

Washington Labor Market

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Highlights

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WASHINGTON'S ECONOMY: HO, HO, HO HUM

Labor market conditions in Washington continued to erode in November as its seasonally adjusted jobless rate took another big jump and its seasonally adjusted nonfarm employment contracted yet again. At 7.0 percent, Washington's unemployment rate was the second highest in the nation in November behind Oregon at 7.4 percent. Though a far cry from the record high 12.5 percent experienced nearly two decades ago in November 1982, the current jobless rate is more likely to be held against the record low 4.4 percent seen in November 1997 at the height of the economic boom that remains vivid in the minds of many.

Ultimately, the most surprising development is not Washington's unemployment rate level, but rather the rapid pace at which it has risen of late. It took more than two years (November 1997 to January 2000), for example, for the state's jobless rate to climb about a half a percentage point from 4.4 percent to 5.0 percent. It took a year and a half (January 2000 to June 2001) to go from 5 percent to 6 percent. However, it took only three months (August 2001 to November 2001) to go from 6 percent to 7 percent.

Indeed, the rapid escalation in Washington's unemployment rate caused the state to recently trigger extended unemployment insurance benefits. The U.S. Department of Labor notified the Employment Security Department that Washington qualifies for extended unemployment insurance benefits under state and federal laws because the three-month average for the state's seasonally adjusted unemployment rate was both above 6.5 percent and 110 percent above the same period last year. An estimated 41,000 unemployed workers in Washington could qualify for up to 13 weeks of additional jobless benefits. Workers can begin applying for the extended benefits on January 7. Application packets were mailed to potentially eligible workers on December 26. After the applications are received, the department will notify workers if they qualify and how much their extended benefit will be. The first week that claimants can be paid is the week ending January 12. While some workers will receive the maximum 13-week extension, most will not. By law, the department cannot pay more than 39 weeks of benefits, including both

the state's regular benefits, which can last up to 30 weeks, and the extension. While the state now qualifies for 13 weeks in extended benefits, department officials said they could not predict how long beyond that period the extension might last. That will depend on the state's three-month average unemployment rate. As Employment Security officials implement the extended benefits program, they continue to monitor developments in Washington, D.C. As part of the economic stimulus package, Congress is considering new options for special benefit programs. Passage of such legislation could replace the existing 13-week program.

A quick turnaround here in Washington, however, is not anticipated. While the level of initial unemployment claims nationally fell for the fifth straight month in November, Washington is just entering a period that will see significant layoffs by one of its principal sectors, aircraft and parts. That is not to suggest that the national jobless rate will come down any time soon; job cuts may be slowing, but job creation has yet to re-emerge. Meanwhile, Washington is expected to see more job cuts in the absence of offsetting job creation, so its jobless rate is not likely to stabilize, let alone fall, for some time.

LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally adjusted unemployment rate rose four-tenths of one percent to 7.0 percent in November. Comparatively, the seasonally adjusted national rate climbed three-tenths of one percent over the month to 5.7 percent. This represents the first increase in the state's seasonally adjusted November jobless rate since 1995. Washington's not seasonally adjusted unemployment rate jumped six-tenths of one percent to 6.8 percent in November.

The over-the-month changes in unemployment rates distinctly reveal the end of Washington's apple harvest and related activities as counties such as Yakima, Okanogan, Chelan, Grant, Adams, and Franklin all saw their jobless rates jump four to eight percentage points. The state's metropolitan counties, not surprisingly, saw the least change in their month-over-month jobless rates. Nevertheless, virtually every Washington county saw its unemployment rate rise from October to November as is typical from a seasonal standpoint.

The year-over-year changes in unemployment rates, however, provide the greatest insight into the real labor market softening that has been occurring. Heading the list with the largest increases in their jobless rates over the year are the counties that constitute most of southwest Washington—Cowlitz, Skamania, Klickitat, and Clark. Cowlitz and Skamania saw their unemployment rates climb more than three and a half percentage points over the year as their aluminum, pulp and paper, and lumber and wood products sectors were hit by one adverse situation after another. Klickitat and Clark saw their jobless rates jump nearly three percentage points due to many of the same factors, with Clark taking additional hits in its high-tech sector. Wahkiakum was the one southwest Washington area that did not join the group, but admittedly very little is happening in that county's exceptionally small labor force. The Seattle-Bellevue-Everett PMSA comprised of King and Snohomish counties also saw dramatic increases in their unemployment rates to the tune of around two and a half percentage points as their manufacturing, trade, and services sectors all softened. Indeed, events in central Puget Sound and southwest Washington are largely responsible for the nearly two percentage point increase in the statewide unemployment rate over the year.

Amidst all this, more than a third of Washington's counties saw either declining unemployment rates, no change in unemployment rates, or unemployment rates that rose negligibly (no more than two-tenths of one percent) over the year. All were rural counties, with representation from eastern Washington but also the Olympic Peninsula. It could be argued that most of these counties also have the highest jobless rates in absolute terms so the lack of relative change or even decline was more or less trivial. Perhaps. It is worth noting, however, that this does point out that the rising statewide unemployment rate is not evenly represented. It truly is more urban or metropolitan driven than anything else.

At 13.6 percent, Columbia County's unemployment rate was twice the state average. Another twelve Washington counties had jobless rates in double digits, which constitutes a third of all counties. The general characteristics of the counties were that they were exclusively rural, resource-

dependent areas tied to industries such as agriculture, logging and lumber, and aluminum smelting. The lowest unemployment rate in November was, as usual, Whitman County at 2.3 percent. Whitman was followed, again as usual, by Washington's other wheat counties and San Juan County as well.

