

Washington Labor Market



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February 2001



In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

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NO SHAKING THE WASHINGTON ECONOMY

The ground shook mightily, but the latest labor market data show Washington's economy on a steady and even footing. The state's nonagricultural wage and salary employment came in at 2,693,900 in January. While it is true that that represents an over-the-month decline of 63,100 jobs or 2.3 percent, it was reflective of the typical post-holiday, seasonal decline for this time of year. For example, last year's December-to-January decline was 64,600.

Over the year, total nonfarm wage and salary employment in Washington estimated in collaboration with the Office of the Forecast Council was up 56,000 or 2.1 percent. This represents a continuing trend of progressively slower year-over-year gains since 1997. At this point, the state's year-over-year nonfarm employment growth is roughly half that posted in January 1997 and 1998. Still, Washington's economy is now moving into the 19th consecutive year of its ongoing economic expansion—the longest uninterrupted expansion in Washington since World War II.

On a side note, employment impacts in the wake of the February 28 earthquake, to the extent they turn out to be measurable, will start to show up in the March data. Particular attention will be focused on construction. Construction employment in Washington typically picks up on a seasonal basis in March, but a combination of the earthquake and unseasonably good weather could result in higher than normal employment in the sector (see *Earthquake as Economic Stimulus* under INDUSTRY NOTES).

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate jumped eight-tenths of a percentage point to 5.7 percent in January, up from a revised 4.9 percent in December. This was typical for January, which normally experiences a significant uptick in unemployment due to seasonal, post-holiday contraction. In fact, since 1995, the December-to-January leap has averaged seven-tenths of a percentage point. When adjusted for seasonal changes, Washington's unemployment rate was unchanged over the month at 5.0 percent. However, the seasonally adjusted national unemployment rate for January was up two-tenths of a percentage point to 4.2 percent.

The increase in Washington's January unemployment rate was fairly broad-based with all counties contributing to the over-the-month, post-holiday, seasonal bump up. The one exception was Wahkiakum County, whose jobless rate fell four-tenths of a percentage point to 8.2 percent. Generally speaking, the state's metropolitan counties saw the more modest upticks in unemployment rates. Puget Sound metro counties, in particular, saw their rates rise less than one percentage point. Increases among the outlying metro areas like Clark, Whatcom, Spokane, Tri-Cities, and Yakima ranged from one to two percentage points. The most significant over-the-month increase came in Ferry County, which saw its jobless rate jump more than three-and-a-half percentage points to 14.8 percent.

Washington's unemployment rate was virtually unchanged over the year, having inched down a tenth of one percentage point. That was the trend for roughly two-thirds of Washington's counties. Leading the way were five of the state's metro areas, whose jobless rates also fell a tenth of a percentage point. This included the Seattle-Bellevue-Everett area (particularly Snohomish and Island components), but also two from east of the mountains—Spokane and Tri-Cities. Kitsap County's jobless rate fell a considerable six-tenths of a percentage point. It was not the case for the balance of Washington's counties. The most significant declines in unemployment rates over the year, however, were in smaller, rural counties. Columbia and Wahkiakum, for example, had jobless rates that fell three and a half and two percentage points, respectively. This included two metro counties—Clark and Whatcom—which saw their unemployment rates climb four-tenths of a percentage point. Both counties, though, have experienced relatively recent labor market disruptions. King and Yakima counties also posted increases in their unemployment rates, though both inched up only a tenth of a percentage point. Most prominent were Okanogan, Asotin, Ferry, and Grays Harbor, whose jobless rates rose by a full percentage point over the year. The ongoing shakeout in the logging and lumber sector is almost surely responsible for the rate increases in these areas.

In absolute terms, roughly a third of Washington counties posted double-digit unemployment in January with the majority found in eastern Washington. Adams County topped the list with a 17.2 percent unemployment rate. Ferry, Columbia, and Okanogan followed with jobless rates in the 15 percent range. Yakima County had the highest jobless rate among metropolitan areas at 14.3 percent. The lowest unemployment rate among Washington counties was the 2.6 percent in Whitman County. Also among the lowest were Garfield and Asotin at 5.3 percent and 6.1 percent, respectively. This captured most of Washington's wheat-growing counties, which tend to show a pick up in activity around this time of year. Outside of southeast Washington, the lowest jobless rates in the state were posted by Puget Sound metropolitan areas, ranging from 3.6 percent in King County to 5.4 percent in Pierce County.

