Washington Labor Market

November and December 2002

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Highlights

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SEASONAL GIVE AND TAKE

Washington's labor market entered the fall quarter with a delay in some seasonal layoffs with good weather lasting in Western Washington until November. Raw labor force numbers were essentially flat between September and November of 2002. Likewise, the number of people employed and unemployed remained little changed. The flatness seen in the labor market ran counter to normal seasonal layoffs at this time of year, leading seasonally adjusted numbers to post gains. Seasonally adjusted employment expanded and unemployment fell. Cyclically, there was little improvement with weak domestic demand compounded by slack economic conditions in foreign markets. Mixed national economic indicators and fears of a war with Iraq have added volatility to the stock market, constraining business investment. The economy remains dependent on consumption expenditures, which appear lackluster in the fourth quarter of 2002.

Nonagricultural employment in Washington increased in both October and November driven primarily by the return of non-teaching staff to public and private schools. The swing in state and local education added roughly 28,000 workers to the state's employment rolls over the two months—big enough to effectively counter the decline in manufacturing and the typical seasonal downturns taking place in construction, recreation, and tourism. At the same time, aircraft and parts employment slowed its pace of decline—dropping 500 to 600 workers in both months. Business services declined by almost 5,000 over the two months, while health services (+1,400) and educational services (+4,300) posted employment increases.

LABOR FORCE AND UNEMPLOYMENT

The state's seasonally adjusted unemployment rate came down seven-tenths of a percentage point in October from 7.4 to 6.7 percent—the lowest level up to that time in 2002. In November, the seasonally adjusted unemployment rate fell a further one tenth of a percentage point to 6.6 percent. Unseasonably warm weather in the mid to late fall delayed layoffs in amusement and recreational services and construction.

Both October's and November's raw unemployment rates ran roughly half a percentage point lower than a year ago. This is the first time this year that the unemployment rate has been lower than its prior year levels. The raw unemployment rate peaked in January 2002 at 8.3 percent. This compared to January 2001 when the unemployment rate was 6.2 percent. Measurements this year are being made against a relatively high base and, despite some modest downturn from a year ago, the overall level of unemployment statewide in 2002 remains high. The average unemployment rate for 2002 as of November was 7.0 percent, the highest average since 1993.

INDUSTRY DEVELOPMENTS

Total nonfarm wage and salary employment increased by 11,200 workers in October and another 3,000 in November. These gains in employment brought down the loss in employment since December of 2001 to 6,600. Most of the month-to-month movement reflected the heavy return to work of non-teaching staff at the state's public schools—involving 21,400 in October and 6,600 in November. Total employment less public education actually dropped in October by 15,600 and in November by 3,600. This drop was driven in October by seasonal losses in construction (-2,500), transportation (-1,500), eating and drinking establishments (-2,800), and recreation/tourism (-2,800). In November the drop was accounted for by layoffs in food processing (-2,500), construction (-5,300), and recreation/tourism (-1,100) as the Northwest prepared for winter weather. November did post an increase in general merchandise and apparel stores (+5,000). This modest increase, however, was somewhat lighter than normal due to modest consumer spending.

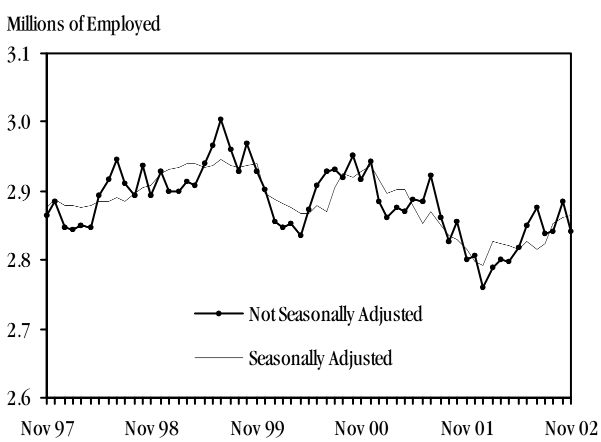
Manufacturing Employment Takes a Dip

The job count in the basic goods-producing sector fell 5,000 in November after falling by 2,400 in October. Seasonal losses in lumber and wood products (-3,900), electronic and other equipment (-800), aircraft and parts (-700), and food processing (-2,900) figured importantly in the equation. No clear job momentum has occurred in manufacturing. Throughout 2002 manufacturing remained around 30,000 below its year ago levels. Over the year, aircraft and parts has continued to decline relative to its year ago levels. Food processing, electronic equipment, and industrial machinery have moved closer to their year-ago levels.

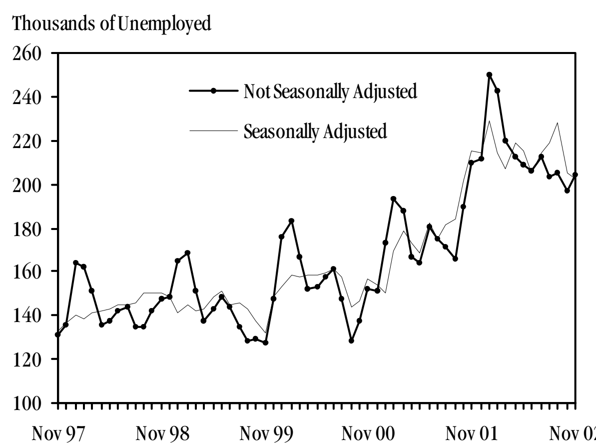
Services Economy May Stabilize

As of November 2002, only government and services remain above their year-ago levels. Local education and federal employment account for all the increase in the government sector. Services have seen over-the-year increases in health, education, and social services. Computer and data processing remained below the level in November of 2001 by 900. This is the smallest year-over-year shortfall in employment in computer and data processing so far in 2002. Construction and trade remain below employment levels during the same month in 2001. The difference has been narrowing, however, especially in construction. The difference in construction employment from March of 2001 to 2002 peaked at almost 18,000 and then narrowed to just 2,000 for November. In trade the difference was over 14,000 in February and is just under 6,000 in November.

