

# Washington Labor Market



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## A CLEAR CASE FOR RECESSION?

Placed side by side, the September and October numbers provide the first real opportunity to assess what labor market impact, if any, there was on Washington's economy stemming from the events of September 11. Broadly speaking, the data reveal that Washington's labor market did, in fact, weaken significantly from September to October. Closer examination of the numbers does not, however, suggest that the pronounced softening was tied to the events of September 11. Rather, the data more decidedly reveal the kind of weakness that is consistent with an economy that is nearing or at the end of a business cycle.

This has, of course, prompted the question: Are we or are we not in recession? The National Bureau of Economic Research's (NBER) Business Cycle Dating Committee announced on November 26 that a peak in business activity occurred in the U.S. economy in March 2001, thus marking the end of an expansion and the beginning of a recession. All told, the business cycle extended 10 years—the longest since NBER began dating them—beginning in March 1991 and ending in March 2001.

Here in Washington, recession pronouncements were many following the release of statewide revenue and labor market data for October. The labor market data, however, did not provide an unquestionably compelling case. Statewide nonfarm employment, for example, has fallen on a seasonally adjusted basis over the year, but significant losses were evident only in April and August of this year. Regionally, it is really the larger metropolitan areas that have posted losses recently. The mid-size metropolitan areas have generally held their own, even expanded. This picture emerges with respect to unemployment rates as well. The state's unemployment rate has risen about one and a half percentage points over the year, driven mostly by the larger metropolitan areas, but at least a third of Washington's counties revealed jobless rates that have fallen or remained steady over the year. To the extent it can be argued that Washington is in recession, it is a metropolitan-based and not broad-based.

## LABOR FORCE AND UNEMPLOYMENT

What a difference a month can make. In not seasonally adjusted terms, Washington's unemployment rate fell one-tenth of one percent in September to 5.5 percent, only to jump seven-tenths of one percent in October to 6.2 percent. Likewise, when adjusted for seasonal changes, Washington's unemployment rate inched up one-tenth of one percent to 6.1 percent in September, only to soar five-tenths of one percent in October to 6.6 percent. The U.S. trend was similar in that the nation's seasonally adjusted unemployment rate remained unchanged at 4.9 percent in September, only to soar one-half of one percentage point as well to 5.4 percent in October.

The question on most minds was what impact, if any, the events of September 11 had on the data. Based on the way the measurement instruments are structured, the events of September 11 were not fully captured in Washington's labor market data or the national data for that matter. As the October data became available, however, it became clear that, like the national situation, Washington's labor market had been weakening before the events of September 11. While it is not possible to precisely measure the labor market impacts of the terrorist attacks, they certainly amplified the weakness.

For the most part, the county level unemployment rates revealed a similar trend: little change in September compared to dramatic change in October. That's not to suggest that there were no labor force shifts as captured in jobless rates in September. For example, jobless rates fell sharply among central Washington counties as the apple harvest got into full swing. Chelan, Douglas, Grant, Klickitat, Okanogan, Walla Walla, and Yakima counties all saw their rates fall significantly over the month. The balance of counties, however, remained in line with the state; that is, relatively unchanged give or take a tenth or two-tenths of a percentage point up or down. That was unfortunately the pattern in October as most counties matched or exceeded the seven-tenths of a percent increase in joblessness seen statewide. Among the more prominent jobless rate increases were those seen in Grays Harbor, which was up one and a half percentage points to 9.7 percent, and Stevens County, which soared more than three percentage

points to 10.5 percent. Conversely, apple counties in general held their own as harvesting and processing activities continued into October.

Although Washington's unemployment rate rose nearly one and a half percentage points over the year in October, the jobless rate picture for Washington's counties was a mixed bag, which suggests that the labor market weakness revealed statewide was not evenly distributed across regions. The increase in the state's unemployment rate was largely driven by shifts in its large metropolitan areas, chiefly the Seattle-Bellevue-Everett PMSA whose jobless rate was up nearly two percentage points to 5.6 percent. The one metro area that did not fall in line with the state pattern was the Tri-Cities MSA. Its jobless rate held steady at 5.8 percent over the year, thanks in large measure to increased hiring for the nuclear waste vitrification project at Hanford. Clark County could also be added to that list, but for the opposite reason. Its jobless rate rose two and a half percentage points to 7.2 percent over the year, due largely to losses in its aluminum smelting, pulp and paper, and high tech sectors to name a few. That's not to suggest, of course, that metropolitan areas were the only ones to see significant increases in joblessness over the year. In fact, more dramatic year-over-year increases in unemployment were found in Cowlitz (7.7 percent to 10.4 percent), Klickitat (8.2 percent to 10.8 percent) and Stevens (7.7 percent to 10.5 percent) counties. These counties also have the distinction of being largely tied to one or two resource-based industries like aluminum smelting or forest products. A number of the state's smaller, rural counties actually saw their unemployment rates fall discernably over the year, including Adams, Asotin, Clallam, Ferry, Garfield, Grant, Grays Harbor, Okanogan, and Skamania. A handful of others essentially held fixed over the year, including Douglas, Lewis, Pacific, and Walla Walla.

## INDUSTRY DEVELOPMENTS

### *Over the Month*

Washington's total nonfarm wage and salary employment grew 16,100 or 0.6 percent over the month in September, matching the growth rate from the same period last year. By contrast, the state's total nonfarm wage and salary employment was up a mere 1,500 jobs or 0.1 percent over the month in October. Government (+18,400) was the

strongest performer in September with its gains driven by state (+8,000) and local (+9,500) education as the school year got underway. Government continued to be the major growth sector in October as it gained 17,700, again primarily in state (+12,900) and local (+13,300) education, as the last of the public schools got underway.

The September addition of 3,200 jobs in the state's services industry was buoyed by gains in virtually all of its sectors, particularly the 4,400 in (private) educational services, 700 in health services, and 600 in business services, to which computer and data processing contributed 500. Hotels and lodging, however, was down 1,200. In October, services shed 7,800 jobs, mostly in amusement and recreation (-6,400) and hotels and lodging (-1,500), both of which were typical for that time of year. Business services, however, was down 1,300 jobs, which was atypical. Furthermore, its computer and data processing component was down 400 after adding jobs the month before. Educational services was up 3,300 for the same reasons as public education.