INDUSTRY DEVELOPMENTS

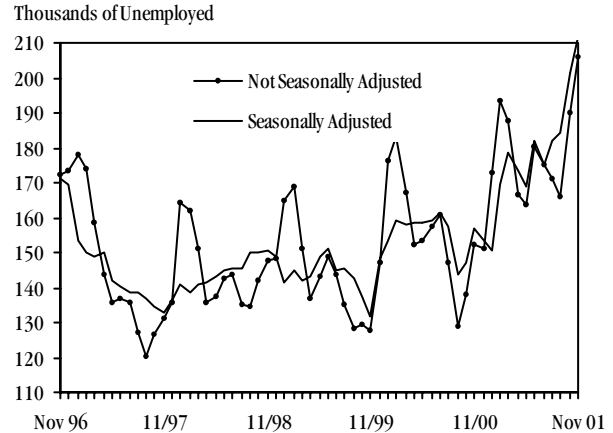
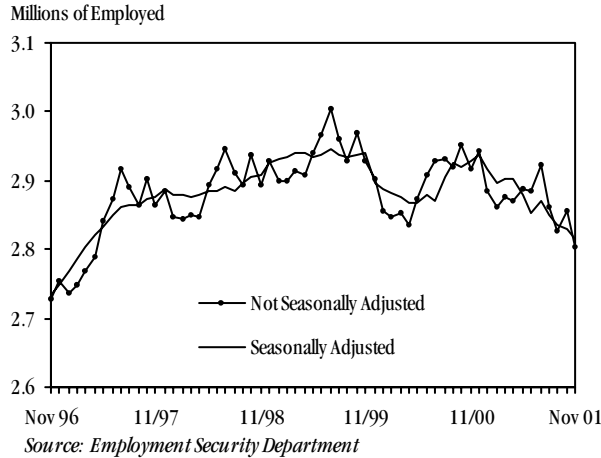
Over the Month

Washington's total nonagricultural wage and salary employment fell by 2,400 jobs or 0.09 percent over the month in November, in marked contrast to the 0.3 to 0.6 percent increases seen in previous Novembers from 1994-2000. The last time the over-the-month change was negative was in November 1987 (-0.14 percent) during the last national recession. There were, however, several positives. One was retail trade, which was up 7,100 as general merchandise stores (+3,000), apparel and accessory stores (+1,500), and food stores (+700) geared up for the holiday season. Local government was another, adding 8,900 teachers and election workers. Finance, insurance, and real estate were up 200. Other major sectors, though, incurred losses over the month. While many activities typically pull back this time of year, the magnitude of losses was, in most cases, greater than that seen the year previous, indicating that economic factors compounded what would otherwise be typical seasonal declines. Manufacturing shed 4,900 jobs with not a single activity registering growth. Construction declined 7,300 with all of its components contracting more than usual for the season. Services shed 5,100 jobs as growth in health, educational, social, engineering and management services was not enough to offset losses in business services and seasonal cuts in hotel and lodging places and amusement and recreation services. Business services in particular, was down 2,700 with 300 of that loss coming from its computer and data processing component. Wholesale trade was down, which is typical this time of year, but the greater degree also indicated an economic slump. Transportation, communications, and utilities was down 2,200 with air transportation (-300) and communications (-500), in particular, reversing their trends from last year's growth patterns.

Year-Over-Year

Nonfarm wage and salary employment adjusted in collaboration with the Office of the Forecast Council was down 27,200 or 1.0 percent from November 2000 to November 2001. Manufacturing shed 16,600 jobs with losses widespread but heavily concentrated in electronics (-3,400), primary metals (-2,300), lumber and wood products (-2,000), food processing (-1,500), industrial machinery and computer equipment (-1,500), and transportation equipment (-1,100). Construction was down 2,900 jobs. Wholesale and retail trade had a combined loss of 11,400 jobs with general merchandise (-3,600), apparel and accessories (-1,600), and building material and garden supplies (-1,300) contracting the most on the retail side. Within the services sector, health care was up 7,000 but business services fell 10,000 including 1,700 in its computer and data processing sector. Transportation and public utilities was down 4,500. However, finance, insurance, and real estate was up 2,600 and government was up 13,000.

Washington State Total Resident Employment and Unemployment
November 1996-November 2001



AREA TRENDS

Washington's labor market downturn was clearly captured in the regional numbers. For example, while unemployment rates typically rise from October to November, those increases were 0.2 to 0.4 percentage points higher this year than last. For its part, the increase in the statewide jobless rate was 0.2 percentage points higher this October-November than it was last year. The one exception was eastern Washington, which saw its jobless rate rise by the same degree in both periods.

The same trend could be discerned by region in the year-over-year numbers—in much more dramatic fashion. To set some context, Washington’s unemployment rate was up nearly two percentage points from November 2000 to November 2001. That is more than twice the increase from November 1999 to November 2000, which was seven-tenths of a percentage point. Western Washington and metropolitan Washington were most reflective of this pattern. The unemployment rate in the former was up 2.1 percentage points in November 2001 compared to 0.5 percentage points the year before. The latter was up 1.9 percentage points in November 2001 compared to 0.6 percent the year before. Meanwhile, at 1.3 percentage points, the increase in timber-dependent Washington’s jobless rate was about the same in November 2001 as it was in November 2000 (1.1 percentage points). Eastern Washington, however, actually saw its jobless rate situation stabilize as its 0.2 percentage points increase over the year was considerably less than the 1.2 percentage point increase the year before. This lends additional credence to the observation that worsening labor markets in urban, metropolitan areas in particular are driving up the state’s jobless rate and not rural, non-metropolitan areas.

