

Washington Labor Market

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Washington State
 Employment Security

TERROR AND A TEPID ECONOMY

Economists typically preface their remarks, particularly forecast prognostications, with the perfunctory, "...all other variables remaining constant." It is an understatement to say that the terrorist attacks of September 11 threw most economic constants out the window, thus leveling an economic blow on top of the tragedy itself. Here in Washington, twenty-nine hundred miles from New York City, the economic impact of the events of September 11 have nevertheless spanned the continent and threaten the state's airplane manufacturing sector. It has also put a damper—time will tell if short or long term—on household and business spending, which will impact the state's retail and services sectors. Of particular concern is the potential impact on business-related capital outlays for computer hardware and software, both of which have a strong presence in Washington and were already softened by the broader national economic slowdown. It could ultimately also have profound effects on the state's industries—and there are many—that rely on foreign trade, shipping, and tourism, both of which share at least some dependence (in some cases, virtually complete dependence) on air transportation. Economists will be watching how national and even state economies respond to a variable that few, if any, conceived of plugging into their econometric models. For now, however, the questions are many and the answers are few.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate fell one-tenth of a percent over the month to 5.6 percent in August. When adjusted for seasonal changes, Washington's unemployment rate rose two-tenths of a percent to 6.0 percent. Comparatively, the seasonally adjusted national rate rose sharply by four-tenths of a percent over the month to 4.9 percent in August. This suggests that at least in August, Washington's labor market remained more stable than the nation's as unemployment rates remained largely in check.

Although the statewide unemployment rate eased a tad over the month, a number of sub-state areas showed considerable movement. Chief among the areas showing significant increases in their unemployment rates were central Washington counties dominated by the apple and cherry industries. This is a fairly typical labor market pattern in that region of the state as workers are let go after July cherry harvesting and apple thinning activities wind down. The Wenatchee Labor Market Area (Chelan and Douglas coun-

ties) is a good example of this trend; its jobless rate rose more than three percentage points over the month. The central region's unemployment rate is expected to ease again in September-October, though, as apple harvesting gets underway in earnest. At the other end of the spectrum, jobless rates in most of the counties in rural southwest Washington and the lower Olympic Peninsula fell roughly a percentage point or more as seasonal, timber-related activities peaked. Wahkiakum County led the way with its unemployment rate falling nearly one and a half percentage points. Pacific County was close behind with a jobless rate decline of just over one percentage point.

The statewide unemployment rate was up a notable seven-tenths of a percentage point over the year. The slowing national economy and its impact on Washington's economy was certainly a major factor. This can be reflected in the one percentage point increase in the Seattle-Bellevue-Everett PMSA, an area that represents the state's major economic engine and driver. Another prominent driver of the state's rising jobless rate, however, was clearly energy. A list of the counties with over-the-year increases in unemployment above that of the state reads like a roll-call of areas that are home to energy-intensive industries. Cowlitz County (aluminum, pulp/paper) topped the list with a jobless rate that was up nearly three-and-a-half percentage points and was followed by Klickitat County (aluminum), whose jobless rate was up three percentage points. Clark County's (aluminum, pulp/paper, semiconductors) unemployment rate was up one-and-a-half percentage points while those in Whatcom County (aluminum, pulp/paper) and Spokane County (aluminum) were up a full percentage point. Conversely, the greatest easing in jobless rates over the year were in rural counties like Okanogan, Mason, and Garfield, all of which saw their jobless rates fall from two to two-and-a-half percentage points. Asotin, Wahkiakum, Grays Harbor, Clallam, Ferry, and Pacific counties experienced jobless rate declines of one to two percentage points.

At 12.0 percent, Klickitat County's unemployment rate stood at twice the statewide average (5.6 percent) in August 2001. Cowlitz and Chelan counties were not far behind at 10.7 percent and 9.8 percent, respectively. All, not coincidentally, are counties hit hard because of the significant presence of energy-intensive industries (i.e., aluminum

smelting) in their economies. At the opposite end of the unemployment rate spectrum, Washington's wheat producing counties once again produced the lowest jobless rates in the state led by Garfield (1.0 percent), Whitman (2.0 percent), Lincoln (3.5 percent) and Asotin (3.9 percent). San Juan posted the lowest unemployment rate among western Washington counties at 2.3 percent.

