

Washington Labor Market

January 2003



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

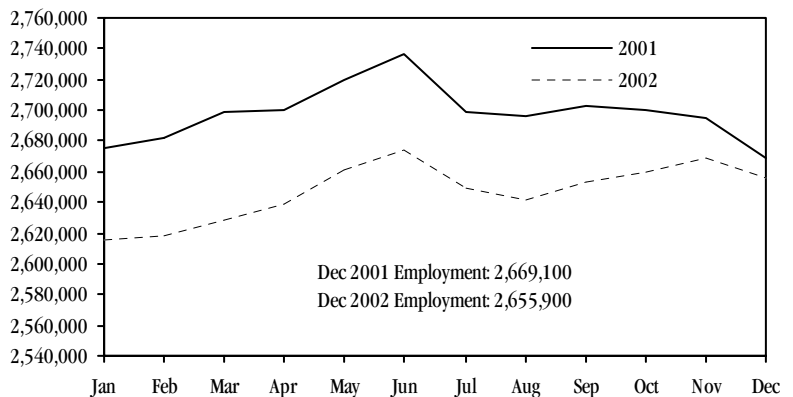
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CLOSING THE YEAR SLOWLY

Nonagricultural employment still remains below 2001 levels but the gap has steadily narrowed. This is in part due to the stabilization in employment in 2002 and in part due to the deterioration of employment in December 2001. Employment peaked in December of 2000 at 2,749,000. From December 2000 to December 2002 employment fell by 93,100 jobs to 2,655,900. Most of that decline, however, occurred in 2001. From December of 2001 to December of 2002 employment declined by only 13,200.

Total nonagricultural employment reached year-ago levels by December 2002

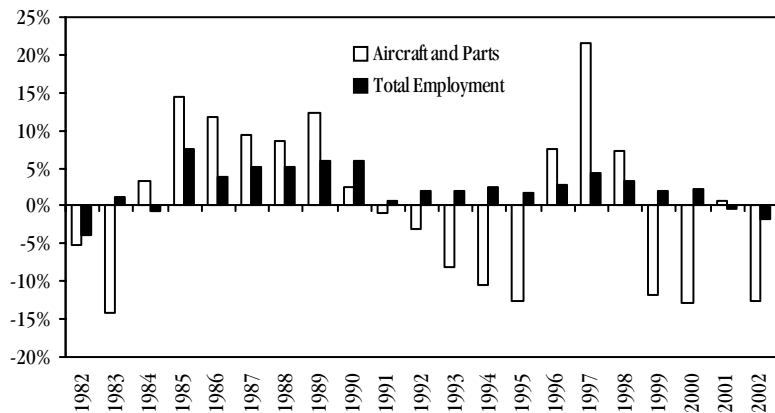


In Washington State, 2002 has been a year of stabilization, but not recovery. Slow post-recession employment growth was also a feature in the two most recent recessions. The double dip recession of 1980 and then 1981 and 1982 saw an almost 4.0 percent drop in employment in 1982, growth of about 1.0 percent in 1983 and then a decline of almost 1.0 percent in 1984. Employment growth was then strong up to 1990. In the first year of the 1990, 1991 recession, in fact, employment grew by almost 6.0 percent. Employment growth then slowed to a barely perceptible rate of 0.7 percent in 1991 and then grew at around 2.0 percent throughout the rest of the 1990s. Based on this very casual historical information, the 2001 recession's effect on employment growth might be expected to last into 2003.

The aircraft and parts sector is very volatile and is thought to have an influence on how a national recession affects the state. In 1981 aircraft and parts employment accounted for 4.9 percent of total covered employment. By 1989 that percentage had increased to 5.6 and has since declined to 2.9 percent in 2002. The recession of the early 1980s was

marked by steep declines in aircraft and parts employment. The recovery of aircraft and parts employment in the mid to late 1980s spurred on a statewide recovery in employment growth. Aircraft and parts employment did not contribute to the recession of the 1990s but its subsequent decline from 1992 to 1995 probably slowed the state's recovery. Aircraft and parts employment began its most recent decline in 1999, two years before our current recession. Aircraft and parts employment increased slightly in 2001, but has declined sharply in 2002. Its weakness has undoubtedly contributed to the slow recovery in 2002. In fact, from its recent employment peak of 112,115 in 1998, aircraft and parts employment has declined by over 30 percent.

Aircraft and parts employment has been a volatile element of Washington State employment growth



In general, manufacturing has been the weakest sector during the recession. Manufacturing employment in Washington State began to decline in late 1998 before the national recession or the state slowdown had begun. From December 2000 to December 2001 manufacturing employment declined by 52,200 or almost 15.0 percent while total employment declined by 3.4 percent over the same period. From December 2001 to December 2002, however, manufacturing employment declined by 21,300 or 6.7 percent while total employment declined by just 0.5 percent. Manufacturing's effect on the rest of the economy is significant, but maybe not overpowering.

The strong economy of the late 1990s occurred despite employment loss in the manufacturing sector, and the economy has stabilized in 2002 despite continued weakness in the manufacturing sector.

