

# Washington Labor Market



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**July 2002**



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

## Highlights

|  |    |
|--|----|
| <b>WASHINGTON LABOR MARKET</b>                         |    |
| HINTS AT RECOVERY .....                                | 1  |
| LABOR FORCE AND UNEMPLOYMENT .....                     | 1  |
| INDUSTRY DEVELOPMENTS.....                             | 4  |
| <i>Over the Month</i> .....                            | 4  |
| <i>Year-Over-Year</i> .....                            | 4  |
| AREA TRENDS.....                                       | 5  |
| INDUSTRY NOTES .....                                   | 6  |
| <i>Cherries Juice July</i> .....                       | 6  |
| <i>Rockfish Rulings Send Sector Reeling</i> .....      | 7  |
| <i>Aerospace Cuts Grow Quiet, But Not Silent</i> ..... | 9  |
| <i>Labor Unrest Looms</i> .....                        | 9  |
| <i>Semiconductor, Semi-Recovery</i> .....              | 12 |
| <i>Postage Takes A Hike</i> .....                      | 13 |
| NATIONAL NOTES .....                                   | 14 |
| <i>Prices Stay Put</i> .....                           | 14 |
| <i>Dow 10,000 9,000 8,000 7,000</i> .....              | 14 |
| <i>Dollar Doldrums</i> .....                           | 14 |
| <i>The Ever-Developing Federal Debt</i> .....          | 15 |
| <i>Washington Is Not Alone</i> .....                   | 15 |

## WASHINGTON'S LABOR MARKET HINTS AT RECOVERY

If the June data are any indication, from a labor market perspective, Washington's economy revealed signs of an emerging recovery. A single month's observation does not, of course, constitute a trend, let alone a sustained one. However, after several months of labor force and employment contraction and rising unemployment, the June data certainly offer some optimism that Washington's labor market is turning the recessionary corner. Furthermore, the recent developments are pretty consistent with the short-term forecast issued by the Office of the Forecast Council, which shows that the state's economy will begin to recover in the second half of 2002. Statewide nonfarm employment is expected to return to net positive growth in the third quarter of 2002 while the state's unemployment rate, which is tied to labor force trends that typically lag, is expected to start easing in the fourth quarter of 2002.

## LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally adjusted unemployment rate fell three-tenths of one percentage point to 6.8 percent in June. The nation's seasonally adjusted unemployment rate fell two-tenths of one percentage point over the month to 5.8 percent. Washington's non-adjusted unemployment rate fell one-tenth of one percentage point to 6.8 percent.

These developments reveal something of a flip-flop in the state and national labor force situations. In the months previous, the national labor force situation appeared to be improving while the state's continued to deteriorate. In June, however, all of Washington's seasonally adjusted labor force indicators pointed in the right direction: the labor force was up, the number of employed was up, and the number of unemployed was down, all of which translated into a declining unemployment rate. The national labor force picture was less bright: the labor force was down, the number of employed was down, and the number of unemployed was up, all of which led to a slight uptick in the unemployment rate. Again, while one month does not constitute a trend, the June data provide optimism that Washington's labor market is turning the corner.

Turning to the sub-state labor force picture, all but four Washington counties saw their unemployment rates fall or remain unchanged over the month in June. Wahkiakum, Klickitat, Asotin, and Whitman, incidently, were the four

that experienced rising rates of joblessness. As indicated last month and the month before that, this is normal as agriculture and other natural resource activities build seasonally. The greatest over-the-month decline in jobless rate was in Grant County, which saw an easing of two and a half percentage points. It was followed by Ferry and Chelan counties, which shed just under two percentage points from their jobless rates. Declines of one to one and a half percentage points were seen in Douglas, Yakima, Skamania, Columbia, and Okanogan counties. Clearly reflected in these jobless rate declines was the impact of agriculture and forest products. Virtually all of Washington metropolitan counties were in the group that saw no change in their jobless rates over the month.

On a slightly different note, while the statewide labor force expanded by 1 percent over the month, Chelan, Douglas, Okanogan, Adams, Yakima, Benton, Franklin, Grant, and Klickitat saw their labor forces soar from 5 to 10 percent in June. These are primarily tree fruit producing counties that experienced a combination of apple thinning and cherry harvesting activities. A few counties experienced labor force contraction. Whitman County, in particular saw its labor force shrink more than 10 percent as Washington State University recessed for the summer and students exited the labor force. Whitman, along with Asotin and Columbia, also has a lull in activity between the spring and summer wheat harvests in June. The reasons behind the labor force contractions in Spokane, Whatcom, Lewis, and Jefferson counties were less discernable, but probably tied to a combination of academic recesses (particularly in Spokane and Whatcom) but also general labor market weakness.

In terms of over-the-year changes in June, central Puget Sound counties continued to reflect the most pronounced jobless rate increases with upticks ranging from roughly one percentage point in Pierce, Island, and King counties to more than two percentage points in Snohomish County. Clark County's unemployment rate also rose significantly to the tune of about one and a half percentage point in June. Still, only a third of Washington's counties saw their jobless rates increase year-over-year in June, which means that two-thirds saw their jobless rates fall. These were largely rural counties from both sides of the Cascades. Ferry County's

jobless rate fell the most—more than four percentage points—followed by Grays Harbor, Cowlitz, and Okanogan counties at around two to two and a half percentage points.

Though the statewide labor force expanded 1.2 percent from June 2001 to June 2002, labor force growth was most notable in the Tri-Cities (Benton and Franklin counties) as nuclear waste cleanup activities at the Hanford Reservation fueled gains in excess of 6 percent. However, two Olympic Peninsula counties—Mason and Pacific—posted the strongest year-over-year growth at 9.2 percent and 7.9 percent, respectively. On the flip side, a number of counties experienced labor force contraction over the year. Columbia County, in particular, lost nearly 15 percent of its labor force. Klickitat, Okanogan, and San Juan counties all saw their labor forces shrink nearly 6 percent. Not even metropolitan areas were spared as the labor forces in Yakima (-1.4 percent), Whatcom (-1.4 percent), and Spokane (-0.5 percent) counties took hits.

Still, it is important to recognize that despite the jobless rate declines cited above, most of those same counties also have the highest absolute rates of unemployment. A prime example is Klickitat County, which despite seeing significant over-the-month and over-the-year declines in its jobless rate, still had far and away the highest absolute jobless rate in Washington in May at 14.0 percent. Cowlitz, Skamania, Grant, and Ferry counties had unemployment rates in double digits between 10 and 11 percent. Chelan and Yakima counties were “knocking at that door” with rates just under 10 percent. Nearly two-thirds had jobless rates above the state average. Whitman County, as usual, anchored the low end of the county unemployment rate spectrum at 2.0 percent. It was again followed by other “wheat” counties, namely Garfield, Asotin, Walla Walla, and Lincoln, with jobless rates from 3.3 percent to 4.6 percent. San Juan had the lowest jobless rate in western Washington at 4.1 percent. Thurston County had the lowest metropolitan unemployment rate at 5.5 percent, though the Tri-Cities (Benton and Franklin counties) and Kitsap County were not far behind at 5.7 percent and 5.9 percent, respectively.

