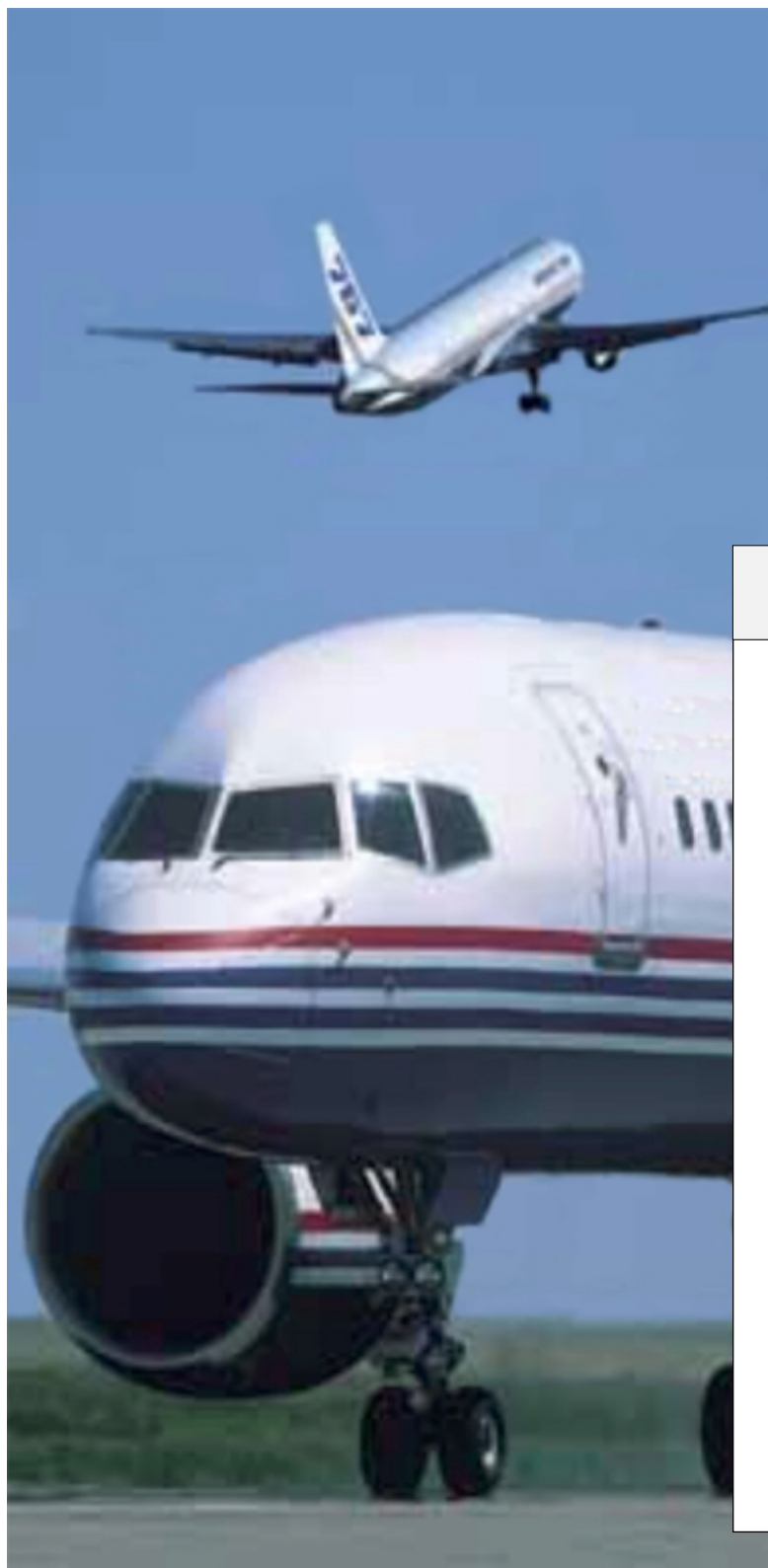


Washington Labor Market



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HOT SUMMER, COOL LABOR MARKET

Washington's labor market displayed continuing signs of softness in June. Nonfarm employment rose, though at a much slower pace than in recent years, a trend that has been evident for half a year now. The unemployment rate rose during a time of the year when it typically falls. To place this development in some perspective, however, it was not long ago that we thought of the recent postings—higher though they may be compared to the same periods over the past several years—as the non-accelerating inflation rate of unemployment (NAIRU) or natural rate of unemployment. In other words, many questioned whether jobless rates could go below 6.0 percent (5.0 percent for sure) without fueling inflationary pressures under the presupposition that those unemployed were, for all intents and purposes, unemployable. We know now that the theoretical 6.0 percent or even 5.0 percent floor (theoretical because until that time, jobless rates had never hit such lows in a peacetime economy) was, in fact, not the NAIRU. Something around 3 percent to 4 percent may be more accurate—or at least that would appear to be the implication given the Fed's move to slow the economy and ease inflation when jobless rates fell to around that level.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate rose three-tenths of a percent over the month to 5.7 percent in not seasonally adjusted terms in June. Unemployment rates have historically fallen in June, except during periods of slow employment growth or downturn. As provided in greater detail below, the state's nonfarm employment growth has slowed appreciably compared to the same period last year, which makes the jobless rate increase consistent with like periods in the past. When adjusted for seasonal changes, Washington's unemployment rate climbed four-tenths of a percent to 5.9 percent. The seasonally adjusted national rate was up a tenth of a percent to 4.5 percent in June.