That said, jobless rates in timber-dependent and eastern Washington, continued to sit higher in nominal terms in November 2001 than they did in metropolitan and western Washington by two to three percentage points. The gap between these two groups of regions, however, has clearly narrowed.

Unemployment Rates by Geographic Areas State of Washington

Areas	Nov-01	Oct-01	Nov-00	Oct-00
Washington State Total	6.8%	6.2%	5.0%	4.9%
Metropolitan Areas	6.5%	6.0%	4.6%	4.5%
Log & Lumber Areas	9.4%	7.9%	8.1%	7.2%
All Western WA Areas	6.4%	6.2%	4.3%	4.6%
All Eastern WA Areas	8.4%	6.2%	7.7%	5.7%

Source: Employment Security Department

INDUSTRY NOTES

Out of the Breach

Based on the findings of the Lower Snake River Juvenile Salmon Mitigation Feasibility Study, the U.S. Army Corps of Engineers has determined that short and long term changes such as spillway improvements, flow augmentation, up-graded fish passage systems, turbine improvements, fish transportation barges, and surface bypass and collection structures are more effective options for improving fish passage through the four lower Snake Rivers dams (i.e., Ice Harbor, Lower Monumental, Little Goose, and Lower Granite) than breaching or removing them outright. This, the report argues, provides the optimal balance between increased juvenile salmon and steelhead survival, on one hand, and operational and structural flexibility on the other. The report has been forwarded for review by other federal agencies involved in its preparation (National Marine Fisheries Service, Bureau of Reclamation, Bonneville Power Administration, Environmental Protection Agency, U.S. Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service, Bureau of Indian Affairs, and National Park Service). The Corps' recommendations are, of course, just that. Conservation and environmental groups as well as Northwest tribes continue to argue that dam breaching is the most effective solution and plan to lobby the Administration and Congress in that regard.

Boeing Layoffs Begin

In a move foretold by an earlier 60-day WARN notice, Boeing laid off the first group of what is expected to be at least 30,000 workers in its commercial airplane division. On December 14, the company laid off 9,000 workers, 5,000 of whom were based in the Puget Sound region. The company cut another 3,000 jobs through retirements and shedding of contract workers. These moves translated into 12,000 total job cuts. The company also issued 60-day WARN notices to another 2,900 workers in November and 1,700 workers in December, which means that another 4,600 workers can be expected to lose their jobs between January and February of 2002. More 60-day WARN notices are expected to be handed out on January 18.

Ironically, the best re-employment opportunity for Boeing's laid off engineers and machinists may be with rival Lockheed Martin, the company that recently beat out Boeing for the Defense Department's \$200 billion Joint

Strike Fighter contract. Lockheed Martin was, in fact, one of 50 companies present at a job fair for laid-off Boeing workers on December 11. The company is actively seeking to fill 1,300 immediate openings out of what it expects will ultimately be up to 5,000 for its Joint Strike Fighter program. Most of those jobs are presumed to be based in Texas and Georgia.

Refueling Boeing

In other Boeing news, the Senate Appropriations Subcommittee on Defense included in the \$318 billion defense budget proposal an Air Force request to lease as many as 100 newly converted Boeing 767 wide-body jets for service as air-refueling tankers. The request, if approved, could be worth up to \$20 billion for Boeing. The Air Force's current air-refueling fleet is comprised of 550 KC-135s, which are converted Boeing 707s that have been in service for up to four decades. This is certainly not a done deal, however. The proposal is not without its critics in the Senate, and the House of Representatives bill has a much more modest proposal for only one 767 air-refueling tanker conversion and a pilot program to test the effectiveness of one 767 as an airborne surveillance and command and control platform.

Indefatigable Immunex

It's been quite a busy year for Seattle-based Immunex Corporation, the biotechnology giant. In November, it began renovating and retrofitting an older manufacturing plant while simultaneously breaking ground on a new, adjacent manufacturing plant in West Greenwich, Rhode Island. At a combined cost of nearly \$1 billion, the renovation project is expected to be completed in 2002 while the new construction project is expected to be completed in 2005. When finished, the two plants will employ 700 workers and constitute the core of Immunex's manufacturing operations for Enbrel, its blockbuster arthritis drug. Not to be forgotten is the fact that Immunex already broke ground on a \$750 million campus headquarters at Pier 88 on Seattle's waterfront in January. The campus is expected to be completed by late 2003 with plans even further down the line to develop a site at adjacent Pier 89.

It was then announced on December 17 that Immunex had agreed to be acquired by Thousand Oaks, California-based Amgen, the world's largest biopharmaceutical company, in a \$16 billion stock and cash deal. The merger, if approved

by shareholders, would combine two of the industry's fastest growing biotechnology companies. Under the deal, Immunex and its roughly 1,550 employees would effectively become Amgen's research arm for immune system diseases and be added in whole to the more than 7,000 employees that Amgen currently has worldwide.

Silicon Continues to Slip...

In yet another blow to Washington's embattled high-tech sector, Vancouver-based SEH America announced plans to lay off 350 workers from the older of its two silicon wafer manufacturing facilities in Clark County between December and the first half of 2002. The layoffs are part of a company restructuring precipitated by what is now a yearlong decline in global demand for electronic equipment and, naturally, the silicon-based microchips that power them.