Washington State Total Resident Employment and Unemployment, November 1997 - November 2002



Source: Employment Security Department



AREA TRENDS

October saw fractionally lower unemployment rates across most of Washington with a seasonal uptick in eastern Washington in November. The urban metropolitan areas posted a three-tenths of a percentage point decrease from September to October and two-tenths of a percentage point increase from October to November. Unemployment rates in the Seattle-Bellevue-Everett area declined from 6.7 percent in September to 6.3 percent in October and then to 6.2 percent in November. Tacoma also came down from 7.2 in September to 6.9 in October and then to 6.8 in November. Jobless rates in other parts of western Washington were flat with an overall decline from 6.9 in September to 6.6 in October and then to 6.5 in November. The eastern part of the state experienced typical seasonal agricultural layoffs in November. Spokane's unemployment rate hovered around 6.0 percent over the past three months, but other areas saw large increases. Overall, eastern Washington fell from 6.0 percent in September to 5.6 percent in October, but then shot up to 7.4 percent in November.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Nov-02	Oct-02	Nov-01
Washington State Total	6.7%	6.4%	7.3%
Metropolitan Areas	6.4%	6.2%	6.8%
Log & Lumber Areas	8.2%	7.2%	9.7%
All Western WA Areas	6.5%	6.6%	6.9%
All Eastern WA Areas	7.4%	5.6%	8.6%

Source: Employment Security Department

INDUSTRY NOTES

Boeing Commercial Swaps Product Plans, Outlines Future

After a process of weighing customer preferences with market realities, Boeing's Commercial Airplane Group announced plans in December for a new, super-efficient plane that will seat about 250 passengers, displacing plans for a faster commercial plane dubbed "Sonic Cruiser."

In a year-end press conference, Boeing Commercial Airplane Group's CEO Alan Mulally, summarized the company's year in review, industry situation, and the outlook for product development. He captured the commercial air travel industry situation in two words—"unprecedented times"—explaining that never in his career had he "seen such a combination of economic cycle and terrorist overhang have such an impact on the industry." Citing billions of dollars in losses and cuts across all airlines, Mulally said that the air travel market is up in Asia-Pacific and down in Europe and the U.S. The implications for Boeing: they will work to match capacity and demand by reducing production "decisively" over 50 percent from a year ago. The production outlook reflects adjustments due to current over-capacity: 380 planes were delivered in 2002, 275-285 planes are expected to be delivered in 2003, and about the same in 2004, depending on world safety and recovery of airlines.

The work force impact of production cutbacks translated to continued large-scale layoffs, already much publicized across the state. Some 11,083 of Boeing's Washington employees were issued layoff notices with impact dates in 2002 (under the Worker Adjustment and Retraining Notification Act). As an industry, aircraft and parts manufacturing employed 72,200 in November 2002, down 14.7 percent from a year earlier. Unemployment insurance claims for the industry numbered over 5,700 in November 2002, up from almost 1,400 a year earlier (all types of claims).

Crowning Mulally's press conference was his announcement of plans for a new airplane, choosing a super efficient product over the speedy Sonic Cruiser. With a planned launch in 2004 and entry into service in 2008, the new plane will target the mid-market between 737 and 767 and use technology innovations to travel 20 percent faster than any other product in its size class (about the speed of the 777). The plane will create efficiencies in the form of noise, emissions, and fuel burn reductions. It will serve expanding point-to-point, non-stop routes. Mulally did not specify if the plane will be built in the Puget Sound region, noting only that the decision will be made well into the design process.

Aluminum Relegated to the History Books

It's taken some time, but the answer to "what's next" for Washington's aluminum industry became incrementally clearer over the past few months. After several plants were idled in 2000-2001 due to unfavorable market conditions, especially soaring electric prices, many wondered what would be their fate long term. For at least one plant, the issue should be put to rest early in 2003. Bankrupt Kaiser Aluminum's smelters in Tacoma, idle since mid-2000 is now slated for purchase by the Port of

Tacoma for redevelopment as a container ship dock. The facility used to employ 350 workers on its 96-acre site. For the property, the Port has agreed to pay $12.1 million in cash to Kaiser, pending bankruptcy court approval. The deal also involves a $4 million commitment from the Port to perform regulated environmental testing and remediation.

For the time being, the long-term outlook is less clear at Kaiser's Trentwood rolling mill, which was planned to idle for the last two weeks of December to adjust for a shortfall in demand, largely from the aerospace sector. Workers who are sent home have the choice of using paid vacation time or taking a furlough without pay. Those who go unpaid can apply for unemployment insurance benefits. During the shutdown, 150 salaried workers will remain on the job.