Unemployment rates for roughly two-thirds of Washington's counties followed the state trend and rose over the month in June. This group included most of the state's metropolitan counties, which are home to most of the state's public and private higher educational institutions. Most of the non-metropolitan counties that saw their jobless rates rise over the month also host such institutions. Beyond that, however, the slower rate of job growth has been most pronounced in

trade and services, both of which are most heavily concentrated in the most populated regions of the state. Among Puget Sound metropolitan counties, this translated into half percentage point increases over the month. Spokane and Whatcom counties were up seven-tenths of a percentage point. That is not to suggest that the unemployment rate in all counties rose. Roughly a third of the counties, most of which have economies dominated by labor-intensive agriculture or forest products, saw their jobless rates fall over the month. Ferry, Grant, and Wahkiakum saw their rates fall by two or more percentage points, while central Washington counties made up those that saw their rates fall roughly one to one-and-a-half percentage points.

From June 2000 to June 2001, Washington's not seasonally adjusted unemployment rate rose six-tenths of a percentage point. This was driven by the state's largest counties with Clark and King posting jobless rate increases of a full percentage point or more over the year. They were followed by Pierce, Snohomish, and Spokane with increases of six to seven tenths of a percentage point. Outside of Clark County, southwest Washington was still hit hard as Cowlitz and Klickitat counties had jobless rate hikes of three and a half percentage points and five percentage points, respectively. Interestingly, jobless rates have fallen significantly in a number of Washington's smaller, rural counties. Wahkiakum County's unemployment rate decline led the pack, falling one and seven-tenths of a percentage point over the year. It was followed by several central Washington counties—Franklin, Garfield, Grant, and Okanogan—with jobless rate declines of just below that of Wahkiakum County. A number of other counties, with the cumulative total representing more than a third of Washington's counties, also saw their jobless rates fall over the year.

In absolute terms, Klickitat County had the highest unemployment rate in Washington, in June, at 14.0 percent. Klickitat was followed by Ferry, Cowlitz, and Grays Harbor counties, all with jobless rates in double digits. At the other end of the spectrum, Whitman County had the lowest unemployment rate at 2.2 percent, followed by San Juan and Garfield counties at around 3 percent. For the most part, the metropolitan counties hovered around the 5.7 percent state average, give or take a half a percentage point. The Seattle-Bellevue-Everett area was the main exception as it was down around 4.7 percent.

INDUSTRY DEVELOPMENTS

Over the Month

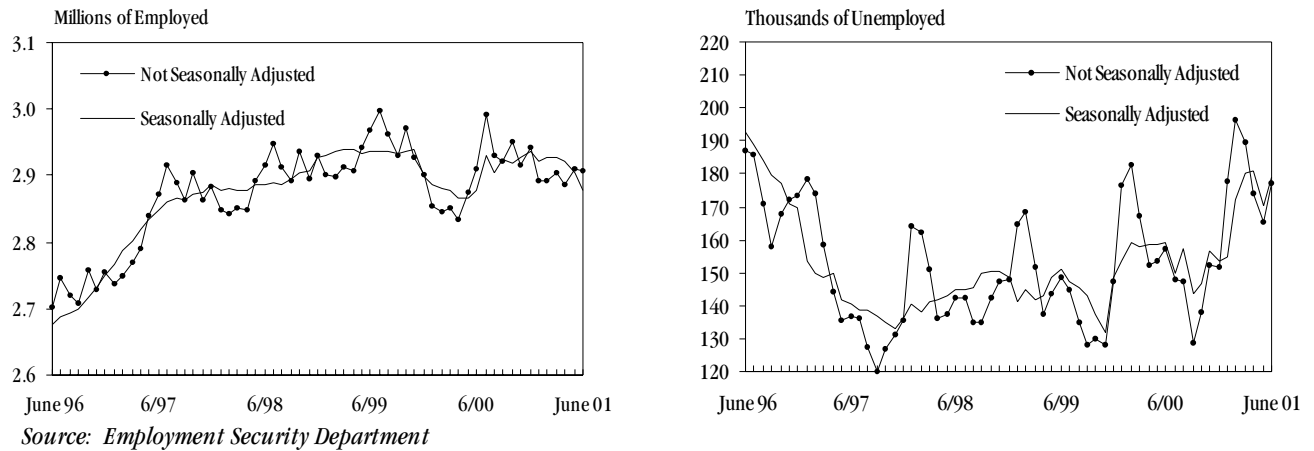
Total nonagricultural wage and salary employment climbed 21,600 or 0.8 percent over the month in June. The gain, less than the 25,600 posted in June 2000, was due to less robust growth in trade and services. Manufacturing grew 2,100. Of that, durable goods rose 800 with increases in lumber and wood products (+400), aerospace (+400), and fabricated metals (+300), offsetting losses in electronic equipment (-400), primary metals (-100), and shipbuilding (-100). Nondurable goods were up 1,300 with food and kindred products and paper and allied products adding 600 and 400, respectively.