INDUSTRY DEVELOPMENTS

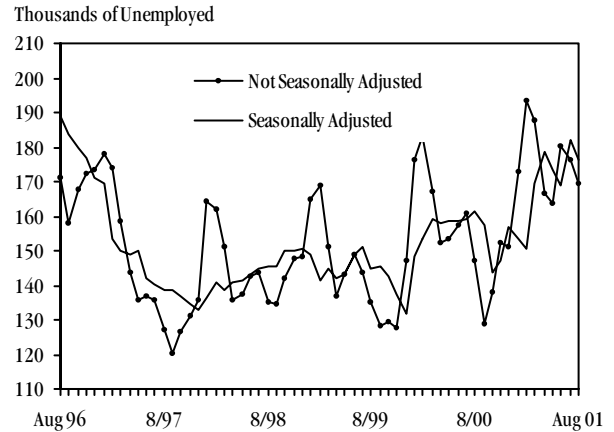
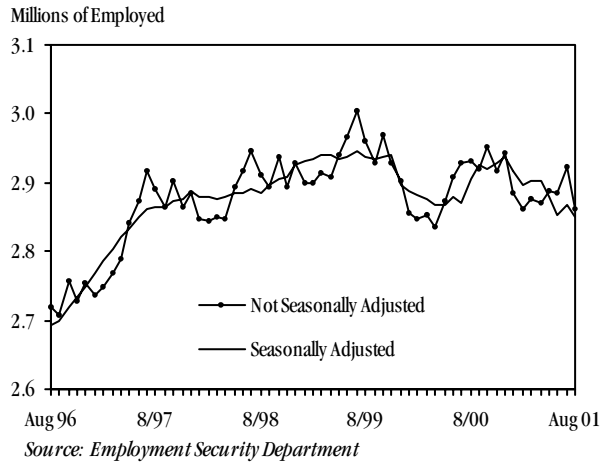
Over the Month

Washington's total nonfarm wage and salary employment declined 6,200 or 0.2 percent over the month in August (it gained 7,000 during the same period last year). The losses came largely from seasonal contraction in local education (-14,000), but also from a computer and data processing sector that lost 1,800 this August compared to gaining 800 last August. The computer sector limited gains in services to 900, well shy of the 5,700 seen last August. Strong growth was seen in health services, which added 1,100, including 700 in hospitals. Amusement and recreation and engineering and management both added 100, though the gains were softer than those posted last August. Manufacturing was up 800 with a 1,100 increase in nondurable goods partially offset by a 300 decline in durable goods. Notably, preserved fruits and vegetables and aircraft and parts added 1,300 and 300, respectively, while most other manufacturing sectors shed between 100 and 300 jobs. Construction added 2,800 with gains similar to those last August. Transportation, communication, and utilities and finance, insurance, and real estate both added 100 over the month. Trade was up 1,200 with those gains almost exclusively on the retail side. Gains in general merchandise stores (+800), apparel and accessory stores (+400), eating and drinking (+200), and auto dealers and service stations (+100) were offset by losses in building materials and garden supply stores (-300) and food stores (-200).

Year-Over-Year

Over the year, manufacturing lost 14,200 jobs, including 8,900 in durable goods and 5,300 in nondurable goods. Construction added 3,200. Wholesale trade fell 1,900 with most of those losses in durables (-1,500) rather than nondurables (-400). Retail trade was up 2,100 with the 4,200 gain in eating and drinking places offset by losses in building material and garden supply stores (-1,000), general merchandise stores (-400), apparel stores (-400), and food

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



stores (-700). Services added 11,900 with most of that concentrated in health services (+5,900), engineering and management services (+3,500), and social services (+2,500). Business services, however, was down 5,900 and its computer and data processing component was down 1,000. Transportation and public utilities was down 900 over the year, due largely to 1,400 loss in communications and 300 loss in utilities compared to the 300 gain in transportation. Government was up 6,100 over the year.

AREA TRENDS

Washington's not seasonally adjusted unemployment rate fell one-tenth of a percentage point in August to 5.6 percent. Looking at the area unemployment rates tracked by Employment Security, this appears to have been driven by the state's metropolitan areas and western Washington, both of which eased a tenth of a percentage point as well. The unemployment rate in the state's timber-dependent areas remained unchanged in August, while the jobless rate in eastern Washington edged up a tenth of a percentage point.

Washington's jobless rate was up seven-tenths of a percentage point over the year. Again, the primary momentum for this upward movement over the year was provided by the shifts in the dominant metropolitan areas and western Washington, both of which were up eight-tenths of a percentage point over the year. A slight offset was provided at the state level by the relative stability in jobless rates in timber-dependent and eastern Washington, both of which experienced only slight increases of one-tenth of one percentage point.

Despite the relative stability in their unemployment rate situations, timber-dependent Washington and eastern Washington still posted the higher jobless rates among the sub-state areas tracked at 7.7 percent and 6.7 percent, respectively. Conversely, despite their significant rise over the year, metropolitan Washington and western Washington nevertheless reveal relatively low jobless rates at 5.3 percent.

**Unemployment Rates by Geographic Areas
State of Washington**

Areas	Aug-01	Jul-01	Aug-00
Washington State Total	5.6%	5.7%	4.9%
Metropolitan Areas	5.3%	5.4%	4.5%
Log & Lumber Areas	7.7%	7.7%	7.6%
All Western WA Areas	5.3%	5.4%	4.5%
All Eastern WA Areas	6.7%	6.6%	6.6%

Source: Employment Security Department

INDUSTRY NOTES

Cloudy Skies

Employment in the state's aircraft and parts sector had just turned a positive corner, bottoming out in February of this year after having shed more than 13,000 jobs in the preceding year. The sector, which includes Boeing as well as numerous affiliated subcontractors, added 1,600 jobs from February through August to reach 87,400. That upward trend effectively ended with Boeing's announced plans to lay off from 20,000 to 30,000 workers from its commercial airplane division. The impetus behind Boeing's plans was the global economic slowdown that cut deeply into business air travel, which accounts for 50-70 percent of airline revenues. The September 11 terrorist attacks surely hastened restructuring plans that were likely already in the development stages. Within two weeks of the attacks, over 100,000 airline industry layoffs were announced. The airline retrenching could extend beyond the short term as evidenced by the fact that travel bookings have not responded affirmatively to greatly reduced airfares. It may be that the longer term disincentive to air travel may not be the fear of flying so much as the avoidance of inconvenience necessitated by heightened airport security. Ultimately, as airlines saw their projected revenues fall, so too did their need or desire for costly new airplanes which, in turn, led to Boeing's announcement.