Meanwhile, across the Columbia River in Oregon, Fujitsu announced that it will close its Gresham-based semiconductor plant, a move that will result in the layoff of 670 workers over the next three to four months. This followed an earlier work force reduction executed by the company last summer, which resulted in 250 layoffs. This is a quick about-face for a company that employed 900 at its peak.

... While Software Remains Sturdy

Software in Washington means, for all intents and purposes, Microsoft Corporation. Despite ongoing challenges from as many as nine states to its class action anti-trust settlement, Microsoft continues to grow on all fronts. The company expects to hire 4,000 new workers over the 2001-02 fiscal year ending next June for its local operations alone. That does not include the roughly 3,000 jobs it expects to fill globally. In order to accommodate this anticipated future work force growth, Microsoft purchased 37.5 acres of the Issaquah Highlands development on the Sammamish Plateau for the first phase of its Issaquah campus expansion. This phase will likely result in 600,000 square feet of office space to house up to 3,000 workers. Ultimately, the company envisions a 150-acre Issaquah campus that accommodates up to 15,000 workers housed in 15 separate buildings with a total of nearly 3 million square feet of space. Once complete, the Issaquah campus would rival Microsoft's current Redmond campus headquarters in terms of office space and number of workers.

Fast Flux Finished

The Tri-Cities has recently seen little but positive job news, thanks largely to the U.S. Department of Energy's 10-year, \$4 billion cleanup efforts at the Hanford Nuclear Reservation (employment related to the vitrification plant approached 1,550 at the end of November). At the end of December, however, the same Department of Energy ordered the permanent shutdown of Hanford's Fast Flux Test Facility, a 400-megawatt reactor previously used to test fuel and parts for nuclear breeder reactors. The move will cost 250 workers their jobs. The Energy Department determined that the benefits the facility might provide producing medical isotopes for research did not outweigh the \$40 million annual cost of keeping the facility on standby or the \$2 billion it would cost to restart the facility. The decommissioning, decontamination, and dismantling of the facility will come with its own cost, estimated at \$300 million over the next four to six years.

Aluminum Payroll Gets Lighter

Citing weak sales and low aluminum prices, Kaiser Aluminum Corporation carried out a Christmas week layoff of 114 workers at its Trentwood aluminum rolling mill near Spokane. The move followed earnings reports that showed the company losing up to \$36 million in the fourth quarter of 2001, having already lost nearly \$25 million in the third quarter. At this point, the company says that most of the workers can expect to be recalled in early January. Kaiser has already shuttered its aluminum smelters in Mead and Tacoma when electricity prices soared earlier this year, and there are no plans to restart those smelters until power prices fall, aluminum prices rise, and the prospect of profitability returns. In the case of Trentwood, the situation has been compounded by much weaker demand for aircraft-related products made at the plant. Given the fundamentals that need to be in place for the company to return to profitability and the current status of the aircraft manufacturing sector (i.e., Boeing), there is mounting concern that the Trentwood workers could face more permanent layoffs down the line. At present, the plant may very well have to weather a couple of years of poor fundamentals before the situation stabilizes. The question is whether or not Kaiser can keep the plant viable for that duration.

Let the Building Begin (Again)

Citing the need to keep job creation and economic development initiatives going in the midst of a state economic downturn, Governor Locke and the Legislature agreed to green light \$878 million in state-funded capital projects across the state. The new construction and renovation projects encompass everything from college buildings to correctional facilities to other state buildings and facilities. The building projects, which were already included in the 2001-2003 biennium budget, were frozen by Governor Locke at the end of September when the rapidly deteriorating state fiscal outlook cast doubt on the state's ability to pay back the construction bonds. Indeed, the worsening state fiscal situation has already created a \$175 million funding shortfall for these projects, something that will need to be addressed in the supplemental budget during the coming legislative session. Governor Locke is also proposing an additional \$100 million in capital projects in his supplemental budget.

Look Out, Locals

A lot of attention has been focused on the impact on local governments from voter passage this past November of I-747, which limited property tax levy increases to 1.0 percent per year unless a greater increase was approved by voters. However, voter approved I-695, which eliminated the state motor vehicle excise tax, may well have the most enduring impact. Though deemed unconstitutional by the Washington Supreme Court, the basic construct of I-695 was retained by the governor and legislature in deference to voters. That created a huge hole in local government coffers, particularly since most motor vehicle excise tax revenues went to cities and counties. The "pain" of that revenue loss was offset by state government, which provided general fund and other state dollars as "backfill" to make up for the loss. That may change as the worsening state government fiscal situation prompted the governor to eliminate that \$84.6 million in state transfers to local governments in his supplemental budget proposal. It remains to be seen how local governments will address this loss. If they cannot, look for local government programs, services, and payrolls to reflect the loss of state "backfill" money.

*Governor's Budget
Pares Payroll*

Under Governor Locke's supplemental proposal for the second half of the 2001-03 biennial state budget, 835 full-time equivalent (FTE) positions would be eliminated while 395 others would be created for a net FTE loss of 440. Most of the losses would result from the elimination of 30 entire programs, most of which are in the Department of Social and Health Services, and the State Library. The new jobs would primarily be correctional officers, case workers for the developmentally disabled and seniors, and DNA scientists at the state crime lab. This dichotomy between the new hires and laid off suggests that few of the state workers displaced by job cuts will qualify for the new positions. Of course, this is merely the Governor's proposal, which, despite its considerable influence as a starting point for discussions, will now be subject to revision by the Legislature and then line-item veto power of the Governor. When all is said and done, the final supplemental budget signed by the Governor could, in fact, look quite different. Barring a special session of the Legislature, we should have a pretty clear picture by the end of the 60-day short session that commences on January 14.