Construction held its own, adding 4,600 workers with the gains in all sectors, in particular special trades contracting (+2,200). Transportation, communication, and utilities climbed by 1,100 while finance, insurance, and real estate expanded by 600. Trade was up 5,800 with the wholesale side adding 1,400 jobs and the retail side expanding by 4,400. Gains in both were considerably lower than over the same period last year. Job growth was slower within eating and drinking places in particular with the 2,400 gain less than half what it was last year. Services added 5,800, down from last year's increase of 8,200. Business services (+2,700) and hotels and lodging (+900) posted gains, but at a much lesser pace than last year. This included the computer and data processing sector which added 1,200 compared to 2,600 last year. Health services added 1,500. Government added 1,600 workers with gains in local government (+2,700) and federal government (+800) offsetting the seasonal pullback in state government education (-3,200). On a similar note, (private) educational services was down 3,200 over the month as their academic year ended as well.

Year-Over-Year

From June 2000 to June 2001, manufacturing shed 15,000 jobs, which included 8,600 in durable goods and 5,400 in nondurable goods. Over the year, construction added 4,000 workers to payrolls. Wholesale trade was down 1,800 with most of that loss coming from nondurables (-1,200) that tied largely to agriculture. Retail trade was up a mere 100 jobs with the 3,900 gain in eating and drinking places offset by losses in general merchandise stores (-1,200), food stores (-900), apparel stores (-900), and building material and garden supply stores (-600). Services added 25,300

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



jobs. That encompassed 6,100 in business services, including 5,000 in computer and data processing, and 4,500 in health services. Government was up 4,600 over the year. Total nonfarm wage and salary employment adjusted in collaboration with the Office of the Forecast Council was up 25,300 or 0.9 percent over the year.

AREA TRENDS

Though the statewide unemployment rate climbed three-tenths of a percent over the month in June to 5.7 percent, that was not the experience for all the various geographic regions tracked by Employment Security. The state's timber-dependent areas saw their jobless rate fall a tenth of a percent to 8.3 percent while eastern Washington remained fixed at 6.9 percent. The state's metropolitan and western regions were more consistent with the state pattern. Metropolitan Washington rose five-tenths of a percent to 5.4 percent and western Washington rose four-tenths of a percent to 5.4 percent as well.

All of the regions tracked by Employment Security saw their unemployment rates rise in June, though not to the same degree. The state's jobless rate was up six-tenths of a percent over the year, which was driven largely by the metropolitan areas and western Washington at six-tenths of a percent and seven-tenths of a percent, respectively. Eastern Washington, however, was up only one-tenth of a percent while timber-dependent areas were up three-tenths of a percent.

Given the slow growth reported in the trade and services sectors—sectors that are heavily concentrated in the state's

Unemployment Rates by Geographic Areas,
State of Washington

Areas	June 2001	May 2001	June 2000
Washington State Total	5.7%	5.4%	5.1%
Metropolitan Areas	5.4%	4.9%	4.8%
Log & Lumber Areas	8.3%	8.4%	8.0%
All Western WA Areas	5.4%	5.0%	4.7%
All Eastern WA Areas	6.9%	6.9%	6.8%

Source: Employment Security Department

most populous areas—it stands to reason that jobless rates in heavily populated metropolitan areas and western Washington would rise more than they did in less populated timber-dependent areas and eastern Washington. It should also be noted that the historic over-the-month patterns in jobless rates in timber-dependent areas (down slightly) and eastern Washington (no change) are downward. That they revealed so little change suggests sluggish economies there as well.

INDUSTRY NOTES

BPA Rate Hike Announced

In much anticipated news, Bonneville Power Administration announced that it will raise its wholesale electricity rates 46 percent effective in October 2001. While not the 250 percent rate hike once threatened, it is a significant increase all the same. BPA was able to contain the rate hike as much as it did because it was able to get utilities and industrial users (namely aluminum smelters) to reduce future power consumption. The positive side, beyond the fact that it was not as large as many feared it might be, was that BPA customers can now forge ahead with planning around that rate hike and make decisions. Many decisions were on hold until executives knew what kind of rate environment they would be facing.

In other BPA news, the organization plans to relocate 500 employees in its transmission line division from its headquarters in Portland, Oregon to leased office space in Vancouver, Washington. There are also transmission line employees at BPA's Ross Complex near Hazel Dell, but it is not known if any of those workers will be relocating to the Vancouver site. The move is expected to commence in October and be completed by the end of the year.

360 Does a 180

It was only in January of this year that 360 Networks was the toast of the town. CEO (and former Microsoft CFO) Greg Maffei was a keynote presenter at the Seattle-King County Economic Development Council's annual forecast breakfast, captivating the high-profile gathering with his company's vision and strategy for the future as well as its secured and anticipated financing and capitalization. Fast forward a mere six months and 360 Networks has gone the way of many other telecommunications companies that attempted to build the fiber-optic network that would "connect the world"—bankrupt. All appear to have stumbled on "the last mile," the euphemistic stretch of cable that would bring connectivity to everyday homes. The stumbling block was, and continues to be, the willingness on the part of everyday households to pay for that connectivity and make "the last mile" a profitable one. That elusive target has now eluded 360 Networks, which had a very ambitious plan to connect continents.

Webvan Crashes

Foster City, California-based Webvan, an internet grocery retailer that acquired Kirkland-based Homegrocer.com last September, will file for Chapter 11 bankruptcy protection and liquidate its assets. The crash left a trail of wreckage up and down its markets on I-5 (Seattle, Portland, San Francisco, Los Angeles, Orange County, San Diego) and even I-90 (Chicago). Closer to home, the move meant layoffs for 2,000 Webvan employees nationwide, including around 200 in the Seattle area. That follows the layoff of roughly 900 workers in April, about 90 of whom were based in the Seattle area. Webvan's demise is not a unique story. Internet grocery services have struggled nationwide with several others also filing for bankruptcy protection this year and the survivors shakily pursuing elusive profits. That leaves Albertson's Internet grocery service as the only player in the Puget Sound market. Its online orders soared 300 percent in the wake of Webvan's demise.