Over-the-year Employment Change by Major Industry
Washington State, December 1999-2002

	12/1999- 12/2000	Percent Change	12/2000- 12/2001	Percent Change	12/2001- 12/2002	Percent Change
Total Employment	48,800	1.81%	-79,900	-2.91%	-13,200	-0.49%
Manufacturing	-6,300	-1.77%	-30,900	-8.82%	-21,300	-6.67%
Mining	200	6.25%	-300	-8.82%	-100	-3.23%
Construction	2,600	1.68%	-14,400	-9.13%	-500	-0.35%
Transp., Comm., and Utilities	7,500	5.20%	-9,500	-6.27%	-5,000	-3.52%
Trade	-4,300	-0.65%	-19,600	-2.98%	-4,800	-0.75%
Finance, Ins., and Real Estate	400	0.29%	5,300	3.82%	700	0.49%
Services	40,400	5.33%	-36,400	-4.56%	10,000	1.31%
Government	8,300	1.72%	25,900	5.27%	7,800	1.51%

Construction; transportation, communications, and utilities; trade; and services all accompanied manufacturing in declining markedly from December 2000 to December 2001. Only government and finance, insurance, and real estate acted as a counterbalance to the overall decline. Over 80 percent of the increase in government over this time period was in local government, which was able to dip into one-time funding sources to maintain programs and meet mandates. December 2001 to December 2002 saw a much smaller increase in government as funding sources became leaner. Similarly, 2003 is likely to be an even tighter year and local and state government will not be able to act as a stimulus to the state economy.

In 2002 construction, trade, and services all staged a turn-around. Construction and trade, which are very pro-cyclical industries, both managed to decline by less than 1.0 percent. The services sector, which accounts for over 30 percent of employment in Washington, increased by 1.3 percent. The services sector accounted for a good part of the decline in employment in 2001 falling by 36,400. This followed a huge increase in services sector employment in 2000 when it ballooned by 40,400. The decline in 2001 was fueled by hotels and amusement and recreational services (-11,100) and business services and engineering and management services (-27,300). From December 2001 to December 2002 hotels and amusement and recreational services increased by 600 and business services and engineering and management services declined by a more modest 2,500. This allowed the continued robust healthcare sector along with growth in educational and social services to bring services employment up over the year.

In sum, no leading sector has yet to identify itself by growing strongly after a year of decline. Health services is the only sector that has managed to maintain historical average employment growth over this recession. A pickup in employment in this sector beyond its historical average is hard to predict as the sector is beset with contradictory forces. All that can be said is that, apart from manufacturing, the pace of decline in declining sectors has slowed to the extent that the continued modest growth in other sectors will hold the economy constant.

LABOR FORCE AND UNEMPLOYMENT

Washington's preliminary seasonally adjusted jobless rate inched up a tenth of a percentage point in December to 6.8 percent of the work force. The revised unemployment rate for November held steady at 6.7 percent. The slight increase in December was mostly attributable to lower than normal holiday sales. The rate has been varying somewhat above and below 7.0 percent all year after reaching a high of 7.6 percent in January of 2002. The nation's seasonally adjusted rate remained unchanged at 6.0 percent in December maintaining a sizeable gap between Washington and the nation. The highest unemployment rates were again in the west with Alaska at 7.4 percent and Oregon at 7.0 percent.

The seasonally adjusted labor force increased over the year by almost 50,000, while seasonally adjusted employment increased by almost 70,000. The number of unemployed dropped by over 20,000 over the same time period. These numbers indicate an improvement, but at a very slow pace. It doesn't appear from these numbers that large numbers of discouraged workers are dropping out of the labor force.

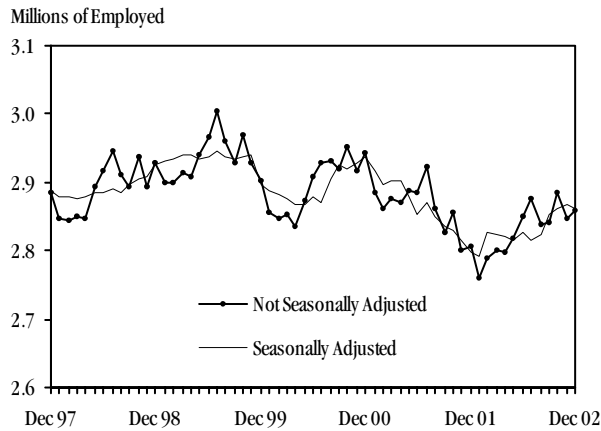
INDUSTRY DEVELOPMENTS

Total nonagricultural wage and salary employment rose by 9,400 workers in November and then fell by 13,000 in December based on preliminary reporting. Manufacturing employment fell by 7,900 over the two months owing largely to seasonal retrenchment in lumber and wood products (-700) and food processing (-4,800) as winter weather set in. Employment in aircraft and parts fell by 600—a shift from the average 900-a-month job loss over the year. Boeing is expecting some continued layoffs in 2003 as the airline industry remains slack.