Washington's average employment in aircraft and parts employment in 2000 was 76,600, or 2.6 percent of total civilian employment. Most of this employment is located in Snohomish and King counties. The loss of 20,000 Boeing workers would represent 0.7 percent of total state employment. Total aircraft industry wages accounted for slightly less than 6 percent of the state's total private wages in 2000. A loss of 20,000 Boeing workers earning an average aircraft industry wage, would represent a loss of 1 percent of the state's total wages.

If Boeing were to cut back its employment, there would be economic impacts (layoffs) in other industries; this is the multiplier effect. Other industries affected would be suppliers to Boeing and industries that benefited from the spending of discretionary income by Boeing employees. Guesses of multiplier effect range from 2 to 4, which means that for every Boeing job, 1 to 3 other jobs are "supported" in the economy. At the county level, the effects of a severe production cutback at Boeing would be more significant. Aircraft manufacturing employment in Snohomish County represents nearly 13 percent of that county's total private employment; for King County, the figure is 4 percent.

The significance of the layoffs will be in terms of the loss of wage income to the respective counties' economies. The average wage in the industry, including overtime and stock options, was over \$63,000 for 2000. Aircraft manufacturing employment is, on average, well compensated. For King County, aircraft industry wages represent nearly 6 percent of total private county wages. In Snohomish County, the figure is approximately 23 percent. These figures neglect the fact that many employees of the aircraft industry do not live in the counties where they work. Thus, these percentages may overestimate the impacts on local economies. There is no information on how the cuts would be allocated among Boeing's Washington-based plants. Therefore, there is no way to predict the direct effects on these counties' economies.

Fortress Washington

As the U.S. military mobilizes in the wake of the September 11 terrorist attacks, we are reminded of Washington's significant military presence. In 2000, just over \$50.5 billion in wages and salaries were disbursed to the military personnel nationally. That amounted to 1.0 percent of total U.S. wage and salary disbursements. In Washington, nearly \$2.0 billion or 1.8 percent of the state's total wage and salary disbursements went to military personnel. As such, Washington ranked 13th among the state. Washington's \$2.0 billion in military wage and salary disbursements also represented 3.9 percent of the nation's total military wage and salary disbursements. In this respect, Washington ranked 7th in the nation behind only California, Virginia, Texas, North Carolina, Florida, and Georgia.

In terms of employment, in 2000, Washington had 50,156 active armed forces personnel as well as 10,708 federal civilian workers engaged in national defense. This translated into nearly 60,900 individuals directly employed by the military. The number does not include dependents who often make up a goodly share of a military community's labor force. The military presence in Washington is comprised primarily of Fort Lewis (Pierce), McChord Air Force Base (Pierce), Army Hospital Madigan (Pierce), Fairchild Air Force Base (Spokane), Naval Air Station Whidbey Island (Island), Naval Magazine Indian Island (Island), Naval Station Everett (Snohomish), Naval Station Bremerton (Kitsap), Naval Submarine Base Bangor (Kitsap), Puget Sound Naval Shipyard (Kitsap), Naval Undersea Warfare Center Keyport (Kitsap), Naval Hospital Bremerton (Kitsap), Army and Air Force National Guard and Reserves (statewide), U.S. Coast Guard, and U.S. Army Corps of Engineers. According to the military, the combined direct and indirect economic impact of all of these service branches is more than \$8.5 billion per year.

In defense-related news, Boeing, in addition to being a major producer of commercial airplanes, is a major defense contractor as well. It is currently engaged in a head-to-head battle with Lockheed Martin to win a Department of Defense contract to build 3,000 next-generation Joint Strike

Fighters. If Boeing wins the bid, the results of which will be announced October 26, it anticipates that up to 3,000 workers will be needed in the engineering group on top of the 5,000 or more jobs needed to physically build the jet in St. Louis, Missouri.

Aluminum Allayed

According to Employment Security estimates, there were 5,400 aluminum jobs in Washington in August 2001. This was down 18 percent and 25 percent, respectively, from the 6,600 and 7,200 jobs estimated in August 2000 and August 1999. Specific to the state's major players with respect to primary aluminum smelting, Employment Security's covered employment and wage data show that in 2000, 11 establishments had combined employment of 4,813, a total payroll of \$233,014,323 and an average wage of \$48,414. All told, the impact from closures of these players in Washington is minimal at the state and regional levels, but quite significant locally for some of Washington's counties. Statewide, aluminum was a relatively modest 0.3 percent of Washington's total private covered employment. It was also 0.3 percent of the state's total private covered wages paid. For major metropolitan counties such as Pierce, Clark, and Spokane, the employment and wage impacts if their smelters/rolling mills were to be closed permanently is minimal. In Klickitat, Cowlitz, and Chelan counties, however, the local smelters account for a considerably higher share of the total private covered employment and wage base.