Boeing Labor Notes

The Boeing Company announced that it will relocate 700 workers in its electrical wire bundling operations from their current building at the Renton plant to a building at the Everett plant over the next year and a half. The Renton workers who bundle wires for the 737 and 757, will join workers at the Everett plant who bundle wires for the 747, 767, and 777. The Renton building is in the process of being closed and unloaded, the move having already been initiated

by the earlier announced relocation of 500 workers who do finish work on 757 fuselages to the company's Wichita plant.

In other news, in what was the largest union organizing drive in the Northwest, more than 90 percent of Boeing's nearly 17,200 non-union administrative, clerical, and technical workers turned out to vote overwhelmingly in favor of remaining non-unionized. Of the 90 percent of workers in those job classes who turned out to vote, five out of every six opted not to become part of the International Association of Machinists and Aerospace Workers, District 751, which has 27,000 members. The machinists union has not indicated whether or not it plans to organize another effort to unionize workers in those job classes.

The financial woes of the world's major airlines caused Boeing to revise its aircraft delivery level upward in 2001 but downward in 2002 to 530 and 510-520, respectively. Boeing still expects to book around 400 new orders before the end of 2001 (it currently has about half that number), though that would be down from the more than 600 orders in 2000. The question from a labor standpoint, of course, is the impact, if any, this has on production, namely on the workers engaged in commercial aircraft production in Washington. Some analysts believe deliveries would have to fall to 400-450 before there is any appreciable impact on aircraft manufacturing employment.

Lacey Scores a Bull's Eye

Minneapolis-based Target Corporation confirmed that it will build a 1.5 million square foot import distribution center in the Hawks Prairie industrial park in Lacey, just north of Olympia, and that the warehouse will employ 400 workers. The site was selected over two others, one on the East Coast and another in California, in a nationwide site selection process, due largely to its proximity to I-5 and the Ports of Tacoma and Seattle as well as the fact that the site was within a Free Trade Zone. As an import distribution center, goods will likely be trucked to the Hawks Prairie warehouse and then redistributed by truck to smaller regional distribution centers across the country. From there, goods are then distributed to actual Target retail stores in those regions. Rumor has it that the Hawks Prairie industrial park is also being sized up by California-based Home Depot, which submitted a preliminary site plan for a 761,000 square foot import warehouse near the Target site.

Hoquiam Laments Loss of Lamb

Impacted by the travails in the state's declining pulp and paper industry, the Lamb-Grays Harbor Company, which began designing and producing machinery and parts for pulp and paper mills in 1912, ceased operations and laid off 100 workers at its Hoquiam plant. Employment in Washington's pulp and paper sector has declined nearly 15 percent since 1990, at which time it employed more than 18,200 to around 15,500 in 2000. It stood at a seasonal high of 15,200 in June of this year. Lamb-Grays Harbor Company experienced a decline in business and revenue as fewer pulp and paper firms were able to invest in capital equipment in such an unpredictable financial environment.

Not So Safe

Seattle-based Safeco Corporation announced that it will lay off 1,200 workers over the next two years, including 300 currently employed at its Seattle headquarters, in a move designed to bring the nation's 12th largest property and casualty insurance company back to profitability. Those moves will trim what is currently a work force of 12,000 nationwide, including 4,500 in the Puget Sound region. The move comes on top of a hiring freeze imposed in January as well as a jettisoned expansion plan.

In other insurance industry news, San Antonio-based USAA, the nation's 10th largest property and casualty insurance company, announced that it will close its Federal Way regional office and lay off 250 employees. The move, like Safeco's, is being attributed to the need to cut costs and improve profitability, in this case by consolidating operations in a fewer number of larger regional service centers. The Federal Way operation will be phased out over the next nine months and all of the workers will be given the option of transferring to the company's regional headquarters in Colorado Springs.

Alloys Bid Addy Adieu

Addy-based Northwest Alloys plans to close its magnesium smelter and lay off its 325 employees by late September, citing high production costs and falling metal prices. The price of magnesium has fallen 30 to 40 cents per pound over the past several years as global supply has increased along with the field of competitors from Russia, China, Israel, Canada, and Norway. Compounding the situation is the fact that the Addy facility uses a magnatherm process rather than a less costly electrolytic process. Ultimately, the Addy facility simply did not pencil out. The Alcoa-owned plant, located

between Colville and Chewelah, is one of the largest employers in Stevens County. This is no small loss to Stevens County. In 2000, Northwest Alloys accounted for more than 3 percent of the county's total nonfarm employment base and more than 16 percent of its manufacturing base. On a bright note, roughly 70 to 80 percent of the company's employees will qualify for partial or full retirement benefits. Also, a couple dozen workers will be kept on to assist with the environmental cleanup of equipment and smelter waste.