## INDUSTRY DEVELOPMENTS

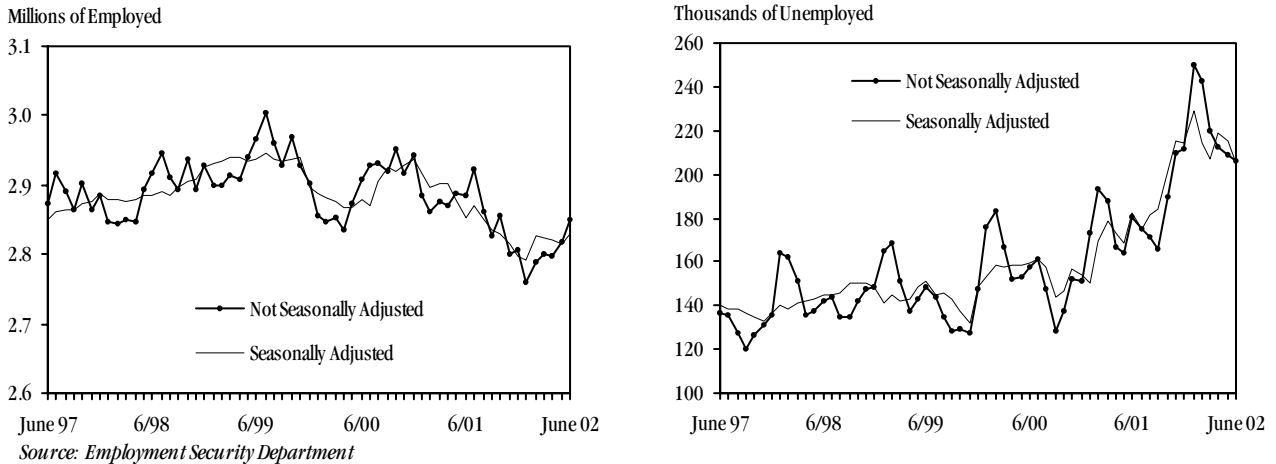
### *Over the Month*

Washington added 16,800 nonagricultural wage and salary jobs over the month in June for a non-adjusted increase of 0.6 percent. Services accounted for 3,700 of that gain with business services, hotels and lodging, and amusement and recreation leading the way. The 1,700 increase in business services is especially noteworthy since the sector was contracting at this time last year. It is often viewed as a leading indicator due to temporary help and other services contracted out by businesses. Retail trade added 4,200 jobs with all of its core sectors revealing seasonal gains. Construction also added 4,200 jobs, half in special trade contracting. Finance, insurance, and real estate added 400 jobs, as did transportation and public utilities. Manufacturing added 1,400 jobs, all in seasonal non-durable goods, namely food and kindred products (+1,200). On the durable goods side, gains in lumber and wood products (+500), fabricated metals (+200), instruments (+100), and stone, clay and glass (+100) were offset by the loss of 1,000 jobs in aircraft and parts. Government was up 1,100 with the federal sector up 1,100 while a 2,600 loss in state government (mostly education related seasonal losses) offset a 2,600 gain in local government.

### *Year-Over-Year*

Washington's nonfarm employment estimated in collaboration with the Office of the Forecast Council fell by 66,300 jobs or 2.4 percent from June 2001 to June 2002 after seasonal adjustment. Non-adjusted data show that manufacturing lost 29,100 jobs with nearly four in five of those jobs lost in durable goods. Aircraft and parts, in particular, shed 10,800 jobs. Among nondurable goods, the 2,700 jobs lost in food processing was the largest. On the non-manufacturing side, losses outpaced gains. Construction shed 25,500 jobs followed by wholesale and retail trade with 12,400 and services with 10,100. Business services, in particular, lost 12,500 jobs including 5,800 in computer and data processing. Health care (+6,700) was the main source of new service sector jobs, though educational services (+1,800) and social services (+1,700) also contributed. Transportation, communications and utilities lost 10,000 jobs, but finance, insurance and real estate gained 3,800. Government added 11,800 jobs with nearly two-thirds of the increase was in local government and more than half in state and local education.

## Washington State Total Resident Employment and Unemployment June 1997-June 2002



### AREA TRENDS

Statewide, the period from May 2002 to June 2002 revealed essentially no change, having dipped but a tenth of a percentage point to 6.8 percent over the month. In some cases, however, the regional perspective revealed more variation. Metropolitan and western Washington, however, were not in that category. The metropolitan area jobless rate inched down one-tenth of a percentage point to 6.5 percent, while the western area jobless rate was unchanged over the month at 6.8 percent. The real shifts in regional unemployment rates were seen in eastern Washington and timber dependent Washington. As was the case in the two previous months, the agriculture and natural resource-dependent nature of their economic bases and the subsequent upswing in activity they experience this time of year translated into declining rates of joblessness. Eastern Washington's jobless rate fell one-half of one percentage point to 6.7 percent, resulting in a level of joblessness that was in line with that seen in the state's western and metropolitan regions. The unemployment rate in timber-dependent Washington also fell one half of one percentage point, but only to 7.9 percent. It is historically at this time of year that the jobless rate gap between eastern and timber-dependent Washington on one hand and western and metropolitan Washington on the other is the narrowest.

The year-over-year numbers show Washington's not seasonally adjusted unemployment rate up one half of one percentage point from June 2001 to June 2002. That is reflective of an over-the-year difference that has been

progressively easing over the past several months. Metropolitan Washington had the greatest influence on the state average as its year-over-year jobless rate was up six-tenths of one percentage point. The western Washington unemployment rate was up nine-tenths of a percentage point over the year. While the metropolitan region is largely encompassed by the western region, the latter's labor force situation has been more adversely affected by energy-related issues in its southwest and northwest counties. Eastern and timber-dependent Washington, meanwhile, saw their jobless rates fall over the same period. The state's timber-dependent region saw its jobless rate fall a full percentage point over the year. Eastern Washington, meanwhile, revealed an unemployment rate that was seven-tenths of a percentage point lower in June than it was the previous year.

Unemployment Rates by Geographic Areas  
State of Washington

| Areas                  | Jun-02 | May-02 | Jun-01 | May-01 |
|------------------------|--------|--------|--------|--------|
| Washington State Total | 6.8%   | 6.9%   | 6.3%   | 5.9%   |
| Metropolitan Areas     | 6.5%   | 6.6%   | 5.9%   | 5.4%   |
| Log & Lumber Areas     | 7.9%   | 8.4%   | 8.9%   | 9.1%   |
| All Western WA Areas   | 6.8%   | 6.8%   | 5.9%   | 5.5%   |
| All Eastern WA Areas   | 6.7%   | 7.2%   | 7.4%   | 7.5%   |

*Source: Employment Security Department*

## INDUSTRY NOTES

### *Cherries Juice July*

To most, July means summer and fireworks. Here in Washington, it is also synonymous with the annual cherry harvest. According to the state Department of Agriculture, Washington was the nation's number one producer of sweet cherries with close to (44 percent) of the country's total production in 2001. Total production in 2001 was 106,000 tons (which topped the previous record of 98,000 tons set in 1998) with a recorded value of \$144.1 million. On a lesser note, the state was ranked third nationally in the production of tart cherries with its 12,750 tons representing 7 percent of the country's total production.