Even fuzzier is the situation with Kaiser's smelter facility in Mead (near Spokane), which was shut down in late-2000 for the same reasons as were cited in Tacoma. The fate of that facility was yet unknown as 2002 came to an end. But the fact that Kaiser terminated its contract to purchase electricity from the Bonneville Power Administration (BPA) in late September 2002 offers some indication of the plant's fate. A separate provider delivers power to Trentwood.

The aluminum industry took a firm hold in the Pacific Northwest during World War II enjoying cheap power from hydro damns on the Columbia River while supplying the war effort. Northwest plants constituted about 40 percent of U.S. production and 10 percent of world supply during the 1990s.

Health Care Industry Not Always Immune

Despite the oft heard touting that the health care industry offers the best prospects for long-term employment stability and growth, it's worth noting that the industry is not immune to the edgy disposition of the economy. For example, in a reflection of the tough business climate of 2001-2002, Group Health Cooperative officials stated that the cooperative was looking at up to a 2 percent loss in 2002. According to Group Health news releases, the cooperative covers about 600,000 people—one out of every ten Washington residents. Their financial challenges stem from falling enrollment, increasing costs, and federal reimbursements that fail to keep pace with actual costs. To cope with these challenges the organization is increasing marketing efforts in hopes of attracting new members, consolidating a few medical clinics, making voluntary pay cuts for senior managers, and laying off 170 workers.

As an industry, health services employed 207,600 workers in November 2002, up a forceful 6.5 percent from a year earlier. Meanwhile, the industry did experience an increase in jobless claims, from about 2,800 in November 2001 to almost 3,800 in November 2002, inclusive of all claim programs. Although it is difficult to find explanation for why unemployment increased while employment expanded vigorously, one possible explanation is found in changes in demand due to the recession for specific health care occupations.

Some Good News in Air Transportation

In 2002 Seattle-based Alaska Airlines has accomplished what most other passenger carriers have not: route expansions and profit. In a statement made with the release of the company's third quarter results, Alaska Air Group Chairman and CEO John F. Kelly said, "Both Alaska and Horizon Air did an excellent job of developing and executing their post 9/11 strategies, and both carriers recorded profits for the quarter. Still, the industry is clearly suffering financially, and we're not immune to it, especially as we contemplate the difficult winter months ahead."

Route expansions for Alaska Airlines reached coast-to-coast. New and expanded nonstop routes from Seattle include New York/Newark, Miami, Washington D.C., and Boston. The airline also added nonstop service from Vancouver, B.C. to Orange County, California. In October, the carrier applied for gate slots at Reagan National (Washington D.C.) and Los Angeles International in hopes of adding nonstop service between those cities in the near future.

Air transportation employed 24,500 Washington workers in November 2002, up about 2,000 from October, but was down by 1.2 percent from November 2001.

Prices Flatten Out

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent to 181.3 in October and remained there in November, before seasonal adjustment, according to the Bureau of Labor Statistics of the U.S. Department of Labor. This followed an increase of 0.3 percent in September and 0.3 percent in August. The November index level of 181.3 (1982-84=100) was 2.2 percent higher than its level in November 2001.

Reported bi-monthly, the Seattle-Tacoma-Bremerton CPI-U index showed 0.3 percent increase over the two-month period from August to October 2002. Inflation in Seattle was 1.6 percent over the year between October 2001 and October 2002. Putting this modest over-the-year inflation in context, the October 2001 Seattle CPI-U was up 3.2 percent over the previous year.

On a seasonally adjusted basis, the CPI-U rose 0.1 percent in November, following an increase of 0.3 percent in October. The index for food (both at home and restaurant meals) rose 0.2 percent in November. The index for food at home, which declined 0.1 percent in October, increased 0.3 percent, reflecting upturns in the indexes for fruits and vegetables and for meats, poultry, fish, and eggs. Energy costs, which had increased in each of the four preceding months, declined 0.2 percent in November. Within energy, the index for petroleum-based energy declined 0.2 percent and the index for energy services decreased 0.2 percent. Excluding food and energy, the CPI-U rose 0.2 percent in November, the same as in Oct

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

	Indexes			% Change From	
	Oct-02	Sep-02	Oct-01	Sep-02	Oct-01
	181.3	181.0	177.7	0.2%	2.0%
	Nov-02	Oct-02	Nov-01	Oct-02	Nov-01
U.S. City Average	181.3	181.3	177.4	0.0%	2.2%
	Oct-02	Aug-02	Oct-01	Aug-02	Oct-01
Seattle*	190.0	190.3	187.9	0.3%	1.6%

** The index for Seattle reflects prices in King, Pierce, Snohomish, Kitsap, Island, and Thurston counties, and is reported bi-monthly*
Source: U.S. Department of Labor, Bureau of Labor Statistics

GDP Revised Upward

Real gross domestic product (GDP)—the output of goods and services produced by labor and property located in the United States—increased at an annual rate of 4.0 percent in the third quarter of 2002, according to revised estimates released by the Bureau of Economic Analysis. GDP growth for the third quarter had been previously estimated at 3.1 percent.