Manufacturing shed 1,500 jobs over the month in September, with most sectors showing either losses or no employment activity. Electronic equipment and industrial machinery and computer equipment were down 400 and 300, respectively. On the upside, food processing was up 400. Manufacturing's decline accelerated in October with an over-the-month loss of 4,100 jobs. Of that, nondurable goods fell 1,400 in typical seasonal fashion, namely in food processing, while durable goods fell 2,700 due to losses of 700 in primary metals and 100 to 200 in sectors ranging from logging to industrial, electronic, and transportation equipment to instruments.

Trade was down 4,000 over the month in September with both the wholesale and retail components contracting. Retail shed 3,500 jobs as its major sectors pulled back, especially eating and drinking places (-1,600) and apparel and accessory stores (-800). In October, retail trade shed 100 jobs as the 2,100 gain in general merchandise stores was offset by a 2,900 loss in eating and drinking places and losses of 400 each in apparel and accessory stores, automotive dealers and service stations, and building material and garden supply stores.

Construction was down 400 in September. By October, the sector had lost 3,400 jobs. In both periods, the majority of losses were seen in special trade contracting. Transportation, communications, and utilities was up 700 in September, but gave back 400 in October. Finance, insurance, and real estate was down 300 in September, almost all on the finance side (-400) and that continued in October as the sector shed 400 more jobs.

As mentioned, as the October data became available, it became clear that, like the national situation, Washington's labor market had been weakening before the events of September 11. While it is not possible to precisely distinguish the labor market impacts attributable to the terrorist attacks versus those attributable to the general state of the economy, the sectors identified as being most vulnerable in the wake of the attacks did, in fact, show somewhat more weakness than usual. Air transportation, for example, shed 300 jobs in October compared to a 200 gain the previous year. Tourism, which includes hotels and lodging places, eating and drinking places, and amusement and recreation services, saw more weakness. For example, hotels and lodging, which typically contract this time of year, was down 1,500 compared to 1,200 last year. Amusement and recreation was down 6,400 this October compared to 6,200 last October. Eating and drinking places was down 2,900 this October compared to 2,000 last October. Again, whether the higher than normal contractions were the result of the terrorist attacks or the economic slowdown or both could not be precisely ascertained.

### *Year-Over-Year*

In year-over-year terms, losses in manufacturing mounted as the 13,000 jobs shed in September widened to 14,800 by October. In October, in particular, the losses were widespread but heavily concentrated in electronics (-2,900), primary metals (-2,800), lumber and wood products (-2,000), food processing (-1,500), and industrial machinery and computer equipment (-1,300). With the exception of lumber and wood products, the losses were greater in October than in September.

Construction, a bell-weather economic indicator of sorts, saw its over-the-year gains trimmed from 3,200 in September to only 700 in October. Retail trade, another bell-

weather, fell 800 with the 1,700 gain in eating and drinking places more than offset by losses in building material and garden supply stores (-900), general merchandise stores (-800), apparel stores (-500), and food stores (-500). Retail losses rose to 2,000 in October as building material and garden supply stores and apparel and accessory stores shed additional jobs (-1,100 each) at the same time that gains in eating and drinking places narrowed to 400.

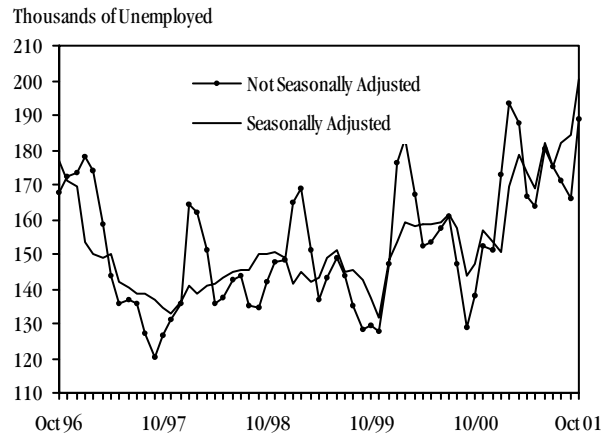
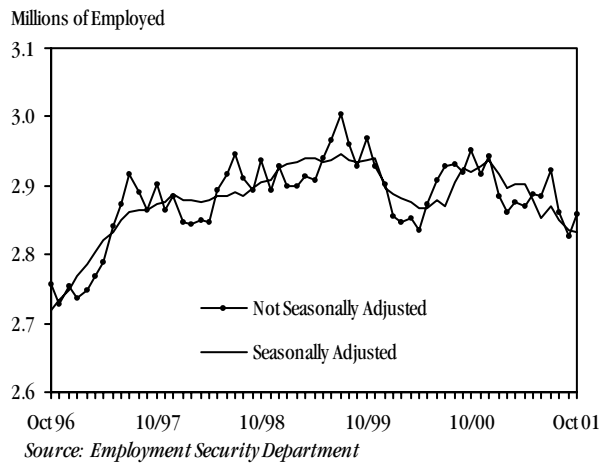
Even the venerable services sectors saw its over-the-year gains narrow from September to October. The sector added 14,000 jobs in September with most of those concentrated in health care (+6,000), engineering and management (+3,400), amusement and recreation (+2,700) and social services (+2,000). Business services, though, was down 6,000 and its computer and data processing component was only up 600. In October, its gains were down to 11,500 jobs with health services (+6,100), engineering and management (+3,100), amusement and recreation (+2,500) and social services (+2,500) leading the way. Business services, though, was down 5,200 and its computer and data processing component was up only 500.

Transportation, communications, and utilities was down 1,300 in September, due largely to a 1,800 loss in communications and 300 loss in utilities compared to a 800 gain in transportation. By October, the sector was down 1,800 with the 200 gain in utilities more than offset by the 1,900 loss in communications and 100 loss in transportation.

Government was the one bright spot in September and October. It was up 10,600 over the year in September with 5,000 from state and local education alone. That was repeated in October with roughly two-thirds of the year-over-year 9,100 gain attributable to state and local education (+6,100).

Nonfarm wage and salary employment adjusted in collaboration with the Office of the Forecast Council was up 2,700 or 0.1 percent over the year in September, only to shift to being down 19,800 or 0.7 percent over the year in October.