NATIONAL INDICATORS

A Surplus of Deficits

How quickly things change. Less than a year after Administration officials projected federal budget surpluses well into the future, the President's budget director, Mitch Daniels, announced that the federal government will find itself in a deficit situation through 2005. Contributing to the rapid about face are lower revenues due to a recession-affected national economy, the Bush tax cut and economic stimulus bills and increased spending due to domestic security and the war on terrorism. Although many recognize the extraordinary circumstances driving spending, there is concern that unless the President and Congress make tough decisions to cut spending in other areas and/or increase revenues, deficits will once again become a fixture on the federal fiscal landscape.

A Spate of Deflate

After showing deflation in October (-0.3 percent), the U.S. Consumer Price Index for All Urban Consumers (CPI-U) rang up yet another month of deflation by falling in November by 0.2 percent. Even before October's deflation, the U.S. CPI-U produced two consecutive months of zero inflation in August and September. It was up 1.9 percent over the year.

November was the "off" month for the bi-monthly Seattle-Tacoma-Bremerton CPI-U. However, to recap the latest available data, the Seattle-Tacoma-Bremerton CPI-U posted a considerable 0.6 percent increase over the two-month period from August to October to hit 187.9 on a 1982-84=100 basis. Over the year, the Seattle CPI was up 3.2 percent, which was notably higher than the 2.1 percent increase seen nationally over the same period. Basically, deflation may be the trend nationally, but that has yet to translate to the Puget Sound region.

Zero Interest

The Federal Open Market Committee decided on December 11 to lower its target for the federal funds rate by 25 basis points to 1.75 percent. In a related action, the Board of Governors approved a 25 basis point reduction in the discount rate to 1.25 percent. And the Fed may not be done yet. If the economy remains unresponsive to the recent cuts, there are some who would like to see the Fed lower interest rates to zero percent, which in a zero inflation or deflationary environment such as presently exists, could possibly be carried off without raising the specter of inflation.

Meanwhile, long term, 30-year mortgage rates rose from an average of 6.45 percent nationally to 7.02 percent during November, causing a sharp 30 percent decline in refinancing activity nationwide in that month. This is also likely to put a damper on home purchases, which was one of the few positive economic activities of late. Why are long-term interest rates rising while short-term rates fall to unprecedented lows? The answer lies in long-term debt, which has largely meant U.S. government debt. Long-term rates predictably fell as the U.S. government built up surpluses. However, it became increasingly clear, and was finally acknowledged by the President's budget director, that federal deficit spending would rise over the next five years. This means the federal government may have to

issue more bonds in the form of treasury bills and offer higher long-term interest rates to attract individual and institutional investors. That, in turn, would affect the rate of interest on long-term corporate bonds.

GDP Revised Downward—Again

The U.S. Commerce Department announced on December 21 that real gross domestic product—the output of all goods and services produced in the United States—fell at an annual rate of 1.3 percent in the third quarter of 2001. This was the final estimate issued by the Bureau of Economic Analysis. Real GDP has been a moving target to say the least. As more and more data became available, estimates of real GDP grew worse. From an advanced estimate of -0.4 percent, real GDP was revised downward to -1.1 percent with the preliminary estimate, and further downward still to -1.3 percent in the final estimate. One has to go all the way back to the recession-affected third quarter of 1990 through first quarter of 1991 to find comparable periods of contraction in the U.S. economy.

Consumer Price Index

(All Items, Urban Consumers, 1982-84 = 100,
Not Seasonally Adjusted)

	Indexes			% Change From	
	Nov-01	Oct-01	Nov-00	Oct-01	Nov-00
U.S. City Average	177.4	177.7	174.1	-0.2%	1.9%
Seattle *	Oct-01	Aug-01	Oct-00	Aug-01	Oct-00
	187.9	186.8	182.1	0.6%	3.2%

