

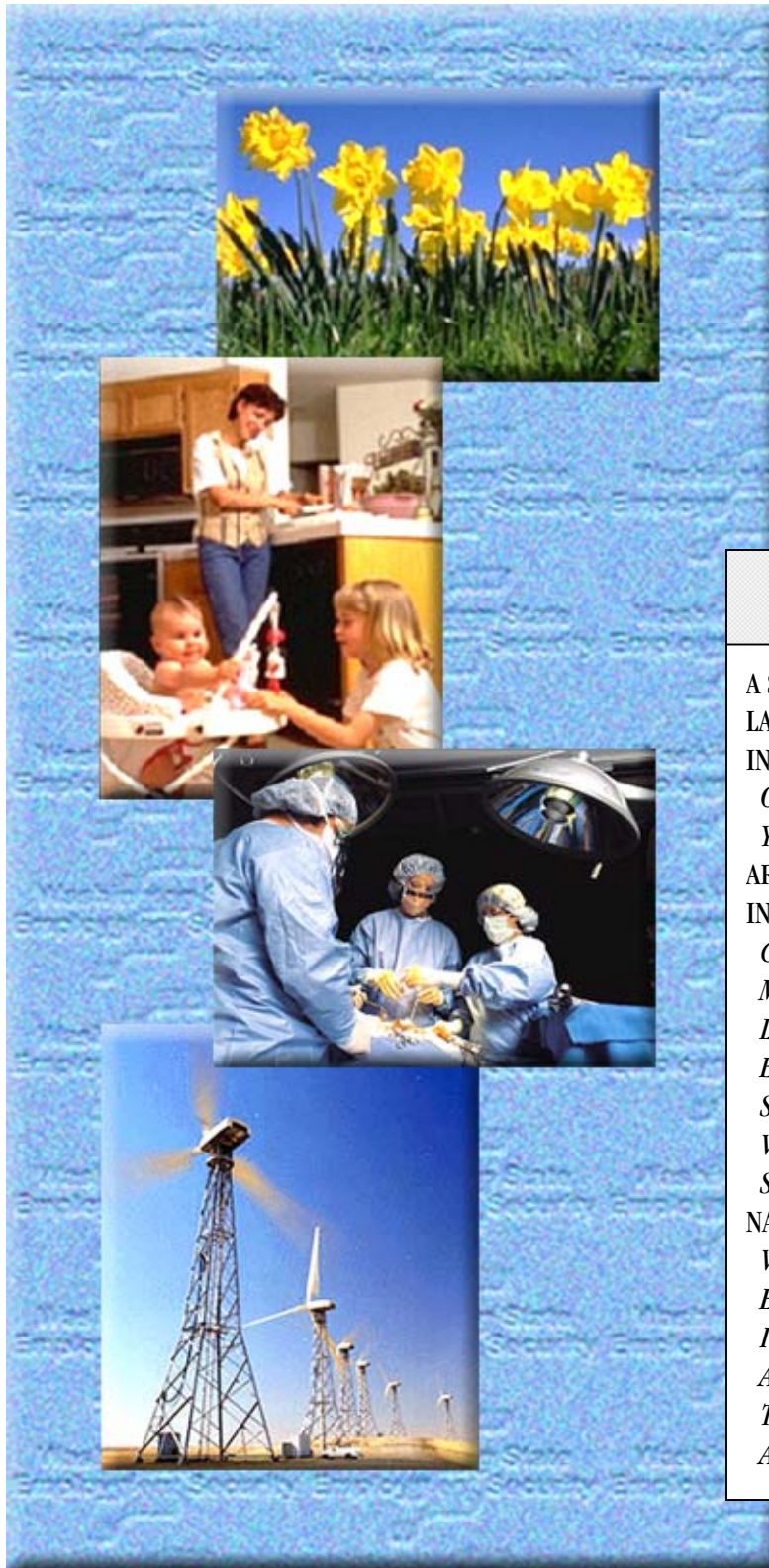
Washington Labor Market

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A SPRIGHTLY STEP INTO SPRING

The National Bureau of Economic Research (NBER) announced at month's end that the economic recession that it dated as having begun in March 2001 probably ended some time in the first quarter of 2002, probably February. Though the NBER will not officially date the trough until it has had the opportunity to review revised data that are still to come, at less than 12 months, this recession is looking to have been rather brief by historical standards. At a glance, the unemployment rate decline in Washington in February on a seasonally adjusted basis appears to support the broader sentiment that the recession has ended. One month does not, however, represent a trend and the jobless rate is but one of many labor market indicators. Seasonally adjusted nonagricultural wage and salary employment, for example, continued to decline slightly over the month and remains negative over the year. The number of new initial UI claims has generally been falling, particularly in February. Again, this points to the historical pattern of labor markets lagging the economy as a whole. The most significant layoff events may be coming to an end, but employment stability and growth remain out there a ways.

LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally adjusted unemployment rate fell six-tenths of one percent to 7.0 percent in February following a one-tenth of one percent upward revision to the January rate. Comparatively, the seasonally adjusted national rate fell only one-tenth of one percent over the month to 5.5 percent. Washington's not seasonally adjusted unemployment rate fell three-tenths of one percent in February to 8.0 percent following a one-tenth of one percent upward revision to the January rate.

The declines in both the seasonally adjusted and not seasonally adjusted jobless rates were received with guarded optimism. Clearly, any declines in unemployment are viewed as positive. However, there remain a number of unresolved issues in Washington's labor market, including the second half of Boeing layoffs and the status of resource-related sectors like aluminum smelting, lumber and wood products, and pulp and paper products, to name a few. Also, the rates, while they came down, remain at relatively high levels. Even after declining, for example, Washington's seasonally adjusted jobless rate remained the second highest in the nation in February after neighboring

Oregon at 8.1 percent. So the significant job losses may be ending, for the most part, but labor market recovery remains elusive. There needs to be made a distinction between a labor market that is *recovering* and one that has *recovered*. Washington's situation is indicative of the former, not the latter.