Six Million and Counting

In an interesting aside, the U.S. Census fixed Washington's resident population at 5,894,121 on April 1, 2000. That is roughly 106,000 shy of the 6,000,000 milestone. Demographers at the state Office of Financial Management offered that if the state is adding people at the same pace it did last year, Washington's population should have hit the 6 million mark sometime in July of this year. To illustrate the rapid pace of population growth in Washington, the demographers pointed out that after reaching one million in 1906, it took 36 years to hit two million (1942), but only 22 years to hit three million (1964), 15 years to hit four million (1979), and 12 years to hit five million (1981). That it has taken 20 years to hit six million (2001) may be indicative of a region running up against the geographic, political, and demographic constraints to growth, the majority of which is in metropolitan areas.

NATIONAL INDICATORS

Inflation Creep

The non-seasonally adjusted U.S. Consumer Price Index for All Urban Consumers (CPI-U) for June 2001, which reflected an increase of 3.2 percent. This was lower than the 3.7 percent posted in June 2000 and therefore caused little concern. Still, it is higher than the annual June increases seen since 1992. For its part, the Seattle-Tacoma-Bremerton CPI-U came in at 186.3 in June, which translated into a 4.0 percent increase over the year. That was slightly higher than the 3.8 percent in June 2000, with both considerably higher than the 3.1 percent in June 1999. At 1.1 percent, the April-June increase in the Seattle CPI-U was also the largest since the present bimonthly reporting format was established in 1998. All told, while inflation nationally is generally regarded as under control, it has crept upward over the decade. Meanwhile, inflation in the Seattle area remains high relative to the nation as a whole, while also exhibiting an uptrend.

Benefit Costs Bare Watching

Not seasonally adjusted total compensation costs for all civilian workers rose 3.9 percent on an annual basis in the second quarter of 2001. This was lower than the over-the-year increase of 4.4 percent in the second quarter of 2000, but higher than the 3.2 percent posted in the second quarter of 1999. The principal driver was the benefits side of total compensation, which climbed 4.5 percent over the year. The wage and salary component, by comparison, was up 3.7 percent. In fact, increases in benefit costs were the main driver in 2000 as well. This is something of a shift since benefit costs had been more or less contained during the latter half of the 1990s. That having been said, the recent bump up is nowhere near the 7 percent to 9 percent run ups witnessed in the early 1980s and early 1990s. One wants to keep an eye on benefit costs because at a certain point, employers (particularly smaller employers) may opt to forgo benefit packages for their employees and perhaps substitute higher wages and salaries instead.

GDP Plods Along

Advanced estimates released by the Bureau of Economic Analysis reveal that real gross domestic product increased at an annual rate of 0.7 percent in the second quarter of 2001. Though still positive, it was half the 1.3 percent increase posted in the first quarter and underscores the tepid nature of U.S. economic growth that has been in evidence since the second half of 2000. A breakdown of the major components of GDP shows that personal consumption expenditures led the way with annual growth of 2.1 percent, largely on the strength of durable goods purchases (6.0 percent). Those advances were undercut, however, by losses in private investments (-8.9 percent), notably fixed investments like equipment and software (-14.5 percent), and both exports (-9.9 percent) and imports (-6.7 percent). As additional data come in and as current data are revised, the advanced estimates will give way to preliminary estimates, which could swing as much as 0.5 percentage points up or down.

The Fed Stands Pat

After lower short-term interest rates six times in the first half of 2001, the Federal Open Market Committee (FOMC) appears to be holding pat. There were no meetings scheduled for July or November and the August 21 meeting was cancelled. As it stands, the FOMC is not scheduled to meet again until October 2. The cancellation of the August meet-

ing might be viewed as a shrewd move by the FOMC to avoid growing pressure to lower interest rates yet again. Inasmuch as it can take 6-9 months for interest rate cuts to work their way through the economy, the three-month hiatus may provide the FOMC with an opportunity to study more closely what impact, if any, its previous interest rate cuts are having on the economy before acting again. This does not, of course, preclude its chairman, Alan Greenspan, from calling an unscheduled meeting, something he did in January and April of this year. Indeed, Chairman Greenspan indicated that the FOMC would not hesitate to lower interest rates again if the nation's economic situation shows signs of significant erosion.

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

	Indexes			% Change From	
	Jun-01	May-01	Jun-00	May-01	June-00
U.S. City Average	178.0	177.7	172.4	0.2%	3.2%
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 ¹