Somewhat more difficult to ascertain is the current status of the workers at the major aluminum smelting facilities in Washington. Employment Security Department data do not speak to this issue, so the information was assembled from secondary sources and addressed the current status of workers at those facilities as temporarily idled, took early retirement, or laid off, as well as the special arrangement, if any, between management, labor, and BPA or simply management and labor as was the case with Kaiser. According to Carla Din of the United Steel Workers of America, more than 2,800 aluminum smelter workers are currently affected by the curtailments (2,463 laid off, 240 idled, 140 given early retirement). It is arguable that the 1,800 still working are also affected since most are engaged in activities other than aluminum production (e.g., plant repair and maintenance, community work, etc.). At least one of the

smelters, Vanalco in Clark County was exclusively fueled by spot market electricity and not a BPA power contract and is likely to be permanently closed. For its part, McCook Aluminum in Cowlitz County has declared bankruptcy and put the plant up for sale. Moreover, these figures do not include the situation at Kaiser's Trentwood aluminum rolling mill where workers endured a two-year strike followed by layoffs upon returning, and the expectation of additional layoffs of 20 to 30 percent of the remaining work force in the foreseeable future.

The consensus among aluminum market watchers is that the price of aluminum ingots will continue to be relatively low over the next two years as there continues to be more than enough aluminum ingots on the supply side. Currently, the price of primary aluminum ingots is US \$1,330 per ton on the London Metal Exchange, the principal market for the trading of aluminum ingots, and falling (it had been as much as US \$1,750 per ton during early 1999 and 2000). As such, aluminum industry observers do not expect Northwest smelters to be in a position to start up pot lines any time in the next two years barring a significant global event that either reduces the supply of and/or boost the demand for primary aluminum. The former is not viewed as likely given the propensity of foreign competitors to flood the market with cheaper primary aluminum. The latter is not viewed as likely given the weak economies in many of the world's major industrial nations, particularly those engaged in auto or aircraft manufacturing and food or beverage packaging. According to The Aluminum Association, primary aluminum production in August 2001 was down 28.5 percent from a year ago, part of a continuing trend that has seen U.S. production fall sharply since the second half of 2000. Not only are aluminum ingot exports to overseas manufacturers down 35.3 percent over the year, but imports of presumably less expensive foreign aluminum ingots by U.S. manufacturers is also down 19.2 percent over the year. All of this suggests that falling demand caused by weak foreign and domestic economies is causing a price decline, one that is further exacerbated by foreign output that is offsetting output declines here in the U.S., including the Northwest.

On a separate but related note, there are local suppliers who would be affected by a long-term or permanent closure of the state's aluminum producers. Some sense of this impact can be ascertained from the relationships identified by the *Washington Input-Output Study*. The list of industry-to-industry relationships identified in the Washington input-output study translate into an employment multiplier of 4.639, which means that for every aluminum job in Washington, another 3.639 jobs were created elsewhere in the Washington economy. The labor income multiplier was 0.443, which means that for every dollar of output from Washington's aluminum sector, roughly 44 cents of labor income was generated by other sectors of the state economy.

New BPA Rates In Effect

The federal Bonneville Power Administration's 46 percent rate hike went into effect on October 1. In response, most of the local utilities that purchase power from BPA have raised the rates they charge their customers. Nearly half of the state's energy is purchased from BPA by local utilities and large industrial users. Moreover, BPA has built into its multiyear contracts with local utilities the right to revise its rates every six months after this first year to reflect market conditions.

Help Wanted

With all of the sobering labor market news, it is important to remind readers of the sectors within which there continues to be relatively strong, net positive employment growth and demand. This category currently includes health care, education, eating and drinking places, and nuclear waste cleanup.

Despite the financial challenges facing Washington's health care industry, an acute shortage of health care professionals, particularly nurses, translated into a health services employment increase of 5,900 over the year and 1,100 over the month. For their part, hospitals, a sub-component of the health services industry, added 2,100 over the year and 700 over the month.

The passage of Initiative 728 channeled \$393 million in state funds to school districts to improve student learning. The money can be used to reduce class sizes, train teach-

ers, redesign curriculums, improve buildings, and provide early childhood education, after-school, and other instructional programs. Most districts, however, have opted to use the money to reduce class sizes, which means hiring more teachers. As such, the local education sector added 4,100 workers over the year. Because it is a seasonal industry, it is important to overlook the 14,000 decline in August, during which K-12 institutions were in summer recess. On a statewide median basis, primary and secondary teachers make \$26,200 a year. Similarly, the state education sector (public two and four year institutions) has expanded, in this case by 1,200 over the year and 900 over the month. Despite the pressures on state government coffers, the Governor has pledged to protect public education.

Eating and drinking places continued to expand, adding 4,200 workers over the year and 200 over the month. While the jobs in this sector are generally regarded as low-wage and low skill, it is one of the few retail trade sectors still expanding in the current economic environment.