All but five Washington counties saw their unemployment rates fall in February, which was somewhat a surprise given that jobless rates tend to peak in January or February. The biggest jobless rate decline was three percentage points in Wahkiakum County. Why? Hard to say, though smaller counties, because of their small numbers, tend to be more susceptible to gyrations. The other counties with notable declines in their unemployment rates were primarily in south central and southeastern Washington. Topping the list was Yakima County, whose jobless rate eased nearly two and a half percentage points as fruit tree (mainly apple) pruning got under way. Agriculture-related activities were the principal driver in the two regions. In general, agriculture and other natural resource dependent counties showed declines in February unemployment that exceeded the three-tenths of one percent statewide average. At the other end of the spectrum, several counties bucked the statewide trend with rising unemployment rates. Clark County was the most prominent among them with a four-tenths of one percent increase in its February jobless rate.

Over-the-year changes in unemployment rates continue to provide a lot of insight into the labor market softening that has occurred statewide as the state's largest counties continued to drive the state situation. Snohomish County's jobless rate was up more than three and a half percentage points, followed by King at more than two percentage points, and Pierce and Island at nearly one and a half percentage points. Interspersed with the central Puget Sound counties with year-over-year jobless rates up significantly were southwest Washington counties such as Clark, Cowlitz, and Skamania. Clark County's jobless rate, for example, was up three percentage points over the year. Still, only a third of Washington's counties saw their jobless rates increase over the year, which means that two-thirds saw their jobless rates remain unchanged or fall. All were rural counties from both sides of the Cascades. Ferry

County's jobless rate fell the most—nearly eight percentage points, followed by Asotin at nearly six percentage points and Adams at more than four percentage points. The significance of the one-third that saw increases—and the reason it showed up so clearly at the state level—was that that group encompassed some of the state's largest labor market areas.

Though most rural Washington counties saw their jobless rates fall over the year, those same counties continue to reveal the highest absolute levels of unemployment as measured by jobless rates. At more than twice the state-wide average, Klickitat County (16.1 percent) had the highest unemployment rate among Washington counties in February. More than a third of Washington counties had jobless rates in the double digits. Two thirds had jobless rates higher than the state average. Conversely, the lowest unemployment rate in February was Whitman County at 2.7 percent. It was followed by other “wheat” counties, namely Asotin (5.4 percent) and Garfield (5.9 percent). Additionally, while the state's western metropolitan counties experienced some of the most significant over-the-year jumps in unemployment rates, they also had some of the lowest jobless rates among Washington counties as well as jobless rates below the state average.

INDUSTRY DEVELOPMENTS

Over the Month

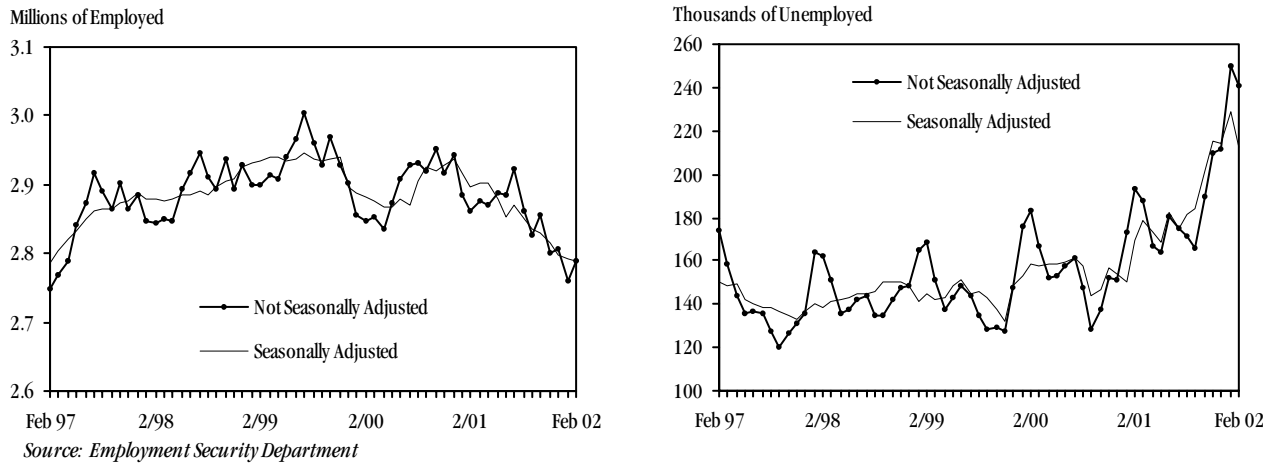
Washington's nonfarm employment rose by 4,100 or 0.2 percent over the month. Services added 3,900 jobs with nearly three-quarters of that gain in educational services. Health and engineering and management services added 500 and 400, respectively, while personal, social, and amusement/recreation services added 200 each. Business services (-900) and its computer and data processing component (-800), however, continued to contract. Finance, insurance, and real estate was up 700. Manufacturing shed 1,300 jobs. The loss of 1,800 in aircraft and parts and losses of 100 to 200 in logging, furniture, industrial machinery and computer equipment, instruments, preserved fruits and vegetables, and pulp and paper was partially offset by gains of 100 to 200 in primary metals, fabricated metals, food processing, printing and publishing, and petroleum, coal and plastics. Construction fell

1,500. Retail trade was down 4,000 with apparel and accessories (-1,400) and general merchandise (-1,300) accounting for two-thirds of the losses. Eating and drinking and building materials and garden supplies, however, were both up 300 and auto dealers and service stations added 100. Transportation, communications, and utilities was down 700. Government was up 7,300 jobs with two-thirds of the gain tied to state and local education. Federal government, though, fell 300.