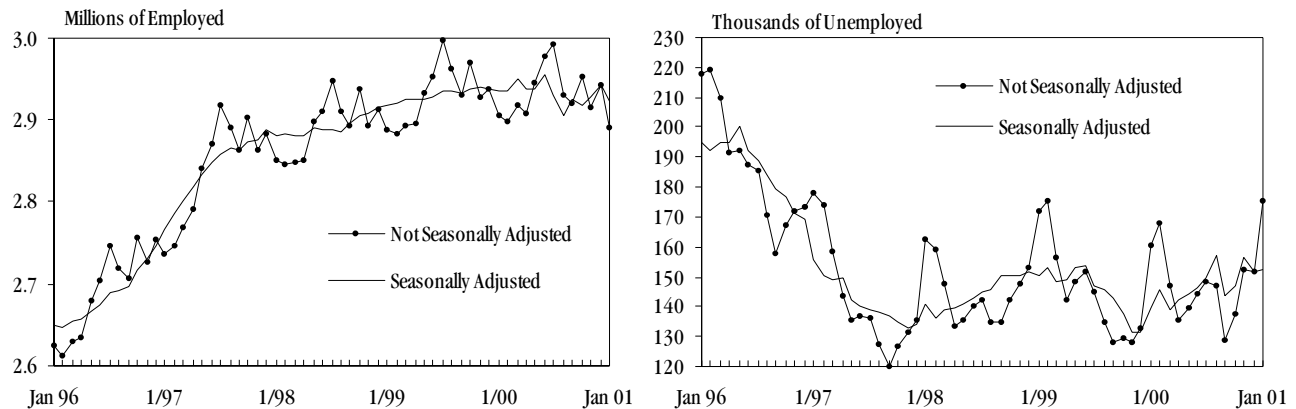
INDUSTRY DEVELOPMENTS

Over the Month

Total nonagricultural wage and salary employment fell 63,100 in January, a month that typically reveals significant seasonal declines. Last year's December-to-January decline was 64,600. The January 2001 employment drop was predominantly due to post-holiday, seasonal cutback of 24,800 jobs in retail trade. Business services also shed 8,300 jobs, many of those associated with temporary personnel supply firms. Manufacturing accounted for 3,400 of the jobs lost, with durable goods losing 1,500 workers, mostly in logging and lumber (-600). Nondurable goods employment pulled back by 1,900 due entirely to seasonal declines in food processing (-1,900). Construction employment fell by an expected 7,600 over the month.

Wholesale trade shed 2,900 positions, which was 700 less than this period last year. Transportation and public utilities employment was down 4,500 with communications employment accounting for 2,300 of that loss. Finance, insurance, and real estate jobs were also down modestly at 700, with that decline due to seasonal real estate layoffs (-800). Government was down 3,000, with federal government employment down by 1,500 and local government shedding 2,000.

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



Source: Employment Security Department

Year-Over-Year

Over the year, manufacturing was down 9,800 workers with most of that loss concentrated in durable goods (-6,600). Electronic equipment manufacturing employment was up 900 over the year. Services added 33,700 jobs, including 12,100 in computer programming and data processing. Trade added 14,200 workers, predominantly on the retail side (10,400). Construction was up 6,500 with special trade contractors accounting for 4,800. Government added 6,900 workers, while transportation and public utilities were up 5,800 and finance, insurance, and real estate added 900.

AREA TRENDS

As mentioned, Washington's January unemployment rate was up eight-tenths of one percentage point over the month in what was rather typical seasonal movement. That was mimicked by the state's metropolitan and western Washington regions, which rose nearly the same degree to 5.1 percent and 4.7 percent, respectively. The jobless rates in the state's eastern Washington and timber dependent regions, however, climbed nearly one-and-a-half percentage points to 9.6 percent and 9.7 percent, respectively.

A review of the pattern from January 2000 to January 2001 shows that unemployment rates in the state's metropolitan, western, and eastern Washington regions had all inched down by one tenth of one percentage point over the year, which was consistent with the one-tenth of one percentage point decline statewide. The state's timber dependent region, though, saw its jobless rate fall four-tenths of a percentage point over the year.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Jan. 2001	Dec. 2000	Jan. 2000
Washington State Total	5.7%	4.9%	5.8%
Metropolitan Areas	5.1%	4.4%	5.2%
Log & Lumber Areas	9.7%	8.3%	10.1%
All Western WA Areas	4.7%	4.1%	4.8%
All Eastern WA Areas	9.6%	8.2%	9.7%

Source: Employment Security Department

INDUSTRY NOTES

Earthquake as Economic Stimulus

In the aftermath of the 6.8 magnitude earthquake centered in south Puget Sound, millions (if not billions) of dollars will flow into western Washington to rebuild and retrofit roads, highways, runways, bridges, and commercial and residential structures. The Federal Emergency Management Administration, for example, has said that it will cover 75 percent of the damage to structures, while state and local governments will be expected to cover the remaining costs. The federal Department of Transportation has said that it will cover 100 percent of the damage to highways and bridges. Inasmuch as federal coverage of reconstruction is borne by taxpayers across the country, not just in Washington, there is a body of opinion that the natural disaster is an “export” industry that stimulates the flow of dollars into Washington from beyond its borders. Granted, natural disasters are not the type of “export” industries one would typically encourage, but the point is understood all the same.

Happenings at Hanford

In one of his last official acts as Secretary of Energy, Bill Richardson ordered the permanent shut down of the Fast Flux Test Facility (FFTF) on the Hanford nuclear reservation. The FFTF was built in 1970 under the auspices of the federal government’s nuclear breeder reactor program, which conducted research into the advanced forms of nuclear fuel. It has been on “standby” since 1992, which means that its nuclear fuel was removed but the cooling system has been maintained in the event the facility needed to be restarted. Maintaining the FFTF in standby mode requires 230-250 workers and \$40 million a year. It is estimated that decommissioning the FFTF would require \$300 million over the course of four years.