** 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 ¹

In Thousands, Not Seasonally Adjusted

	November	October	November	October	Numeric Change	
	2001 (Prel)	2001 (Rev)	2000 (Rev)	2000 (Rev)	Oct. 2001 to Nov. 2001	Nov. 2000 to Nov. 2001
Total Nonagricultural Wage & Salary Workers	2,752.8	2,755.2	2,765.6	2,754.4	-2.4	-12.8
Manufacturing	331.7	336.6	348.3	351.2	-4.9	-16.6
Durable Goods	229.0	231.7	241.6	242.7 ²	-2.7	-12.6
Lumber & Wood Products	30.9	31.4	32.9	33.3	-0.5	-2.0
Logging	6.6	6.7	7.2	7.4	-0.1	-0.6
Sawmills & Plywood	21.1	21.4	22.5	22.6	-0.3	-1.4
Furniture & Fixtures	4.5	4.6	4.9	4.9	-0.1	-0.4
Stone, Clay & Glass	8.8	9.0	9.0	9.2	-0.2	-0.2
Primary Metals	8.5	8.6	10.8	11.3	-0.1	-2.3
Aluminum	5.0	5.0	6.6	7.1	0.0	-1.6
Fabricated Metals	14.8	15.0	15.2	15.2	-0.2	-0.4
Industrial Machinery & Equipment	24.0	24.2	25.5	25.5	-0.2	-1.5
Computer & Office Equipment	5.8	5.8	6.2	6.2	0.0	-0.4
Electronic & Other Electrical Equipment	17.0	17.4	20.4	20.3	-0.4	-3.4
Transportation Equipment	98.9	99.7	100.0	99.8	-0.8	-1.1
Aircraft & Parts	86.7	87.3	85.6	85.6	-0.6	1.1
Ship & Boat Building	5.8	5.9	7.2	7.0	-0.1	-1.4
Instruments & Related	13.5	13.7	14.2	14.6	-0.2	-0.7
Miscellaneous Manufacturing	8.1	8.1	8.7	8.6	0.0	-0.6
Nondurable Goods	102.7	104.9	106.7	108.5	-2.2	-4.0
Food & Kindred Products	39.3	41.1	40.8	42.5	-1.8	-1.5
Preserved Fruits & Vegetables	12.5	14.2	13.7	15.5	-1.7	-1.2
Textiles, Apparel & Leather	7.2	7.3	7.8	8.0	-0.1	-0.6
Paper & Allied Products	14.7	14.8	15.4	15.4	-0.1	-0.7
Printing & Publishing	23.2	23.3	24.3	24.3	-0.1	-1.1
Chemicals & Allied Products	6.3	6.3	6.3	6.2	0.0	0.0
Petroleum, Coal, Plastics	12.0	12.1	12.1	12.1	-0.1	-0.1
Mining & Quarrying	3.6	3.7	3.6	3.6	-0.1	0.0
Construction	162.6	169.9	165.5	169.9	-7.3	-2.9
General Building Contractors	45.3	46.5	45.6	46.5	-1.2	-0.3
Heavy Construction, except Building	18.1	20.8	18.7	20.4	-2.7	-0.6
Special Trade Contractors	99.2	102.6	101.2	103.0	-3.4	-2.0
Transportation, Communications & Utilities	145.7	147.9	150.2	150.2	-2.2	-4.5
Transportation	94.7	96.1	96.5	96.6	-1.4	-1.8
Trucking & Warehousing	34.8	35.4	34.6	35.1	-0.6	0.2
Water Transportation	8.9	9.1	9.1	9.0	-0.2	-0.2
Transportation by Air	26.2	26.5	27.7	27.3	-0.3	-1.5
Communications	34.7	35.2	37.3	37.2	-0.5	-2.6
Electric, Gas & Sanitary Services	16.3	16.6	16.4	16.4	-0.3	-0.1
Wholesale & Retail Trade	658.3	652.9	669.7	661.4	5.4	-11.4
Wholesale Trade	154.0	155.7	158.2	158.3	-1.7	-4.2
Durable Goods	88.2	88.8	90.6	90.6	-0.6	-2.4
Nondurable Goods	65.8	66.9	67.6	67.7	-1.1	-1.8
Retail Trade	504.3	497.2	511.5	503.1	7.1	-7.2
Building Materials/Garden Supplies	20.9	21.3	22.2	22.4	-0.4	-1.3
General Merchandise	52.7	49.7	56.3	51.8	3.0	-3.6
Food Stores	71.0	70.3	71.1	70.9	0.7	-0.1
Automobile Dealers & Service Stations	51.4	51.5	50.9	51.2	-0.1	0.5
Apparel & Accessory Stores	25.7	24.2	27.3	25.3	1.5	-1.6
Eating & Drinking Establishments	187.1	187.7	186.8	188.1	-0.6	0.3
Finance, Insurance & Real Estate	140.1	139.9	137.5	137.2	0.2	2.6
Finance	62.9	62.5	61.1	60.8	0.4	1.8
Insurance	40.9	40.9	40.7	40.7	0.0	0.2
Real Estate	36.3	36.5	35.7	35.7	-0.2	0.6
Services	800.1	805.2	793.1	794.5	-5.1	7.0
Hotels & Lodging	28.0	29.2	28.8	29.7	-1.2	-0.8
Personal Services	22.7	22.8	23.4	23.4	-0.1	-0.7
Business Services	188.1	190.8	198.1	196.9	-2.7	-10.0
Computer & Data Processing Services	71.2	71.5	72.9	72.0	-0.3	-1.7
Amusement & Recreational Services	43.7	45.9	41.4	43.2	-2.2	2.3
Health Services	198.6	197.9	191.6	191.5	0.7	7.0
Nursing & Personal Care	32.6	32.4	31.9	31.9	0.2	0.7
Hospitals	62.3	62.1	59.7	59.7	0.2	2.6
Legal Services	20.4	20.4	20.3	20.3	0.0	0.1
Educational Services	41.4	40.3	40.1	39.5	1.1	1.3
Social Services	67.6	67.3	64.6	64.6	0.3	3.0
Engineering & Management Services	76.0	75.5	72.7	72.5	0.5	3.3
Government	510.7	499.1	497.7	486.4	11.6	13.0
Federal	68.9	68.4	67.7	67.4	0.5	1.2
State	152.4	150.2	147.5	144.8	2.2	4.9
State Education	86.3	84.1	82.0	79.8	2.2	4.3
Local	289.4	280.5	282.5	274.2	8.9	6.9
Local Education	157.6	152.5	152.3	148.6	5.1	5.3
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.1	0.0	0.0

¹ 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. ² 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/