Annualized change in GDP has made some moody swings over the last few quarters, having come from negative territory in the first three quarters of 2001 to an impressive 5 percent increase in the first quarter 2002, only to swing down to 1.3 percent in the second quarter. Major contributors to the increase in real GDP in the third quarter were personal consumption expenditures (PCE), private inventory investment, government spending, equipment and software, and exports. The contributions of these components were partly offset by a downturn in nonresidential structures. Imports, which are a subtraction in the calculation of GDP, increased.

Fed Holds Rates Steady After November Reduction

In their November 6 meeting, the Federal Open Market Committee decided to lower the target rate for federal funds by 50 points to 1¼ percent, while the Board of Governors approved a 50 point reduction in the discount rate setting it at ¾ percent. While inflation remains well under control, the Committee believed that an accommodative monetary policy in the form of a rate reduction was necessary to support the economy in the face of geopolitical uncertainty. At their December 10 meeting, the Committee decided to keep the target for federal funds unchanged, stating that recent economic indicators suggest that the economy is working slowly but steadily through its soft spot.

The discount rate is the interest rate charged to commercial banks and other depository institutions on loans they receive from their regional Federal Reserve Bank's lending facility. The discount rate is established by each Reserve Bank's board of directors, subject to the review and determination of the Board of Governors. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

Consumer Spending Shows Resilience

Throughout the economic downturn, consumers have been regaled for collectively propping up otherwise soft markets. November returned a 0.5 percent increase in consumer spending, a relatively hale and hearty gain after some hesitation earlier this fall. Expenditures on durable goods made the largest over-the-month gain at 1.9 percent, totaling an increase of $19.1 billion. Personal income, up 0.3 percent, and disposable personal income, up 0.4 percent, advanced in November at the same rates as in August through October (current dollars). No doubt these optimistic income advances, combined with the onset of the holiday shopping season, drove momentum in consumer spending. Personal income and consumer spending data are products of the Department of Commerce's Bureau of Economic Analysis.

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

In Thousands, Not Seasonally Adjusted

	October 2002 (Prel)	September 2002 (Rev)	October 2001 (Rev)	September 2001 (Rev)	Numeric Change Sept. 2002 to Oct. 2002	Numeric Change Oct. 2001 to Oct. 2002
Total Nonagricultural Wage & Salary Workers	2,663.9	2,652.7	2,700.1	2,702.3	11.2	-36.2
Manufacturing	305.8	308.2	335.1	339.7	-2.4	-29.3
Durable Goods	205.3	207.0	230.4	233.5	-1.7	-25.1
Lumber & Wood Products	29.8	30.2	31.2	31.6	-0.4	-1.4
Logging	6.7	6.8	6.9	7.0	-0.1	-0.2
Sawmills & Plywood	20.0	20.1	21.0	21.2	-0.1	-1.0
Furniture & Fixtures	4.4	4.4	4.6	4.7	0.0	-0.2
Stone, Clay & Glass	8.4	8.6	8.7	8.8	-0.2	-0.3
Primary Metals	7.1	7.2	8.1	8.6	-0.1	-1.0
Aluminum	3.7	3.8	4.4	4.5	-0.1	-0.7
Fabricated Metals	13.2	13.3	14.3	14.3	-0.1	-1.1
Industrial Machinery & Equipment	21.2	21.3	23.0	23.7	-0.1	-1.8
Computer & Office Equipment	5.8	5.8	6.0	6.0	0.0	-0.2
Electronic & Other Electrical Equipment	14.3	14.8	17.8	18.2	-0.5	-3.5
Transportation Equipment	85.0	85.4	100.0	100.7	-0.4	-15.0
Aircraft & Parts	72.4	72.8	87.4	87.8	-0.4	-15.0
Ship & Boat Building	6.3	6.3	6.5	6.6	0.0	-0.2
Instruments & Related	13.9	13.9	14.5	14.6	0.0	-0.6
Miscellaneous Manufacturing	8.0	7.9	8.2	8.3	0.1	-0.2
Nondurable Goods	100.5	101.2	104.7	106.2	-0.7	-4.2
Food & Kindred Products	40.0	40.4	41.5	42.4	-0.4	-1.5
Preserved Fruits & Vegetables	14.9	14.9	14.7	15.3	0.0	0.2
Textiles, Apparel & Leather	7.4	7.4	7.6	7.7	0.0	-0.2
Paper & Allied Products	13.9	14.1	14.7	14.9	-0.2	-0.8
Printing & Publishing	22.2	22.1	22.9	23.0	0.1	-0.7
Chemicals & Allied Products	5.2	5.3	5.9	6.0	-0.1	-0.7
Petroleum, Coal, Plastics	11.8	11.9	12.1	12.2	-0.1	-0.3
Mining & Quarrying	3.2	3.2	3.4	3.5	0.0	-0.2
Construction	152.5	155.0	156.5	162.8	-2.5	-4.0
General Building Contractors	41.3	41.3	41.9	42.8	0.0	-0.6
Heavy Construction, except Building	18.1	18.7	19.0	21.2	-0.6	-0.9
Special Trade Contractors	93.1	95.0	95.6	98.8	-1.9	-2.5
Transportation, Communications & Utilities	136.8	138.1	145.6	146.4	-1.3	-8.8
Transportation	88.6	90.1	92.5	93.5	-1.5	-3.9
Trucking & Warehousing	32.7	33.3	34.1	34.3	-0.6	-1.4
Water Transportation	8.9	8.7	8.9	9.0	0.2	0.0
Transportation by Air	24.3	25.3	26.0	26.5	-1.0	-1.7
Communications	32.2	32.1	36.4	36.5	0.1	-4.2
Electric, Gas & Sanitary Services	16.0	15.9	16.7	16.4	0.1	-0.7
Wholesale & Retail Trade	625.0	627.3	632.1	636.2	-2.3	-7.1
Wholesale Trade	141.2	141.1	143.8	144.2	0.1	-2.6
Durable Goods	81.3	81.7	83.0	83.3	-0.4	-1.7
Nondurable Goods	59.9	59.4	60.8	60.9	0.5	-0.9
Retail Trade	483.8	486.2	488.3	492.0	-2.4	-4.5
Building Materials/Garden Supplies	21.5	21.7	21.3	21.7	-0.2	0.2
General Merchandise	52.9	52.6	52.6	52.7	0.3	0.3
Food Stores	69.8	70.3	70.7	70.8	-0.5	-0.9
Automobile Dealers & Service Stations	50.5	50.8	49.8	50.1	-0.3	0.7
Apparel & Accessory Stores	23.6	23.7	23.8	24.2	-0.1	-0.2
Eating & Drinking Establishments	178.8	181.6	180.4	183.9	-2.8	-1.6
Finance, Insurance & Real Estate	144.1	144.1	143.2	143.5	0.0	0.9
Finance	66.2	66.1	65.4	65.3	0.1	0.8
Insurance	42.5	42.6	42.2	42.3	-0.1	0.3
Real Estate	35.4	35.4	35.6	35.9	0.0	-0.2
Services	774.2	776.2	769.7	776.5	-2.0	4.5
Hotels & Lodging	28.2	29.5	28.9	30.7	-1.3	-0.7
Personal Services	22.8	22.7	22.7	23.0	0.1	0.1
Business Services	169.0	169.6	174.4	176.5	-0.6	-5.4
Computer & Data Processing Services	63.9	64.0	65.3	66.7	-0.1	-1.4
Amusement & Recreational Services	36.4	39.2	36.1	40.8	-2.8	0.3
Health Services	206.4	206.3	200.2	199.7	0.1	6.2
Nursing & Personal Care	34.3	34.3	33.1	33.4	0.0	1.2
Hospitals	62.5	62.6	61.4	61.3	-0.1	1.1
Legal Services	19.8	19.7	19.9	19.9	0.1	-0.1
Educational Services	40.8	37.4	39.2	35.9	3.4	1.6
Social Services	68.0	67.7	66.2	66.2	0.3	1.8
Engineering & Management Services	73.3	73.2	73.0	72.8	0.1	0.3
Government	522.3	500.6	514.5	493.7	21.7	7.8
Federal	70.9	70.2	69.0	69.1	0.7	1.9
State	150.5	137.4	150.2	135.9	13.1	0.3
State Education	84.4	70.6	84.1	68.9	13.8	0.3
Local	300.9	293.0	295.3	288.7	7.9	5.6
Local Education	155.2	141.1	151.3	138.3	14.1	3.9
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.