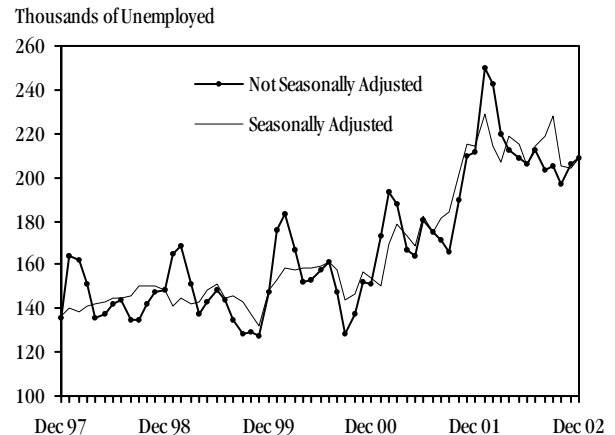
Seasonal Offsets in Services and Trade

Construction, services, and trade all displayed normal seasonal patterns in the last months of 2002. Construction pulled back by 10,000 workers over November and December—a little more than expected for this time of year. Retail trade expanded by 9,700 workers reflecting additional Christmas hiring in general merchandising (+5,000) and apparel and accessories (+2000)—a little weaker than normal. Services employment declined by 1,900 in November and then increased by an anemic 200 in December. Losses in hotels (-1,300) and business services (-1,500) outweighed gains in health services (+1,800). The computer and data processing and software component of business services did increase by 600 over the two-month period. Public payrolls increased by 9,100 reflecting an increase of 6,600 in state education and 3,700 in local education.

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



Source: Employment Security Department



AREA TRENDS

The Seattle PMSA continues to experience a disproportionate share of the state's job loss. From December 2001 to December 2002 the Seattle area lost 22,100 jobs (-1.1 percent). The two other areas experiencing a job loss from December 2001 are Spokane -1,900 (-0.9 percent) and Cowlitz County, -910 jobs, (-2.5 percent). All other major areas increased employment or stayed the same.

Unemployment rates have edged up in November and December in agricultural dominated areas of the state.

Year-ago levels in these areas show a slight decrease suggesting that layoffs are seasonal in nature. The Seattle PMSA has been inching down from 6.3 percent in October to 6.0 percent in December. A year ago the Seattle PMSA unemployment rate was 6.2 percent. The Seattle area rate thus remains below the state average and appears to be holding fairly steady over the year.

Traditional Area Division of Unemployment Rates Remain

Even though most of the recession's job losses have hit urban areas, particularly in the Puget Sound area, the unemployment rate in metropolitan areas remained below the state average for November and December of 2002. Timber dependent areas' jobless rates have remained consistently above the state average.

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

Areas	Dec-02	Nov-02	Dec-01	Nov-01
Washington State Total	6.8%	6.7%	7.3%	6.3%
Metropolitan Areas	6.5%	6.4%	6.9%	5.9%
Log & Lumber Areas	8.8%	8.3%	10.2%	8.9%
All Western WA Areas	6.4%	6.6%	6.8%	5.9%
All Eastern WA Areas	6.0%	7.5%	9.5%	7.4%

Source: Employment Security Department

Outlook for the Washington Labor Market in 2003

Avid readers of the *Washington Labor Market* will notice a few subtle changes coming up in 2003. Releases of monthly employment statistics for January and February 2003 will be delayed because of a switch to a new coding system. Beginning in the new year, industry data will be organized according to the North American Industry Classification System (NAICS). This delay will affect the distribution timing of the *Washington Labor Market*. January data will be released in early March instead of mid-February, pushing the February edition of the *Washington Labor Market* to late March. February data will be released the first of April instead of in March. The remainder of the data will be back on schedule beginning with the March data to be released the third week of April. Consequently, March and April editions of the *Washington Labor Market* will be combined and published in mid-May.

Your Feedback Counts!

We've started planning for improvements to the publication based on your feedback in the *Washington Labor Market Readership Survey* (October edition). Some of the changes we expect to implement this year include:

- Improving the variety of text, tables, and charts we use;
- Incorporating bulleted highlights of short subjects, such as layoff announcements; and
- Providing information on new labor market information studies and reports.

INDUSTRY NOTES

It's Not Miller Time

It will be the end of an era when Tumwater's historic brewery closes its doors later this year. On January 10 the company announced that the plant would be shut down by July 1. The closure was brought about by the relative inefficiency of the plant, cost-prohibitive upgrades required to improve production stats, and ongoing wastewater treatment issues.

Displaced are approximately 400 manufacturing workers—some 11 percent of the county's manufacturing work force. Manufacturing jobs are relatively sparse in Thurston County, representing about 3,700 jobs in December 2002, a 4.0 percent share of nonagricultural employment. Similar to statewide trends, manufacturing employment in Thurston County has dwindled over the past few decades, having comprised 9.0 percent of employment back in the 1970s, 7.0 percent in the 80s, and 6.0 percent in the 90s.

Now Playing: Washington

News reports from two state agencies recently highlighted how the state's scenic, cultural, and natural assets benefited the economy last year. The travel industry took a serious hit in 2001 and was expected to remain flat in 2002. But a recent study sponsored by the Department of Community, Trade, and Economic Development (CTED) found that visitor spending held its ground over the year, with modest gains from about \$10.8 billion in 2001 to an estimated \$11 billion in 2002. CTED reports that rural areas fared better over the year than the Seattle area, which was hardest hit by the recession. Workers in the travel industry, however, lost jobs over the year, down by 4,000 according to the report.