Not only is cherry harvesting noteworthy because of its sheer labor intensity, it is also noteworthy because of the narrow window within which that labor is brought to bear. In 2001, for example, Employment Security Department data from an

in-season farm worker survey showed an average of around 400 workers engaged in mostly cherry tree pruning activities from January through May. That was followed, however, by a jump to nearly 6,900 workers in June as activity shifted to the harvesting of early cherry varieties to a massive escalation to 21,400 workers in July as cherry harvesting got fully underway. By August, the number of workers in the cherry orchards was down to 2,700 with most of those workers involved in post-harvest cleanup activities. From September through December, the cherry sector is virtually nonexistent with the average number of workers at 60. This year, the cherry harvest was somewhat “late” due to cool spring weather that delayed maturity. As such, the big surge in harvesting activity did not kick in until mid-July.

Weather, of course, is a key factor. A hard winter freeze or early summer wind, rain, or hail can damage or destroy a cherry crop. Washington’s cherry country experienced a late frost in May and rain and wind in the first week of July. Damage, however, was minimal and the cherry crop appears to have weathered the weather, so to speak. Pollination is another critical factor. Cherry farmers are said to have been somewhat disappointed that they did not get the degree of pollination activity they had hoped for. When all is said and done, this year’s cherry crop is expected to be smaller than initially estimated at around 90,000 tons. However, that simply means the crop will be moderate instead of exceptional, which is by no means bad.

### *Rockfish Rulings Send Sector Reeling*

The Pacific Fishery Management Council (PFMC) placed sharp restrictions on the harvesting of bocaccio and dark blotched rockfish because the optimal yield for the former had already been reached and that of the latter was expected to be attained before year’s end. As a result, effective July 1, the PFMC recommended closure of the bocaccio catch and an adjustment to the dark blotched rockfish catch with the latter aimed at avoiding premature closure.

In a more aggressive ruling, the PFMC recommended a virtual ban on commercial trawling for rockfish off the continental shelf of Washington and Oregon after September 1, which means the ruling will go into effect roughly six months earlier than expected. The restriction is designed



to protect several species of endangered rockfish that the National Marine Fisheries Service says are over fished and at critically low levels: bocaccio, canary rockfish, yellow eye rockfish, and dark blotched rockfish. The fish live mainly along the continental shelf, an area that extends roughly from depths of 150 feet to 900 feet. Under the ban no commercial trawling will be allowed between depths of 600 feet and 1,500 feet off Washington and Oregon. This means the West Coast trawler fleet will have to fish far off the continental shelf next year and sport fishermen will have to drop their lines in shallow water close to shore. The PFMC will not adopt final rules for 2003 until it meets again in September. However, commercial and sport fishermen alike are said to already be bracing for those restrictions.

The Pacific Fishery Management Council is one of eight regional fishery management councils established by the Magnuson Fishery Conservation and Management Act of 1976 to manage fisheries from 3 to 200 miles offshore off the coasts of California, Oregon, and Washington. The states regulate fishing in the ocean within three miles of shore. Washington, Oregon and California generally adopt fishing regulations for state waters that conform to rules set for federal waters.

In 2001, the commercial finfish industry in Washington was comprised of more than 400 employer-operators who combined to employ more than 1,300 workers and support a total payroll of more than \$97.5 million. The average covered wage for the sector was \$72,837. The commercial catch itself is reported to generate an estimated \$77 million in Washington annually. Even before factoring in the anticipated impacts of the ruling to take effect on September 1, the sector had been shrinking for more than a decade. For example, the industry had nearly 740 employer-operators in 1994, with the number declining progressively since that time. Moreover, the sector recorded peak employment and payroll levels of more than 3,900 and \$205.3 million, respectively, in 1990. Both of those figures also fell progressively over time.

*Aerospace Cuts Grow Quiet,  
But Not Silent*

June having come and gone and Boeing's Commercial Airplane Group having effected only 23,000 of the 30,000 layoffs it had planned nationwide by that time, the company restated its intent to eventually lay off 30,000. To date, nearly 19,000 of those layoffs have affected workers in the Puget Sound region. Because the company was unable to achieve its restructuring target by June 2002, more cuts can be expected through the end of the calendar year. In other words, this changes the timing, but not overall target. To date, the company has announced job cuts of 29,300 nationwide. Another 700 positions and the company will have at least announced 30,000 job cuts. Historically, though, not all workers who received layoff notices actually lose their jobs. In the current restructuring, about 10 percent have found jobs elsewhere at Boeing, remained or gone on extended leave, or got their layoffs rescinded or delayed. Some positions have been cut through retirement or elimination of jobs that have been voluntarily vacated.

From October 2001 through June 2002, the Employment Security Department received ten submissions under the auspices of the federal Worker Adjustment and Retraining Notification (WARN) Act of 1988, which requires 60 day advanced notice to workers affected by plant closings or mass layoffs. Those WARNs affected more than 15,000 workers in Washington. The difference between this figure and the 19,000 cited above is the same as that between the company's announced job cuts and the figure cited above: some find jobs elsewhere within Boeing, retire, or remain or go on extended leave.

*Labor Unrest Looms*

Labor-management negotiations are currently ongoing in two of Washington's most prominent unionized sectors—marine shipping and aircraft manufacturing.

The most riveting at the moment are negotiations between the International Longshore and Warehouse Union (ILWU), which represents 10,500 dockworkers at 29 West Coast ports from Seattle down to San Diego, and the Pacific Maritime Association (PMA), which represents major shipping and stevedoring companies. For the most part, the negotiations have focused on wages and benefits and job security. To be sure, the maritime jobs pay well. According to the PMA, wages range on average from \$80,000

for a full-time dock worker to \$107,000 for a full-time longshore worker to \$167,000 for an experienced foreman. This is in addition to shipper coverage of virtually all workers' health-care costs. The three-year longshore workers' contract expired on July 1. It is not unusual for contract negotiations to extend beyond an expiration deadline, and the two sides have continued to talk after agreeing to short-term contract extensions. Moreover, the ILWU has made assurances that it will not call for an immediate strike, work slowdown, work stoppage, or other labor disruptions, while the PMA has promised not to lock out workers. The longer the negotiations stretch out beyond July 1, however, the greater the tensions will surely become, particularly if there does not appear to be any progress. Though seemingly remote for the time being, an ILWU strike against West Coast ports, were one to materialize, would significantly impact the U.S. economy. Last year, West Coast dock workers handled \$260 billion in cargo that eventually flowed across the country. Any shutdown would severely impact wholesalers and retailers because many holiday products are imported during the summer and U.S. firms have trimmed inventories to keep costs down during the recession. The shutdown would be exacerbated by the fact that the Teamsters, who drive the trucks that transport goods to and from the ports, have pledged to honor picket lines. According to Employment Security Department data, there were nearly 4700 public and private sector workers involved in marine cargo handling in 2001. Those workers accounted for a total payroll of more than \$300 million and an average wage of \$63,986 (the private sector workers earned, on average, \$68,879 compared to \$51,254 for public sector workers). Most of those workers were employed at the Ports of Seattle and Tacoma, but others can be found not only at other Puget Sound and Pacific Coast ports, but also at larger ports along the Columbia-Snake River waterway.

Boeing's largest union, the International Association of Machinists and Aerospace Workers, recently began negotiations with the company on a new contract for its 26,000 members in Washington, Oregon, and Kansas. The key issues on the table are pensions and job security. The negotiating timetable is expected to intensify in mid-August as

round-the-clock talks kick in on August 15 toward a membership vote on the company's final offer on August 29. The hope is to reach an agreement before the current contract expires after midnight September 1. In the event the company's offer is rejected, the machinists' union members voted overwhelmingly (98 percent) to grant union leaders the authority to call a strike. A strike itself would then have to be approved by at least two-thirds of the members. Boeing narrowly averted a machinists strike two years ago, though it did experience strikes in 1995 and 1989.