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

In Thousands, Not Seasonally Adjusted

	November 2002 (Prel)	October 2002 (Rev)	November 2001 (Rev)	October 2001 (Rev)	Numeric Change Oct. 2002 to Nov. 2002	Numeric Change Nov. 2001 to Nov. 2002
Total Nonagricultural Wage & Salary Workers	2,661.7	2,658.8	2,694.9	2,700.1	2.9	-33.2
Manufacturing	300.9	305.9	329.0	335.1	-5.0	-28.1
Durable Goods	203.4	205.6	227.5	230.4	-2.2	-24.1
Lumber & Wood Products	29.4	29.9	30.6	31.2	-0.5	-1.2
Logging	6.5	6.8	6.8	6.9	-0.3	-0.3
Sawmills & Plywood	19.8	20.0	20.6	21.0	-0.2	-0.8
Furniture & Fixtures	4.1	4.3	4.5	4.6	-0.2	-0.4
Stone, Clay & Glass	8.4	8.4	8.5	8.7	0.0	-0.1
Primary Metals	6.9	7.1	8.1	8.1	-0.2	-1.2
Aluminum	3.6	3.7	4.4	4.4	-0.1	-0.8
Fabricated Metals	13.1	13.3	14.1	14.3	-0.2	-1.0
Industrial Machinery & Equipment	21.2	21.3	22.7	23.0	-0.1	-1.5
Computer & Office Equipment	5.8	5.8	5.9	6.0	0.0	-0.1
Electronic & Other Electrical Equipment	14.1	14.4	17.3	17.8	-0.3	-3.2
Transportation Equipment	84.5	85.0	99.4	100.0	-0.5	-14.9
Aircraft & Parts	72.2	72.5	86.9	87.4	-0.3	-14.7
Ship & Boat Building	6.3	6.3	6.4	6.5	0.0	-0.1
Instruments & Related	13.8	13.9	14.2	14.5	-0.1	-0.4
Miscellaneous Manufacturing	7.9	8.0	8.1	8.2	-0.1	-0.2
Nondurable Goods	97.5	100.3	101.5	104.7	-2.8	-4.0
Food & Kindred Products	37.4	39.9	38.3	41.5	-2.5	-0.9
Preserved Fruits & Vegetables	12.8	14.9	13.0	14.7	-2.1	-0.2
Textiles, Apparel & Leather	7.2	7.3	7.6	7.6	-0.1	-0.4
Paper & Allied Products	13.9	13.9	14.7	14.7	0.0	-0.8
Printing & Publishing	22.1	22.2	22.9	22.9	-0.1	-0.8
Chemicals & Allied Products	5.1	5.2	6.0	5.9	-0.1	-0.9
Petroleum, Coal, Plastics	11.8	11.8	12.0	12.1	0.0	-0.2
Mining & Quarrying	3.0	3.2	3.2	3.4	-0.2	-0.2
Construction	147.6	152.9	149.6	156.5	-5.3	-2.0
General Building Contractors	41.0	41.6	41.0	41.9	-0.6	0.0
Heavy Construction, except Building	16.4	18.2	17.0	19.0	-1.8	-0.6
Special Trade Contractors	90.2	93.1	91.6	95.6	-2.9	-1.4
Transportation, Communications & Utilities	136.6	137.4	143.4	145.6	-0.8	-6.8
Transportation	88.6	89.4	91.1	92.5	-0.8	-2.5
Trucking & Warehousing	32.8	33.3	33.6	34.1	-0.5	-0.8
Water Transportation	8.7	9.1	8.8	8.9	-0.4	-0.1
Transportation by Air	24.5	24.3	25.7	26.0	0.2	-1.2
Communications	32.0	32.0	35.9	36.4	0.0	-3.9
Electric, Gas & Sanitary Services	16.0	16.0	16.4	16.7	0.0	-0.4
Wholesale & Retail Trade	631.0	625.5	636.9	632.1	5.5	-5.9
Wholesale Trade	140.7	141.4	141.9	143.8	-0.7	-1.2
Durable Goods	81.6	81.6	82.1	83.0	0.0	-0.5
Nondurable Goods	59.1	59.8	59.8	60.8	-0.7	-0.7
Retail Trade	490.3	484.1	495.0	488.3	6.2	-4.7
Building Materials/Garden Supplies	20.9	21.4	20.9	21.3	-0.5	0.0
General Merchandise	56.8	53.1	56.8	52.6	3.7	0.0
Food Stores	69.8	70.1	71.4	70.7	-0.3	-1.6
Automobile Dealers & Service Stations	50.2	50.3	49.6	49.8	-0.1	0.6
Apparel & Accessory Stores	24.7	23.4	25.2	23.8	1.3	-0.5
Eating & Drinking Establishments	179.0	179.0	179.2	180.4	0.0	-0.2
Finance, Insurance & Real Estate	144.7	144.0	143.8	143.2	0.7	0.9
Finance	66.6	66.2	65.9	65.4	0.4	0.7
Insurance	42.8	42.4	42.3	42.2	0.4	0.5
Real Estate	35.3	35.4	35.6	35.6	-0.1	-0.3
Services	772.2	774.3	764.9	769.7	-2.1	7.3
Hotels & Lodging	27.3	28.2	27.6	28.9	-0.9	-0.3
Personal Services	22.9	22.8	22.6	22.7	0.1	0.3
Business Services	168.4	169.5	171.6	174.4	-1.1	-3.2
Computer & Data Processing Services	64.1	63.8	65.0	65.3	0.3	-0.9
Amusement & Recreational Services	34.3	35.4	34.1	36.1	-1.1	0.2
Health Services	207.6	206.6	201.1	200.2	1.0	6.5
Nursing & Personal Care	34.4	34.3	33.3	33.1	0.1	1.1
Hospitals	62.6	62.5	61.6	61.4	0.1	1.0
Legal Services	19.8	19.8	19.9	19.9	0.0	-0.1
Educational Services	42.1	41.2	40.2	39.2	0.9	1.9
Social Services	67.8	67.9	66.3	66.2	-0.1	1.5
Engineering & Management Services	73.3	73.3	73.6	73.0	0.0	-0.3
Government	525.7	515.6	524.1	514.5	10.1	1.6
Federal	71.2	70.9	69.0	69.0	0.3	2.2
State	145.6	144.1	150.9	150.2	1.5	-5.3
State Education	79.2	77.7	84.9	84.1	1.5	-5.7
Local	308.9	300.6	304.2	295.3	8.3	4.7
Local Education	160.5	155.4	156.4	151.3	5.1	4.1
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.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Date: 12/17/02
Benchmark: 2001