Jobs generated directly by travel are concentrated in eating and drinking (35 percent), recreation (24 percent), and accommodations (15 percent).

Other news out of CTED shows that the state's film industry held its own, realizing some \$16.5 million in production spending despite a nationwide slowdown in that industry. The department said that 147 filming projects were filmed in the state last year, including TV commercials, movies, and television shows. Statewide there were about 9,400 jobs in motion pictures in 2001 (the most recent full year for which estimates are available), down from nearly 9,600 a year earlier.

Meanwhile, findings from a U.S. Fish and Wildlife Service study showed that fish and wildlife recreational activities brought \$2.18 billion in spending in 2001 to our state. Washington ranks eighth in the nation in spending by sport fishers and seventh in spending by wildlife viewers.

First Waste, Now Warehouses

The Tri-Cities region, known primarily for the Hanford Nuclear Reservation and the range of industries that have sprung from nuclear waste cleanup activity, will soon be able to add regional warehousing and distribution to the list.

Newport News, Virginia-based Ferguson Enterprises, the nation's largest distributor of plastic pipe and plumbing supplies to construction and manufacturing companies, plans to build a 350,000 square foot warehouse and distribution facility on 17 acres in the Horn Rapids Industrial Park in north Richland (Benton County). The facility will serve customers in a multi-state region that includes Washington, Oregon, Idaho, Utah, Montana, and Northern California. The \$18.5 million dollar facility is expected to employ 90 workers when it becomes operational in November of this year. Ferguson's future plans include a 95,000 square foot expansion for a pipe fabrication area and additional storage space, which is expected to add 110 more jobs. The Employment Security Department and Columbia Basin WorkSource are also involved in this project to which they will contribute \$150,000 in customized worker training for the company. Ferguson has 700 sites in 49 states and annual sales of \$3-\$5 billion.

West of Richland in Prosser (Benton County), the Madera, California-based Stravinski Development Group plans to build a 245,280 square foot bonded wine warehouse on 11 acres within the 40-acre North Prosser Business Park at a cost of \$10 million. The bonded wine warehouse will be a climate-controlled storage facility for wineries throughout eastern Washington, enabling them to free up on-site space currently dedicated to storage. It will also be the first such warehouse in eastern Washington (eastern Washington wineries presently ship their product to a western Washington bonded wine warehouse in Kent or all the way down to northern California), which will help reduce shipping and transportation costs. The warehouse will also serve as a distribution center for bottles and barrels. The warehouse is expected to employ approximately 20 workers when it becomes operational in August of this year. The Stravinski Development Group's future plans include the erection of a 210,000 square foot storage building on an adjacent site in the business park.

Both of these projects were made possible in part through low-interest loans and grants provided to their public sectors partners by the Community Economic Revitalization Board (CERB). CERB is the state's only economic development infrastructure program that targets job creation, expansion, and retention in partnership primarily with rural communities. Local government entities eligible for CERB assistance include counties, cities, towns, port districts, special districts (e.g., public utility districts), and municipal corporations and quasi-municipal corporations (e.g., public development authorities). Since being established by the state legislature in 1982, CERB has invested more than \$80 million in publicly owned infrastructure and facilities such as domestic and industrial water, sanitary and storm sewers, industrial buildings and port facilities, wastewater treatment facilities, rail spurs, telecommunications, electricity, natural gas, roads, and bridges. CERB is designed to respond rapidly to immediate business siting and expansion needs by providing funding to public sector entities to provide infrastructure for private sector creation and retention of jobs in key sectors such as manufacturing, warehousing, distribution, advanced technology, and telecommunications.

NATIONAL NOTES

Advance Numbers Retreat

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 0.7 percent in the fourth quarter of 2002, according to advance estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.0 percent.

The Bureau emphasized that the fourth-quarter “advance” estimates are based on source data that are incomplete or subject to further revision. The fourth-quarter “preliminary” estimates, based on more comprehensive data, will be released in late February.

The deceleration in real GDP growth in the fourth quarter primarily reflected a sharp deceleration in personal consumption expenditures and downturns in private inventory investment and in exports that were partly offset by a smaller decrease in nonresidential structures and by accelerations in federal government spending and in residential fixed investment. Imports increased slightly more than in the third quarter.

Net Earnings Buoy Personal Income

Despite facing daunting unemployment rates compared to the rest of the nation, Washingtonians kept a grip on personal income during the third quarter of 2002, according to preliminary numbers released by the Bureau of Economic Analysis (BEA). Washington managed a 1.0 percent increase in personal income over the quarter, ranking 19th nationwide, while the nation as a whole bumped up 0.9 percent. Personal income in Washington grew by 0.9 percent in the second quarter of 2002 and 2.7 percent in the first quarter, compared to national rates of 1.2 percent in both quarters. Growth in the third quarter ranged from 1.5 percent in Montana to 0.5 percent in Michigan. Personal income is composed of three components—net earnings; dividends, interest, and rents; and transfer payments.