In what can be viewed as a Hanford nuclear waste disposal and post-Nisqually Earthquake assessment, engineering and management services added 3,500 workers over the year and 100 over the month. While the earthquake assessment efforts will recede over time, the 10-year, \$4 billion Hanford nuclear waste vitrification project, which will transform the waste currently stored in tanks into glass logs, is expected to boost that number over time.

NATIONAL INDICATORS

Free Money

The Federal Open Market Committee (FOMC) met in an unscheduled meeting on September 17 and proceeded to lower the federal funds rate by one-half of one percentage point from 3.5 percent to 3.0 percent. In a related move, the FOMC cut the discount rate—the rate charged member banks—from 3.0 percent to 2.5 percent. The FOMC made this move about an hour before U.S. stock exchanges re-opened in the wake of the terrorist attacks on September 11.

The FOMC met again on October 2 and lowered the federal funds rate yet another 50 basis points to 2.5 percent and the discount rate by a like measure to 2.0 points. The

Board of Governors cited the September 11 terrorist attacks as a driving factor behind their actions, the former having significantly heightened uncertainty in an economy already weakened by slow business and consumer spending. Interestingly, as they currently stand, short-term interest rates are effectively lower than the annual rate of inflation as measured by the U.S. CPI-U.

Lost Money

The Dow Jones Industrial Average fell 685 points or more than 7 percent to 8,920 on September 17, the first day U.S. stock markets were open following the terrorist attacks of September 11. The Nasdaq fell 116 points to 1,580. The bleeding continued in the days that followed with the Dow touching down at 7,926 before “rebounding” (to use the term generously). As of this writing, the Dow has pushed above the 9,000 mark.

Stable Money

Speaking of inflation, there was none. For the second consecutive month, the U.S. Consumer Price Index for All Urban Consumers (CPI-U) remained unchanged at 177.5 on a 1982-84=100 basis. Over the year, the U.S. CPI-U was up 2.7 percent, which is shaping up to come in lower on a year-over-year basis than it did in 2000. The situation was a little different for the Seattle-Tacoma-Bremerton CPI, which rose 0.3 percent over the two-month period from June to August. Over the year, the Seattle-Tacoma-Bremerton CPI was up 3.6 percent, which is about the same that was seen in 2000.

Too Much Money

The federal government maintains in trust the taxes collected from employers under the Unemployment Insurance (UI) program, which are then used to administer the program and provide unemployment insurance benefits. Any dollars from the trust fund in excess of a ceiling set by formula is refunded to states. The trust fund is expected to bust the ceiling by roughly \$4 billion a year. Secretary of Labor Elaine Chao was expected to forward recommendations to Congress on September 30 outlining how the Department suggested the surplus be used, but postponed delivery of those recommendations after the September 11 terrorist attacks. States and employers lobbied the Labor Department to support a recommendation by the National Association of State Workforce Agencies to use the surplus on expanded benefits, improved administration, and employment services. Congress, however, can use the rest of the surplus elsewhere

in the federal budget. With the federal budget surplus projections shrinking, the UI trust fund surplus will be a very inviting target to cover the spending deficit and would be much less visible and controversial than tapping the Social Security trust fund, though states and employers oppose such an idea.

On a separate note, on October 1, Secretary Chao announced a \$100 million dollar disbursement from the UI trust fund for administrative improvements to states on a proportional basis pursuant to the Balanced Budget Act of 1997, which mandated a \$100 million dollar distribution each year for three years. This disbursement is the last of the three. Washington will receive \$5,148,335, fourth highest among the states.

No Money

The final estimate of real Gross Domestic Product (GDP) for the second quarter of 2001 was revised upward slightly from 0.2 percent to 0.3 percent. Real GDP rose 1.3 percent in the first quarter of 2001. This means that the economy scarcely peeped. This represents a dramatic fall-off from the second quarter of 2000. A year ago, the nation's economy was expanding at a healthy 5.7 percent.

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

	Indexes			% Change From	
	Aug-01	Jul-01	Aug-00	Jul-01	Aug-00
U.S. City Average	177.5	177.5	172.8	0.0%	2.7%
Seattle *	186.8	186.3	180.3	0.3%	3.6%