Year-Over-Year

Washington's nonagricultural wage and salary employment adjusted in collaboration with the Office of the Forecast Council fell by 58,000 jobs or 2.1 percent from February 2000 to February 2001. Manufacturing shed 31,000 jobs over the year with more than two-thirds of the losses in durable goods. Manufacturing losses were greatest in transportation equipment with 7,000 of the sector's 8,000 loss tied to aircraft and parts. Significant losses were also registered in electronics, food processing, and industrial machinery and computer equipment—all down 3,500 or more over the year. Construction shed 13,600 jobs. Wholesale and retail trade lost 13,500 jobs with the losses about evenly split between the two. Services shed 16,400 workers, led by the 19,300 in business services (including 8,700 in computer and data processing) and 3,000 in hotels and lodging, personal services, and legal services. Those losses were partially offset, however, by gains of 6,400 in health services, 1,900 in social services, 1,500 in educational services, and 600 in engineering and management services. Transportation, communications, and utilities was down 8,900 jobs. Finance, insurance, and real estate was up 5,100 jobs with finance representing two-thirds of the gain. Government was up 16,500 jobs with state and local education fronting 6,900 of that increase.

Washington State Total Resident Employment and Unemployment February 1997-February 2002



AREA TRENDS

Not all seasonally adjusted unemployment rates in Washington have historically risen and fallen in February, though the latter appears to be the most common. That is why the three-tenths of one percentage point decline in the statewide jobless rate from January 2002 to February 2002 was somewhat atypical. In 2001, for example, the January to February pattern was a half a percentage point increase both statewide and regionally. What the February unemployment rate does in all likelihood is establish January as the peak period of unemployment in Washington in 2002.

From January to February, metropolitan Washington followed the state (or it could be argued, the state was driven by the metropolitan areas) with an unemployment rate that was down three-tenths of a percentage point. The jobless rate movement in western Washington was similar in that it was down two-tenths of a percentage point over the month. The easing in unemployment rates was even more pronounced in eastern Washington and timber dependent Washington at one percentage point and eight-tenths of a percentage point, respectively. Nevertheless, jobless rates in timber-dependent and eastern Washington were the highest in absolute terms in February 2002 at 10.3 percent and 9.7 percent, respectively. At those levels, their jobless rates were two to three percentage points higher than those in western and metropolitan Washington.

Underscoring the softness in Washington's labor market, the year-over-year numbers show Washington's not seasonally adjusted unemployment rate up by roughly one and a half percentage points from February 2001 to February 2002. Western Washington and metropolitan Washington appeared to have the greatest impact on the statewide average, as the jobless rates were one-and-a-half percentage points and two percentage points over the year, respectively. Eastern Washington, meanwhile, saw its jobless rate fall by just over one percentage point from February to February while timber dependent Washington's unemployment rate was down seven-tenths of one percentage point over the same period. These numbers clearly show that labor market softening in the metropolitan west in particular drove up the state's jobless rate while the nonmetropolitan east actually helped to constrain the upward pressure on unemployment rates.

Unemployment Rates by Geographic Areas State of Washington

Areas	Feb-02	Jan-02	Feb-01	Jan-01
Washington State Total	8.0%	8.3%	6.7%	6.2%
Metropolitan Areas	7.5%	7.8%	6.0%	5.5%
Log & Lumber Areas	10.3%	11.1%	11.0%	10.4%
All Western WA Areas	7.5%	7.7%	5.6%	5.1%
All Eastern WA Areas	9.7%	10.7%	10.8%	10.3%

Source: Employment Security Department

INDUSTRY NOTES

Childcare Economics

A recent study by the University of Washington's Human Services Policy Center revealed that more than 480,000 Washington children from infants to age 12 were informally cared for by nearly 300,000 individuals classified as family, friends, or neighbors. The study focused almost exclusively on the issues and concerns this phenomenon raises with respect to early childhood development in the children and proper training, licensing, and quality among the providers. However, while it did not address the subject, the study's findings also speak volumes about the wage situation for childcare workers. For years, advocates have been perplexed as to how a role as important as that of a childcare provider could be so poorly compensated. In 2000, for example, there were nearly 1,800 child day care services in Washington that collectively employed approximately 14,400

workers and paid out \$193 million in wages for an average wage of \$13,401. That average wage was considerably lower—about a third—than the \$37,063 statewide average wage for all industries. Ironically, the long term annualized average wage trend is nearly identical between child day care services and the statewide average at 4.3 percent over the past two decades. Additionally, the average wage has remained about a third of the statewide average for the past two decades. Child day care services, by the way, include childcare centers, nursery schools, preschools, and nonschool related Head Start centers.

Enter the UW study. It suggests that the supply of childcare providers may, in fact, be much larger than previously recognized given the significant numbers of informal providers revealed. For years, the issue has been the tightness of professional childcare options, which is true. That seeming scarcity would seemingly suggest higher wages. If one counts the informal providers, however, the supply doubles and wages, understandably, fall. This is particularly true since it was discovered in the study that three-quarters of the parents did not pay for their informal childcare. Similarly, only 40 percent of the caregivers were paid, which means that 60 percent were not. The 40 percent who were paid were compensated at \$2.60 to \$5.00 an hour, which is close to that for private childcare centers. That can translate into a big difference in both demand and the price elasticity of demand. On a related note, it was also revealed in the 2000 Census that there is an upward trend in so-called *stay-at-home moms*. The relevance here is that this, too, increases the “supply” of childcare providers—in this case the most direct form of childcare there is—and that this can also have a depressing effect on professional childcare wages.

Metals Meltdown in Cowlitz

Idled for more than a year and in bankruptcy proceedings, the Longview Aluminum plant owned by McCook Metals has nevertheless been paying roughly 800 idled workers under a power buyback agreement struck between the company and Bonneville Power Administration. That agreement held that the company must pay the workers until July 1, by which time the company hoped to have restarted three pot lines. In February, however, those plans were scaled back to involve the restart of only one

pot line in April, which would get around 180 workers back to work. At the end of March, though, plans for restarting even the one pot line was put on hold. If the company does not restart three lines by July, at which time the BPA agreement expires, up to 800 workers could find themselves permanently out of jobs.