Net earnings grew 1.2 percent in the third quarter of 2002 in Washington, compared to 1.1 percent nationally. As such, that component contributed the bulk share of personal income growth for the state. That third quarter growth constituted a robust rebound after eking out a 0.1 percent increase in the second quarter. Net earnings is the

largest component of personal income and encompasses earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income.

Transfer payments (e.g., Social Security, unemployment insurance benefits, welfare grants, and so forth) for Washington increased 2.0 percent in the third quarter, consistent with both the 2.1 percent increase for the state in the second quarter of 2002 and with the tenuous condition of our economy. In fact, BEA notes that a handful of states, among them Washington, Oregon, and California, experienced unemployment benefit increases during the quarter with relatively large impacts on total state personal income. The implementation of extended benefits drove this change in Washington.

Following national trends, Washington saw income from dividends, interest, and rents decrease 0.4 percent in the third quarter. But short-term declines in this type of income aren't necessarily bad: BEA notes that the downturn in rental income reflects an upturn in expenses, specifically closing costs associated with mortgage originations, spurred by record refinancing in the third quarter. These one-time expenses will most certainly lead to considerably reduced expenses in future quarters.

Prices Dip in December

The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.2 percent to 180.9 in December, before seasonal adjustment, according to the Bureau of Labor Statistics of the U.S. Department of Labor. This followed no increase in November and a bump up of 0.2 percent in October. The December index level of 180.9 (1982-84=100) was 2.4 percent higher than its level in December 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 December, the same as in November. The index for food rose 0.3 percent in December, with prices for food at home up 0.3 percent. Energy costs declined for the second consecutive month—down 0.4 percent in December. Within energy, the index for petroleum-based energy declined 1.4 percent while the index for energy services increased 0.5 percent. Excluding food and energy, the CPI-U rose 0.1 percent, following increases of 0.2 percent in the preceding two months. Larger declines in the indexes for household furnishings and operations and for new vehicles, coupled with a smaller increase in the index for shelter, accounted for the deceleration in December.

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

	Indexes			% Change From	
	Dec-02	Nov-02	Dec-01	Nov-02	Dec-01
U.S. City Average	180.9	181.3	176.7	-0.2%	2.4%
Seattle *	Dec-02	Oct-02	Dec-01	Oct-02	Dec-01
	190.0	190.9	186.1	-0.5%	2.1%