In Thousands, Not Seasonally Adjusted	Numeric Change					
	June	May	June	May	May 2001	Jun. 2000
	2001 (Prel)	2001 (Rev)	2000 (Rev)	2000 (Rev)	to Jun. 2001	to Jun. 2001
Total Nonagricultural Wage & Salary Workers	2,774.4	2,752.8	2,751.2	2,725.6	21.6	23.2
Manufacturing	340.4	338.3	355.4	352.3	2.1	-15.0
Durable Goods.....	236.0	235.2	245.3 ²	243.8 ²	0.8	-9.3
Lumber & Wood Products.....	32.0	31.6	34.1 ²	33.6 ²	0.4	-2.1
Logging.....	6.9	6.7	7.3	7.1	0.2	-0.4
Sawmills & Plywood.....	21.8	21.7	23.2	23.0	0.1	-1.4
Furniture & Fixtures.....	4.8	4.7	5.0	4.9	0.1	-0.2
Stone, Clay & Glass.....	9.0	9.0	9.4	9.2	0.0	-0.4
Primary Metals.....	9.4	9.5	11.1	11.1	-0.1	-1.7
Aluminum.....	5.5	5.5	7.0 ²	7.0 ²	0.0	-1.5
Fabricated Metals.....	15.2	14.9	15.2	14.8	0.3	0.0
Industrial Machinery & Equipment.....	25.2	25.1	25.7	25.6	0.1	-0.5
Computer & Office Equipment.....	6.0	5.9	6.2	6.2	0.1	-0.2
Electronic & Other Electrical Equipment.....	18.4	18.7	20.0	19.7	-0.3	-1.6
Transportation Equipment.....	99.8	99.4	101.5	101.9	0.4	-1.7
Aircraft & Parts.....	86.5	86.1	86.0	86.1	0.4	0.5
Ship & Boat Building.....	6.5	6.6	7.6	7.8	-0.1	-1.1
Instruments & Related.....	14.0	14.0	14.8	14.5	0.0	-0.8
Miscellaneous Manufacturing.....	8.2	8.3	8.5	8.5	-0.1	-0.3
Nondurable Goods.....	104.4	103.1	110.1	108.5	1.3	-5.7
Food & Kindred Products.....	38.9	38.3	42.5	41.8	0.6	-3.6
Preserved Fruits & Vegetables.....	12.2	11.9	14.6	13.8	0.3	-2.4
Textiles, Apparel & Leather.....	7.9	7.8	8.4	8.3	0.1	-0.5
Paper & Allied Products.....	15.2	14.8	15.8	15.4	0.4	-0.6
Printing & Publishing.....	23.9	23.8	24.7	24.4	0.1	-0.8
Chemicals & Allied Products.....	6.3	6.3	6.3	6.2	0.0	0.0
Petroleum, Coal, Plastics.....	12.2	12.1	12.4	12.4	0.1	-0.2
Mining & Quarrying.....	3.7	3.7	3.7	3.6	0.0	0.0
Construction	168.6	164.0	164.6	159.9	4.6	4.0
General Building Contractors.....	46.6	45.2	45.0	43.5	1.4	1.6
Heavy Construction, except Building.....	19.7	18.7	19.3	18.5	1.0	0.4
Special Trade Contractors.....	102.3	100.1	100.3	97.9	2.2	2.0
Transportation, Communications & Utilities	149.2	148.1	146.4	144.3	1.1	2.8
Transportation.....	97.0	96.3	94.4	92.9	0.7	2.6
Trucking & Warehousing.....	34.7	34.2	34.3	33.2	0.5	0.4
Water Transportation.....	9.1	9.0	8.8	8.5	0.1	0.3
Transportation by Air.....	27.6	27.6	26.7	26.7	0.0	0.9
Communications.....	35.9	35.6	35.7	35.1	0.3	0.2
Electric, Gas & Sanitary Services.....	16.3	16.2	16.3	16.3	0.1	0.0
Wholesale & Retail Trade	660.7	654.9	662.4	650.2	5.8	-1.7
Wholesale Trade.....	156.9	155.5	158.7	155.1	1.4	-1.8
Durable Goods.....	90.1	89.5	90.7	89.7	0.6	-0.6
Nondurable Goods.....	66.8	66.0	68.0	65.4	0.8	-1.2
Retail Trade.....	503.8	499.4	503.7	495.1	4.4	0.1
Building Materials/Garden Supplies.....	23.2	22.9	23.8	23.9	0.3	-0.6
General Merchandise.....	49.1	48.7	50.3	49.7	0.4	-1.2
Food Stores.....	70.9	70.5	71.8	71.2	0.4	-0.9
Automobile Dealers & Service Stations.....	51.8	51.6	51.5	51.3	0.2	0.3
Apparel & Accessory Stores.....	24.5	23.9	25.4	24.5	0.6	-0.9
Eating & Drinking Establishments.....	193.5	191.1	189.6	183.8	2.4	3.9
Finance, Insurance & Real Estate	140.4	139.8	137.2	136.9	0.6	3.2
Finance.....	63.0	62.7	60.8	61.2	0.3	2.2
Insurance.....	41.0	41.0	40.6	40.5	0.0	0.4
Real Estate.....	36.4	36.1	35.8	35.2	0.3	0.6
Services	811.2	805.4	785.9	777.7	5.8	25.3
Hotels & Lodging.....	31.3	30.4	31.0	29.5	0.9	0.3
Personal Services.....	22.8	23.0	23.1	23.2	-0.2	-0.3
Business Services.....	194.1	191.4	188.0	183.5	2.7	6.1
Computer & Data Processing Services.....	74.8	73.6	69.8	67.2	1.2	5.0
Amusement & Recreational Services.....	49.9	47.9	47.2	45.0	2.0	2.7
Health Services.....	194.8	193.3	190.3	189.1	1.5	4.5
Nursing & Personal Care.....	32.4	32.1	32.2	32.0	0.3	0.2
Hospitals.....	60.5	60.0	59.6	59.3	0.5	0.9
Legal Services.....	20.8	20.5	20.2	19.7	0.3	0.6
Educational Services.....	37.2	40.8	35.7	40.0	-3.6	1.5
Social Services.....	67.0	67.1	64.2	64.2	-0.1	2.8
Engineering & Management Services.....	75.2	74.7	71.3	70.3	0.5	3.9
Government	500.2	498.6	495.6	500.7	1.6	4.6