On a more positive note, United Parcel Service (UPS), the world's largest delivery company, and the Teamsters Union tentatively agreed on a new contract for 210,000 UPS drivers, sorters, loaders, and clerks nationwide. The tentative contract includes wage increases, an increase in the number of full-time jobs, and larger employer contributions to health and pension plans for full time workers. Better yet for UPS management, the contract was agreed to in advance of the July 31 expiration of the workers' current contract, thereby lessening the chances of a crippling strike similar to that the company experienced in 1997. There are a few outstanding issues still on the table, but major ones appear to have been addressed. The workers will vote to approve or reject the contract some time in mid-August. Here in Washington, UPS and other courier services like it accounted for nearly 9,000 workers, nearly \$320 million in total wages, and an average wage of \$35,606 in 2001.

In yet other regional news, Longview Aluminum plans to restart its pot lines may be held up by lack of progress on a new contract for hundreds of furloughed workers represented by the United Steelworkers of America. Those workers were furloughed in the wake of the energy situation that put virtually all of the state's aluminum smelters out of commission. Negotiations have dragged on so long that a federal mediator is now involved. This may be a sign of what is to come for other aluminum smelters as they look to bring their furloughed workers on line in the future.

## *Semiconductor, Semi-Recovery*

According to a news release issued by the San Jose, California-based Semiconductor Industry Association (SIA), global sales of semiconductors totaled \$11.37 billion in May, which represented a 2.8% increase over the month. The SIA reported that that growth was distributed across all products, especially wireless and digital consumer products, but was depressed in computers and related equipment that use microprocessors and memory chips. One trend picked up by the SIA was the shift of semiconductor customers to contract manufacturers in Asia, especially China. In May, sales to Asia-Pacific increased 4.8% over the month and represented 37% of the market. This suggests that while global sales are picking up, the growth is benefiting overseas players rather than those here in the U.S.

The SIA recently issued a mid-year forecast that stated that an industry-wide recovery was currently underway. The forecast predicted that semiconductor sales would increase 3 percent this year with the pace accelerating in the second half of the year. Growth is expected to further accelerate to 23 percent in 2003 and 21 percent in 2004 with wireless and digital consumer products continuing to lead the way.

These trends in semiconductor demand have been evident in Washington. For example, Vancouver-based SEH America, which makes silicon wafers for computer microchips, recently halted a planned reduction of 350 workers, citing increased demand for its product. Instead, the job cut will affect only the 100 jobs that were already eliminated when SEH moved production overseas to Malaysia a year ago and perhaps 50 additional jobs. The SEH example is reflective of the SIA assessment in that demand is slowly picking up, but that some production is being moved to Asia. Of course, Intel also recently announced that it would lay off 4,000 workers nationwide. How many, if any, of those cuts would affect Intel's Dupont, Washington site is not known. All told, 4,000 is a small share of the corporation's more than 83,000 work force, but it does illustrate that the waters remain rough. Other big players (and former players) in Washington's semiconductor industry include or included WaferTech (Taiwan Semiconductor), Sharp Microelectronics, Linear Technology Inc., and Matsushita. During the semiconductor boom in the latter half of the 1990s, before the industry suffered the

worst collapse in its history, these companies and others were lauded for creating thousands of direct and indirect high-tech jobs in Washington.

In 2001, the last full year for which the Employment Security Department has data on the sector, Washington's semiconductor industry employed 3,695 workers and paid more than \$208.7 million in wages for an average covered wage of \$56,469. That was largely unchanged from 2000, reflecting the fact that the sector had effectively peaked. Both the number of workers and the amount of total wages are expected to fall in 2002, however, reflecting the onset of recession and structural realignment in the global semiconductor industry. If the SIA forecast is accurate, the so-called Silicon Forest, of which southwest Washington is a major part, could see a rebound.

### *Postage Takes A Hike*

With the independent federal Postal Rate Commission having approved a three cent (or 8.8 percent) increase in the cost of first class postage to 37 cents on July 1, some folks might be curious about the U.S. Postal Service's presence here in Washington, at least from a labor market standpoint. According to preliminary data for 2001 from the Employment Security Department, the U.S. Postal Service operated 403 sites with an average employment base of 16,255 workers. Those workers accounted for a total payroll of \$681.3 million dollars and an average wage of \$41,912. The average employment was boosted slightly by a seasonal uptick in December, when roughly 1,000 additional workers were brought on across the state to handle the holiday surge in postal activity. Though not yet available, the data for 2002 may well reveal increases tied to providing enhanced security measures against biological (e.g., anthrax) and international terrorism. That was certainly one of the key factors cited for raising postal rates. Interestingly, the 16,255 postal service employees on average in 2001 were fewer than in 2000 (16,401) and 1999 (16,460), declines which marked the U.S. Postal Service's effort to deal with the first deficits in its history.

## NATIONAL NOTES

### *Prices Stay Put*

The U.S. Consumer Price Index for All Urban Consumers (CPI-U) was up 0.1 percent over the month in June and up 1.1 percent over the year. This means that inflation was essentially non-existent over the month and very much under control over the year. For its part, the Seattle-Tacoma-Bremerton CPI-U rose 0.3 percent over the two-month period from April 2002 to June 2002. Inflation growth also eased over the year as the Seattle CPI-U was up 1.7 percent in June 2002, which was less than half the year-over-year rates in 2001 (4.0 percent) and 2000 (3.8 percent) and lower than 1999 (3.1 percent). It was also lower in month-over-month terms as the 0.3 percent recorded this June was considerably below the 1.1 percent and 0.8 percent increases seen in 2001 and 2000, respectively. The term eased is, of course, a relative term since annual growth in the Seattle CPI-U was higher than that of the U.S. CPI-U over the same periods.

### *Dow ~~10,000~~ 9,000 8,000 7,000*

How low can it go? We once used this phrase in positively glowing terms to describe short-term interest rates. We now use it in exasperatingly negative terms to describe the stock market. After finishing the trading week on Friday, July 19 at 8,019, the Dow Jones Industrial Average (DJIA) resumed its downward spiral on Monday, and Tuesday, by plunging further still to 7,702. Several observations have been made about the dismal stock market. First, the 8,019 finish on July 19 took the DJIA below the 8,235 (September 21) low recorded in the aftermath of the 9/11 attacks. Second, the 7,702 finish on July 23 represents the worst two-week loss (more than 1,400 points) since the October 1987 Crash. Finally, as dismal as it may be, the market is not believed to have hit bottom yet. That, observers say, will only come after panic selling ceases.

### *Dollar Doldrums*

On July 15, the Euro was worth more than the US Dollar for the first time since being introduced two and a half years ago on January 1, 1999 (the Euro actually hit US\$1.18 shortly after its introduction, but proceeded to sink to US\$0.82 by October 2000). This was widely viewed as reflective of negative events in the U.S. economy rather than positive events in the European economy. That's not to

suggest that the Euro hasn't progressed—it's risen 15 percent since early April—but U.S. trade deficits, accounting scandals, and a stock market free fall did more to undercut the Dollar's value. A weaker US Dollar means that U.S. goods will be cheaper compared to European goods. However, a stronger Euro also means more expensive European vacations for U.S. tourists and higher prices for imported European goods for U.S. consumers. The Euro has risen despite tepid growth of 0.3 percent in the first quarter of 2002 among the 12 countries that use the currency. Economists had predicted stronger growth for the second half of this year, but a stronger Euro could hurt the price advantage held by European export manufacturers who were expected to lead the Euro Zone out of the doldrums.