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

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

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

In Thousands, Not Seasonally Adjusted

	December	November	December	November	Numeric Change	
	2002 (Prel)	2002 (Rev)	2001 (Rev)	2001 (Rev)	Nov. 2002 to Dec. 2002	Dec. 2001 to Dec. 2002
Total Nonagricultural Wage & Salary Workers	2,655.9	2,668.9	2,669.1	2,694.9	-13.0	-13.2
Manufacturing	298.0	300.7	319.3	329.0	-2.7	-21.3
Durable Goods	203.0	203.2	221.3	227.5	-0.2	-18.3
Lumber & Wood Products	29.2	29.4	30.2	30.6	-0.2	-1.0
Logging	6.4	6.6	6.6	6.8	-0.2	-0.2
Sawmills & Plywood	19.7	19.8	20.4	20.6	-0.1	-0.7
Furniture & Fixtures	4.2	4.2	4.5	4.5	0.0	-0.3
Stone, Clay & Glass	8.2	8.3	8.2	8.5	-0.1	0.0
Primary Metals	7.0	6.9	7.8	8.1	0.1	-0.8
Aluminum	3.7	3.6	4.0	4.4	0.1	-0.3
Fabricated Metals	12.9	13.1	13.7	14.1	-0.2	-0.8
Industrial Machinery & Equipment	21.2	21.2	22.6	22.7	0.0	-1.4
Computer & Office Equipment	5.8	5.8	5.8	5.9	0.0	0.0
Electronic & Other Electrical Equipment	14.2	14.1	16.8	17.3	0.1	-2.6
Transportation Equipment	84.3	84.3	95.1	99.4	0.0	-10.8
Aircraft & Parts	71.9	72.1	82.4	86.9	-0.2	-10.5
Ship & Boat Building	6.4	6.1	6.6	6.4	0.3	-0.2
Instruments & Related	13.9	13.8	14.3	14.2	0.1	-0.4
Miscellaneous Manufacturing	7.9	7.9	8.1	8.1	0.0	-0.2
Nondurable Goods	95.0	97.5	98.0	101.5	-2.5	-3.0
Food & Kindred Products	35.1	37.3	35.5	38.3	-2.2	-0.4
Preserved Fruits & Vegetables	10.5	12.9	10.5	13.0	-2.4	0.0
Textiles, Apparel & Leather	7.1	7.2	7.5	7.6	-0.1	-0.4
Paper & Allied Products	13.9	13.9	14.5	14.7	0.0	-0.6
Printing & Publishing	22.1	22.1	22.8	22.9	0.0	-0.7
Chemicals & Allied Products	5.1	5.2	5.9	6.0	-0.1	-0.8
Petroleum, Coal, Plastics	11.7	11.8	11.8	12.0	-0.1	-0.1
Mining & Quarrying	3.0	3.0	3.1	3.2	0.0	-0.1
Construction	142.9	147.5	143.4	149.6	-4.6	-0.5
General Building Contractors	40.5	40.9	40.1	41.0	-0.4	0.4
Heavy Construction, except Building	14.7	16.4	15.1	17.0	-1.7	-0.4
Special Trade Contractors	87.7	90.2	88.2	91.6	-2.5	-0.5
Transportation, Communications & Utilities	137.1	136.7	142.1	143.4	0.4	-5.0
Transportation	89.3	88.7	90.6	91.1	0.6	-1.3
Trucking & Warehousing	33.1	32.9	33.2	33.6	0.2	-0.1
Water Transportation	8.7	8.7	8.6	8.8	0.0	0.1
Transportation by Air	25.1	24.5	26.1	25.7	0.6	-1.0
Communications	31.8	32.0	35.2	35.9	-0.2	-3.4
Electric, Gas & Sanitary Services	16.0	16.0	16.3	16.4	0.0	-0.3
Wholesale & Retail Trade	633.0	631.3	637.8	636.9	1.7	-4.8
Wholesale Trade	139.2	140.6	140.7	141.9	-1.4	-1.5
Durable Goods	81.7	81.7	82.2	82.1	0.0	-0.5
Nondurable Goods	57.5	58.9	58.5	59.8	-1.4	-1.0
Retail Trade	493.8	490.7	497.1	495.0	3.1	-3.3
Building Materials/Garden Supplies	20.8	20.9	20.6	20.9	-0.1	0.2
General Merchandise	58.1	57.0	57.3	56.8	1.1	0.8
Food Stores	69.1	69.8	71.0	71.4	-0.7	-1.9
Automobile Dealers & Service Stations	49.6	50.2	49.3	49.6	-0.6	0.3
Apparel & Accessory Stores	25.4	24.6	26.1	25.2	0.8	-0.7
Eating & Drinking Establishments	178.4	179.0	179.3	179.2	-0.6	-0.9
Finance, Insurance & Real Estate	144.6	144.5	143.9	143.8	0.1	0.7
Finance	66.6	66.5	66.3	65.9	0.1	0.3
Insurance	42.7	42.7	42.4	42.3	0.0	0.3
Real Estate	35.3	35.3	35.2	35.6	0.0	0.1
Services	772.6	772.4	762.6	764.9	0.2	10.0
Hotels & Lodging	26.9	27.4	27.1	27.6	-0.5	-0.2
Personal Services	23.0	22.9	22.7	22.6	0.1	0.3
Business Services	168.0	168.5	170.2	171.6	-0.5	-2.2
Computer & Data Processing Services	64.4	64.1	64.5	65.0	0.3	-0.1
Amusement & Recreational Services	35.6	34.2	34.8	34.1	1.4	0.8
Health Services	208.4	207.7	201.3	201.1	0.7	7.1
Nursing & Personal Care	34.5	34.4	33.3	33.3	0.1	1.2
Hospitals	62.6	62.5	61.8	61.6	0.1	0.8
Legal Services	19.9	19.8	19.9	19.9	0.1	0.0
Educational Services	41.4	41.9	39.7	40.2	-0.5	1.7
Social Services	67.6	67.8	66.2	66.3	-0.2	1.4
Engineering & Management Services	73.4	73.2	73.7	73.6	0.2	-0.3
Government	524.7	532.8	516.9	524.1	-8.1	7.8
Federal	71.7	71.3	69.5	69.0	0.4	2.2
State	150.3	152.7	149.0	150.9	-2.4	1.3
State Education	84.3	86.7	82.9	84.9	-2.4	1.4
Local	302.7	308.8	298.4	304.2	-6.1	4.3
Local Education	159.1	160.4	155.8	156.4	-1.3	3.3
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/**