In the wake of the continuing energy supply situation, Energy Northwest, previously known as the Washington Public Power Supply System (WPPSS), has been approached by investors who have expressed an interest in finishing construction on Washington Nuclear Project 1, which was two-thirds complete at the time it was mothballed in 1982. Energy Northwest presently operates the 1,200-megawatt Columbia Generating Station, which is also on the Hanford nuclear reservation. In fact, the Columbia Generating Station, which has produced electricity since 1984, has of late been a highly profitable producer of energy for the Bonneville Power Administration. It is that realization that is sparking investor interest. Still, even the folks at Energy Northwest recognize the public's reluctance to fully embrace nuclear power given the unresolved issues around nuclear waste disposal in particular and the WPPSS bond default debacle in general.

Immunex's Complex Complex

Immunex Corporation broke ground in late January on a \$750 million, 1.1 million square foot campus that will occupy 29 acres on Pier 88 at the north end of Seattle's waterfront. The campus, termed the Helix Project by the company, is expected to open by late 2003. Once finished, the campus will be able to accommodate 1,700 workers. The biotech company clearly anticipates future employment growth: it currently has approximately 1,000 workers at various sites around downtown Seattle and another 150 in Bothell. If and when the company hits the 1,700-employee mark, that will constitute a 70 percent increase over its current employment base. Moreover, the company has plans even further down the line to develop an 11-acre site at adjacent Pier 89. Immunex is best known nationally as the developer of the arthritis drug, Enbrel, which generated \$650 million in annual sales in 2000 and continues to be a major source of revenue. The 20-year old company was established in Seattle in 1981.

No Doubt, It's A Drought

According to the National Weather Services' Northwest River Forecast Center, precipitation has been well below normal throughout the entire Northwest. For the Columbia Basin above Grand Coulee, in particular, it was 55 percent of normal. For the Northwest, the winter precipitation period, December through February, is the second driest on record dating back to 1895. Only the winter of 1977

was drier. The snow pack directly reflects this condition with most measurements ranging from 45 percent to 65 percent of normal. Runoff during the winter months has also been at near record lows with the Columbia River at The Dalles recording 54 percent of normal from December-February, which is the second lowest flow since 1928. Thus far, the current winter runoff is below that recorded during the 1977 drought over the same months.

Governor Locke responded on March 14 by declaring a statewide drought emergency. The declaration allows for \$5 million in state grants and loans to businesses and communities affected by water shortages. While the move did not trigger mandatory water conservation, it did authorize the Department of Ecology to carry out the temporary transfer of water rights from areas with excess water to those with not enough. The declaration also allows the Department of Ecology to approve water permits for new or deeper wells, though that was expected to be an option only if a transfer of water rights was unable or inadequate to addressing an area's water situation.

The drought could not have come at a worse time as the demands on the region's limited water resources are increasing. Management of the region's water resources has never been more complex. Today, it involves the allocation of water for industrial, commercial, and residential use, flood control, hydroelectric power generation, fisheries, transportation, and recreation. Managing these competing uses has always meant tradeoffs. The current drought conditions, however, make the tradeoffs even more acute. Perhaps the most critical decision centers on what tradeoff is to be made between fisheries, on one hand, and all other uses (including the jobs that are attached to them), on the other. That debate is sizing up to be a highly politicized one that pits the environmental community against the business community.

Working Washington Winds

Portland-based PacifiCorp and Florida-based FPL Energy are teaming up on the Stateline Wind Generating Project, a wind turbine farm that will be built along the Washington-Oregon border. When completed, the 450-wind turbine farm will be the largest of its kind in the world, generating 200 megawatts of power on the Walla Walla County, Wash-

ington side and 100 megawatts of power on the Umatilla County, Oregon side. Those 300 megawatts are equivalent to the energy needed to power 70,000 homes. Each wind turbine stands 240 feet tall and supports a rotor blade measuring 150 feet from end to end. Each wind turbine is also computer-controlled to self-adjust its direction and blade angle to maximize the wind's energy. FPL will build, own, and operate the wind turbine farm and PacifiCorp will purchase and market the electricity. Under an agreement with Bonneville Power Administration, the power will be co-mingled with hydroelectric power and distributed across the western power grid (which covers 11 western states, including Washington). The project will also produce 25 permanent jobs as well as revenue for the local farmers from whom the site will be leased. With respect to the last point, it has been argued that given both the critical demand for new (especially clean and renewable) energy sources and the financial woes facing many Washington farmers, the development of wind farms on land leased out by struggling farmers might be a rare win-win solution.

A Smaller Amazon

Amazon.com, the world's largest on-line retailer, announced that it would lay off 1,300 workers or 15 percent of its work force starting in February and continuing through May. Of that number, 850 are based in the Seattle area, mostly in the customer service and distribution area. The move was viewed as one of many designed to help the six-year-old company finally reach profitability. Still, the layoffs caused quite a stir because they were the most significant in the company's history (its only other layoff was in January 2000 and involved 150 workers) and because they occurred in the midst of what was thought to be the company's strategic objective of growth through expansion. The move raises a "half empty, half full" conundrum for those who follow the company: Should the layoffs be viewed as a sign that the company is faltering or that it is on the verge of profitability? The company is hopeful, though by no means will guarantee, that profitability will be achieved by the end of this year.