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

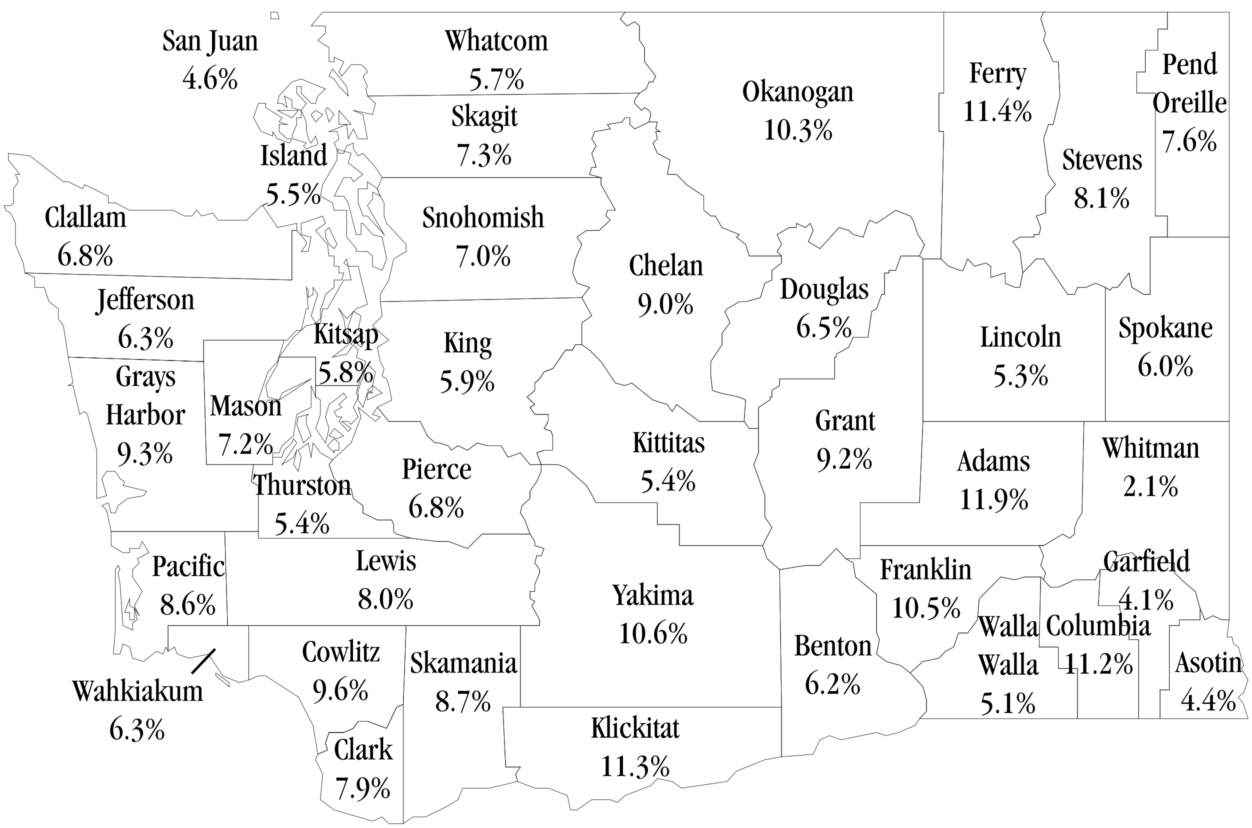
Not Seasonally Adjusted	November 2002 Preliminary Labor Force	Employment	Unemployment	Unemployment Rate	October 2002 Revised Labor Force	Employment	Unemployment	Unemployment Rate	November 2001 Revised Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,046,300	2,842,300	204,000	6.7	3,082,700	2,885,400	197,300	6.4	2,967,400	2,751,700	215,700	7.3
Bellingham MSA	80,600	76,000	4,600	5.7	80,700	76,300	4,500	5.5	79,500	73,600	5,900	7.4
Bremerton PMSA	97,400	91,700	5,700	5.8	97,300	91,500	5,700	5.9	92,400	86,300	6,100	6.6
Olympia PMSA	103,700	98,100	5,600	5.4	103,600	98,200	5,400	5.2	99,500	93,400	6,100	6.2
Seattle-Bellevue-Everett PMSA	1,375,700	1,290,500	85,100	6.2	1,372,900	1,286,000	86,900	6.3	1,356,500	1,270,800	85,700	6.3
King County 2/	1,006,800	946,900	59,800	5.9	1,004,700	943,600	61,100	6.1	994,100	932,400	61,700	6.2
Snohomish County 2/	340,200	316,500	23,700	7.0	339,500	315,300	24,200	7.1	334,000	311,600	22,400	6.7
Island County 2/	28,800	27,200	1,600	5.5	28,800	27,100	1,700	5.9	28,400	26,750	1,650	5.8
Spokane MSA	208,100	195,600	12,500	6.0	209,200	196,900	12,300	5.9	204,600	190,400	14,200	6.9
Tacoma PMSA	348,400	324,600	23,800	6.8	347,300	323,200	24,100	6.9	326,000	302,600	23,300	7.2
Tri-Cities MSA	100,200	93,000	7,200	7.2	104,000	98,500	5,500	5.3	93,000	85,700	7,300	7.9
Benton County 2/	76,000	71,300	4,700	6.2	79,700	75,500	4,200	5.2	70,500	65,700	4,800	6.9
Franklin County 2/	24,300	21,700	2,500	10.5	24,300	23,000	1,300	5.4	22,500	20,000	2,500	11.0
Yakima MSA	102,400	91,500	10,900	10.6	115,100	107,900	7,200	6.3	101,900	89,300	12,600	12.4
Adams	8,030	7,070	960	11.9	8,980	8,530	450	5.0	7,780	6,710	1,070	13.7
Asotin 2/	11,880	11,350	520	4.4	12,020	11,450	570	4.8	11,430	10,870	560	4.9
Chelan-Douglas LMA	49,640	45,600	4,040	8.1	56,000	53,270	2,720	4.9	49,810	44,910	4,900	9.8
Chelan County 2/	31,960	29,080	2,890	9.0	35,920	33,970	1,950	5.4	32,100	28,640	3,460	10.8