Also in Longview, approximately 120 workers at Prudential Steel were informed that the plant would be closed by June of this year. The plant, which manufactures steel tubing primarily for oil and gas operations, is owned by Missouri-based Maverick Tube Corporation. Maverick is planning to relocate the operations to its larger facility in Hickman, Arkansas.

Down the road in Kalama, Steelscape and its 260 employees are looking nervously at the steel tariff situation. Steelscape cleans, paints, rolls, and galvanizes steel coils. Its steel supply comes from Australia. They are concerned that a high tariff on imported steel will cut drastically into their margins. They cannot get steel from East Coast producers and, even if they could, it would cost them twice as much as their foreign material.

*Lots of Gas,
Fewer Gas Stations*

Though you wouldn't know it from looking around, the number of gasoline service stations and the number of workers they employ has been falling for the past several years. In 2000, for example, there were 1,291 gasoline service stations in Washington. They employed a combined 11,266 workers and paid a total of \$170.3 million in wages for an annual average wage of \$15,120. This reflects a 4 percent decline in the number of stations since 1996 and a 7 percent decline in employment since 1997. There may, in fact, be fewer gasoline service stations, but are there fewer establishments selling gasoline? The answer there would, in all likelihood, be "no." That is because there are a lot of players entering the retail gasoline market who do not sell gasoline as a primary business activity but, rather, as a secondary or even tertiary activity. This highlights the distinction between a gas station with a retail operation versus a retail operation with a gas station. Examples of the former would be major gasoline manufacturers such as Chevron, Texaco, Shell, Exxon, Arco, Union 76, and Citgo compared to Costco, Safeway, Albertson's, and 7-11 as examples of the latter.

The decline in gasoline service stations appeared to begin in the mid-1990s when the federal legislation introduced requirements for significant upgrades to underground gasoline storage tanks by 1998. This left many gas stations with having to replace old storage tanks with new ones that met the new standards before 1998 rolled around. It was during this shift that many of the smaller, independent marginal players were squeezed out of the industry. They simply could not afford the costly reinvestment in upgrades. That may explain the declines in 1996-97, but the number of gasoline service stations continued to decline after 1998. This brings us back to the distinction highlighted above. In the late 1990s, a larger threat to independent gasoline service stations emerged in the form of retail operations that chose to sell gasoline as a side business. The larger corporations, by virtue of their size and purchasing power, have been able to sell relatively inexpensive gasoline because they can purchase it in volume. Their ability to under-price smaller independent gasoline service stations has placed added competitive pressures on the independents and resulted in continuing decline in their ranks. Look for the situation to continue as other large corporations like WalMart, for example, consider jumping into the market as well.

Blue Light Turns Red

K-Mart, the nation's third largest retail organization after Wal-Mart and Target, announced that it will close 284 unprofitable stores and lay off 22,000 workers as part of its \$1.3 billion Chapter 11 bankruptcy reorganization (the company was more than \$10 billion in debt) at the time of the filing. The company currently operates 2,100 stores and has more than 240,000 workers. Here in Washington, the K-Mart will close six stores—Bellevue, Edmonds, Port Orchard, Renton, Sunnyside, and Veradale (near Spokane)—and lay off more than 400 employees. Nationally, K-Mart's actions will affect 13 percent of its stores. The six closures in Washington, however, represent 20 percent of the chain's 31 outlets in this state.

Southwest Hospitals Expand

Washington's southwest region is experiencing a spurt of hospital expansion and renovation projects that underscores the importance that the region's communities place on having modern medical facilities, equipment, and services made available to them by their local hospitals. This is taking place despite financial and other challenges faced by hospitals in today's health care environment.

Puyallup-based Good Samaritan Community Healthcare is working with the city toward anticipated approval by June of a \$80-\$90 million expansion project that will create a critical care center that includes an emergency room, radiology and surgery areas, an intensive care unit, and a parking structure. If approved, groundbreaking could begin as early as Fall 2002 with the project completion by mid-2006. Plans are also underway on a \$100 million expansion project that includes a cancer center, outpatient surgery center, and water plant. That project would hopefully begin after the critical care center project was wrapped up and completed by 2010.

Portland-based Legacy Health Systems received approval from the state Department of Health in the form of a Certificate of Need to build a 75,000 square foot, 220-bed hospital in the northern suburbs of Vancouver at a cost of \$170 million. The project will break ground in 2003 and completion scheduled in 2005. The new hospital could employ up to 700 workers, not counting physicians who would be affiliated with the hospital.

Vancouver-based Southwest Washington Medical Center also received approval to add 82 beds to its existing 360-bed facility and to expand and remodel its other facilities at a cost of \$13 million in the first phase of what is expected to be a \$115 million expansion plan. The first phase will break ground in 2003 and be completed in 2004.

Olympia-based Providence St. Peter Hospital recently broke ground on a four-year, \$63 million expansion and renovation project that will include expansion of the emergency department, diagnostic imaging department, laboratory, medical and surgical short stay units, and other areas. There will also be upgrades to the main facility, two new cardiac catheterization labs, additional

education and conference space, new equipment in the sterile processing department, and a remodeled coronary care unit/intensive care unit. In addition, a 400-stall parking garage will be constructed.

Wind Up in SE Washington

Southeast Washington is poised to further stake its claim to being the “Wind Farm Capital of the World” with the announcement by Energy Northwest that it plans to invest \$70 million to develop the largest *publicly-owned* wind farm in the country. When completed in August of this year, the Nine Canyon Wind Project, with its 37-wind turbines, is expected to generate 48 megawatts of power for eight public utility districts that invested in the project. Those public utility districts include Benton County, Chelan County, Douglas County, Grant County, Grays Harbor County, Lewis County, and Mason County No. 3. The wind turbines deployed on the Nine Canyon Wind Project are expected to stand 195 feet tall and support blades that are more than 100 feet in diameter.