Boeing on the Move?

An agreement signed between Boeing and the City of Everett will allow the company to accommodate up to 1,500 more workers (for a total of 35,000 workers) at its Everett facility, which assembles 747s, 777s, and 767s. The City of Everett granted the accommodation so that it could keep the unspent dollars paid by Boeing in 1991 for road and transportation mitigation money for use on other transportation improvements. Rumors are abound, naturally, that these actions are simply being taken to set the stage for Boeing to relocate its 8,000-worker Renton operations to Everett. There is as yet no indication as to why the worker ceiling was increased or, for that matter, if it was indicative of a planned expansion or relocation. In the meantime, while airplane orders are expected to be down this year compared to 2000, Boeing has booked more than 40 orders so far in 2001 after adjusting for cancellations.

Broadband Slims Down

AT&T Broadband announced that it will lay off 450 workers or roughly 4 percent of its Washington work force, primarily in its construction and engineering sections. The company described the move as a normal ramping down of activity after several years of intense effort to upgrade the region's television cable systems to accommodate advanced digital television, Internet, and telephone services. The move was also viewed as an attempt by AT&T to cut costs and make its broadband division more attractive to potential investors in advance of the previously-announced plan to spin off the division.

Cinemas Fade to Black

In a growing trend, major cinema corporations (movie theater chains) are increasingly facing severe financial trouble. Either bankrupt or nearly bankrupt are a slew of major cinema companies: United Artists Theatre Circuit, AMC Entertainment Corporation, Silver Cinemas, Carkmike Cinemas, Edwards Theaters Circuit, General Cinemas, Regal Cinemas, and Loews Cineplex Entertainment Corp. Industry observers predict that as much as a quarter of all cinemas houses nationwide could be shuttered as a result. Locally, that has already translated into the closings of Lincoln Plaza and Tacoma Central Cinema in Tacoma and City Centre Cinemas and Alderwood Cinema in Seattle. The reasons behind the trouble have been known for some time. First and foremost is a nationwide glut of cinema

houses due to overbuilding during the later half of the 1990s. That glut, coupled with stagnant moviegoer numbers due to higher ticket prices and fewer “blockbuster” movies, meant an increasing number of cinema houses were competing for essentially the same number of moviegoers. Add the growing competition from home videos and pay per view that is capturing business from consumers who might otherwise be expanding the number of moviegoers, but are instead content to wait for movies to go to video, and the operating environment facing cinemas becomes that much more challenging.

Take the Last Truck to Clark-ville

An estimated 200 Clark County residents who work for Portland-based Freightliner, the maker of heavy trucks, are expected to lose their jobs at the end of March when the company cuts production in half and lays off 1,085 workers. The 200 estimate is based on the fact that roughly a fifth of Freightliner workers have historically lived in Clark County. The Freightliner cutbacks are also expected to hurt subcontractors in Clark County who make parts for Freightliner trucks. This has not been a good year for the region’s major heavy truck manufacturers. The Freightliner layoffs come on the heels of those by Paccar, the maker of Kenworth and Peterbilt trucks, which laid off more than 300 workers from its Renton and Seattle plants in January. Both companies’ moves are attributed to a convergence of several factors: a glut of new and used trucks (the latter exacerbated by the manufacturers themselves who resell trade-ins) as well as higher fuel costs and higher interest rates.

NATIONAL INDICATORS

National News Not So Neat

Real gross domestic product increased at an annual rate of 1.1 percent in the fourth quarter of 2000, according to preliminary estimates released by the Bureau of Economic Analysis. This reflects a downward revision from the advanced estimate of 1.4 percent. This was half the 2.2 percent posted in the third quarter and paltry compared to the 8.3 percent recorded in the fourth quarter of 1999. Personal spending came in at 2.8 percent, significantly below the 5.9 percent from the previous fourth quarter, and driven almost exclusively by the 5.0 percent increase in spending on services (durable goods were negative, nondurable goods were up less than 1 percent).

The Conference Board's Consumer Confidence Index fell in February for the fifth consecutive month to 106.8—the lowest it has been since June 1996—as consumers expressed less confidence in both the current and short-term economic outlooks.

There was some good news, though. According to the Conference Board, seven of the ten indicators that make up the leading index of economic indicators increased in January raising the overall index for the first time following three consecutive months of decline. The index now stands at 109.4. On the positive side were money supply, average weekly manufacturing hours, building permits, average weekly initial claims for unemployment insurance, interest rate spread, stock prices, and manufacturers' new orders for consumer goods. On the negative side were vendor performance, index of consumer expectations, and manufacturers' new orders for non-defense capital goods and materials.

Beware the Ides of March

About mid-March, the Dow Jones Industrial Average plummeted nearly 800 points to fall below the 10,000 mark for the first time since October 2000. Meanwhile, over the same period, the Nasdaq composite index closed below 2,000 for the first time since December 1998 and is off 60 percent from its peak in March 2000. Spurring the losses were continued worries that companies would not meet their earnings and profit estimates, particularly technology-oriented companies, regional banks, telecommunications firms, and railroads. There were strong sectors, though, including retail, publishing, beverages, defense, broadcast media, and health care. Other factors pulling down stocks were strong performance in the 30-year bond market, concerns about the stability of Japanese banks, and an increase in business inventories in an environment of stagnant sales.

