	7.6	37,730	34,790	2,950	7.8	40,030	36,620	3,410
Grays Harbor . . . . .	25,990	23,600	2,390	9.2	25,860	23,220	2,650	10.2	26,520	24,100	2,420
Jefferson . . . . .	10,190	9,670	520	5.1	10,180	9,630	550	5.4	10,700	10,190	510
Kittitas . . . . .	14,190	13,400	790	5.6	14,960	14,140	820	5.5	14,260	13,540	720
Klickitat . . . . .	9,510	8,490	1,020	10.7	8,790	7,480	1,310	14.9	9,280	8,500	780
Lewis . . . . .	29,140	26,770	2,370	8.1	28,630	26,090	2,540	8.9	30,530	27,780	2,750
Lincoln . . . . .	4,870	4,660	210	4.3	4,760	4,550	210	4.4	4,760	4,570	190
Mason . . . . .	19,330	18,010	1,330	6.9	18,840	17,480	1,360	7.2	19,590	18,160	1,430
Okanogan . . . . .	22,440	20,770	1,670	7.4	21,600	19,670	1,940	9.0	23,510	21,320	2,190
Pacific . . . . .	7,780	7,200	570	7.4	7,520	6,880	640	8.5	8,030	7,470	560
Pend Oreille . . . . .	4,430	4,090	330	7.5	4,420	4,050	370	8.4	4,260	3,890	370
San Juan . . . . .	7,200	7,030	170	2.3	6,600	6,400	200	3.1	7,060	6,910	150
Skagit . . . . .	52,330	49,070	3,260	6.2	50,310	46,870	3,440	6.8	53,330	49,810	3,520
Skamania . . . . .	3,820	3,520	310	8.0	4,090	3,690	400	9.7	4,150	3,850	300
Stevens . . . . .	17,370	15,970	1,400	8.1	17,080	15,590	1,480	8.7	17,070	15,520	1,550
Wahkiakum . . . . .	1,820	1,730	90	4.8	1,770	1,670	110	6.0	1,860	1,730	130
Walla Walla . . . . .	26,050	24,640	1,410	5.4	26,190	24,890	1,290	4.9	26,370	25,000	1,370
Whitman . . . . .	17,410	16,990	420	2.4	17,230	16,810	430	2.5	17,630	17,190	440

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.