The term *publicly-owned* was emphasized because the Nine Canyon Wind Project will be the second major wind farm project in southeast Washington after the Stateline Wind Generating Project, a 450-wind turbine farm being built along the Washington-Oregon border by private sector investors, PacifiCorp, and FPL Energy. Their project will be the largest public or private wind farm in the *world*, generating 200 megawatts of power on the Walla Walla County, Washington side and 100 megawatts of power on the Umatilla County, Oregon side. Their wind turbines stand 240 feet tall and support blades measuring 150 feet from end to end. FPL will build, own, and operate the wind turbine farm and PacifiCorp will purchase and market the electricity. Under an agreement with Bonneville Power Administration, the power will be co-mingled with hydroelectric power and distributed across the western power grid (which covers 11 western states, including Washington).

State Budget Wrap

The 2002 legislative session adjourned on March 15. Governor Locke is now left to put the final touches on a \$22.5 billion supplemental budget for the 2001-03 biennium that has more than \$600 million in spending cuts and fund transfers agreed to by the Senate and House of Representatives. The budget largely closed a \$1.6 billion

revenue gap, but there was at least one loose end, a remaining \$31 million gap that will need to be closed by Governor Locke by cutting new spending items through his line-item veto authority or draw further from the state reserve fund. The state government FTE toll is expected to be a net loss of 949, which represents 1,619 in reductions versus 670 additions. The labor market fallout beyond state government workers in the form of those who lose jobs or whose jobs are scaled back is not as easy to quantify. It is anticipated, however, that there will be some dislocation as adjustments are made to cuts in, for example, health and social services, local government, and K-12 education.

NATIONAL NOTES

Washington Gets National Emergency Grant

Washington was awarded \$15 million by the U.S. Department of Labor through a National Emergency Grant to assist laid off aerospace workers. The grant will be used to serve workers dislocated from the airline, aerospace, and related industries subsequent to the events of September 11, 2001. Washington, upon receipt of a grant letter from the Labor Department, will be authorized to initially allocate the money to nine local Workforce Development Councils to provide job search assistance, job counseling, training, out-of-area job search, relocation assistance, and supportive services to the laid-off workers.

Economic Stimulus Signed

President Bush signed an economic stimulus bill (HR 3090) that will provide, under certain circumstances, federally funded temporary extended unemployment benefits for individuals who have exhausted their benefits under the regular unemployment insurance (UI) program. In addition to the benefit extension, the bill allocates \$8 billion to the states from federal accounts under a mechanism entitled the "Reed Act." The Reed Act, enacted in 1954 and last used in 1958, provides for the return of federal taxes to the state unemployment insurance trust fund. Our state will receive \$167 million. These resources can be used for unemployment insurance benefits and for the administration of the unemployment insurance and employment service programs. The administrative uses of Reed Act dollars, however, must be authorized by specific appropriation by the State Legislature.

Inflation Rears

The U.S. Consumer Price Index for All Urban Consumers (CPI-U) was up 0.4 percent over the month in February and up 1.1 percent over the year, which suggests that inflation remains under control but by no means a nonissue. The Seattle-Tacoma-Bremerton CPI-U rang in 2002 by rising 0.8 percent over the two-month period from December 2001 to February 2002. This was quite an about-face from the previous report, which showed the Seattle CPI-U falling 1 percent from October 2001 to December 2001. However, the 0.8 percent was lower than from 1.4 percent registered from December 2000 to February 2001. Inflation also eased over the year as the Seattle CPI-U was up 2.0 percent in February 2002 compared to 4.5 percent and 3.2 percent, and 2.5 percent in the previous three February's. Over the course of 2001, inflation in the Puget Sound region was up 3.6 percent—a relatively high level and just a tad lower than the 3.7 percent posted in 2000.

A Restless Federal Reserve

The Federal Open Market Committee (FOMC) decided at its March 19 meeting to hold the target for the federal funds rate at 1.75 percent. As such, the short-term rate charged to member banks has remained fixed since December of last year. In its press release, the FOMC cited that “(t)he information that has become available since the last meeting of the Committee indicates that the economy, bolstered by a marked swing in inventory investment, is expanding at a significant pace. Nonetheless, the degree of the strengthening in final demand over coming quarters, an essential element in sustained economic expansion, is still uncertain.” The FOMC statement has been interpreted by a number of observers to indicate the FOMC is taking a “wait and see” stance while nevertheless signaling its willingness to raise short-term rates if it sees signs of inflation or too rapid growth in the economy. The last short-term rate hike came in May 2000—nearly two years ago—when the FOMC raised the federal funds rate target from 6.00 percent to 6.50 percent. The next FOMC meeting is schedule for May 7.

Twelve Months

The National Bureau of Economic Research (NBER) essentially confirmed the Federal Reserve Board's assessment of the current economic situation when, at month's end, it announced that the economic recession that it dated as having begun in March 2001 probably ended some time in February 2002. If confirmed, it would mean that the recession lasted less than a year and was relatively tame by histori-

cal standards. The NBER will not officially date the trough until it has had the opportunity to review revised data that are still to come. From an historical perspective, this recession does not compare to the 16-month contractions from July 1981-November 1982 or November 1973-March 1975. It is more on a par with that from July 1990-March 1991.

*An Ultimately Fine
Fourth Quarter*

The final estimate of real Gross Domestic Product (GDP) for the fourth quarter of 2001 came in at 1.7 percent, according to the Bureau of Economic Analysis within the U.S. Department of Commerce. This reflects what has been a continuing pattern of upward revisions to the fourth quarter estimate since the advanced figure was released at the end of January. From an advanced estimate of 0.2 percent, real GDP was revised to 1.4 percent on a preliminary basis in February and finally to 1.7 percent. This confirms that not only did the U.S. have only one quarter of negative real GDP (-1.3 percent in the third quarter of 2001), the fourth quarter was reasonably strong. Figures like this are essentially confirming for both the FOMC and NBER that an economic recovery is underway.