Energy Costs "Light Up" the CPI

The U.S. Consumer Price Index for All Urban Consumers (CPI-U) rose 0.6 percent in January in not seasonally adjusted terms to 175.1. This translated into a 3.7 percent increase over the year. This was clearly not good news to the Federal Reserve, which has long subscribed to a policy of "zero-inflation." The CPI-U also increased 0.6 percent in seasonally adjusted terms, making it the biggest monthly

hike since March 2000. The energy component rose 3.9 percent in January, which represented more than half of the overall increase in the CPI-U. Over the year, the energy component has risen nearly 18 percent, largely due to record increases in the price of natural gas (the Seattle CPI would presumably also reflect record increases in the price of electricity). In fact, the core rate of inflation, which excludes food and energy, rose 0.3 percent in January, following an increase of 0.1 percent in December.

Assessing the Fed's Next Move

It's clear from the CPI data that the Fed has not managed to tame the inflation beast, at least not the energy or health care components. At the same time, every other national economic indicator appears to be foretelling increasingly sharp economic deceleration. Fed Chairman Alan Greenspan and the Board of Governors have always been inflation hawks, willing to trade off short-term economic gains for long-term monetary stability. However, even Mr. Greenspan concedes that a zero inflation policy is irrelevant if the result is that the economy goes into recession. Against this backdrop, the Federal Reserve Board of Governors will meet again on March 20 to make the call. While an increase in short-term interest rates may seem all but improbable given the spate of negative economic news, the continuing specter of inflation means that it cannot be ruled out. That having been said, most bets are on the Fed to either cut rates or leave them where they are now. Inasmuch as rising energy costs are chiefly responsible for the growth in inflation, and that is not expected to be a permanent situation, the Fed is likely to place more weight on the other economic indicators and lower rates, though only slightly.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Jan 01	Dec 00	Jan 00	Dec 00	Jan 00
U.S. City Average	175.1	174.0	168.8	0.6%	3.7%
	Dec 00	Oct 00	Dec 99	Oct 00	Dec 99
Seattle*	185.5	182.1	174.4	1.9%	6.4%

**The index for Seattle reflects prices in Island, King, Kitsap, Pierce, Snohomish, 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