Douglas County 2/	17,680	16,520	1,160	6.5	20,080	19,300	780	3.9	17,710	16,270	1,440	8.1
Clallam	24,130	22,500	1,630	6.8	24,570	23,030	1,540	6.3	23,660	21,730	1,930	8.2
Clark 2/	183,800	169,300	14,500	7.9	185,500	169,300	16,200	8.7	179,300	164,300	15,000	8.4
Columbia	1,120	1,000	130	11.2	1,180	1,060	130	10.7	1,080	930	150	13.9
Cowlitz	39,560	35,760	3,800	9.6	39,720	35,830	3,890	9.8	39,870	35,330	4,550	11.4
Ferry	2,330	2,060	270	11.4	2,360	2,170	200	8.3	2,320	2,070	250	10.9
Garfield	1,160	1,120	50	4.1	1,190	1,150	40	3.5	1,070	1,030	40	3.7
Grant	37,100	33,700	3,410	9.2	41,530	39,250	2,280	5.5	34,930	31,200	3,740	10.7
Grays Harbor	25,530	23,160	2,370	9.3	25,910	23,510	2,400	9.2	25,500	22,680	2,820	11.1
Jefferson	11,550	10,820	730	6.3	11,720	11,060	660	5.6	11,110	10,360	750	6.7
Kittitas	15,270	14,440	830	5.4	16,320	15,510	810	4.9	14,790	13,870	910	6.2
Klickitat	8,020	7,110	910	11.3	8,310	7,550	760	9.2	7,950	6,870	1,080	13.6
Lewis	29,410	27,040	2,360	8.0	29,650	27,390	2,260	7.6	28,050	25,420	2,630	9.4
Lincoln	4,570	4,330	240	5.3	4,690	4,460	220	4.8	4,350	4,090	260	6.0
Mason	20,430	18,960	1,470	7.2	20,070	18,710	1,360	6.8	18,510	17,040	1,470	7.9
Okanogan	17,610	15,790	1,820	10.3	22,070	20,790	1,290	5.8	18,530	16,470	2,050	11.1
Pacific	7,490	6,850	650	8.6	7,640	7,030	600	7.9	7,490	6,770	710	9.5
Pend Oreille	4,320	3,990	330	7.6	4,370	4,060	310	7.0	4,250	3,880	370	8.7
San Juan	6,480	6,190	300	4.6	6,820	6,570	260	3.8	6,580	6,270	310	4.7
Skagit	52,130	48,330	3,800	7.3	52,950	49,360	3,600	6.8	49,780	45,500	4,290	8.6
Skamania	3,790	3,460	330	8.7	4,020	3,690	330	8.3	3,830	3,340	480	12.6
Stevens	16,230	14,920	1,310	8.1	16,310	15,110	1,200	7.4	15,550	13,800	1,760	11.3
Wahkiakum	1,690	1,580	110	6.3	1,720	1,610	110	6.2	1,610	1,470	140	8.8
Walla Walla	26,960	25,580	1,380	5.1	27,030	25,880	1,150	4.3	26,130	24,420	1,710	6.6
Whitman	19,680	19,260	420	2.1	19,860	19,460	390	2.0	18,870	18,400	470	2.5