Federal.....	68.1	67.3	73.9	79.2	0.8	-5.8
State.....	146.8	148.7	142.9	145.9	-1.9	3.9
State Education.....	79.4	82.6	76.3	80.4	-3.2	3.1
Local.....	285.3	282.6	278.8	275.6	2.7	6.5
Local Education.....	155.8	155.7	150.8	150.7	0.1	5.0
Workers in Labor-Management Disputes	0.0	0.0	2.2	2.2	0.0	-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	June 2001 Preliminary				May 2001 Revised				June 2000 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,085,200	2,908,000	177,200	5.7	3,075,500	2,910,300	165,200	5.4	3,066,500	2,908,900	157,600	5.1
Bellingham MSA	79,700	74,500	5,100	6.4	80,100	75,600	4,600	5.7	82,100	77,100	4,900	6.0
Bremerton PMSA	91,400	86,100	5,200	5.7	92,400	87,600	4,900	5.3	93,800	88,300	5,500	5.8
Olympia PMSA	98,700	93,500	5,200	5.3	99,200	94,400	4,900	4.9	98,600	93,400	5,100	5.2
Seattle-Bellevue-Everett PMSA	1,419,600	1,352,500	67,100	4.7	1,425,400	1,364,900	60,500	4.2	1,391,900	1,338,600	53,300	3.8
King County 2/	1,041,800	992,400	49,400	4.7	1,045,900	1,001,500	44,400	4.2	1,020,200	982,200	37,900	3.7
Snohomish County 2/	348,100	331,600	16,400	4.7	349,700	334,700	15,000	4.3	342,200	328,200	14,000	4.1
Island County 2/	29,700	28,500	1,300	4.2	29,900	28,700	1,100	3.8	29,600	28,200	1,400	4.7
Spokane MSA	207,500	195,100	12,400	6.0	210,100	198,900	11,200	5.3	208,000	197,000	11,000	5.3
Tacoma PMSA	329,700	309,600	20,100	6.1	332,900	314,400	18,500	5.6	331,800	313,700	18,100	5.4
Tri-Cities MSA	102,700	96,500	6,200	6.1	96,400	91,000	5,400	5.6	102,000	95,200	6,800	6.7
Benton County 2/	78,600	74,000	4,600	5.9	73,600	69,700	3,900	5.3	77,800	72,900	4,900	6.2
Franklin County 2/	24,200	22,600	1,600	6.6	22,800	21,300	1,500	6.8	24,200	22,200	2,000	8.2
Yakima MSA	118,200	106,900	11,300	9.6	109,500	98,800	10,700	9.8	117,000	106,300	10,700	9.2
Adams	8,530	7,860	680	7.9	8,380	7,740	650	7.7	8,470	7,750	720	8.4
Asotin 2/	11,680	11,180	500	4.2	11,870	11,390	480	4.0	12,030	11,550	480	4.0
Chelan-Douglas LMA	57,860	53,690	4,170	7.2	52,090	47,850	4,240	8.1	58,060	53,910	4,150	7.2
Chelan County 2/	37,080	34,240	2,840	7.7	33,440	30,510	2,930	8.8	37,170	34,380	2,790	7.5
Douglas County 2/	20,780	19,450	1,330	6.4	18,650	17,340	1,310	7.0	20,900	19,530	1,370	6.5
Clallam	24,150	22,560	1,590	6.6	24,350	22,700	1,650	6.8	24,030	22,250	1,780	7.4
Clark 2/	179,900	169,800	10,100	5.6	181,100	170,900	10,200	5.6	178,700	170,900	7,700	4.3
Columbia	1,170	1,070	110	9.0	1,210	1,080	130	10.6	1,900	1,750	140	7.6
Cowlitz	41,450	36,730	4,720	11.4	41,250	36,960	4,290	10.4	41,210	37,940	3,270	7.9
Ferry	2,450	2,150	300	12.1	2,510	2,140	370	14.8	2,630	2,320	310	11.8
Garfield	1,260	1,230	40	3.0	1,250	1,210	30	2.7	1,240	1,180	60	4.6
Grant	37,340	34,410	2,930	7.8	36,090	32,430	3,660	10.1	38,900	35,270	3,630	9.3
Grays Harbor	26,070	23,450	2,610	10.0	25,960	23,450	2,510	9.7	26,400	23,860	2,530	9.6
Jefferson	10,220	9,690	540	5.2	10,300	9,760	540	5.2	10,490	9,940	550	5.2
Kittitas	15,400	14,580	820	5.3	15,290	14,420	870	5.7	15,090	14,350	750	5.0
Klickitat	8,750	7,520	1,230	14.0	8,330	7,060	1,280	15.3	9,090	8,270	820	9.0
Lewis	28,810	26,310	2,500	8.7	28,570	26,220	2,350	8.2	29,920	27,160	2,770	9.2
Lincoln	4,750	4,540	210	4.4	4,680	4,510	170	3.7	4,780	4,580	200	4.1
Mason	19,060	17,720	1,340	7.0	18,950	17,700	1,250	6.6	19,310	18,000	1,300	6.8
Okanogan	21,900	19,990	1,910	8.7	19,720	17,800	1,920	9.7	22,270	19,990	2,280	10.2
Pacific	7,280	6,680	600	8.3	7,430	6,780	650	8.7	7,850	7,250	600	7.6
Pend Oreille	4,300	3,940	350	8.2	4,270	3,890	380	8.8	4,230	3,860	360	8.6
San Juan	6,500	6,310	190	2.9	6,200	6,000	200	3.2	6,660	6,470	190	2.8
Skagit	50,570	47,160	3,410	6.7	50,530	47,360	3,180	6.3	51,170	47,350	3,820	7.5
Skamania	4,060	3,690	370	9.2	4,030	3,660	370	9.1	4,140	3,790	360	8.6
Stevens	16,450	14,990	1,460	8.9	16,350	14,820	1,530	9.4	16,760	15,350	1,410	8.4
Wahkiakum	1,750	1,660	90	5.3	1,810	1,680	130	7.3	1,810	1,680	130	7.0
Walla Walla	26,350	25,090	1,260	4.8	26,130	24,960	1,170	4.5	27,050	25,680	1,370	5.1
Whitman	19,830	19,390	440	2.2	20,920	20,560	360	1.7	17,210	16,800	410	2.4