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



### AREA TRENDS

As Washington's unemployment rate eased a tenth of a percentage point over the month to 5.5 percent in September, the state's metropolitan areas did likewise, in their case to 5.2 percent. The drop in unemployment rates was much more pronounced in eastern Washington, which went from 7.8 percent to 7.0 percent over the month as agricultural activities, particularly apple harvesting, got underway. The jobless rate in the state's timber-dependent areas also fell significantly, going from 6.7 percent to 5.8 percent in September. Western Washington was the one major region to see an increase in its unemployment rate, though the increase translated into only a tenth of a percentage point.

Following the state pattern, jobless rates rose over the year in all major regions. Washington's metropolitan areas mirrored the statewide increase of nine-tenths of a percentage point to climb to 5.2 percent. Western Washington saw its jobless rate rise more than one percentage point to 5.8 percent. Eastern Washington, though, was up only three-tenths of a percentage point and timber-dependent Washington was up only two-tenths of a percentage point.



Unemployment Rates by Geographic Areas  
State of Washington

Areas	Oct-01	Sep-01	Oct-00	Sep-00
Washington State Total	6.2%	5.5%	4.9%	4.6%
Metropolitan Areas	6.0%	5.3%	4.5%	4.3%
Log & Lumber Areas	7.9%	7.1%	7.2%	6.8%
All Western WA Areas	6.2%	5.5%	4.6%	4.3%
All Eastern WA Areas	6.3%	5.8%	5.7%	5.5%

*Source: Employment Security Department*

## INDUSTRY NOTES

### *Viti and Vini*

Grape growing (viticulture) and wine producing (viniculture) are two of the fastest growing aspects of Washington's often beleaguered agricultural industry. The 2001 grape harvest, which began in September and wrapped up around the end of October, is expected to come in at around 97,000 tons, up nearly 8 percent from the 90,000 tons harvested last year. From a labor market perspective, in 2000, more than 300 grape growers employed approximately 2,100 workers who drew \$30 million in combined wages, primarily in southeastern Washington (primarily Benton, Franklin, Grant, and Walla Walla counties). Also in 2000, nearly 75 wineries operated in the state with nearly 900 employees and \$24 million payroll. The winery sector is also, not surprisingly, concentrated in southeast Washington, though there is a major King County presence as well. Average wages in the two sectors ranged from \$14,305 in grape production to \$27,568 in wine production. In both industries, there are also individuals who grow grapes or produce wine on a sole-proprietor basis, and therefore do not show up in Employment Security's data.

### *Boeing WARNs Workers*

There has been considerable speculation over the number of Washington-based Boeing workers who would be affected by the first in what is expected to be a three-phase work force reduction in the commercial airplane division. According to information provided by the company in compliance with the federal Worker Adjustment and Retraining Notification (WARN) program, Boeing will lay off 4,611 workers on December 14. That number includes 3,261 members of the International Association of Machinists and Aerospace Workers (machinists), 393 members of

the Society of Professional Engineering Employees in Aerospace (engineers and technical workers), 21 members of the International Union of Operating Engineers (welders, power plant operators), 34 members of Teamsters International, and 902 non-affiliated workers (339 office administration and support, 513 professional administrators, and 50 administrative management). The higher numbers seen in the press and media are probably inclusive of layoffs that will affect Boeing workers outside of Washington. The Boeing Company also announced that it will accelerate the pace of its layoffs so that they are effected by June 2002—not through the end of 2002 as initially announced.

*And The Winner Is ...*

Not, unfortunately, Boeing. In the midst of Boeing's commercial airplane layoffs, the Department of Defense announced on October 26 that Lockheed Martin Corporation—not Boeing—would be awarded the winner-take-all contract to build the next generation Joint Strike Fighter (JSF). The contract, by some estimates, amounts to as much as \$200 billion to build up to 3,000 jet fighters for the Air Force, Navy, and Marines. Boeing is not necessarily out of the picture, though, as preliminary discussions appear to have begun between the senior leadership of both companies about a possible role for Boeing and its technological applications in the development of the JSF. Additionally, Boeing remains a major player in the space and defense sector with its many other contracts for missiles and satellites and the like. Still, being the losing bidder was a disappointment to the company and its unions, particularly since it was surmised that the contract could have translated into as many as 3,000 jobs in the Puget Sound area, primarily in the company's engineering and technical areas.

*Air Relief*

As part of the \$15 billion air transportation relief package signed into law in September, Alaska Air will receive \$90 million, Horizon Air will receive \$10 million, and Airborne Express will receive \$8.8 million. As much as \$10 billion of the \$15 billion package will be used for federal loan guarantees. The news was particularly good for the Alaska Air Group, which posted a profit for the month and has not had to lay off workers.

## *State Workers Watch*

Governor Locke has asked state government agencies to identify 15 percent in spending cuts as a starting point for crafting a supplemental budget to effect a mid-course correction for what is expected to be a \$1.2 billion deficit in the state's \$23 billion, 2001-03 biennial budget. The 15 percent spending cut amounts to roughly \$600 million. The \$1.2 billion deficit is the net result of rapid deterioration in state tax revenue collections—currently estimated to be \$813 million below the forecast upon which the budget was originally constructed—and growth in social service, criminal justice, and education obligations that could add more than \$300 million to spending obligations. The state currently has a \$450 million reserve, but requires a supermajority, 60 percent vote by the State Legislature to tap it. If the shortfall cannot be made up by new taxes or tapping the reserve or other actions, state agencies may have come up with an additional \$200 million to balance the budget.

The labor market impact would reverberate among the ranks of non-education state workers, with layoffs taking effect in June 2003. In 2000, the majority of those workers were, not surprisingly, in Thurston County, which had more than 20,600 non-education state government employees. The non-education state employee rolls were also sizable in King (12,800), Pierce (7,400), Spokane (4,700), and Snohomish (3,000) counties. Layoffs are not the first option, however, as retirements (including the possibility of early retirement packages) and unfilled vacancies would be the first means of achieving labor cost savings.