** 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

	August 2001 (Prel)	July 2001 (Rev)	August 2000 (Rev)	July 2000 (Rev)	Numeric Change	
					July 2001 to August 2001	August 2000 to August 2001
Total Nonagricultural Wage & Salary Workers	2,738.2	2,744.4	2,729.3	2,722.3	-6.2	8.9
Manufacturing	341.5	340.7	355.7	353.7	0.8	-14.2
Durable Goods	235.5	235.8	244.4	244.7 ²	-0.3	-8.9
Lumber & Wood Products	31.7	32.0	34.2	34.1	-0.3	-2.5
Logging	6.8	6.9	7.5	7.4	-0.1	-0.7
Sawmills & Plywood	21.6	21.8	23.2	23.1	-0.2	-1.6
Furniture & Fixtures	4.7	4.7	4.9	5.0	0.0	-0.2
Stone, Clay & Glass	9.2	9.1	9.3	9.5	0.1	-0.1
Primary Metals	9.3	9.3	10.8	10.9	0.0	-1.5
Aluminum	5.4	5.4	6.6 ²	6.7 ²	0.0	-1.2
Fabricated Metals	15.3	15.2	15.2	15.1	0.1	0.1
Industrial Machinery & Equipment	24.9	25.0	25.8	25.8	-0.1	-0.9
Computer & Office Equipment	6.0	6.0	6.2	6.2	0.0	-0.2
Electronic & Other Electrical Equipment	18.0	18.2	20.3	20.1	-0.2	-2.3
Transportation Equipment	100.3	100.1	100.7	100.9	0.2	-0.4
Aircraft & Parts	87.4	87.1	85.7	85.8	0.3	1.7
Ship & Boat Building	6.1	6.3	7.3	7.3	-0.2	-1.2
Instruments & Related	13.9	14.0	14.7	14.8	-0.1	-0.8
Miscellaneous Manufacturing	8.2	8.2	8.5	8.5	0.0	-0.3
Nondurable Goods	106.0	104.9	111.3	109.0	1.1	-5.3
Food & Kindred Products	41.0	39.5	44.1	41.8	1.5	-3.1
Preserved Fruits & Vegetables	14.0	12.7	16.5	14.5	1.3	-2.5
Textiles, Apparel & Leather	7.7	7.8	8.3	8.3	-0.1	-0.6
Paper & Allied Products	14.9	15.1	15.8	15.9	-0.2	-0.9
Printing & Publishing	23.6	23.8	24.4	24.4	-0.2	-0.8
Chemicals & Allied Products	6.3	6.3	6.3	6.2	0.0	0.0
Petroleum, Coal, Plastics	12.5	12.4	12.4	12.4	0.1	0.1
Mining & Quarrying	3.8	3.8	3.8 ²	3.7 ²	0.0	0.0
Construction	174.7	171.9	171.5	168.6	2.8	3.2
General Building Contractors	47.6	47.0	46.7	46.1	0.6	0.9
Heavy Construction, except Building	21.3	20.7	20.8	20.2	0.6	0.5
Special Trade Contractors	105.8	104.2	104.0	102.3	1.6	1.8
Transportation, Communications & Utilities	148.8	148.7	149.7	147.7	0.1	-0.9
Transportation	97.1	96.8	96.3	95.2	0.3	0.8
Trucking & Warehousing	35.5	35.2	35.2	34.7	0.3	0.3
Water Transportation	9.3	9.2	9.5	9.3	0.1	-0.2
Transportation by Air	27.2	27.3	27.2	27.1	-0.1	0.0
Communications	35.4	35.6	36.8	36.1	-0.2	-1.4
Electric, Gas & Sanitary Services	16.3	16.3	16.6	16.4	0.0	-0.3
Wholesale & Retail Trade	661.7	660.5	661.5	658.0	1.2	0.2
Wholesale Trade	156.4	156.5	158.3	157.9	-0.1	-1.9
Durable Goods	89.7	89.6	91.2	90.8	0.1	-1.5
Nondurable Goods	66.7	66.9	67.1	67.1	-0.2	-0.4
Retail Trade	505.3	504.0	503.2	500.1	1.3	2.1
Building Materials/Garden Supplies	22.0	22.3	23.0	23.5	-0.3	-1.0
General Merchandise	50.4	49.6	50.8	50.1	0.8	-0.4
Food Stores	70.8	71.0	71.5	71.4	-0.2	-0.7
Automobile Dealers & Service Stations	52.0	51.9	51.6	51.5	0.1	0.4
Apparel & Accessory Stores	25.4	25.0	25.8	25.6	0.4	-0.4
Eating & Drinking Establishments	193.6	193.4	189.4	187.8	0.2	4.2
Finance, Insurance & Real Estate	140.4	140.3	137.8	137.8	0.1	2.6
Finance	62.7	62.6	60.9	61.0	0.1	1.8
Insurance	41.0	41.0	40.7	40.8	0.0	0.3
Real Estate	36.7	36.7	36.2	36.0	0.0	0.5
Services	806.8	805.9	794.9	789.2	0.9	11.9
Hotels & Lodging	32.5	32.1	32.4	31.9	0.4	0.1
Personal Services	22.8	22.5	22.8	22.7	0.3	0.0
Business Services	189.9	191.4	195.8	192.1	-1.5	-5.9
Computer & Data Processing Services	70.9	72.7	71.9	71.1	-1.8	-1.0
Amusement & Recreational Services	51.7	51.6	49.7	49.1	0.1	2.0
Health Services	196.6	195.5	190.7	190.3	1.1	5.9
Nursing & Personal Care	32.5	32.5	32.2	32.1	0.0	0.3
Hospitals	61.7	61.0	59.6	59.7	0.7	2.1
Legal Services	20.9	20.9	20.3	20.4	0.0	0.6
Educational Services	31.9	32.0	31.4	31.5	-0.1	0.5
Social Services	66.1	66.1	63.6	63.6	0.0	2.5
Engineering & Management Services	75.6	75.5	72.1	71.7	0.1	3.5
Government	460.5	472.6	454.4	463.6	-12.1	6.1
Federal	69.1	68.8	71.6	70.4	0.3	-2.5
State	128.8	127.9	126.0	124.8	0.9	2.8
State Education	61.3	60.4	60.1	58.6	0.9	1.2
Local	262.6	275.9	256.8	268.4	-13.3	5.8
Local Education	129.2	143.2	125.1	137.0	-14.0	4.1
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/