	January 2001 (Prel)	December 2000 (Rev)	January 2000 (Rev)	December 1999 (Rev)	Numeric Change	
					Dec. 2000 to Jan. 2001	Jan. 2000 to Jan. 2001
Total Nonagricultural Wage & Salary Workers	2,693.9	2,757.0	2,635.6	2,700.2	-63.1	58.3
Manufacturing	341.5	344.9	351.3	356.5	-3.4	-9.8
Durable Goods	239.4	240.9	246.0 ²	249.0 ²	-1.5	-6.6
Lumber & Wood Products	31.9	32.5	33.1 ²	33.8 ²	-0.6	-1.2
Logging	6.7	7.0	7.1	7.5	-0.3	-0.4
Sawmills & Plywood	22.1	22.4	22.6	22.8	-0.3	-0.5
Furniture & Fixtures	4.9	4.8	4.7	4.7	0.1	0.2
Stone, Clay & Glass	8.8	8.8	8.8	8.9	0.0	0.0
Primary Metals	10.4	10.5	11.3	11.4	-0.1	-0.9
Aluminum	6.4	6.5	7.1 ²	7.2 ²	-0.1	-0.7
Fabricated Metals	15.1	15.2	14.6	14.9	-0.1	0.5
Industrial Machinery & Equipment	25.4	25.5	25.2	25.3	-0.1	0.2
Computer & Office Equipment	6.1	6.2	6.2	6.5	-0.1	-0.1
Electronic & Other Electrical Equipment	20.0	20.4	19.1	18.6	-0.4	0.9
Transportation Equipment	100.1	100.3	105.8	107.3	-0.2	-5.7
Aircraft & Parts	85.6	85.8	90.1	91.5	-0.2	-4.5
Ship & Boat Building	7.4	7.4	7.4	7.4	0.0	0.0
Instruments & Related	14.2	14.2	14.4	14.8	0.0	-0.2
Miscellaneous Manufacturing	8.6	8.7	9.0	9.3	-0.1	-0.4
Nondurable Goods	102.1	104.0	105.3	107.5	-1.9	-3.2
Food & Kindred Products	37.2	39.1	38.5	40.1	-1.9	-1.3
Preserved Fruits & Vegetables	11.2	12.3	11.7	12.1	-1.1	-0.5
Textiles, Apparel & Leather	7.6	7.7	8.1	8.6	-0.1	-0.5
Paper & Allied Products	15.3	15.4 ²	15.7	15.9	-0.1	-0.4
Printing & Publishing	23.8	23.5 ²	24.3	24.4	0.3	-0.5
Chemicals & Allied Products	6.3	6.3	6.2	6.2	0.0	0.1
Petroleum, Coal, Plastics	11.9	12.0	12.5	12.3	-0.1	-0.6
Mining & Quarrying	3.5	3.4	3.4	3.2	0.1	0.1
Construction	153.6	161.2	147.1	155.2	-7.6	6.5
General Building Contractors	43.2	44.5	41.4	43.3	-1.3	1.8
Heavy Construction, except Building	15.8	17.4	15.9	19.1	-1.6	-0.1
Special Trade Contractors	94.6	99.3	89.8	92.8	-4.7	4.8
Transportation, Communications & Utilities	146.8	151.3	141.0	144.1	-4.5	5.8
Transportation	94.2	96.4	90.8	94.3	-2.2	3.4
Trucking & Warehousing	33.4	34.6	32.3	33.3	-1.2	1.1
Water Transportation	8.7	9.0	8.4	8.9	-0.3	0.3
Transportation by Air	27.7	27.7	26.7	27.9	0.0	1.0
Communications	36.2	38.5	34.0	33.7	-2.3	2.2
Electric, Gas & Sanitary Services	16.4	16.4	16.2	16.1	0.0	0.2
Wholesale & Retail Trade	645.4	673.1	631.2	661.7	-27.7	14.2
Wholesale Trade	154.4	157.3	150.6	154.2	-2.9	3.8
Durable Goods	89.2	90.9	87.1	89.1	-1.7	2.1
Nondurable Goods	65.2	66.4	63.5	65.1	-1.2	1.7
Retail Trade	491.0	515.8	480.6	507.5	-24.8	10.4
Building Materials/Garden Supplies	21.0	22.1	21.4	22.5	-1.1	-0.4
General Merchandise	49.0	56.7	50.2	57.5	-7.7	-1.2
Food Stores	70.1	71.1	70.4	72.2	-1.0	-0.3
Automobile Dealers & Service Stations	50.1	50.8	49.4	49.1	-0.7	0.7
Apparel & Accessory Stores	25.7	27.7	26.0	30.0	-2.0	-0.3
Eating & Drinking Establishments	182.8	187.6	173.6	180.1	-4.8	9.2
Finance, Insurance & Real Estate	137.4	138.1	136.5	138.2	-0.7	0.9
Finance	61.7	61.6	61.4	62.1	0.1	0.3
Insurance	40.8	40.8	40.7	40.7	0.0	0.1
Real Estate	34.9	35.7	34.4	35.4	-0.8	0.5
Services	779.5	795.8	745.8	758.6	-16.3	33.7
Hotels & Lodging	27.6	28.7	25.6	27.2	-1.1	2.0
Personal Services	23.7	23.7	23.7	23.5	0.0	0.0
Business Services	190.2	198.5	174.9	181.1	-8.3	15.3
Computer & Data Processing Services	73.2	73.5	61.1	61.7	-0.3	12.1
Amusement & Recreational Services	42.9	43.0	41.2	40.3	-0.1	1.7
Health Services	191.9	192.4	188.7	190.7	-0.5	3.2
Nursing & Personal Care	31.7	31.9	31.7	32.2	-0.2	0.0
Hospitals	59.9	59.9	58.9	58.7	0.0	1.0
Legal Services	20.2	20.5	19.5	19.4	-0.3	0.7
Educational Services	37.5	39.7	37.3	38.7	-2.2	0.2
Social Services	63.9	64.8	61.2	60.5	-0.9	2.7
Engineering & Management Services	73.0	73.1	67.4	68.1	-0.1	5.6
Government	486.2	489.2	479.3	482.7	-3.0	6.9
Federal	66.9	68.4	66.8	68.6	-1.5	0.1
State	145.3	144.8	142.1	140.9	0.5	3.2
State Education	79.6	79.8	77.5	76.8	-0.2	2.1
Local	274.0	276.0	270.4	273.2	-2.0	3.6
Local Education	150.6	151.5	147.5	148.3	-0.9	3.1
Workers in Labor-Management Disputes	0.0	1.0	2.2	2.2	-1.0	-2.2

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.