### *The Ever-Developing Federal Debt*

The Office of Management and Budget (OMB) recently restated the current year's federal deficit at a projected \$165 billion, not the \$106 billion the Bush Administration projected in February. This reassessment was based on a current FY 2002 budget that already shows a \$66.5 billion deficit for the first seven months of the year. During the same period last year, the federal budget had a surplus of \$165 billion. A deficit this year would be a departure from four straight years of surpluses. Last year's surplus was \$127 billion. The Bush Administration also slashed to \$827 billion its projected surplus for the next decade. This is but a sixth of the 10-year, \$5 trillion surplus projected when President Bush took office. Factors contributing to the worsening projected federal debt include the 10-year, \$1.35 trillion tax cut (which sliced \$4 trillion right of the top), the national economic recession, defense spending for the war on terrorism, domestic spending on security and anti-terrorism measures, and weaker federal tax collection.

### *Washington Is Not Alone*

July 1 marked the start of the new fiscal year for most states, all but handful of which found themselves dealing with huge budget deficits. States generally find themselves in this situation for similar reasons: state tax cuts for business and individuals at the height of the expansion; (followed by) declining income and corporate tax receipts in the wake of recession; the 10-year \$1.35 trillion federal tax cut that increased the burden on states (including federally legislated reductions in state revenues via phase-out of the estate



tax); rising Medicaid and Medicare costs; and state “piggy-backing” on the federal definition of taxable income to their individuals and businesses which narrowed the tax base. Unlike the federal government, every state (except Vermont) requires that the fiscal year start with a balanced budget. In many states, this translated into cuts and even short-term fixes to prevent government shut downs. Few states have moved to raise taxes generally and no state has raised income taxes. Many states, however, have turned to increasing “sin taxes” or excise taxes on cigarettes and other activities. All told, state economic recovery is expected to lag the national recovery by a year or more.

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

|                   | Indexes |        |        | % Change From |         |
|-------------------|---------|--------|--------|---------------|---------|
|                   | Jun-02  | May-02 | Jun-01 | May-02        | June-02 |
| U.S. City Average | 179.9   | 179.8  | 178.0  | 0.1%          | 1.1%    |
| Seattle *         | 189.4   | 188.8  | 186.3  | Apr-02        | June-01 |
|                   |         |        |        | 0.3%          | 1.7%    |