## *A Cyclical Industry*

Washington's bicycle manufacturing industry is not an exceptionally prominent one in terms of the size of its workforce. In 2000, for example, the roughly dozen players comprising the industry's presence in this state employed just over 400 workers and managed a payroll of a little more than \$13 million. The average wage, however, was a none-too-shabby \$31,460. The sector stands to become that much smaller as Trek Bicycle Corporation, which owns Chehalis-based Klein Bicycle Corporation, announced that it would relocate its Klein manufacturing operation and the 40 jobs it supports from Chehalis to its main plant in Waterloo, Wisconsin in February 2002. Klein manufactures high-end, custom-made racing, touring, and mountain bikes that are distributed to around 1,000 dealers across the U.S. and 30

countries around the world. The company has been a major employer in Lewis County for more than a decade, at one time employing more than 150 workers. Klein's imminent departure leaves Kent-based Raleigh USA as the last major bicycle manufacturer in Washington.

### *A Hollywood Ending?*

Knoxville-based Regal Cinemas Inc., the nation's largest movie theater chain, and New York-based Loews Cineplex Entertainment Corporation, the second largest, are both involved in Chapter 11 bankruptcy proceedings. Regal's reorganization plan has already been approved by the U.S. Bankruptcy Court, while Loews' is just entering into the court procedure. Both companies saw their bottom line hit hard by an oversupply of multiplex cinemas across the country, a situation that has forced the industry as a whole, not just Regal and Loews, to close theaters in cities where too many multiplexes resulted in over-capacity. United Artists, General Cinemas, Edwards Cinemas, and Cineplex Odeon are the nation's other major theater chains. Here in Washington, the (non-drive-in) movie theater industry has witnessed some of the ongoing restructuring. For example, the industry peaked in 1999 with 148 theaters employing roughly 3,600 workers and supporting a payroll of nearly \$27 million. By 2000, the number of theaters had fallen to 139 while the number of workers had fallen to a little more than 3,300. The payroll, however, was up to nearly \$30 million. The average wage rose as well, though it was still near the minimum wage at \$8,905 per year.

### *Minimum Wage Alert*

Speaking of minimum wage, based on preliminary data for the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from September 2000 to September 2001, the Washington State Department of Labor and Industries announced that the state's minimum wage will rise 2.6 percent or 18 cents from \$6.72 to \$6.90 effective January 1, 2002. Inasmuch as they are preliminary, the figure could change. However, revisions, if they are made at all, seldom amount to more than a tenth of a percentage point. You'll recall that the state minimum wage was set in statute by the passage of Initiative 688 in 1998. The initiative raised the minimum wage at that time from \$4.90 to \$5.70 in 1999 and then to \$6.50 in 2000, thereafter to be adjusted annually for inflation as outlined above.

## NATIONAL INDICATORS

### *Inflation Comes, Inflation Goes*

After two consecutive months of zero inflation, the U.S. Consumer Price Index for All Urban Consumers (CPI-U) bumped up noticeably to 178.3 on a 1982-84=100 basis in September. This translated into an over-the-month increase of 0.5 percent. Energy costs in particular were up over the month (7.4 percent) with the commensurate increase in gasoline prices (7.8 percent) driving up transportation costs. This spike in energy costs was largely attributable to concerns over Middle East stability in the wake of a U.S. response that focused on Afghanistan following the September 11 terrorist attacks. On the positive side, personal computer and peripheral equipment prices continued to decline, marked by a 4.0 percent drop in prices in September. Over the year, the U.S. CPI-U increased 2.6 percent. Chief among the movers were gas and electricity prices at 6.0 percent and medical costs at 4.5 percent. The cost of an education also rose 5.9 percent. On the other hand, the cost of personal computers and peripheral equipment has fallen by nearly a third (31.4 percent).

In October, however, the U.S. CPI-U did an about face of sorts and fell 0.3 percent to 177.7 as energy prices in particular retreated. Energy costs in general fell 4.0 percent while gasoline costs fell around 11.5 percent. The prices for personal computers and peripherals continued to fall in October to the tune of 1.1 percent. The price of food and medical care, however, continued to rise at 0.2 percent and 0.5 percent, respectively, over the month. Over the year, the price of energy, clothing, gasoline, automobiles, and personal computers and peripherals all fell, while the prices of food, housing, medical care, and education all rose.

The Seattle-Tacoma-Bremerton CPI-U, however, 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.

## *Consumers Conk Out*

Faced with a number of financial and emotional challenges, consumers truly put their pocketbooks away in September, causing personal consumption expenditures (PCE) to fall \$130.2 billion or 1.8 percent over the month. In the months leading up to September, PCE was in the 0.1 percent to 0.4 percent range over the month—tepid but still net positive. The aftermath of the September 11 events were reportedly captured in the data, quantifying what had been anecdotally surmised regarding the impact of the attacks on consumer spending. The key issue now is whether consumers will reopen their pocketbooks as the holiday season approaches or if the combination of an economic downturn and post-September 11 angst will continue to chip away at consumer spending.

## *GDP Advanced Estimate for 3Q2001*

On October 31, the Bureau of Economic Analysis within the U.S. Department of Commerce reported that the advanced estimate of real gross domestic product (the output of goods and services produced by labor and property located in the U.S.) fell at an annual rate of 0.4 percent in third quarter 2001. In the second quarter, real GDP increased 0.3 percent. Although this figure will be followed up with a preliminary and then a final estimate, if it holds, it will be the first time real gross domestic product has fallen since first quarter 1993 (-0.1 percent) or, more significantly, first quarter 1991 (-2.0 percent). The third quarter 2001 preliminary estimate will be released on November 30, 2001. The major contributors to the decrease in real GDP in the third quarter were the contractions in exports, equipment and software, nonresidential structures, and private inventory investment. These were greatly offset by growth in personal consumption expenditures (PCE) and federal government spending. Inasmuch as PCE is looking to be weaker rather than stronger over the fourth quarter, one might expect that quarter's real GDP to suffer. On the other hand, federal government spending could increase significantly as the nation enhances homeland security as well as prosecute the war with the Al Qaeda network and the Taliban government in Afghanistan.

*How Low Can It Go?*

The Fed acted once again at its regularly scheduled meeting on November 6 as the Federal Open Market Committee (FOMC) lowered the federal funds rate by 50 basis points to 2.0 percent and the discount rate by the same measure to 1.5 percent. These actions represent the tenth cut in short term interest rates since the start of the year. In justifying its move, the FOMC cited the deterioration in business conditions and general economic weakness both in the U.S. and overseas as well as increased economic uncertainty over the near term.