August 2001 Preliminary July 2001 Revised August 2000 Revised

Not Seasonally Adjusted	August 2001 Preliminary			July 2001 Revised			August 2000 Revised		
	Labor Force	Employment	Unemployment Rate	Labor Force	Employment	Unemployment Rate	Labor Force	Employment	Unemployment Rate
Washington State Total	3,029,700	2,860,300	169,400	3,098,100	2,922,000	176,100	3,042,400	2,892,200	150,200
Bellingham MSA	78,600	73,700	4,800	81,100	76,000	5,100	81,600	77,400	4,200
Bremerton PMSA	89,600	84,800	4,800	91,700	86,400	5,300	92,900	87,900	5,000
Olympia PMSA	97,200	92,400	4,800	99,800	94,600	5,300	97,000	92,300	4,800
Seattle-Bellevue-Everett PMSA	1,399,600	1,333,300	66,300	1,422,700	1,355,100	67,600	1,391,600	1,340,300	51,300
King County 2/	1,027,500	978,300	49,200	1,043,900	994,300	49,700	1,020,700	983,400	37,300
Snohomish County 2/	342,900	326,900	15,900	349,000	332,300	16,700	341,600	328,600	12,900
Island County 2/	29,200	28,100	1,200	29,800	28,500	1,300	29,300	28,200	1,100
Spokane MSA	202,600	191,100	11,500	206,200	193,900	12,300	204,200	194,200	10,000
Tacoma PMSA	325,100	306,400	18,800	329,800	310,200	19,600	330,000	312,000	17,900
Tri-Cities MSA	96,200	90,500	5,700	99,000	92,700	6,300	96,100	90,300	5,800
Benton County 2/	73,700	69,400	4,300	75,600	71,100	4,500	73,500	69,200	4,400
Franklin County 2/	22,600	21,200	1,400	23,400	21,700	1,800	22,600	21,100	1,500
Yakima MSA	111,800	101,900	9,900	117,700	107,700	10,000	111,000	100,800	10,200
Adams	8,590	7,980	610	9,330	8,700	630	9,260	8,680	580
Asotin 2/	11,520	11,070	450	11,410	11,110	300	11,770	11,110	660
Chelan-Douglas LMA	54,690	49,720	4,970	62,080	58,510	3,570	55,700	50,680	5,010
Chelan County 2/	35,140	31,700	3,440	39,700	37,310	2,390	35,670	32,320	3,350
Douglas County 2/	19,550	18,010	1,540	22,380	21,200	1,180	20,030	18,360	1,660
Gallam	24,310	22,800	1,510	24,790	23,030	1,760	24,290	22,510	1,780
Clark 2/	179,700	168,600	11,100	181,700	169,800	11,900	177,900	169,700	8,200
Columbia	1,200	1,090	110	1,210	1,110	110	1,370	1,240	130
Cowlitz	40,400	36,080	4,310	41,690	37,180	4,510	40,690	37,700	2,990
Ferry	2,490	2,250	240	2,540	2,290	260	2,510	2,240	270
Garfield	1,280	1,260	10	1,330	1,310	20	1,290	1,260	40
Grant	36,940	34,190	2,750	38,660	35,700	2,960	37,940	35,010	2,940
Grays Harbor	25,590	23,430	2,160	26,290	23,860	2,430	25,470	23,020	2,450
Jefferson	10,050	9,540	510	10,250	9,710	540	10,560	10,090	470
Kittitas	14,110	13,410	700	14,330	13,530	800	14,240	13,610	630
Klickitat	8,360	7,350	1,000	9,030	7,940	1,090	9,250	8,420	830
Lewis	28,300	26,140	2,170	29,260	26,860	2,410	29,840	27,360	2,480
Lincoln	4,830	4,670	170	4,900	4,680	220	4,870	4,690	190
Mason	19,180	18,020	1,160	19,650	18,300	1,340	19,700	18,110	1,590
Okanogan	21,080	19,490	1,590	22,660	20,980	1,680	21,840	19,630	2,220
Pacific	7,770	7,280	490	8,050	7,460	600	7,980	7,400	570
Pend Oreille	4,300	3,970	330	4,420	4,080	340	4,220	3,890	330
San Juan	7,050	6,890	160	7,340	7,160	180	6,950	6,820	130
Skagit	51,450	48,330	3,120	52,460	49,180	3,290	53,640	50,570	3,070
Skamania	4,000	3,680	310	4,070	3,740	320	4,040	3,740	300
Stevens	16,900	15,690	1,210	17,420	15,990	1,430	16,610	15,450	1,160
Wahkiakum	1,790	1,710	80	1,830	1,720	110	1,720	1,740	110
Walla Walla	24,820	23,570	1,250	26,110	24,680	1,430	25,180	23,880	1,300
Whitman	18,300	17,930	370	17,230	16,810	420	19,010	18,620	390