*\* 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 <sup>1</sup>

In Thousands, Not Seasonally Adjusted

|   | June           | May           | June          | May           | Numeric Change              |                              |
|---|----------------|---------------|---------------|---------------|-----------------------------|------------------------------|
|   | 2002<br>(Prel) | 2002<br>(Rev) | 2001<br>(Rev) | 2001<br>(Rev) | May 2002<br>to<br>June 2002 | June 2001<br>to<br>June 2002 |
| <b>Total Nonagricultural Wage &amp; Salary Workers ....</b> | 2,677.7        | 2,660.9       | 2,736.6       | 2,719.5       | 16.8                        | -58.9                        |
| <b>Manufacturing .....</b>                                  | 313.7          | 312.3         | 342.8         | 341.4         | 1.4                         | -29.1                        |
| Durable Goods .....   | 213.9          | 213.9         | 237.1         | 236.8         | 0.0                         | -23.2                        |
| Lumber & Wood Products .....                                | 30.8           | 30.3          | 31.4          | 30.9          | 0.5                         | -0.6                         |
| Logging .....   | 7.0            | 6.8           | 6.6           | 6.2           | 0.2                         | 0.4                          |
| Sawmills & Plywood .....                                    | 20.5           | 20.3          | 21.5          | 21.4          | 0.2                         | -1.0                         |
| Furniture & Fixtures .....                                  | 4.4            | 4.4           | 4.8           | 4.8           | 0.0                         | -0.4                         |
| Stone, Clay & Glass .....                                   | 8.4            | 8.3           | 9.1           | 9.0           | 0.1                         | -0.7                         |
| Primary Metals .....  | 7.4            | 7.4           | 9.7           | 9.7           | 0.0                         | -2.3                         |
| Aluminum .....  | 3.9            | 3.9           | 5.5           | 5.5           | 0.0                         | -1.6                         |
| Fabricated Metals .....                                     | 13.6           | 13.4          | 14.4          | 14.3          | 0.2                         | -0.8                         |
| Industrial Machinery & Equipment .....                      | 21.7           | 21.7          | 24.5          | 24.7          | 0.0                         | -2.8                         |
| Computer & Office Equipment .....                           | 5.9            | 5.8           | 6.1           | 6.2           | 0.1                         | -0.2                         |
| Electronic & Other Electrical Equipment .....               | 15.6           | 15.6          | 19.3          | 19.8          | 0.0                         | -3.7                         |
| Transportation Equipment .....                              | 89.9           | 90.8          | 100.7         | 100.5         | -0.9                        | -10.8                        |
| Aircraft & Parts .....                                      | 76.3           | 77.3          | 87.1          | 86.9          | -1.0                        | -10.8                        |
| Ship & Boat Building .....                                  | 7.2            | 7.1           | 7.1           | 7.1           | 0.1                         | 0.1                          |
| Instruments & Related .....                                 | 14.1           | 14.0          | 14.7          | 14.7          | 0.1                         | -0.6                         |
| Miscellaneous Manufacturing .....                           | 8.0            | 8.0           | 8.5           | 8.4           | 0.0                         | -0.5                         |
| Nondurable Goods .....                                      | 99.8           | 98.4          | 105.7         | 104.6         | 1.4                         | -5.9                         |
| Food & Kindred Products .....                               | 38.2           | 37.0          | 40.9          | 40.2          | 1.2                         | -2.7                         |
| Preserved Fruits & Vegetables .....                         | 12.9           | 12.0          | 13.8          | 13.2          | 0.9                         | -0.9                         |
| Textiles, Apparel & Leather .....                           | 7.4            | 7.4           | 7.9           | 7.8           | 0.0                         | -0.5                         |
| Paper & Allied Products .....                               | 14.1           | 14.0          | 15.1          | 15.0          | 0.1                         | -1.0                         |
| Printing & Publishing .....                                 | 22.4           | 22.4          | 23.7          | 23.8          | 0.0                         | -1.3                         |
| Chemicals & Allied Products .....                           | 5.8            | 5.8           | 6.0           | 6.0           | 0.0                         | -0.2                         |
| Petroleum, Coal, Plastics .....                             | 11.9           | 11.8          | 12.1          | 11.8          | 0.1                         | -0.2                         |
| Mining & Quarrying .....                                    | 3.2            | 3.1           | 3.6           | 3.4           | 0.1                         | -0.4                         |
| <b>Construction .....</b>                                   | 147.0          | 142.8         | 159.5         | 155.7         | 4.2                         | -12.5                        |
| General Building Contractors .....                          | 40.0           | 38.6          | 42.0          | 40.7          | 1.4                         | -2.0                         |
| Heavy Construction, except Building .....                   | 16.3           | 15.6          | 19.5          | 18.4          | 0.7                         | -3.2                         |
| Special Trade Contractors .....                             | 90.7           | 88.6          | 98.0          | 96.6          | 2.1                         | -7.3                         |
| <b>Transportation, Communications &amp; Utilities ....</b>  | 138.2          | 137.8         | 148.2         | 147.1         | 0.4                         | -10.0                        |
| Transportation .....  | 89.1           | 88.5          | 94.6          | 93.9          | 0.6                         | -5.5                         |
| Trucking & Warehousing .....                                | 32.9           | 32.4          | 34.5          | 33.8          | 0.5                         | -1.6                         |
| Water Transportation .....                                  | 8.6            | 8.6           | 9.1           | 8.9           | 0.0                         | -0.5                         |
| Transportation by Air .....                                 | 25.0           | 24.8          | 27.0          | 27.1          | 0.2                         | -2.0                         |
| Communications .....  | 33.2           | 33.4          | 37.1          | 36.8          | -0.2                        | -3.9                         |
| Electric, Gas & Sanitary Services .....                     | 15.9           | 15.9          | 16.5          | 16.4          | 0.0                         | -0.6                         |
| <b>Wholesale &amp; Retail Trade .....</b>                   | 629.5          | 624.0         | 641.9         | 636.1         | 5.5                         | -12.4                        |
| Wholesale Trade .....                                       | 140.4          | 139.1         | 146.8         | 145.2         | 1.3                         | -6.4                         |
| Durable Goods .....   | 82.0           | 81.6          | 85.0          | 84.6          | 0.4                         | -3.0                         |
| Nondurable Goods .....                                      | 58.4           | 57.5          | 61.8          | 60.6          | 0.9                         | -3.4                         |
| Retail Trade .....  | 489.1          | 484.9         | 495.1         | 490.9         | 4.2                         | -6.0                         |
| Building Materials/Garden Supplies .....                    | 22.5           | 22.2          | 23.1          | 22.9          | 0.3                         | -0.6                         |
| General Merchandise .....                                   | 50.8           | 50.7          | 51.7          | 50.9          | 0.1                         | -0.9                         |
| Food Stores .....   | 70.1           | 70.0          | 71.6          | 71.1          | 0.1                         | -1.5                         |
| Automobile Dealers & Service Stations .....                 | 50.4           | 50.0          | 50.0          | 49.9          | 0.4                         | 0.4                          |
| Apparel & Accessory Stores .....                            | 24.1           | 23.2          | 24.1          | 23.4          | 0.9                         | 0.0                          |
| Eating & Drinking Establishments .....                      | 184.9          | 182.9         | 185.9         | 183.6         | 2.0                         | -1.0                         |
| <b>Finance, Insurance &amp; Real Estate .....</b>           | 144.2          | 143.8         | 140.4         | 139.5         | 0.4                         | 3.8                          |
| Finance .....   | 66.3           | 66.2          | 62.1          | 62.2          | 0.1                         | 4.2                          |
| Insurance .....   | 42.7           | 42.6          | 42.5          | 42.0          | 0.1                         | 0.2                          |
| Real Estate .....   | 35.2           | 35.0          | 35.8          | 35.3          | 0.2                         | -0.6                         |
| <b>Services .....</b>                                       | 774.8          | 771.1         | 784.9         | 782.7         | 3.7                         | -10.1                        |
| Hotels & Lodging .....                                      | 29.4           | 28.3          | 31.1          | 29.8          | 1.1                         | -1.7                         |
| Personal Services .....                                     | 22.5           | 22.7          | 23.6          | 23.9          | -0.2                        | -1.1                         |
| Business Services .....                                     | 168.2          | 166.5         | 180.7         | 181.3         | 1.7                         | -12.5                        |
| Computer & Data Processing Services .....                   | 64.4           | 63.8          | 70.2          | 70.6          | 0.6                         | -5.8                         |
| Amusement & Recreational Services .....                     | 38.9           | 37.5          | 42.5          | 41.3          | 1.4                         | -3.6                         |
| Health Services .....                                       | 205.2          | 204.3         | 198.5         | 197.0         | 0.9                         | 6.7                          |
| Nursing & Personal Care .....                               | 34.5           | 34.3          | 33.3          | 33.2          | 0.2                         | 1.2                          |
| Hospitals .....   | 62.3           | 62.0          | 60.9          | 60.1          | 0.3                         | 1.4                          |
| Legal Services .....  | 19.9           | 19.7          | 20.4          | 20.0          | 0.2                         | -0.5                         |
| Educational Services .....                                  | 36.8           | 40.3          | 35.0          | 38.8          | -3.5                        | 1.8                          |
| Social Services .....                                       | 67.8           | 67.8          | 66.1          | 66.0          | 0.0                         | 1.7                          |
| Engineering & Management Services .....                     | 74.2           | 73.8          | 74.1          | 73.4          | 0.4                         | 0.1                          |
| <b>Government .....</b>                                     | 527.1          | 526.0         | 515.3         | 513.6         | 1.1                         | 11.8                         |
| Federal .....   | 70.1           | 69.0          | 68.3          | 67.2          | 1.1                         | 1.8                          |
| State .....   | 148.4          | 151.0         | 145.9         | 148.6         | -2.6                        | 2.5                          |
| State Education .....                                       | 81.1           | 84.5          | 78.9          | 82.6          | -3.4                        | 2.2                          |
| Local .....   | 308.6          | 306.0         | 301.1         | 297.8         | 2.6                         | 7.5                          |
| Local Education .....                                       | 159.0          | 159.6         | 154.8         | 154.9         | -0.6                        | 4.2                          |
| <b>Workers in Labor-Management Disputes .....</b>           | 0.0            | 0.0           | 0.0           | 0.0           | 0.0                         | 0.0                          |

<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.

Washington State  
Employment Security Department  
Labor Market and Economic Analysis