## Resident Civilian Labor Force and Employment in Washington State

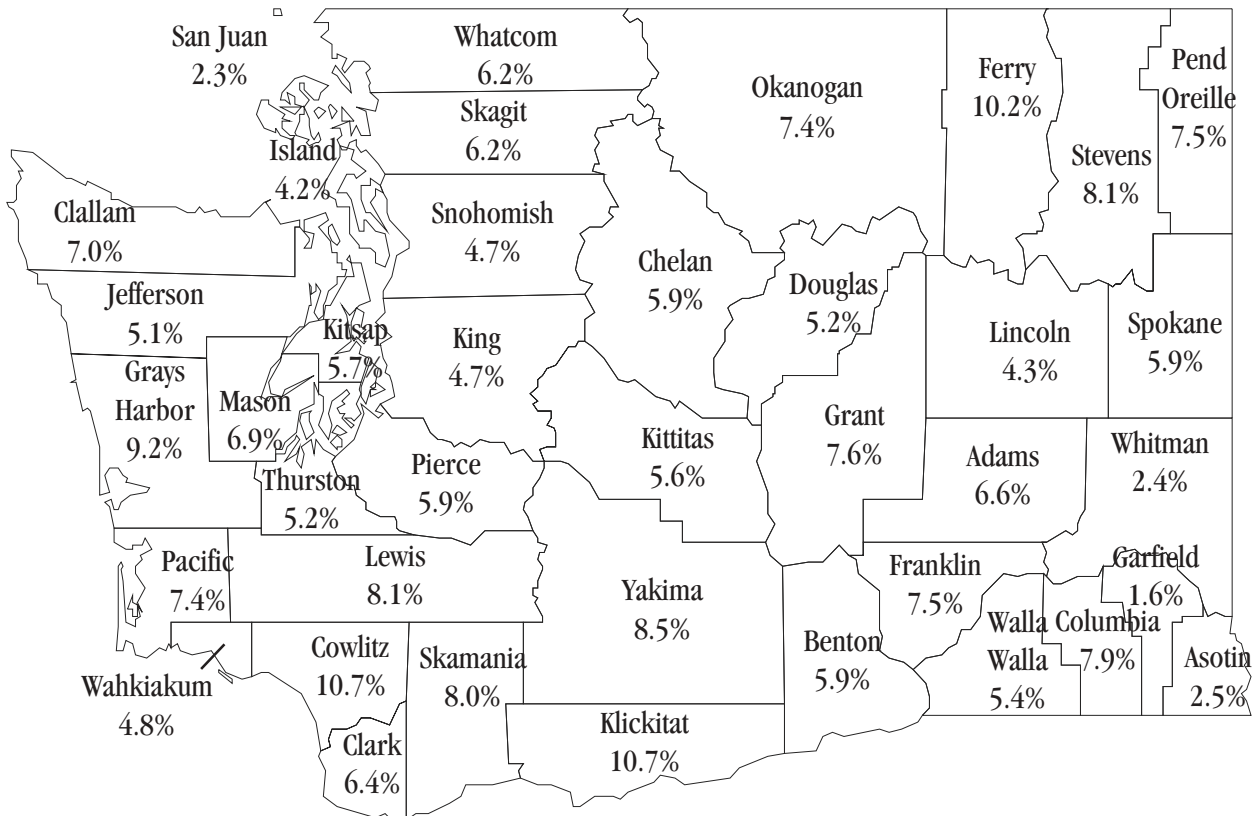
<i>(In Thousands)</i>	July 2001 (Prel)	June 2001 (Rev)	July 2000 (Rev)	June 2000 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	5.7%	6.0%	5.3%	5.2%
United States	4.5%	4.5%	4.0%	3.4%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,094.9	3,062.0	3,088.9	3,066.4
Employment	2,921.0	2,881.5	2,928.0	2,908.9
Unemployment	173.8	180.5	160.9	157.6
Percent of Labor Force	5.6%	5.9%	5.2%	5.1%

### Unemployment Rates by County, July 2001

**Washington State = 5.6%**

**United States = 4.7%**

***Not Seasonally Adjusted***



**Estimated Average Hours and Earnings of Production Workers in Manufacturing  
and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State**

	Average Weekly Earnings			Average Weekly Hours			Average
	July 01	June 01	July 00	July 01	June 01	July 00	July 0
<b>TOTAL MANUFACTURING INDUSTRIES</b>	\$705.07	\$701.20	\$676.80	39.7	40.0	40.6	\$17.7
<b>SELECTED MANUFACTURING INDUSTRIES</b>							
Lumber and Wood Products	\$607.51	\$628.45	\$613.42	39.5	41.4	41.9	\$15.3
Primary Metal Industries	\$721.19	\$709.81	\$755.57	41.0	40.7	43.7	\$17.5
Transportation Equipment	\$979.08	\$967.49	\$899.06	41.0	41.1	40.7	\$23.8
Food and Kindred Products	\$539.72	\$543.97	\$522.29	41.2	40.9	40.3	\$13.1
Chemicals and Allied Products	\$1,064.34	\$1,016.72	\$1,055.10	43.8	42.1	45.4	\$24.3
<b>SELECTED NONMANUFACTURING INDUSTRIES</b>							
Construction	\$886.54	\$860.35	\$885.82	38.0	37.1	39.3	\$23.3
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$404.95	\$395.00	\$404.34	32.5	31.6	32.9	\$12.4



# *Washington* Labor Market

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