Washington Labor Market - 14

Not Seasonally Adjusted	December 2002 Preliminary				November 2002 Revised				December 2001 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,067,200	2,858,200	209,000	6.8	3,051,600	2,845,700	205,900	6.7	2,976,800	2,758,200	218,600	7.3
Bellingham MSA	81,100	76,400	4,800	5.9	80,900	76,200	4,700	5.8	79,700	73,800	6,000	7.5
Bremerton PMSA	98,600	92,600	6,000	6.1	97,600	91,800	5,800	5.9	92,900	87,000	5,900	6.4
Olympia PMSA	105,100	99,500	5,600	5.3	104,300	98,700	5,600	5.4	100,600	94,500	6,100	6.1
Seattle-Bellevue-Everett PMSA	1,391,200	1,307,400	83,900	6.0	1,378,700	1,293,500	85,300	6.2	1,361,900	1,277,300	84,600	6.2
King County 2/	1,018,200	959,300	58,900	5.8	1,009,100	949,100	60,000	5.9	997,700	937,200	60,400	6.1
Snohomish County 2/	343,900	320,600	23,300	6.8	340,800	317,200	23,700	6.9	335,800	313,200	22,600	6.7
Island County 2/	29,100	27,500	1,600	5.6	28,800	27,200	1,600	5.6	28,430	26,880	1,550	5.5
Spokane MSA	210,400	197,000	13,400	6.4	208,200	195,600	12,600	6.0	207,100	191,700	15,400	7.5
Tacoma PMSA	351,500	327,900	23,700	6.7	347,800	323,900	23,900	6.9	330,000	306,900	23,100	7.0
Tri-Cities MSA	98,900	91,200	7,800	7.9	100,300	93,100	7,200	7.2	92,900	85,000	7,800	8.5
Benton County 2/	74,700	69,900	4,900	6.5	76,000	71,300	4,700	6.2	70,200	65,200	5,100	7.2
Franklin County 2/	24,200	21,300	2,900	12.0	24,300	21,800	2,500	10.4	22,600	19,900	2,800	12.3
Yakima MSA	100,600	88,400	12,200	12.1	101,600	90,800	10,800	10.7	101,400	87,400	14,100	13.9
Adams	7,630	6,550	1,080	14.1	8,090	7,120	970	12.0	7,310	6,140	1,170	16.0
Asotin 2/	12,040	11,500	540	4.5	11,720	11,210	510	4.4	11,420	10,940	480	4.2
Chelan-Douglas LMA	49,540	45,120	4,420	8.9	49,690	45,650	4,040	8.1	49,100	43,750	5,350	10.9
Chelan County 2/	31,850	28,770	3,070	9.7	31,990	29,110	2,880	9.0	31,620	27,900	3,720	11.8
Douglas County 2/	17,700	16,350	1,350	7.6	17,700	16,540	1,160	6.5	17,480	15,850	1,620	9.3
Clallam	24,660	22,620	2,030	8.2	24,240	22,550	1,690	7.0	23,720	21,750	1,970	8.3
Clark 2/	186,900	172,100	14,700	7.9	185,600	170,200	15,400	8.3	179,500	165,700	13,800	7.7
Columbia	1,170	1,020	150	12.7	1,120	990	130	11.3	1,120	970	150	13.7
Cowlitz	39,670	35,920	3,760	9.5	39,550	35,700	3,860	9.7	39,930	35,610	4,310	10.8
Ferry	2,310	2,010	300	12.9	2,340	2,060	280	11.8	2,340	2,050	300	12.6
Garfield	1,140	1,090	50	4.4	1,160	1,110	50	4.1	1,090	1,020	70	6.3
Grant	35,330	31,440	3,890	11.0	36,760	33,350	3,410	9.3	33,610	29,410	4,200	12.5
Grays Harbor	26,260	23,840	2,420	9.2	26,040	23,640	2,400	9.2	25,770	22,930	2,850	11.0
Jefferson	11,660	10,890	770	6.6	11,580	10,820	750	6.5	10,940	10,150	790	7.2
Kittitas	15,330	14,270	1,060	6.9	15,420	14,590	830	5.4	14,810	13,710	1,100	7.4
Klickitat	7,720	6,610	1,110	14.4	7,930	6,980	950	12.0	7,680	6,520	1,160	15.1
Lewis	29,380	27,010	2,370	8.1	29,500	27,130	2,370	8.0	27,580	24,880	2,700	9.8
Lincoln	4,480	4,210	270	6.1	4,560	4,310	250	5.5	4,330	4,020	310	7.2
Mason	19,560	18,090	1,480	7.6	20,300	18,820	1,490	7.3	18,810	17,190	1,610	8.6
Okanogan	16,800	14,860	1,940	11.5	17,630	15,800	1,830	10.4	18,140	15,680	2,460	13.6
Pacific	7,660	6,930	730	9.5	7,610	6,920	680	9.0	7,610	6,870	740	9.7
Pend Oreille	4,390	4,020	370	8.4	4,350	4,010	350	7.9	4,320	3,880	440	10.2
San Juan	6,560	6,190	370	5.7	6,520	6,210	310	4.7	6,490	6,170	320	4.9
Skagit	52,310	48,430	3,880	7.4	52,190	48,400	3,790	7.3	49,590	45,270	4,310	8.7
Skamania	3,640	3,250	390	10.7	3,650	3,290	360	9.8	3,850	3,320	530	13.8
Stevens	16,320	14,890	1,440	8.8	16,290	14,980	1,310	8.1	15,690	13,750	1,940	12.4
Wahkiakum	1,700	1,570	130	7.6	1,670	1,550	120	7.4	1,630	1,500	130	7.8
Walla Walla	26,060	24,450	1,610	6.2	27,070	25,600	1,470	5.4	25,060	23,210	1,850	7.4
Whitman	19,510	19,040	470	2.4	19,600	19,160	440	2.2	18,800	18,310	490	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