Date: 12/18/01
Benchmark: 2000

Not Seasonally Adjusted	November 2001 Preliminary				October 2001 Revised				November 2000 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,008,800	2,802,900	205,900	6.8	3,046,200	2,856,400	189,800	6.2	3,059,400	2,906,000	153,400	5.0
Bellingham MSA	77,800	72,100	5,700	7.3	78,100	72,700	5,400	7.0	81,500	77,000	4,500	5.6
Bremerton PMSA	90,200	84,500	5,700	6.3	90,500	84,900	5,600	6.2	94,500	89,400	5,100	5.3
Olympia PMSA	99,200	93,300	5,900	5.9	98,900	93,300	5,600	5.6	100,000	95,000	5,000	5.0
Seattle-Bellevue-Everett PMSA	1,399,700	1,317,600	82,100	5.9	1,401,200	1,322,200	79,100	5.6	1,414,700	1,365,300	49,400	3.5
King County 2/	1,025,700	966,800	58,900	5.7	1,028,200	970,100	58,100	5.7	1,037,500	1,001,800	35,700	3.4
Snohomish County 2/	344,700	323,100	21,700	6.3	343,700	324,200	19,500	5.7	347,400	334,800	12,600	3.6
Island County 2/	29,300	27,700	1,600	5.3	29,300	27,800	1,400	4.9	29,800	28,700	1,100	3.6
Spokane MSA	204,700	190,900	13,800	6.7	204,900	192,000	12,900	6.3	211,400	199,800	11,500	5.5
Tacoma PMSA	326,400	304,000	22,400	6.9	327,900	305,800	22,100	6.7	330,000	313,500	16,500	5.0
Tri-Cities MSA	93,200	86,100	7,100	7.6	96,300	90,700	5,600	5.8	93,600	86,300	7,200	7.7
Benton County 2/	70,700	66,000	4,700	6.6	73,800	69,500	4,300	5.8	70,700	66,200	4,600	6.4
Franklin County 2/	22,500	20,100	2,400	10.7	22,500	21,200	1,300	5.7	22,900	20,200	2,700	11.8
Yakima MSA	101,500	89,200	12,300	12.1	114,100	105,700	8,400	7.4	103,600	91,700	11,900	11.5
Adams	8,110	7,070	1,040	12.9	9,120	8,670	450	4.9	7,830	6,780	1,050	13.5
Asotin 2/	11,100	10,660	440	3.9	11,290	10,860	430	3.8	11,610	11,040	570	4.9
Chelan-Douglas LMA	49,910	45,110	4,800	9.6	56,010	52,710	3,300	5.9	50,520	46,300	4,210	8.3
Chelan County 2/	32,150	28,770	3,390	10.5	35,910	33,610	2,300	6.4	32,370	29,530	2,840	8.8
Douglas County 2/	17,750	16,340	1,410	7.9	20,100	19,100	1,000	5.0	18,150	16,780	1,370	7.5
Clallam	23,810	21,980	1,840	7.7	23,690	22,130	1,560	6.6	23,980	22,130	1,850	7.7
Clark 2/	180,300	167,200	13,100	7.3	178,000	164,400	13,600	7.6	180,700	173,400	7,300	4.0
Columbia	1,050	910	140	13.5	1,050	930	120	11.1	1,210	1,060	150	12.7
Cowlitz	40,220	35,840	4,380	10.9	40,630	36,380	4,260	10.5	41,100	38,150	2,950	7.2
Ferry	2,370	2,130	240	10.2	2,420	2,190	230	9.4	2,490	2,200	290	11.6
Garfield	1,110	1,070	40	3.5	1,130	1,110	20	1.3	1,150	1,100	50	4.7
Grant	34,930	31,280	3,650	10.5	39,700	37,280	2,420	6.1	35,700	31,820	3,880	10.9
Grays Harbor	25,280	22,550	2,720	10.8	25,450	22,970	2,470	9.7	25,230	22,500	2,720	10.8
Jefferson	9,750	9,060	700	7.1	9,860	9,230	640	6.4	10,260	9,680	580	5.6
Kittitas	14,900	14,030	880	5.9	15,750	15,040	710	4.5	15,070	14,280	790	5.2
Klickitat	7,870	6,900	980	12.4	7,950	7,060	890	11.2	8,900	8,060	850	9.5
Lewis	28,330	25,790	2,540	9.0	28,680	26,370	2,310	8.1	30,030	27,370	2,660	8.8
Lincoln	4,350	4,100	250	5.8	4,410	4,190	220	5.0	4,490	4,250	240	5.4
Mason	19,120	17,710	1,410	7.4	18,930	17,600	1,330	7.0	20,940	19,550	1,390	6.6
Okanogan	18,470	16,490	1,970	10.7	23,170	21,730	1,430	6.2	20,350	18,100	2,250	11.1
Pacific	7,370	6,710	670	9.0	7,460	6,840	620	8.3	7,810	7,130	680	8.8
Pend Oreille	4,210	3,870	340	8.2	4,240	3,900	340	8.0	4,200	3,860	340	8.0
San Juan	5,870	5,570	300	5.0	6,070	5,850	220	3.5	5,910	5,660	250	4.3
Skagit	50,310	46,170	4,150	8.2	51,030	47,330	3,700	7.3	51,470	48,130	3,340	6.5
Skamania	3,700	3,250	450	12.0	3,770	3,400	370	9.7	3,900	3,570	330	8.5
Stevens	16,020	14,310	1,720	10.7	16,340	14,640	1,710	10.4	16,590	15,120	1,470	8.8
Wahkiakum	1,650	1,530	120	7.1	1,680	1,560	120	7.0	1,750	1,640	120	6.6
Walla Walla	25,770	24,140	1,620	6.3	26,020	24,730	1,290	4.9	26,310	24,810	1,500	5.7
Whitman	20,350	19,880	460	2.3	20,580	20,110	470	2.3	20,730	20,290	440	2.1