Consumer Price Index

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

	Indexes			% Change From	
	Sep-01	Aug-01	Sep-00	Aug-01	Sep-00
U.S. City Average	178.3	177.5	173.7	0.5%	2.6%
Seattle *	Aug-01	Jun-01	Aug-00	Jun-01	Aug-00
	186.8	186.3	180.3	0.3%	3.6%

	Indexes			% Change From	
	Oct-01	Sep-01	Oct-00	Sep-01	Oct-00
U.S. City Average	177.7	178.3	174.0	-0.3%	2.1%
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*

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

In Thousands, Not Seasonally Adjusted

	September 2001 (Prel)	August 2001 (Rev)	September 2000 (Rev)	August 2000 (Rev)	Numeric Change	
					Aug. 2001 to	Sep. 2000 to
					Sep. 2001	Sep. 2001
<b>Total Nonagricultural Wage &amp; Salary Workers ....</b>	2,758.0	2,741.9	2,745.0	2,729.3	16.1	13.0
<b>Manufacturing .....</b>	340.0	341.5	353.0	355.7	-1.5	-13.0
Durable Goods .....	234.0	235.6	243.0 <sup>2</sup>	244.4	-1.6	-9.0
Lumber & Wood Products .....	31.8	31.8	33.8	34.2	0.0	-2.0
Logging .....	6.8	6.8	7.4	7.5	0.0	-0.6
Sawmills & Plywood .....	21.6	21.6	23.0	23.2	0.0	-1.4
Furniture & Fixtures .....	4.6	4.7	4.9	4.9	-0.1	-0.3
Stone, Clay & Glass .....	9.1	9.2	9.2	9.3	-0.1	-0.1
Primary Metals .....	9.2	9.3	10.8	10.8	-0.1	-1.6
Aluminum .....	5.4	5.4	6.5 <sup>2</sup>	6.6 <sup>2</sup>	0.0	-1.1
Fabricated Metals .....	15.2	15.3	15.2	15.2	-0.1	0.0
Industrial Machinery & Equipment .....	24.5	24.8	25.6	25.8	-0.3	-1.1
Computer & Office Equipment .....	5.8	6.0	6.2	6.2	-0.2	-0.4
Electronic & Other Electrical Equipment .....	17.6	18.0	20.3	20.3	-0.4	-2.7
Transportation Equipment .....	100.1	100.3	100.1	100.7	-0.2	0.0
Aircraft & Parts .....	87.4	87.3	85.5	85.7	0.1	1.9
Ship & Boat Building .....	6.0	6.1	7.0	7.3	-0.1	-1.0
Instruments & Related .....	13.8	14.0	14.6	14.7	-0.2	-0.8
Miscellaneous Manufacturing .....	8.1	8.2	8.5	8.5	-0.1	-0.4
Nondurable Goods .....	106.0	105.9	110.0	111.3	0.1	-4.0
Food & Kindred Products .....	41.4	41.0	43.4	44.1	0.4	-2.0
Preserved Fruits & Vegetables .....	14.5	14.1	16.0	16.5	0.4	-1.5
Textiles, Apparel & Leather .....	7.6	7.7	8.1	8.3	-0.1	-0.5
Paper & Allied Products .....	14.9	14.9	15.6	15.8	0.0	-0.7
Printing & Publishing .....	23.4	23.6	24.4	24.4	-0.2	-1.0
Chemicals & Allied Products .....	6.3	6.3	6.3	6.3	0.0	0.0
Petroleum, Coal, Plastics .....	12.4	12.4	12.2	12.4	0.0	0.2
Mining & Quarrying .....	3.8	3.8	3.7	3.8 <sup>2</sup>	0.0	0.1
<b>Construction .....</b>	174.4	174.8	171.0	171.5	-0.4	3.4
General Building Contractors .....	47.5	47.6	46.3	46.7	-0.1	1.2
Heavy Construction, except Building .....	21.5	21.4	21.0	20.8	0.1	0.5
Special Trade Contractors .....	105.4	105.8	103.7	104.0	-0.4	1.7
<b>Transportation, Communications &amp; Utilities ....</b>	149.5	148.8	150.8	149.7	0.7	-1.3
Transportation .....	97.6	97.1	96.8	96.3	0.5	0.8
Trucking & Warehousing .....	35.8	35.5	35.4	35.2	0.3	0.4
Water Transportation .....	9.2	9.3	9.1	9.5	-0.1	0.1
Transportation by Air .....	27.1	27.2	27.1	27.2	-0.1	0.0
Communications .....	35.7	35.4	37.5	36.8	0.3	-1.8
Electric, Gas & Sanitary Services .....	16.2	16.3	16.5	16.6	-0.1	-0.3
<b>Wholesale &amp; Retail Trade .....</b>	657.2	661.2	660.7	661.5	-4.0	-3.5
Wholesale Trade .....	155.6	156.1	158.3	158.3	-0.5	-2.7
Durable Goods .....	88.6	89.6	90.6	91.2	-1.0	-2.0
Nondurable Goods .....	67.0	66.5	67.7	67.1	0.5	-0.7
Retail Trade .....	501.6	505.1	502.4	503.2	-3.5	-0.8
Building Materials/Garden Supplies .....	21.7	22.0	22.6	23.0	-0.3	-0.9
General Merchandise .....	50.0	50.2	50.8	50.8	-0.2	-0.8
Food Stores .....	70.4	70.8	70.9	71.5	-0.4	-0.5
Automobile Dealers & Service Stations .....	51.8	51.9	51.3	51.6	-0.1	0.5
Apparel & Accessory Stores .....	24.7	25.5	25.2	25.8	-0.8	-0.5
Eating & Drinking Establishments .....	191.8	193.4	190.1	189.4	-1.6	1.7
<b>Finance, Insurance &amp; Real Estate .....</b>	140.1	140.4	137.4	137.8	-0.3	2.7
Finance .....	62.3	62.7	60.8	60.9	-0.4	1.5
Insurance .....	41.0	41.0	40.6	40.7	0.0	0.4
Real Estate .....	36.8	36.7	36.0	36.2	0.1	0.8
<b>Services .....</b>	813.1	809.9	799.1	794.9	3.2	14.0
Hotels & Lodging .....	31.2	32.4	31.0	32.4	-1.2	0.2
Personal Services .....	23.1	22.8	23.1	22.8	0.3	0.0
Business Services .....	192.7	192.1	196.7	195.8	0.6	-4.0
Computer & Data Processing Services .....	72.9	72.4	72.3	71.9	0.5	0.6
Amusement & Recreational Services .....	52.1	51.9	49.4	49.7	0.2	2.7
Health Services .....	197.4	196.7	191.4	190.7	0.7	6.0
Nursing & Personal Care .....	33.0	32.5	32.4	32.2	0.5	0.6
Hospitals .....	62.0	61.7	59.9	59.6	0.3	2.1
Legal Services .....	20.4	20.9	20.2	20.3	-0.5	0.2
Educational Services .....	36.2	31.8	36.2	31.4	4.4	0.0
Social Services .....	66.7	66.2	64.7	63.6	0.5	2.0
Engineering & Management Services .....	75.6	76.2	72.2	72.1	-0.6	3.4
<b>Government .....</b>	479.9	461.5	469.3	454.4	18.4	10.6
Federal .....	68.6	69.0	68.0	71.6	-0.4	0.6
State .....	137.7	130.2	132.5	126.0	7.5	5.2
State Education .....	70.3	62.3	67.0	60.1	8.0	3.3
Local .....	273.6	262.3	268.8	256.8	11.3	4.8
Local Education .....	138.4	128.9	136.7	125.1	9.5	1.7
<b>Workers in Labor-Management Disputes .....</b>	0.0	0.0	2.2	2.2	0.0	-2.2