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

Not Seasonally Adjusted	January 2001 Preliminary				December 2000 Revised				January 2000 Revised			
	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate
Washington State Total	3,066,000	2,890,600	175,400	5.7	3,093,600	2,941,700	151,900	4.9	3,031,500	2,855,200	176,300	5.8
Bellingham MSA	82,200	76,600	5,500	6.7	82,300	77,700	4,700	5.7	82,100	76,900	5,100	6.3
Bremerton PMSA	94,700	89,700	5,100	5.3	96,000	91,400	4,600	4.8	95,100	89,500	5,600	5.9
Olympia PMSA	100,100	94,800	5,300	5.2	101,500	96,800	4,700	4.6	100,700	95,400	5,300	5.3
Seattle-Bellevue-Everett PMSA	1,425,100	1,371,600	53,500	3.8	1,437,800	1,391,000	46,800	3.3	1,401,900	1,347,700	54,100	3.9
King County 2/	1,044,280	1,006,410	37,870	3.6	1,054,100	1,020,700	33,400	3.2	1,025,000	988,900	36,100	3.5
Snohomish County 2/	350,850	336,340	14,510	4.1	353,500	341,100	12,400	3.5	347,200	330,500	16,700	4.8
Island County 2/	30,010	28,870	1,140	3.8	30,300	29,300	1,000	3.3	29,800	28,400	1,400	4.7
Spokane MSA	211,500	197,600	13,900	6.6	214,100	202,200	12,000	5.6	209,200	195,100	14,100	6.7
Tacoma PMSA	332,400	314,500	17,900	5.4	335,500	320,000	15,500	4.6	332,800	315,000	17,800	5.4
Tri-Cities MSA	93,100	84,500	8,600	9.2	93,600	86,200	7,400	7.9	90,100	81,700	8,300	9.3
Benton County 2/	69,950	64,750	5,210	7.4	70,600	66,000	4,600	6.5	67,600	62,600	5,000	7.4
Franklin County 2/	23,100	19,700	3,400	14.6	23,000	20,100	2,800	12.3	22,400	19,100	3,300	14.8
Yakima MSA	103,800	88,900	14,900	14.3	103,400	90,700	12,700	12.3	103,000	88,300	14,600	14.2
Adams	7,530	6,240	1,290	17.2	7,620	6,440	1,180	15.4	7,320	6,060	1,260	17.2
Asotin 2/	12,010	11,280	730	6.1	11,950	11,360	590	5.0	12,080	11,470	610	5.0
Chelan-Douglas LMA	50,160	44,700	5,460	10.9	50,570	46,070	4,500	8.9	49,530	43,600	5,930	12.0
Chelan County 2/	32,280	28,500	3,770	11.7	32,390	29,380	3,010	9.3	31,900	27,800	4,100	12.8
Douglas County 2/	17,880	16,200	1,690	9.4	18,190	16,690	1,490	8.2	17,630	15,800	1,830	10.4
Clallam	24,710	22,520	2,190	8.9	24,120	22,240	1,890	7.8	23,920	21,550	2,370	9.9
Clark 2/	181,800	173,200	8,500	4.7	182,300	175,300	6,900	3.8	177,300	169,700	7,700	4.3
Columbia	1,290	1,090	200	15.6	1,240	1,080	160	12.8	1,340	1,080	260	19.1
Cowlitz	41,210	37,850	3,350	8.1	41,370	38,520	2,850	6.9	41,660	38,020	3,650	8.8
Ferry	2,550	2,150	400	15.8	2,480	2,170	300	12.2	2,590	2,210	390	14.8
Garfield	1,180	1,120	60	5.3	1,150	1,100	50	4.4	1,050	990	60	5.6
Grant	35,130	30,370	4,760	13.6	34,780	30,530	4,240	12.2	35,210	30,470	4,740	13.5
Grays Harbor	25,600	22,700	2,900	11.4	25,660	22,860	2,810	10.9	25,420	22,770	2,660	10.4
Jefferson	10,100	9,400	600	6.3	10,280	9,700	580	5.7	10,080	9,310	770	7.7
Kittitas	15,370	14,240	1,140	7.4	14,980	14,050	920	6.2	14,520	13,480	1,040	7.2
Klickitat	8,410	7,240	1,180	14.0	8,210	7,270	950	11.6	8,330	7,140	1,200	14.4
Lewis	29,260	26,490	2,770	9.5	29,540	27,050	2,500	8.5	29,880	26,660	3,220	10.8
Lincoln	4,400	4,100	300	6.9	4,440	4,180	260	5.9	4,280	3,960	320	7.4
Mason	19,650	18,060	1,590	8.1	21,240	19,850	1,390	6.5	19,780	18,170	1,610	8.1
Okanogan	18,690	15,860	2,830	15.2	18,740	16,260	2,480	13.2	18,520	15,920	2,610	14.1
Pacific	7,330	6,630	700	9.5	7,900	7,160	740	9.3	7,410	6,680	730	9.8
Pend Oreille	4,290	3,830	460	10.7	4,270	3,890	380	8.9	4,040	3,570	470	11.7
San Juan	5,340	5,000	340	6.4	5,980	5,690	280	4.7	5,450	5,110	340	6.3
Skagit	49,750	45,870	3,880	7.8	52,070	48,680	3,390	6.5	50,090	45,990	4,090	8.2
Skamania	3,890	3,470	420	10.9	3,870	3,530	340	8.9	4,120	3,640	470	11.5
Stevens	16,560	14,710	1,840	11.1	16,800	15,210	1,590	9.5	16,890	15,010	1,880	11.1
Wahkiakum	1,700	1,600	110	6.2	1,750	1,630	120	6.6	1,800	1,650	150	8.2
Walla Walla	24,880	22,750	2,130	8.6	25,440	23,640	1,800	7.1	24,900	22,650	2,260	9.1
Whitman	20,420	19,880	540	2.6	20,630	20,210	420	2.0	19,280	18,790	490	2.5