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

Date: 7/16/02  
Benchmark: 2001

| Not Seasonally Adjusted                 | June 2002 Preliminary |            |              |                   | May 2002 Revised |            |              |                   | June 2001 Revised |            |              |                   |
|---|-----------------------|------------|--------------|-------------------|------------------|------------|--------------|-------------------|-------------------|------------|--------------|-------------------|
|   | Labor Force           | Employment | Unemployment | Unemployment Rate | Labor Force      | Employment | Unemployment | Unemployment Rate | Labor Force       | Employment | Unemployment | Unemployment Rate |
| Washington State Total . . . . .        | 3,057,100             | 2,850,700  | 206,400      | 6.8               | 3,027,300        | 2,818,300  | 209,000      | 6.9               | 3,020,800         | 2,831,500  | 189,300      | 6.3               |
| Bellingham MSA . . . . .                | 79,700                | 75,100     | 4,600        | 5.8               | 80,500           | 75,600     | 4,900        | 6.1               | 80,800            | 75,400     | 5,400        | 6.7               |
| Bremerton PMSA . . . . .                | 94,400                | 88,800     | 5,600        | 6.0               | 94,400           | 88,800     | 5,600        | 6.0               | 92,400            | 86,800     | 5,600        | 6.1               |
| Olympia PMSA . . . . .                  | 102,100               | 96,600     | 5,500        | 5.4               | 102,100          | 96,500     | 5,600        | 5.4               | 98,900            | 93,400     | 5,600        | 5.6               |
| Seattle-Bellevue-Everett PMSA . . . . . | 1,374,000             | 1,284,800  | 89,200       | 6.5               | 1,368,800        | 1,279,700  | 89,200       | 6.5               | 1,363,100         | 1,292,300  | 70,800       | 5.2               |
| King County 2/ . . . . .                | 1,005,100             | 942,700    | 62,400       | 6.2               | 1,001,500        | 938,900    | 62,500       | 6.2               | 1,000,400         | 948,200    | 52,200       | 5.2               |
| Snohomish County 2/ . . . . .           | 340,200               | 315,100    | 25,200       | 7.4               | 338,800          | 313,800    | 25,000       | 7.4               | 334,200           | 316,900    | 17,300       | 5.2               |
| Island County 2/ . . . . .              | 28,700                | 27,000     | 1,600        | 5.6               | 28,500           | 26,900     | 1,600        | 5.6               | 28,530            | 27,200     | 1,330        | 4.7               |
| Spokane MSA . . . . .                   | 205,800               | 193,200    | 12,600       | 6.1               | 207,500          | 194,800    | 12,700       | 6.1               | 206,900           | 193,900    | 13,000       | 6.3               |
| Tacoma PMSA . . . . .                   | 338,100               | 313,400    | 24,700       | 7.3               | 337,600          | 313,000    | 24,600       | 7.3               | 328,200           | 306,900    | 21,300       | 6.5               |
| Tri-Cities MSA . . . . .                | 107,500               | 101,400    | 6,100        | 5.7               | 100,700          | 94,900     | 5,800        | 5.7               | 101,200           | 94,700     | 6,600        | 6.5               |
| Benton County 2/ . . . . .              | 82,200                | 77,700     | 4,500        | 5.5               | 76,900           | 72,700     | 4,200        | 5.5               | 77,400            | 72,500     | 4,900        | 6.3               |
| Franklin County 2/ . . . . .            | 25,300                | 23,700     | 1,700        | 6.5               | 23,700           | 22,200     | 1,500        | 6.5               | 23,800            | 22,100     | 1,700        | 7.1               |
| Yakima MSA . . . . .                    | 113,900               | 104,300    | 9,700        | 8.5               | 105,300          | 95,100     | 10,200       | 9.7               | 115,500           | 103,700    | 11,900       | 10.3              |
| Adams . . . . .                         | 8,730                 | 8,150      | 590          | 6.7               | 8,020            | 7,410      | 610          | 7.6               | 8,600             | 7,860      | 730          | 8.5               |
| Asotin 2/ . . . . .                     | 11,760                | 11,130     | 640          | 5.4               | 11,990           | 11,400     | 600          | 5.0               | 11,680            | 11,090     | 590          | 5.0               |
| Chelan-Douglas LMA . . . . .            | 55,650                | 51,460     | 4,190        | 7.5               | 50,550           | 45,980     | 4,570        | 9.0               | 55,440            | 51,110     | 4,320        | 7.8               |
| Chelan County 2/ . . . . .              | 35,710                | 32,820     | 2,890        | 8.1               | 32,490           | 29,320     | 3,170        | 9.8               | 35,540            | 32,590     | 2,950        | 8.3               |
| Douglas County 2/ . . . . .             | 19,950                | 18,650     | 1,300        | 6.5               | 18,060           | 16,660     | 1,400        | 7.8               | 19,890            | 18,520     | 1,370        | 6.9               |
| Clallam . . . . .                       | 23,750                | 22,280     | 1,480        | 6.2               | 23,760           | 22,150     | 1,610        | 6.8               | 24,080            | 22,390     | 1,690        | 7.0               |
| Clark 2/ . . . . .                      | 183,500               | 168,100    | 15,400       | 8.4               | 183,100          | 167,300    | 15,800       | 8.6               | 180,900           | 168,100    | 12,700       | 7.0               |
| Columbia . . . . .                      | 1,570                 | 1,460      | 110          | 7.1               | 1,580            | 1,450      | 130          | 8.2               | 1,840             | 1,720      | 120          | 6.3               |
| Cowlitz . . . . .                       | 40,630                | 36,530     | 4,100        | 10.1              | 40,450           | 36,040     | 4,420        | 10.9              | 41,080            | 36,080     | 5,000        | 12.2              |
| Ferry . . . . .                         | 2,570                 | 2,360      | 210          | 8.2               | 2,550            | 2,290      | 260          | 10.1              | 2,470             | 2,160      | 310          | 12.5              |
| Garfield . . . . .                      | 1,260                 | 1,220      | 40           | 2.9               | 1,210            | 1,170      | 40           | 3.5               | 1,210             | 1,170      | 40           | 3.4               |
| Grant . . . . .                         | 39,570                | 36,510     | 3,060        | 7.7               | 37,310           | 33,510     | 3,800        | 10.2              | 38,090            | 34,990     | 3,090        | 8.1               |
| Grays Harbor . . . . .                  | 26,580                | 24,480     | 2,100        | 7.9               | 26,100           | 23,960     | 2,140        | 8.2               | 26,190            | 23,430     | 2,760        | 10.5              |
| Jefferson . . . . .                     | 11,140                | 10,480     | 660          | 5.9               | 11,250           | 10,540     | 710          | 6.3               | 11,150            | 10,570     | 580          | 5.2               |
| Kittitas . . . . .                      | 15,410                | 14,590     | 830          | 5.4               | 15,210           | 14,310     | 900          | 5.9               | 14,780            | 13,930     | 850          | 5.8               |
| Klickitat . . . . .                     | 8,460                 | 7,310      | 1,150        | 13.6              | 7,990            | 6,920      | 1,070        | 13.4              | 8,990             | 7,630      | 1,360        | 15.2              |
| Lewis . . . . .                         | 28,640                | 26,340     | 2,300        | 8.0               | 28,890           | 26,540     | 2,350        | 8.1               | 28,020            | 25,380     | 2,650        | 9.5               |
| Lincoln . . . . .                       | 4,940                 | 4,700      | 240          | 4.8               | 4,840            | 4,610      | 230          | 4.8               | 4,890             | 4,670      | 220          | 4.5               |
| Mason . . . . .                         | 19,870                | 18,570     | 1,300        | 6.5               | 19,810           | 18,510     | 1,300        | 6.6               | 18,190            | 16,770     | 1,410        | 7.8               |
| Okanogan . . . . .                      | 19,890                | 18,400     | 1,490        | 7.5               | 18,150           | 16,600     | 1,550        | 8.6               | 21,130            | 19,130     | 2,000        | 9.5               |
| Pacific . . . . .                       | 8,160                 | 7,580      | 590          | 7.2               | 7,930            | 7,350      | 590          | 7.4               | 7,560             | 6,900      | 670          | 8.8               |
| Pend Oreille . . . . .                  | 4,570                 | 4,220      | 350          | 7.6               | 4,480            | 4,130      | 350          | 7.8               | 4,330             | 3,950      | 380          | 8.8               |
| San Juan . . . . .                      | 6,550                 | 6,320      | 230          | 3.6               | 6,400            | 6,130      | 270          | 4.2               | 6,950             | 6,740      | 210          | 3.1               |
| Skagit . . . . .                        | 51,860                | 48,110     | 3,750        | 7.2               | 51,450           | 47,760     | 3,690        | 7.2               | 50,840            | 47,240     | 3,600        | 7.1               |
| Skamania . . . . .                      | 3,980                 | 3,590      | 390          | 9.8               | 3,910            | 3,480      | 430          | 11.0              | 3,910             | 3,490      | 410          | 10.6              |
| Stevens . . . . .                       | 16,490                | 15,060     | 1,430        | 8.7               | 16,160           | 14,680     | 1,480        | 9.1               | 16,470            | 14,930     | 1,540        | 9.4               |
| Wahkiakum . . . . .                     | 1,720                 | 1,600      | 120          | 7.1               | 1,680            | 1,560      | 120          | 7.0               | 1,720             | 1,610      | 110          | 6.5               |
| Walla Walla . . . . .                   | 27,140                | 25,950     | 1,190        | 4.4               | 26,570           | 25,340     | 1,240        | 4.7               | 26,560            | 25,200     | 1,360        | 5.1               |
| Whitman . . . . .                       | 17,120                | 16,690     | 430          | 2.5               | 19,170           | 18,780     | 390          | 2.1               | 16,650            | 16,210     | 440          | 2.6               |