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



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

In Thousands, Not Seasonally Adjusted

	October 2001 (Prel)	September 2001 (Rev)	October 2000 (Rev)	September 2000 (Rev)	Numeric Change	
					Sep. 2001 to Oct. 2001	Oct. 2000 to Oct. 2001
<b>Total Nonagricultural Wage &amp; Salary Workers ....</b>	2,757.3	2,755.8	2,754.4	2,745.0	1.5	2.9
<b>Manufacturing .....</b>	336.4	340.5	351.2	353.0	-4.1	-14.8
Durable Goods .....	231.4	234.1	242.7 <sup>2</sup>	243.0 <sup>2</sup>	-2.7	-11.3
Lumber & Wood Products .....	31.3	31.8	33.3	33.8	-0.5	-2.0
Logging .....	6.7	6.9	7.4	7.4	-0.2	-0.7
Sawmills & Plywood .....	21.4	21.6	22.6	23.0	-0.2	-1.2
Furniture & Fixtures .....	4.6	4.7	4.9	4.9	-0.1	-0.3
Stone, Clay & Glass .....	9.0	9.1	9.2	9.2	-0.1	-0.2
Primary Metals .....	8.5	9.2	11.3	10.8	-0.7	-2.8
Aluminum .....	4.9	5.3	7.1	6.5 <sup>2</sup>	-0.4	-2.2
Fabricated Metals .....	15.0	15.2	15.2	15.2	-0.2	-0.2
Industrial Machinery & Equipment .....	24.2	24.5	25.5	25.6	-0.3	-1.3
Computer & Office Equipment .....	5.8	5.8	6.2	6.2	0.0	-0.4
Electronic & Other Electrical Equipment .....	17.4	17.6	20.3	20.3	-0.2	-2.9
Transportation Equipment .....	99.7	100.1	99.8	100.1	-0.4	-0.1
Aircraft & Parts .....	87.3	87.4	85.6	85.5	-0.1	1.7
Ship & Boat Building .....	5.9	6.0	7.0	7.0	-0.1	-1.1
Instruments & Related .....	13.6	13.8	14.6	14.6	-0.2	-1.0
Miscellaneous Manufacturing .....	8.1	8.1	8.6	8.5	0.0	-0.5
Nondurable Goods .....	105.0	106.4	108.5	110.0	-1.4	-3.5
Food & Kindred Products .....	41.0	41.8	42.5	43.4	-0.8	-1.5
Preserved Fruits & Vegetables .....	14.2	14.5	15.5	16.0	-0.3	-1.3
Textiles, Apparel & Leather .....	7.3	7.6	8.0	8.1	-0.3	-0.7
Paper & Allied Products .....	14.9	14.9	15.4	15.6	0.0	-0.5
Printing & Publishing .....	23.3	23.4	24.3	24.4	-0.1	-1.0
Chemicals & Allied Products .....	6.3	6.3	6.2	6.3	0.0	0.1
Petroleum, Coal, Plastics .....	12.2	12.4	12.1	12.2	-0.2	0.1
<b>Mining &amp; Quarrying .....</b>	3.8	3.8	3.6	3.7	0.0	0.2
<b>Construction .....</b>	170.6	174.0	169.9	171.0	-3.4	0.7
General Building Contractors .....	46.8	47.4	46.5	46.3	-0.6	0.3
Heavy Construction, except Building .....	20.9	21.5	20.4	21.0	-0.6	0.5
Special Trade Contractors .....	102.9	105.1	103.0	103.7	-2.2	-0.1
<b>Transportation, Communications &amp; Utilities ....</b>	148.4	148.8	150.2	150.8	-0.4	-1.8
Transportation .....	96.5	97.3	96.6	96.8	-0.8	-0.1
Trucking & Warehousing .....	35.4	35.6	35.1	35.4	-0.2	0.3
Water Transportation .....	9.1	9.2	9.0	9.1	-0.1	0.1
Transportation by Air .....	26.8	27.1	27.3	27.1	-0.3	-0.5
Communications .....	35.3	35.3	37.2	37.5	0.0	-1.9
Electric, Gas & Sanitary Services .....	16.6	16.2	16.4	16.5	0.4	0.2
<b>Wholesale &amp; Retail Trade .....</b>	657.0	657.1	661.4	660.7	-0.1	-4.4
Wholesale Trade .....	155.9	155.9	158.3	158.3	0.0	-2.4
Durable Goods .....	88.8	88.8	90.6	90.6	0.0	-1.8
Nondurable Goods .....	67.1	67.1	67.7	67.7	0.0	-0.6
Retail Trade .....	501.1	501.2	503.1	502.4	-0.1	-2.0
Building Materials/Garden Supplies .....	21.3	21.7	22.4	22.6	-0.4	-1.1
General Merchandise .....	51.9	49.8	51.8	50.8	2.1	0.1
Food Stores .....	70.4	70.4	70.9	70.9	0.0	-0.5
Automobile Dealers & Service Stations .....	51.4	51.8	51.2	51.3	-0.4	0.2
Apparel & Accessory Stores .....	24.2	24.6	25.3	25.2	-0.4	-1.1
Eating & Drinking Establishments .....	188.5	191.4	188.1	190.1	-2.9	0.4
<b>Finance, Insurance &amp; Real Estate .....</b>	139.6	140.0	137.2	137.4	-0.4	2.4
Finance .....	62.3	62.4	60.8	60.8	-0.1	1.5
Insurance .....	40.9	40.9	40.7	40.6	0.0	0.2
Real Estate .....	36.4	36.7	35.7	36.0	-0.3	0.7
<b>Services .....</b>	806.0	813.8	794.5	799.1	-7.8	11.5
Hotels & Lodging .....	29.5	31.0	29.7	31.0	-1.5	-0.2
Personal Services .....	23.0	23.1	23.4	23.1	-0.1	-0.4
Business Services .....	191.7	193.0	196.9	196.7	-1.3	-5.2
Computer & Data Processing Services .....	72.5	72.9	72.0	72.3	-0.4	0.5
Amusement & Recreational Services .....	45.7	52.1	43.2	49.4	-6.4	2.5
Health Services .....	197.6	197.4	191.5	191.4	0.2	6.1
Nursing & Personal Care .....	32.3	32.6	31.9	32.4	-0.3	0.4
Hospitals .....	62.0	62.0	59.7	59.9	0.0	2.3
Legal Services .....	20.4	20.5	20.3	20.2	-0.1	0.1
Educational Services .....	40.4	37.1	39.5	36.2	3.3	0.9
Social Services .....	67.1	67.2	64.6	64.7	-0.1	2.5
Engineering & Management Services .....	75.6	75.3	72.5	72.2	0.3	3.1
<b>Government .....</b>	495.5	477.8	486.4	469.3	17.7	9.1
Federal .....	68.6	68.5	67.4	68.0	0.1	1.2
State .....	148.2	135.9	144.8	132.5	12.3	3.4
State Education .....	81.8	68.9	79.8	67.0	12.9	2.0
Local .....	278.7	273.4	274.2	268.8	5.3	4.5
Local Education .....	152.7	139.4	148.6	136.7	13.3	4.1
<b>Workers in Labor-Management Disputes .....</b>	0.0	0.0	0.1	2.2	0.0	-0.1