Consumer Price Index

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

	Indexes			% Change From	
	Feb-02	Jan-02	Feb-01	Jan-02	Feb-01
U.S. City Average	177.8	177.1	175.8	0.4%	1.1%
Seattle *	Feb-02 187.6	Dec-01 186.1	Feb-01 184.0	Dec-01 0.8%	Feb-01 2.0%

** The index for Seattle reflects prices in King, Pierce, Snohomish, Kitsap, Island, and Thurston counties.*

Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Gary Kamimura, Senior Economic Analyst

Nonagricultural Wage & Salary Workers in Washington State, Place of Work ¹

In Thousands, Not Seasonally Adjusted

	February	January	February	January	Numeric Change	
	2002 (Prel)	2002 (Rev)	2001 (Rev)	2001 (Rev)	Jan. 2002 to Feb. 2002	Feb. 2001 to Feb. 2002
Total Nonagricultural Wage & Salary Workers	2,619.2	2,615.1	2,681.4	2,675.5	4.1	-62.2
Manufacturing	312.1	313.4	343.1	344.7	-1.3	-31.0
Durable Goods	216.1	217.7	240.0	241.6	-1.6	-23.9
Lumber & Wood Products	29.6	29.6	31.3	31.6	0.0	-1.7
Logging	6.4	6.5	6.6	6.7	-0.1	-0.2
Sawmills & Plywood	20.1	20.1	21.5	21.6	0.0	-1.4
Furniture & Fixtures	4.3	4.5	4.8	4.9	-0.2	-0.5
Stone, Clay & Glass	8.1	8.1	8.8	8.8	0.0	-0.7
Primary Metals	7.7	7.6	9.9	10.4	0.1	-2.2
Aluminum	3.9	3.9	5.6	6.0	0.0	-1.7
Fabricated Metals	13.7	13.5	14.7	15.0	0.2	-1.0
Industrial Machinery & Equipment	22.0	22.2	25.5	25.5	-0.2	-3.5
Computer & Office Equipment	5.8	5.8	6.3	6.3	0.0	-0.5
Electronic & Other Electrical Equipment	16.2	16.2	21.3	21.4	0.0	-5.1
Transportation Equipment	92.4	93.8	100.4	100.6	-1.4	-8.0
Aircraft & Parts	79.5	81.3	86.5	86.3	-1.8	-7.0
Ship & Boat Building	6.6	6.4	7.0	7.5	0.2	-0.4
Instruments & Related	14.0	14.1	14.5	14.5	-0.1	-0.5
Miscellaneous Manufacturing	8.1	8.1	8.8	8.9	0.0	-0.7
Nondurable Goods	96.0	95.7	103.1	103.1	0.3	-7.1
Food & Kindred Products	34.6	34.4	38.2	38.1	0.2	-3.6
Preserved Fruits & Vegetables	9.8	10.0	11.2	11.2	-0.2	-1.4
Textiles, Apparel & Leather	7.2	7.2	7.6	7.8	0.0	-0.4
Paper & Allied Products	13.9	14.1	15.4	15.4	-0.2	-1.5
Printing & Publishing	22.7	22.5	24.0	23.7	0.2	-1.3
Chemicals & Allied Products	5.8	5.8	6.0	6.1	0.0	-0.2
Petroleum, Coal, Plastics	11.8	11.7	11.9	12.0	0.1	-0.1
Mining & Quarrying	2.9	3.0	3.3	3.3	-0.1	-0.4
Construction	134.0	135.5	147.6	148.7	-1.5	-13.6
General Building Contractors	37.5	37.9	39.0	39.2	-0.4	-1.5
Heavy Construction, except Building	13.5	13.6	15.6	15.7	-0.1	-2.1
Special Trade Contractors	83.0	84.0	93.0	93.8	-1.0	-10.0
Transportation, Communications & Utilities	138.0	138.7	146.9	147.3	-0.7	-8.9
Transportation	87.2	87.5	92.5	92.7	-0.3	-5.3
Trucking & Warehousing	31.5	32.0	32.7	33.0	-0.5	-1.2
Water Transportation	8.7	8.6	8.8	8.8	0.1	-0.1
Transportation by Air	24.7	24.6	27.1	27.3	0.1	-2.4
Communications	34.5	34.8	38.0	38.2	-0.3	-3.5
Electric, Gas & Sanitary Services	16.3	16.4	16.4	16.4	-0.1	-0.1
Wholesale & Retail Trade	612.3	616.5	625.8	628.8	-4.2	-13.5
Wholesale Trade	137.9	138.1	144.5	144.1	-0.2	-6.6
Durable Goods	81.1	81.3	84.8	84.6	-0.2	-3.7
Nondurable Goods	56.8	56.8	59.7	59.5	0.0	-2.9
Retail Trade	474.4	478.4	481.3	484.7	-4.0	-6.9
Building Materials/Garden Supplies	20.1	19.8	21.3	21.0	0.3	-1.2
General Merchandise	51.3	52.6	50.0	52.1	-1.3	1.3
Food Stores	69.4	69.7	69.1	69.0	-0.3	0.3
Automobile Dealers & Service Stations	49.1	49.0	48.9	48.8	0.1	0.2
Apparel & Accessory Stores	23.0	24.4	24.1	26.1	-1.4	-1.1
Eating & Drinking Establishments	175.0	174.7	176.1	174.5	0.3	-1.1
Finance, Insurance & Real Estate	143.5	142.8	138.4	137.3	0.7	5.1
Finance	66.3	65.9	62.8	62.2	0.4	3.5
Insurance	42.6	42.4	41.6	41.2	0.2	1.0
Real Estate	34.6	34.5	34.0	33.9	0.1	0.6
Services	754.0	750.1	770.4	765.0	3.9	-16.4
Hotels & Lodging	25.8	25.8	26.8	26.5	0.0	-1.0
Personal Services	22.7	22.5	24.5	24.3	0.2	-1.8
Business Services	164.1	165.0	183.4	185.1	-0.9	-19.3
Computer & Data Processing Services	64.6	65.4	73.3	73.8	-0.8	-8.7
Amusement & Recreational Services	34.5	34.3	38.4	37.6	0.2	-3.9
Health Services	201.7	201.2	195.3	194.1	0.5	6.4
Nursing & Personal Care	33.5	33.5	33.2	33.2	0.0	0.3
Hospitals	61.7	61.6	60.0	59.8	0.1	1.7
Legal Services	19.7	19.7	19.9	19.9	0.0	-0.2
Educational Services	40.7	37.9	39.2	36.7	2.8	1.5
Social Services	65.8	65.6	63.9	63.3	0.2	1.9
Engineering & Management Services	73.2	72.8	72.6	71.7	0.4	0.6
Government	522.4	515.1	505.9	500.4	7.3	16.5
Federal	68.2	68.5	66.2	66.8	-0.3	2.0
State	150.8	148.9	146.7	144.9	1.9	4.1
State Education	84.2	82.3	81.3	79.4	1.9	2.9
Local	303.4	297.7	293.0	288.7	5.7	10.4
Local Education	158.0	155.1	154.0	150.7	2.9	4.0
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