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

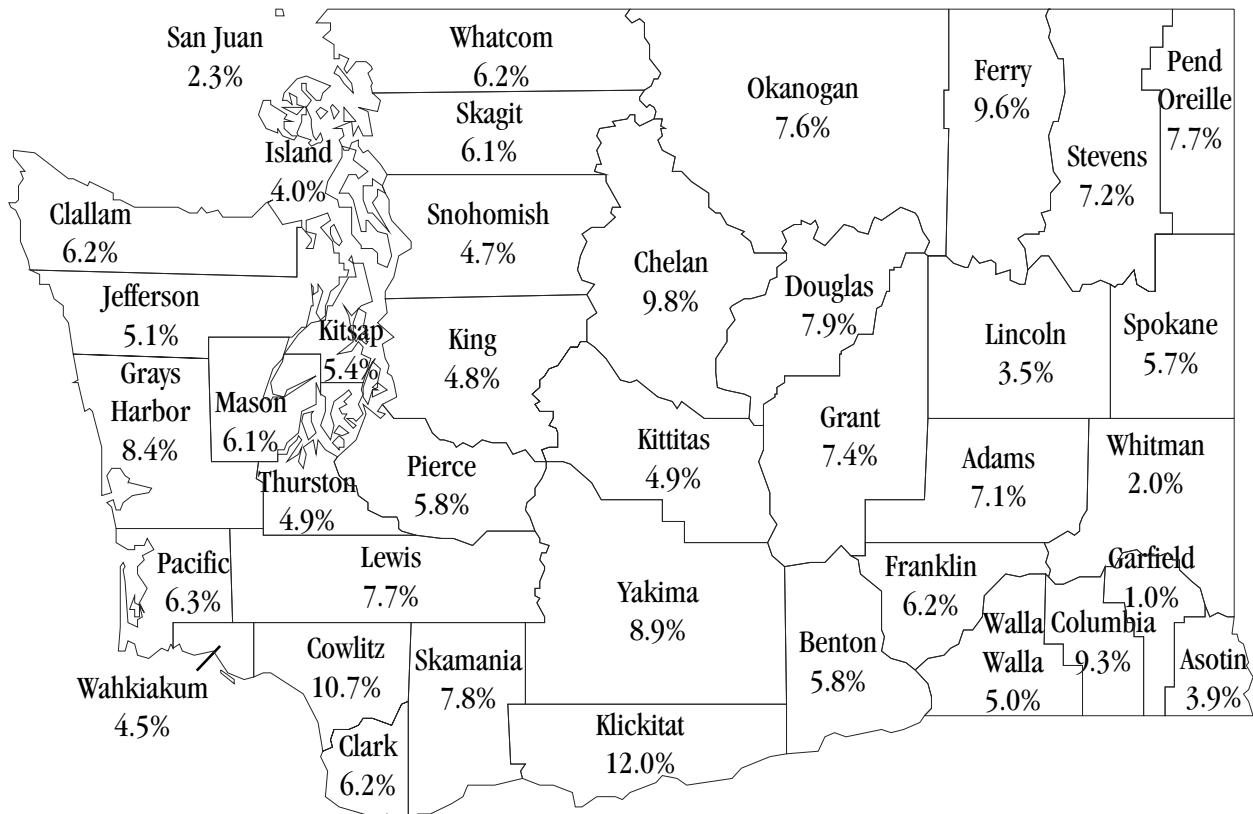
<i>(In Thousands)</i>	August 2001 (Prel)	July 2001 (Rev)	August 2000 (Rev)	July 2000 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	6.0%	5.8%	4.9%	5.3%
United States	4.9%	4.5%	4.1%	4.0%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,029.7	3,098.1	3,042.4	3,088.9
Employment	2,860.3	2,922.0	2,892.2	2,928.0
Unemployment	169.4	176.1	150.2	160.9
Percent of Labor Force	5.6%	5.7%	4.9%	5.2%

Unemployment Rates by County, August 2001

Washington State = 5.6%

United States = 4.9%

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	
	August 01	July 01	August 01	July 01	August 01	July 01
TOTAL MANUFACTURING INDUSTRIES	\$702.24	\$708.44	39.9	39.8	\$17.60	\$17.80
SELECTED MANUFACTURING INDUSTRIES						
Lumber and Wood Products	\$619.74	\$614.56	40.4	39.7	\$15.34	\$15.48
Primary Metal Industries	\$712.78	\$718.20	40.8	40.9	\$17.47	\$17.56
Transportation Equipment	\$987.70	\$984.18	41.5	41.3	\$23.80	\$23.83
Food and Kindred Products	\$548.06	\$554.61	40.9	41.7	\$13.40	\$13.30
Chemicals and Allied Products	\$984.59	\$1,060.16	41.3	43.7	\$23.84	\$24.26
SELECTED NONMANUFACTURING INDUSTRIES						
Construction	\$892.62	\$885.02	38	38	\$23.49	\$23.29
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$392.69	\$404.35	31.9	32.4	\$12.31	\$12.48



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