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

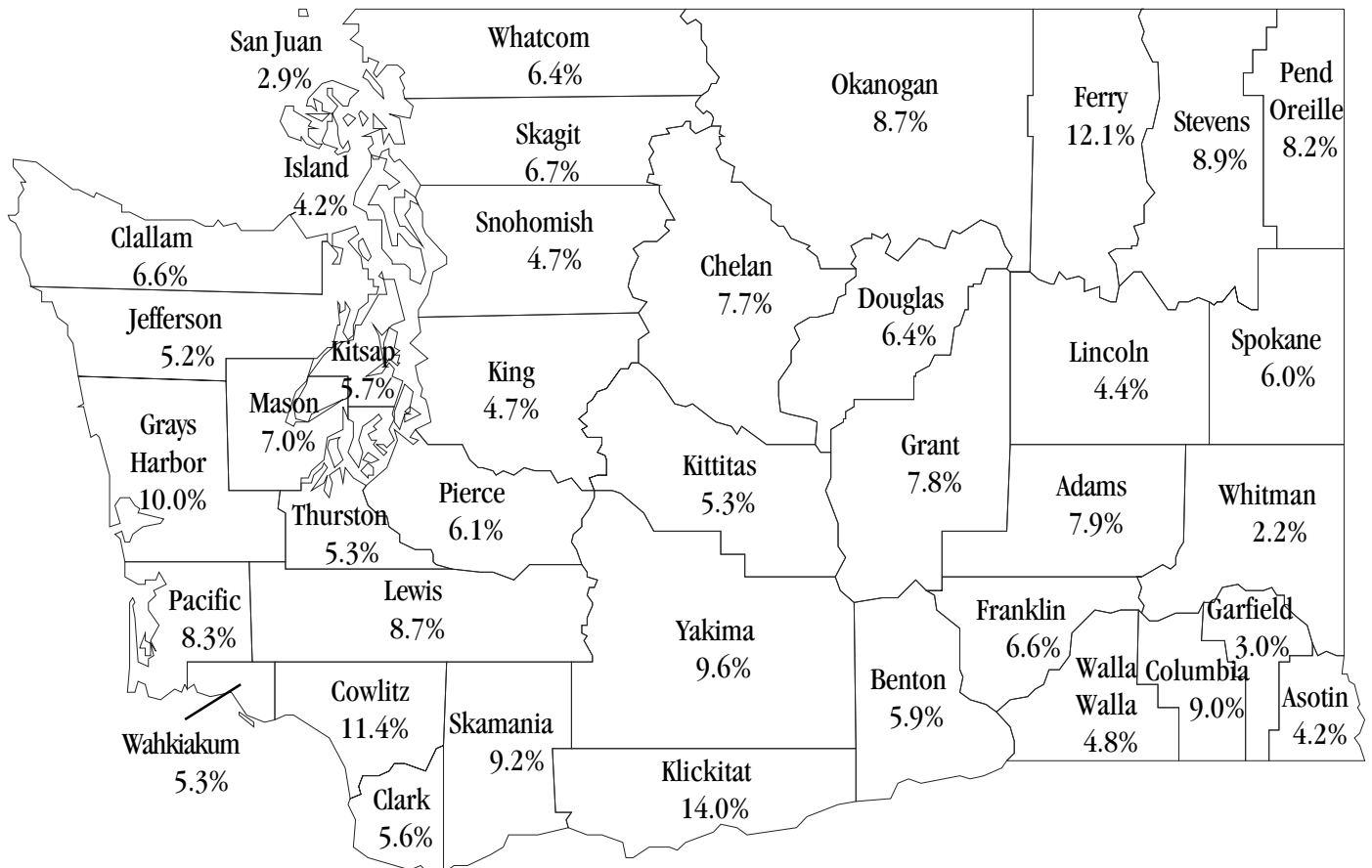
<i>(In Thousands)</i>	June 2001 (Prel)	May 2001 (Rev)	June 2000 (Rev)	May 2000 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	5.9%	5.5%	5.2%	5.2%
United States	4.5%	4.4%	4.0%	4.1%
<i>Not Seasonally Adjusted</i>				
Resident Civilian Labor Force	3,085.2	3,075.5	3,066.5	3,027.7
Employment	2,908.0	2,910.3	2,908.9	2,874.3
Unemployment	177.2	165.2	157.6	153.4
Percent of Labor Force	5.7%	5.4%	5.1%	5.1%

Unemployment Rates by County, June 2001

Washington State = 5.7%

United States = 4.7%

Not Seasonally Adjusted





Washington **Labor Market**

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