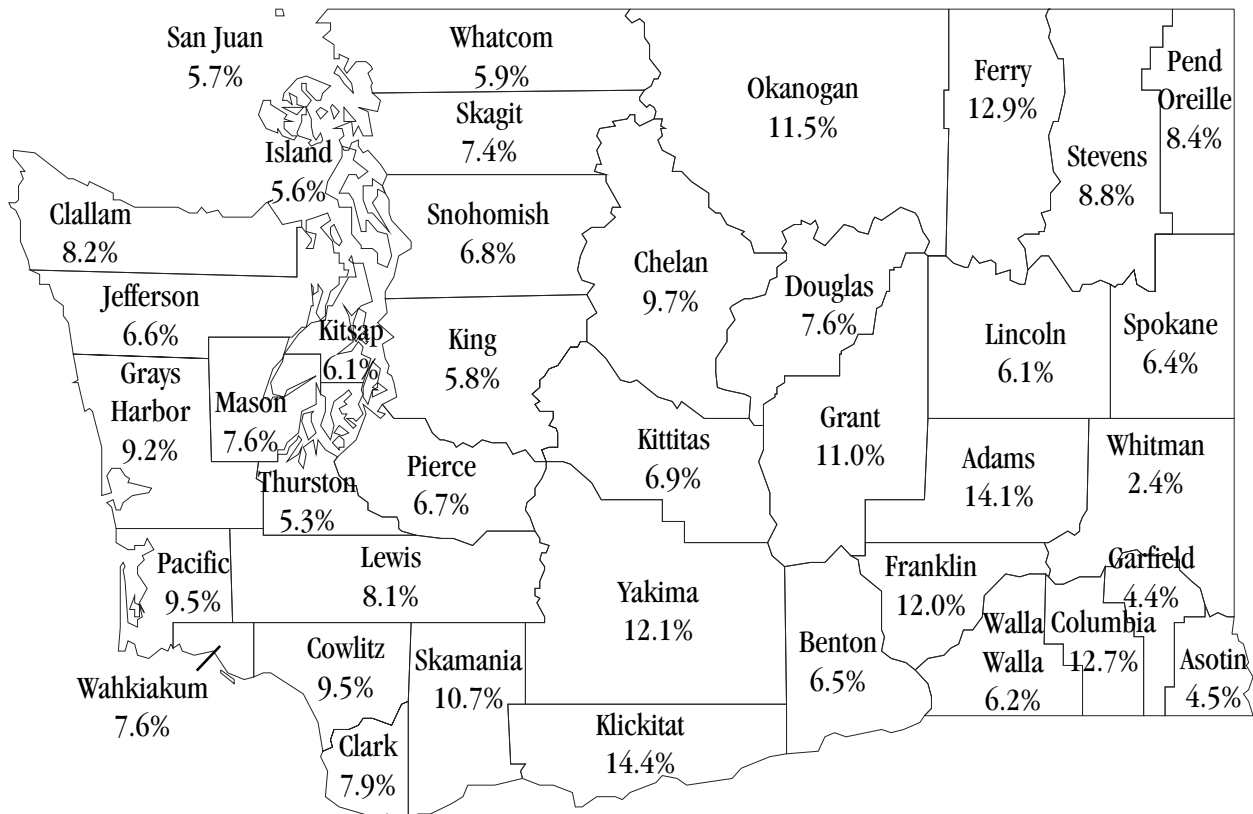
<i>(In Thousands)</i>	December 2002 (Prel)	November 2002 (Rev)	December 2001 (Rev)	November 2001 (Rev)
<i>Seasonally Adjusted Unemployment:</i>				
Washington State	6.8%	6.7%	7.4%	7.2%
United States	6.0%	6.0%	5.8%	5.6%
<i>Not Seasonally Adjusted:</i>				
Resident Civilian Labor Force	3,067.2	3,051.6	3,051.6	2,967.4
Employment	2,858.2	2,845.7	2,845.7	2,751.7
Unemployment	209.0	205.9	205.9	215.7
Percent of Labor Force	6.8%	6.7%	6.7%	7.3%

Unemployment Rates by County, December 2002

Washington State = 6.8%

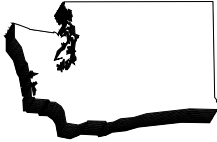
United States = 5.7%

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		
	Dec. 02	Nov. 02	Dec. 01	Dec. 02	Nov. 02	Dec. 01	Dec. 02	Nov. 02	Dec. 01
TOTAL MANUFACTURING INDUSTRIES	\$732.19	\$736.90	\$734.23	40.7	40.4	40.7	\$17.99	\$18.24	\$18.04
SELECTED MANUFACTURING INDUSTRIES									
Lumber and Wood Products	\$710.01	\$669.81	\$653.74	44.1	42.1	42.7	\$16.10	\$15.91	\$15.31
Primary Metal Industries	\$736.49	\$756.84	\$698.88	40.4	41.2	42.0	\$18.23	\$18.37	\$16.64
Transportation Equipment	\$854.63	\$984.13	\$1,022.28	37.5	40.3	42.0	\$22.79	\$24.42	\$24.34
Food and Kindred Products	\$597.09	\$583.07	\$567.59	40.1	39.8	40.6	\$14.89	\$14.65	\$13.98
Chemicals and Allied Products	\$1,135.30	\$1,210.94	\$1,090.32	43.2	42.4	43.7	\$26.28	\$28.56	\$24.95
SELECTED NONMANUFACTURING INDUSTRIES									
Construction	\$868.73	\$875.32	\$878.21	35.3	36.2	36.2	\$24.61	\$24.18	\$24.26
Wholesale and Retail Trade (Includes eating and drinking establishments)	\$413.13	\$396.24	\$398.79	32.2	31.2	31.7	\$12.83	\$12.70	\$12.58



Washington Labor Market

Published monthly by the Labor Market and
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