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/

February 2002 Preliminary January 2002 Revised February 2001 Revised

Not Seasonally Adjusted	February 2002 Preliminary			January 2002 Revised			February 2001 Revised		
	Labor Force	Employment	Unemployment Rate	Labor Force	Employment	Unemployment Rate	Labor Force	Employment	Unemployment Rate
Washington State Total	3,029,700	2,788,700	8.0	3,009,300	2,759,600	8.3	3,006,100	2,803,900	6.7
Bellingham MSA	80,700	74,800	7.3	80,700	74,200	8.0	79,600	73,600	7.5
Bremerton PMSA	95,800	89,500	6.6	95,500	88,800	7.0	92,500	86,600	6.3
Olympia PMSA	102,800	96,600	6.1	101,800	95,200	6.4	99,300	93,300	6.1
Seattle-Bellevue-Everett PMSA	1,386,200	1,288,000	7.1	1,379,000	1,280,500	7.1	1,379,800	1,316,300	4.6
King County 2/	1,013,800	945,100	6.8	1,008,800	939,600	6.9	1,011,100	965,800	4.5
Snohomish County 2/	343,600	315,800	8.1	341,400	314,400	8.0	339,700	322,800	5.0
Island County 2/	28,850	27,110	6.0	28,800	26,950	6.4	28,990	27,700	4.4
Spokane MSA	209,600	192,000	8.4	208,100	189,700	8.8	211,000	194,700	7.8
Tacoma PMSA	338,400	311,900	7.8	334,000	307,400	8.0	330,700	309,700	6.4
Tri-Cities MSA	96,300	88,500	8.1	94,700	86,000	9.1	91,300	83,100	9.0
Benton County 2/	72,800	67,800	6.8	71,500	65,900	7.8	68,900	63,700	7.6
Franklin County 2/	23,530	20,670	12.1	23,170	20,110	13.2	22,300	19,400	13.1
Yakima MSA	100,600	87,700	12.8	100,900	85,500	15.2	104,200	87,800	15.8
Adams	7,220	6,170	14.6	7,110	5,920	16.8	7,190	5,840	18.7
Asotin 2/	11,580	10,890	5.9	11,560	10,880	5.9	12,520	11,050	11.7
Chelan-Douglas LMA	48,520	43,290	10.8	48,020	42,530	11.4	49,440	43,670	11.7
Chelan County 2/	31,260	27,610	11.7	30,950	27,120	12.4	31,840	27,850	12.6
Douglas County 2/	17,260	15,690	9.1	17,070	15,410	9.8	17,600	15,820	10.1
Clallam	24,230	22,150	8.6	24,260	22,010	9.3	24,160	21,840	9.6
Clark 2/	183,520	166,760	9.1	181,540	165,190	9.0	179,800	168,900	6.1
Columbia	1,210	1,030	15.1	1,160	980	15.8	1,260	1,040	17.2
Cowlitz	40,250	35,750	11.2	40,660	35,670	12.3	39,910	36,160	9.4
Ferry	2,510	2,170	13.7	2,530	2,160	14.4	2,590	2,040	21.4
Garfield	1,100	1,100	5.4	1,100	1,000	7.1	1,080	1,000	7.0
Grant	34,860	30,440	12.7	34,500	29,690	13.9	34,340	28,940	15.7
Grays Harbor	25,990	23,250	10.6	26,020	22,990	11.6	25,950	22,820	12.1
Jefferson	10,980	10,180	7.3	10,970	10,060	8.3	10,750	10,020	6.8
Kititas	14,900	13,600	8.4	14,500	13,300	8.6	15,380	13,990	9.0
Klickitat	7,660	6,430	16.1	7,820	6,380	18.4	8,820	7,110	19.4
Lewis	28,670	25,970	9.4	28,210	25,470	9.7	27,960	24,910	10.9
Lincoln	4,540	4,220	7.1	4,360	4,040	7.3	4,310	4,020	6.7
Mason	18,400	16,800	8.8	18,400	16,500	9.9	18,030	16,330	9.4
Okanogan	17,090	14,640	14.3	17,110	14,520	15.1	18,940	15,740	16.9
Pacific	7,700	7,030	8.8	7,710	6,980	9.5	7,260	6,530	10.1
Pend Oreille	4,410	3,910	11.3	4,330	3,860	10.9	4,090	3,490	14.7
San Juan	5,950	5,550	6.7	6,010	5,590	7.1	5,890	5,520	6.3
Skagit	51,130	46,790	8.5	51,220	46,570	9.1	51,510	47,100	8.6
Skamania	3,810	3,280	13.9	3,820	3,250	15.1	3,580	3,110	13.2
Stevens	16,230	14,110	13.1	16,040	13,890	13.4	16,620	14,430	13.2
Wahkiakum	1,700	1,580	7.1	1,690	1,520	10.1	1,810	1,680	7.1
Walla Walla	26,110	24,150	7.5	25,390	23,110	9.0	26,010	23,700	8.9
Whitman	19,000	18,490	2.7	18,660	18,090	3.0	18,470	17,910	3.0