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

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

October 2001 Preliminary      September 2001 Revised      October 2000 Revised

Not Seasonally Adjusted	October 2001 Preliminary			September 2001 Revised			October 2000 Revised		
	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment
			Rate			Rate			Rate
Washington State Total	3,046,000	2,857,300	188,700	2,993,300	2,827,300	166,000	3,076,200	2,928,200	148,000
Bellingham MSA	78,000	72,600	5,500	75,600	70,900	4,800	80,900	76,400	4,500
Bremerton PMSA	90,300	84,700	5,600	88,200	83,300	4,900	94,600	89,100	5,500
Olympia PMSA	98,000	92,500	5,500	95,900	91,000	4,900	98,600	93,500	5,000
Seattle-Bellevue-Everett PMSA	1,403,400	1,324,600	78,800	1,378,700	1,311,200	67,500	1,401,200	1,348,900	52,300
King County 2/	1,029,800	971,900	57,900	1,012,000	962,100	49,900	1,027,900	989,700	38,200
Snohomish County 2/	344,300	324,800	19,500	337,800	321,500	16,300	343,900	330,800	13,100
Island County 2/	29,300	27,900	1,400	28,800	27,600	1,200	29,400	28,400	1,000
Spokane MSA	204,900	191,900	12,900	200,400	189,300	11,200	209,800	199,200	10,500
Tacoma PMSA	326,200	304,100	22,000	323,400	304,200	19,200	329,800	311,900	17,800
Tri-Cities MSA	96,100	90,500	5,600	95,300	90,100	5,200	97,000	91,300	5,600
Benton County 2/	73,600	69,300	4,300	73,100	69,000	4,000	74,200	70,000	4,200
Franklin County 2/	22,400	21,100	1,300	22,200	21,100	1,200	22,800	21,300	1,400
Yakima MSA	114,300	105,800	8,500	111,800	103,800	8,000	116,000	108,200	7,800
Adams	9,160	8,710	450	8,850	8,330	530	9,050	8,580	470
Asotin 2/	11,400	11,020	390	11,270	10,900	370	11,350	10,810	550
Chelan-Douglas LMA	55,810	52,490	3,320	56,920	53,610	3,300	58,530	55,310	3,230
Chelan County 2/	35,780	33,470	2,310	36,430	34,190	2,240	37,410	35,270	2,150
Douglas County 2/	20,020	19,020	1,010	20,490	19,430	1,060	21,120	20,040	1,080
Clallam	23,700	22,150	1,550	23,520	22,120	1,400	23,870	22,160	1,710
Clark 2/	179,700	166,700	12,900	174,000	162,300	11,700	180,000	171,500	8,500
Columbia	1,050	930	120	1,100	990	120	1,200	1,070	130
Cowlitz	40,600	36,390	4,210	39,680	35,460	4,220	41,140	37,970	3,170
Ferry	2,440	2,210	230	2,400	2,180	220	2,520	2,270	250
Garfield	1,130	1,110	20	1,150	1,140	10	1,140	1,100	40
Grant	39,480	37,060	2,410	38,950	36,500	2,450	40,590	37,950	2,640
Grays Harbor	25,430	22,950	2,470	25,000	22,950	2,060	25,390	22,730	2,660
Jefferson	9,830	9,210	630	9,960	9,440	520	10,320	9,770	550
Kititas	15,650	14,940	710	14,680	14,030	650	16,080	15,430	650
Klickitat	7,840	6,990	850	8,200	7,330	870	8,920	8,190	730
Lewis	28,650	26,340	2,310	27,800	25,830	1,970	30,080	27,610	2,470
Lincoln	4,380	4,170	210	4,570	4,390	180	4,490	4,290	200
Mason	18,900	17,570	1,330	18,480	17,330	1,150	20,450	19,090	1,360
Okanogan	22,450	21,020	1,430	21,850	20,460	1,390	24,750	22,860	1,890
Pacific	7,410	6,810	600	7,520	7,000	520	7,660	7,040	620
Pend Oreille	4,260	3,920	340	4,190	3,890	300	4,200	3,890	320
San Juan	6,120	5,910	210	6,670	6,500	170	6,160	5,950	200
Skagit	51,020	47,330	3,690	51,050	47,950	3,100	51,950	48,880	3,070
Skamania	4,100	3,750	350	3,780	3,460	310	4,040	3,670	380
Stevens	16,280	14,580	1,710	16,270	15,070	1,200	16,350	15,090	1,270
Wahkiakum	1,780	1,670	110	1,680	1,580	100	1,780	1,680	110
Walla Walla	25,950	24,680	1,270	24,250	23,110	1,130	25,790	24,530	1,260
Whitman	20,350	19,900	450	20,120	19,710	420	20,620	20,200	420