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

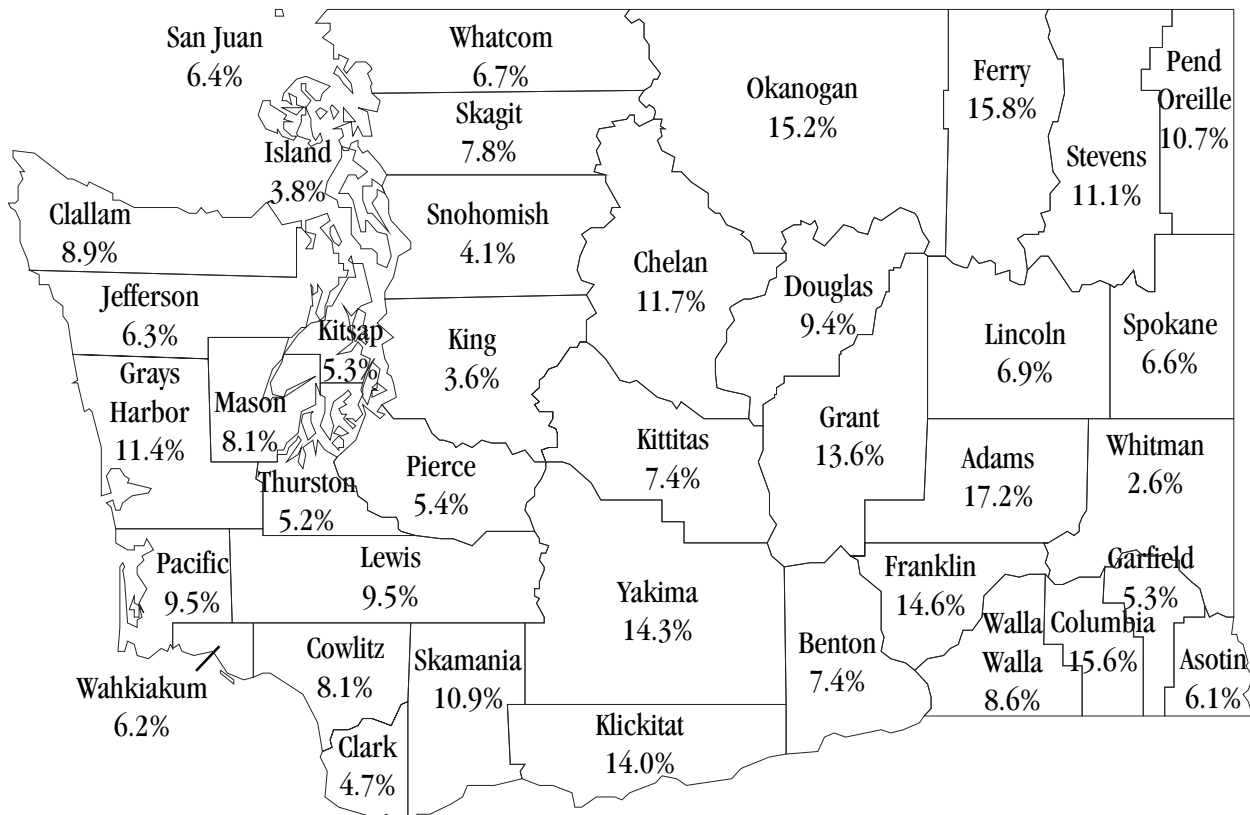
<i>(In Thousands)</i>	January 2001 (Prel)	December 2000 (Rev)	January 2000 (Rev)	December 1999 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	5.0%	5.0%	5.0%	4.9%
United States	4.2%	4.0%	4.5%	4.1%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,066.0	3,093.6	3,031.5	3,048.3
Employment	2,890.6	2,941.7	2,855.2	2,901.1
Unemployment	175.4	151.9	176.3	147.2
Percent of Labor Force	5.7%	4.9%	5.8%	4.8%

Unemployment Rates by County, January 2001

Washington State = 5.7%

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 Hourly Earnings		
	Jan 01	Dec 00	Jan 00	Jan 01	Dec 00	Jan 00	Jan 01	Dec 00	Jan 00
TOTAL MANUFACTURING INDUSTRIES	\$692.52	\$698.00	\$678.91	39.8	40.3	40.8	\$17.40	\$17.32	\$16.64
SELECTED MANUFACTURING INDUSTRIES									
Lumber and Wood Products	\$599.47	\$605.60	\$608.61	39.7	40.4	41.8	\$15.10	\$14.99	\$14.56
Primary Metal Industries	\$780.16	\$727.87	\$686.88	42.4	40.8	42.4	\$18.40	\$17.84	\$16.20
Transportation Equipment	\$975.80	\$983.66	\$917.28	41.4	41.4	41.6	\$23.57	\$23.76	\$22.05
Food and Kindred Products	\$534.42	\$525.29	\$506.86	41.3	40.5	40.1	\$12.94	\$12.97	\$12.64
Chemicals and Allied Products	\$1,020.80	\$1,051.42	\$975.20	44.0	43.7	43.4	\$23.20	\$24.06	\$22.47
SELECTED NONMANUFACTURING INDUSTRIES									
Construction	\$864.46	\$870.87	\$807.98	37.7	37.7	36.2	\$22.93	\$23.10	\$22.32
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$384.38	\$398.36	\$382.51	30.8	32.1	31.2	\$12.48	\$12.41	\$12.26



Washington Labor Market

Published monthly by the Labor Market and
Economic Analysis Branch:

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