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

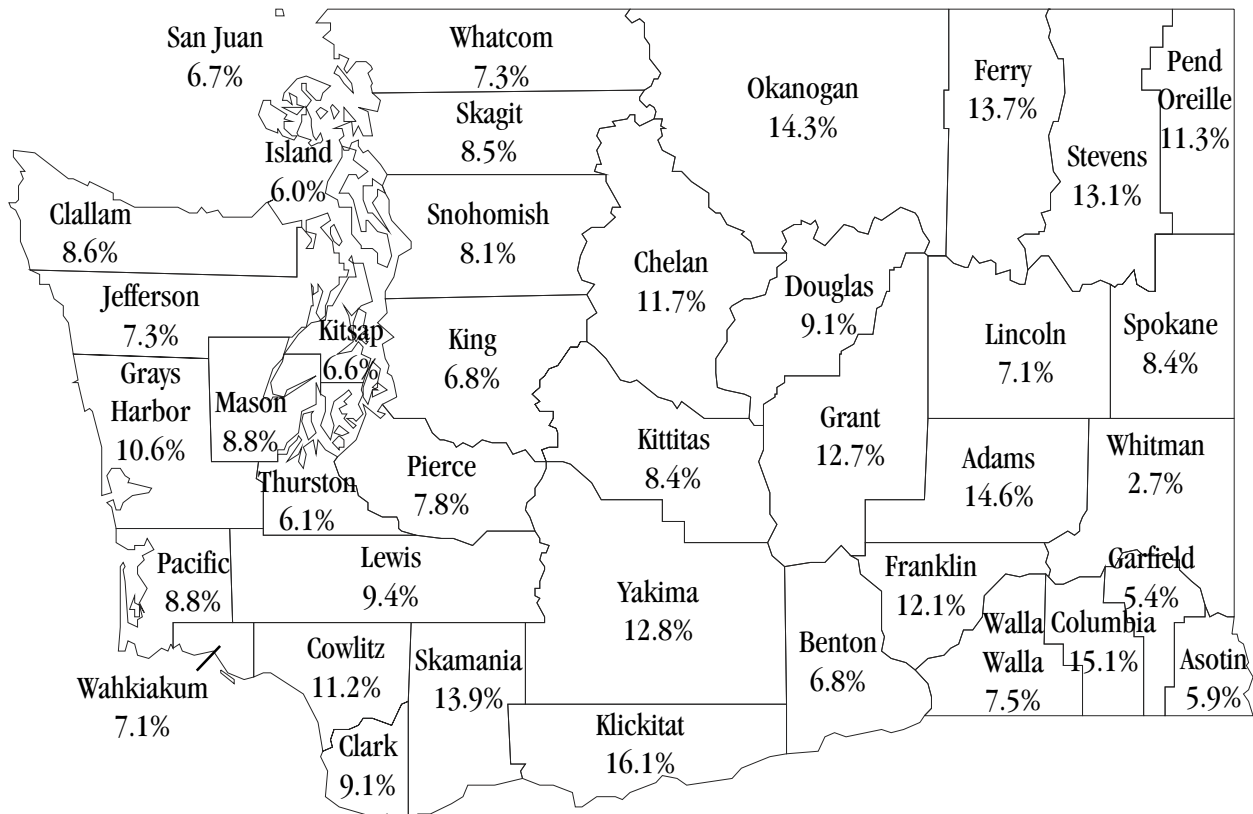
<i>(In Thousands)</i>	February 2002 (Prel)	January 2002 (Rev)	February 2001 (Rev)	January 2001 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	7.0%	7.6%	5.8%	5.5%
United States	5.5%	5.6%	4.2%	4.2%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,029.7	3,009.3	3,006.1	3,008.4
Employment	2,788.7	2,759.6	2,803.9	2,821.5
Unemployment	241.0	249.7	202.2	186.9
Percent of Labor Force	8.0%	8.3%	6.7%	6.2%

Unemployment Rates by County, February 2002

Washington State = 8.0%

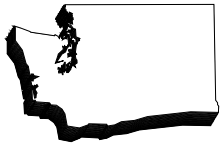
United States = 6.1%

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		
	Feb	Jan	Feb	Feb	Jan	Feb	Feb	Jan	Feb
	2002	2002	2001	2002	2002	2001	2002	2002	2001
Total Manufacturing Industries	\$733.66	\$725.78	\$682.96	40.4	39.9	39.5	\$18.16	\$18.19	\$17.29
Selected Manufacturing Industries									
Lumber and Wood Products	\$652.68	\$627.00	\$602.77	42.0	40.9	40.7	\$15.54	\$15.33	\$14.81
Primary Metal Industries	\$721.62	\$607.99	\$731.16	37.2	42.0	42.5	\$17.10	\$16.30	\$17.45
Transportation Equipment	\$1,030.41	\$1,040.07	\$951.53	41.7	42.4	40.2	\$24.71	\$24.53	\$23.67
Food and Kindred Products	\$549.12	\$552.38	\$518.59	39.0	38.9	39.8	\$14.08	\$14.20	\$13.03
Chemicals and Allied Products	\$1,153.79	\$1,096.34	\$1,018.50	40.9	41.0	42.0	\$28.21	\$26.74	\$24.25
Selected Nonmanufacturing Industries									
Construction	\$891.44	\$884.37	\$822.47	36.7	36.2	35.9	\$24.29	\$24.43	\$22.91
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$394.99	\$384.14	\$386.26	31.2	30.2	31.0	\$12.66	\$12.72	\$12.46



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