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

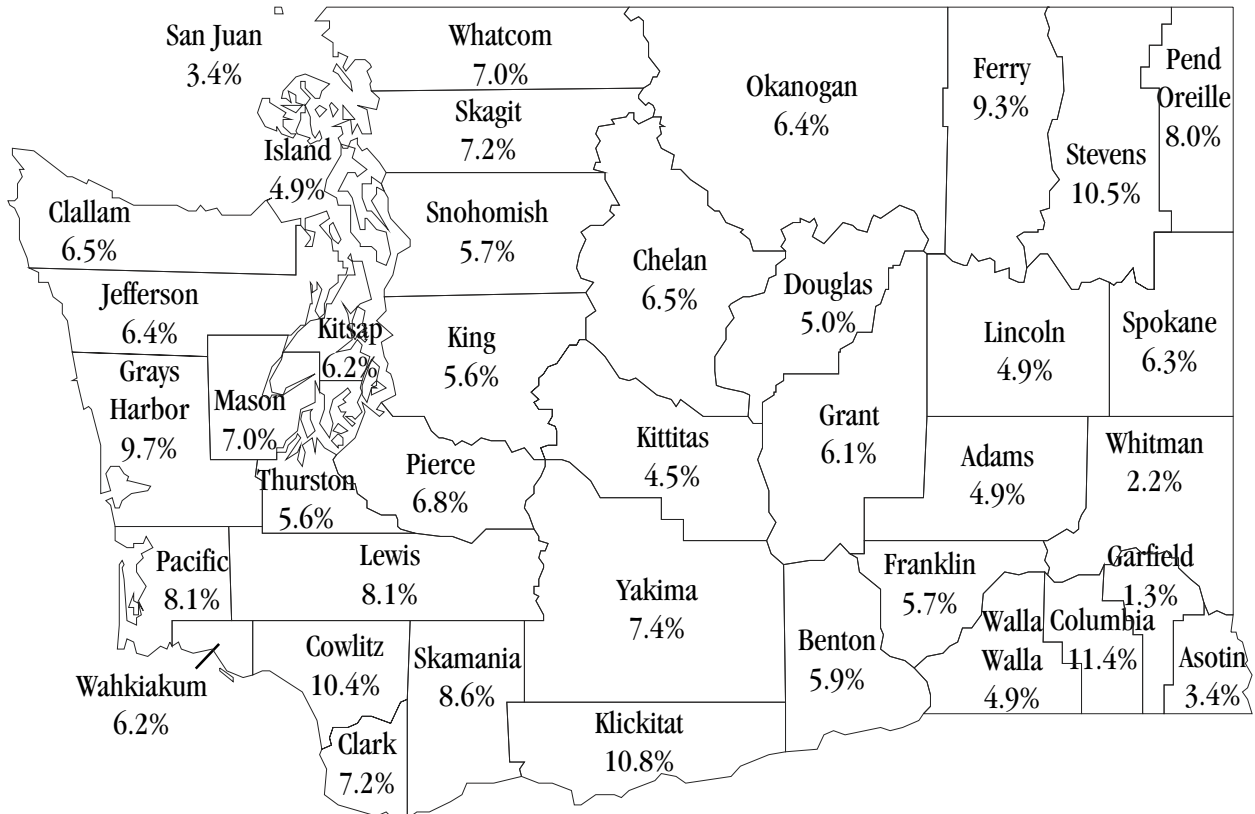
<i>(In Thousands)</i>	October 2001 (Prel)	September 2001 (Rev)	October 2000 (Rev)	September 2000 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	6.6%	6.1%	5.2%	5.1%
United States	5.4%	4.9%	3.9%	3.9%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,046.0	2,993.3	3,076.2	3,022.4
Employment	2,857.3	2,827.3	2,928.2	2,883.6
Unemployment	188.7	166.0	148.0	138.8
Percent of Labor Force	6.2%	5.5%	4.8%	4.6%

### Unemployment Rates by County, October 2001

**Washington State = 6.2%**

**United States = 5.0%**

***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				
	October 2001	September 2001	October 2001	September 2001	October 2001	September 2001			
	October 2000	October 2000	October 2000	October 2000	October 2000	October 2000			
TOTAL MANUFACTURING INDUSTRIES	\$714.52	\$722.76	\$700.86	40.3	40.4	41.3	\$17.73	\$17.89	\$16.97
SELECTED MANUFACTURING INDUSTRIES									
Lumber and Wood Products	\$616.41	\$626.78	\$620.34	40.5	40.7	42.2	\$15.22	\$15.40	\$14.70
Primary Metal Industries	\$666.20	\$714.40	\$782.50	38.8	40.0	42.9	\$17.17	\$17.86	\$18.24
Transportation Equipment	\$1,051.70	\$1,030.32	\$964.21	42.7	41.9	41.1	\$24.63	\$24.59	\$23.46
Food and Kindred Products	\$520.43	\$530.95	\$529.15	40.5	41.0	42.4	\$12.85	\$12.95	\$12.48
Chemicals and Allied Products	\$1,049.90	\$1,100.70	\$975.24	40.9	42.4	43.0	\$25.67	\$25.96	\$22.68
SELECTED NONMANUFACTURING INDUSTRIES									
Construction	\$871.42	\$897.75	\$894.61	36.8	37.8	39.1	\$23.68	\$23.75	\$22.88
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$390.29	\$401.95	\$398.91	31.0	31.8	32.3	\$12.59	\$12.64	\$12.35



## *Washington* Labor Market

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