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

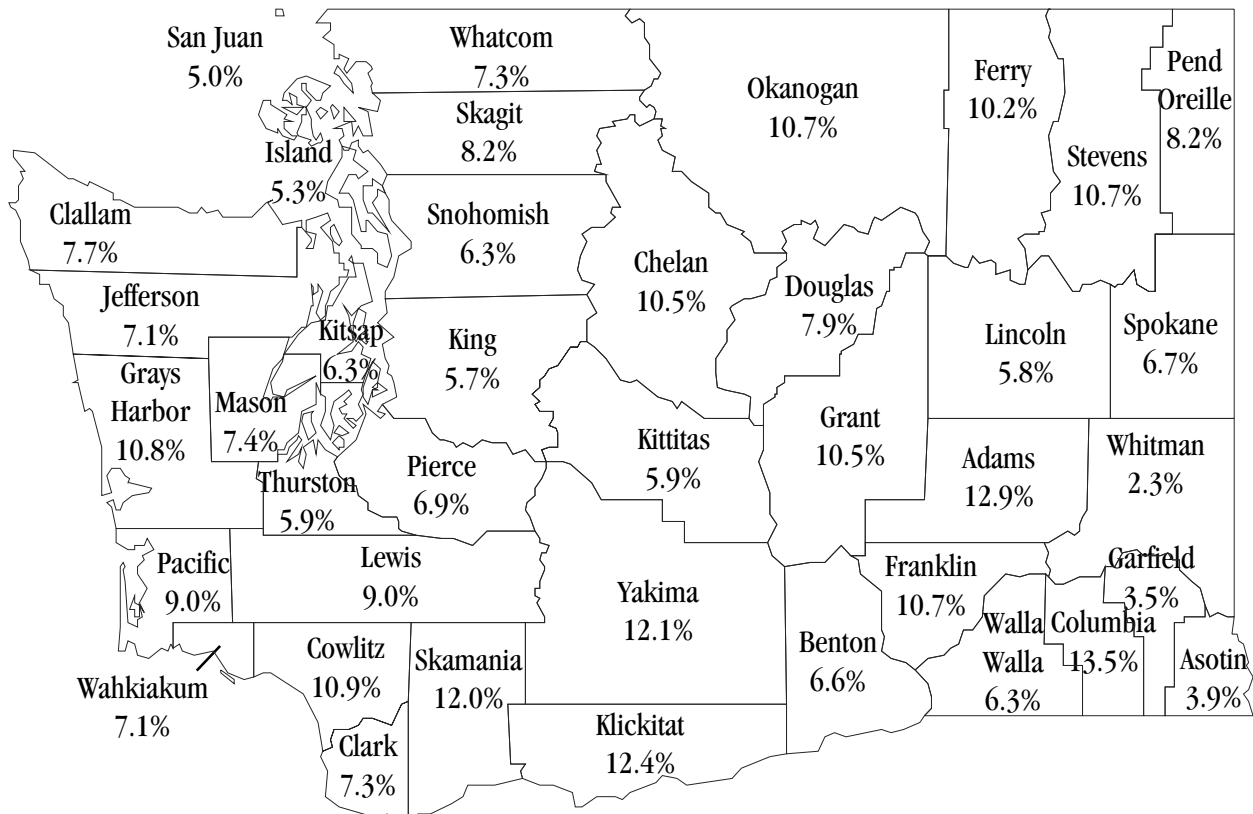
<i>(In Thousands)</i>	November 2001 (Prel)	October 2001 (Rev)	November 2000 (Rev)	October 2000 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	7.0%	6.6%	5.1%	5.2%
United States	5.7%	5.4%	4.0%	3.9%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,008.8	3,046.2	3,059.4	3,076.2
Employment	2,802.9	2,856.4	2,906.0	2,928.2
Unemployment	205.9	189.8	153.4	148.0
Percent of Labor Force	6.8%	6.2%	5.0%	4.8%

Unemployment Rates by County, November 2001

Washington State = 6.8%

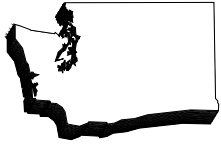
United States = 5.3%

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 Hourly Earnings		
	November 2001	October 2001	November 2000	November 2001	October 2001	November 2000	November 2001	October 2001	November 2000
TOTAL MANUFACTURING INDUSTRIES	\$704.19	\$713.55	\$698.11	39.1	40.2	40.4	\$18.01	\$17.75	\$17.28
SELECTED MANUFACTURING INDUSTRIES									
Lumber and Wood Products	\$579.88	\$605.48	\$592.81	38.1	39.6	40.3	\$15.22	\$15.29	\$14.71
Primary Metal Industries	\$722.73	\$666.20	\$777.75	39.3	38.8	42.2	\$18.39	\$17.17	\$18.43
Transportation Equipment	\$1,034.04	\$1,050.42	\$998.76	42.0	42.7	42.0	\$24.62	\$24.60	\$23.78
Food and Kindred Products	\$495.56	\$519.95	\$512.88	37.8	40.4	40.1	\$13.11	\$12.87	\$12.79
Chemicals and Allied Products	\$990.10	\$977.77	\$994.75	41.1	41.1	43.1	\$24.09	\$23.79	\$23.08
SELECTED NONMANUFACTURING INDUSTRIES									
Construction	\$842.02	\$869.58	\$876.61	35.8	36.8	38.6	\$23.52	\$23.63	\$22.71
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$388.97	\$390.60	\$393.65	30.7	31.0	31.9	\$12.67	\$12.60	\$12.34



Washington **Labor Market**

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