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

(In Thousands)	November 2002 (Prel)	October 2002 (Rev)	November 2001 (Rev)	October 2001 (Rev)
Seasonally Adjusted Unemployment:				
Washington State	6.6%	6.7%	7.2%	6.9%
United States	6.0%	5.7%	5.6%	5.4%
Not Seasonally Adjusted:				
Resident Civilian Labor Force	3,046.3	3,082.7	2,967.4	3,003.5
Employment	2,842.3	2,885.4	2,751.7	2,804.6
Unemployment	204.0	197.3	215.7	198.9
Percent of Labor Force	6.7%	6.4%	7.3%	6.6%

Unemployment Rates by County, November 2002
Washington State = 6.7%
United States = 5.7%
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		
	Nov. 02	Oct. 02	Nov. 01	Nov. 02	Oct. 02	Nov. 01	Nov. 02	Oct. 02	Nov. 01
TOTAL MANUFACTURING INDUSTRIES	$735.88	$740.93	$722.59	40.3	40.8	39.9	$18.26	$18.16	$18.11
SELECTED MANUFACTURING INDUSTRIES									
Lumber and Wood Products	$664.23	$701.66	$623.83	42.2	43.5	40.8	$15.74	$16.13	$15.29
Primary Metal Industries	$763.22	$697.86	$707.81	41.3	37.6	40.4	$18.48	$18.56	$17.52
Transportation Equipment	$983.65	$979.55	$1,025.56	40.1	39.9	42.1	$24.53	$24.55	$24.36
Food and Kindred Products	$575.35	$600.36	$527.87	39.3	42.7	38.7	$14.64	$14.06	$13.64
Chemicals and Allied Products	$1,208.14	$1,160.36	$929.19	42.6	40.7	41.5	$28.36	$28.51	$22.39
SELECTED NONMANUFACTURING INDUSTRIES									
Construction	$874.83	$914.25	$853.47	36.3	37.5	35.8	$24.10	$24.38	$23.84
Wholesale and Retail Trade	$395.93	$403.54	$384.38	31.2	31.7	30.8	$12.69	$12.73	$12.48
(Includes eating and drinking establishments)									

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