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

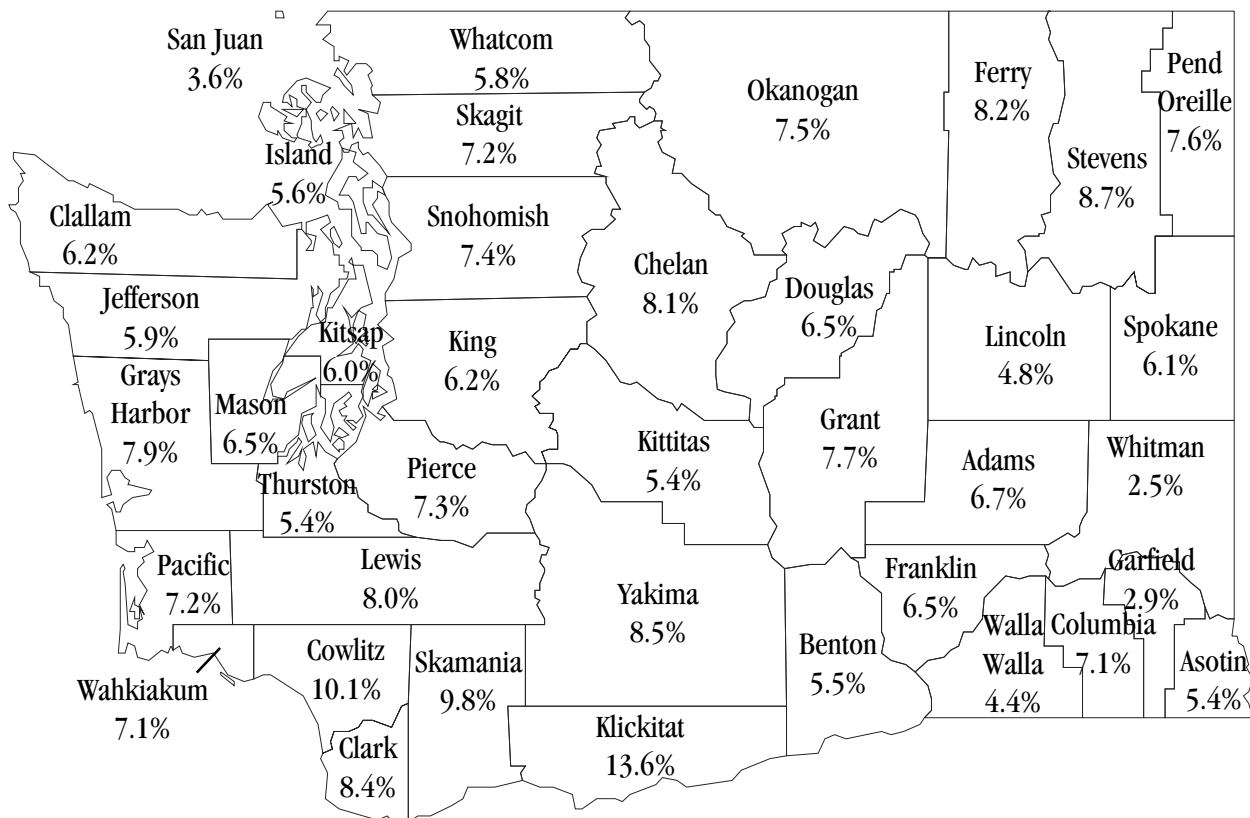
| <i>(In Thousands)</i>                    | June<br>2002<br>(Prel) | May<br>2002<br>(Rev) | June<br>2001<br>(Rev) | May<br>2001<br>(Rev) |
|--|------------------------|----------------------|-----------------------|----------------------|
| <i>Seasonally Adjusted Unemployment:</i> |                        |                      |                       |                      |
| Washington State                         | 6.8%                   | 7.1%                 | 6.3%                  | 6.1%                 |
| United States                            | 5.9%                   | 5.8%                 | 4.6%                  | 4.4%                 |
| <i>Not Seasonally Adjusted:</i>          |                        |                      |                       |                      |
| Resident Civilian Labor Force            | 3,057.1                | 3,027.3              | 3,020.8               | 3,000.4              |
| Employment                               | 2,850.7                | 2,818.3              | 2,831.5               | 2,822.1              |
| Unemployment                             | 206.4                  | 209.0                | 189.3                 | 178.3                |
| Percent of Labor Force                   | 6.8%                   | 6.9%                 | 6.3%                  | 5.9%                 |

### Unemployment Rates by County, June 2002

**Washington State = 6.8%**

**United States = 6.0%**

***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 |         |         |
|---|-------------------------|------------|------------|----------------------|--------|---------|-------------------------|---------|---------|
|   | June 02                 | May 02     | June 01    | June 02              | May 02 | June 01 | June 02                 | May 02  | June 01 |
| <b>TOTAL MANUFACTURING INDUSTRIES</b>                                       | \$735.95                | \$720.56   | \$700.00   | 41.0                 | 40.3   | 40.0    | \$17.95                 | \$17.88 | \$17.50 |
| <b>SELECTED MANUFACTURING INDUSTRIES</b>                                    |                         |            |            |                      |        |         |                         |         |         |
| Lumber and Wood Products  | \$684.16                | \$647.71   | \$627.62   | 43.8                 | 41.6   | 41.4    | \$15.62                 | \$15.57 | \$15.16 |
| Primary Metal Industries  | \$687.46                | \$664.70   | \$711.96   | 39.6                 | 38.4   | 40.8    | \$17.36                 | \$17.31 | \$17.45 |
| Transportation Equipment  | \$982.50                | \$998.60   | \$966.26   | 40.7                 | 41.8   | 41.1    | \$24.14                 | \$23.89 | \$23.51 |
| Food and Kindred Products   | \$568.22                | \$547.40   | \$545.30   | 40.1                 | 39.1   | 41.0    | \$14.17                 | \$14.00 | \$13.30 |
| Chemicals and Allied Products   | \$1,103.24              | \$1,049.52 | \$1,016.72 | 39.9                 | 39.5   | 42.1    | \$27.65                 | \$26.57 | \$24.15 |
| <b>SELECTED NONMANUFACTURING INDUSTRIES</b>                                 |                         |            |            |                      |        |         |                         |         |         |
| Construction  | \$908.79                | \$886.14   | \$861.46   | 37.6                 | 36.8   | 37.1    | \$24.17                 | \$24.08 | \$23.22 |
| Wholesale and Retail Trade<br>(Includes eating and drinking establishments) | \$409.86                | \$397.21   | \$393.44   | 32.4                 | 31.6   | 31.5    | \$12.65                 | \$12.57 | \$12.49 |