



Washington Labor Market Quarterly Review

Volume 29, Number 2

April - June 2005

INDICATORS UNEMPLOYMENT RATE

Washington (Seasonally Adjusted)			
June (prel)	2005		5.5%
May	2005		5.6%
April	2005		5.5%
United States (Seasonally Adjusted)			
June (prel)	2005		5.0%
May	2005		5.1%
April	2005		5.2%
Nonagricultural Employment Washington (in thousands)			
April	2005	2,737.5	
May	2005	2,761.4	
June	2005	2,786.9	
Nonagricultural Employment % Change Washington (over-the-year)			
April	2004-2005		2.0%
May	2004-2005		2.1%
June	2004-2005		2.1%

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Heading in the Right Direction

Current State Economic Conditions

By Rick Kaglic, Chief Economist

Washington's economy entered 2005 like a lion. During the first three months of the year, firms in the state added roughly 25,000 net new jobs to their payrolls. This is on top of the roughly 30,000 added in the fourth quarter of 2004. We haven't seen that kind of growth since the end of 1997.

As the second quarter dawned, however, employers appeared to take a bit of a breather. Job gains av-

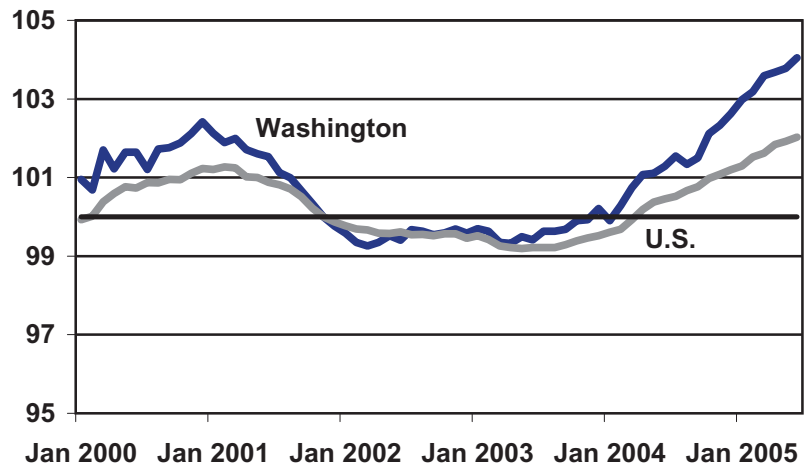
eraged a little more than 2,500 in April and May—healthy growth, but a far cry from the torrid first quarter pace.

It is likely that at least some employers in the state were discouraged by nationwide indicators suggesting that the economy had entered a "soft patch" toward the end of the first quarter. With many Washington-produced goods and services consumed

beyond our borders, it pays to keep a watchful eye on national trends.



Washington and U.S. Seasonally Adjusted Employment, Indexed to Nov 2001



Source: Washington State Employment Security Department

Manufacturers added 1,000 net new jobs in the second quarter.



As the quarter wore on, incoming data indicated that fears of a nationwide soft patch were overblown. The softness was mostly concentrated in the manufacturing sector, and primarily in the heavily industrialized Midwest.

With renewed confidence, firms in Washington quickened the pace of hiring in June. Total nonfarm payroll employment jumped 7,000 during the month, and was 74,200 (or 2.7 percent) higher than last June. As has been the case since the beginning of the year, the advances in employment were widespread across industry segments reflecting the strength in the general economy. And the vast majority of net new jobs was created in the private sector.

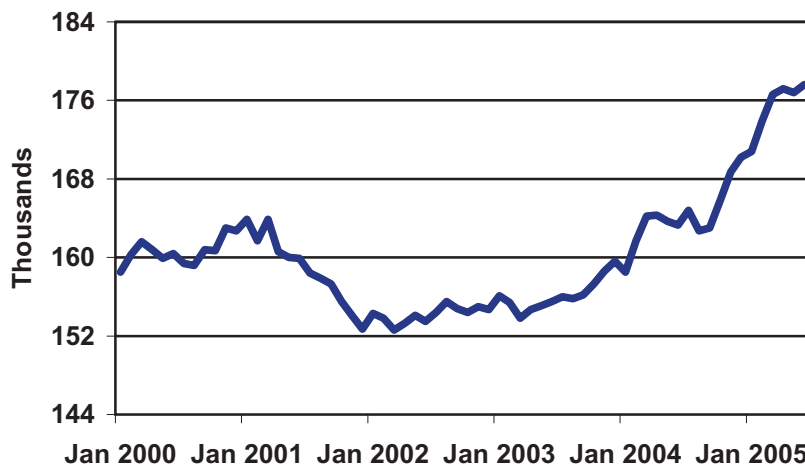
One of the biggest contributions to payroll employment increases over the last year has come from construction firms. Employment in construction surged 14,500 since June 2004. The industry comprised a little more than 6.0 percent of total employment during the last 12 months, but accounted for nearly 20 percent of total job growth. Yet construction employment was also a primary contributor to the slowdown in job growth from the first quarter to the second. Gains in construction employment dropped from 6,400 during the first three months of the year to just 1,000 the following three. The slowdown is unlikely to last,

however. Sales of both new and existing homes are still remarkably brisk in the state, residential building permits are up more than nine percent from last year's very high levels, and long-term mortgage interest rates remain well below six percent. These factors, along with stronger total job growth will continue to boost housing markets, and ultimately construction jobs in the state.

Manufacturers added 1,000 net new jobs in the second quarter. While it is impressive that manufacturing payrolls have risen in the state at a time when factories nationwide continued to shed workers, the gains were heavily concentrated in one industry—transportation equipment—and one area—the Puget Sound area. Aircraft orders have been very strong in recent months and aerospace firms have been adding jobs; 2,000 in the second quarter and 5,500 since last June. Ship and boat building firms also augmented their payrolls in the second quarter, by 600.

By contrast, most other manufacturing sectors showed either flat or declining payroll employment in the April-June period. In particular, nondurable goods employment was off 1,100 for the quarter and down 700 for the year. The second quarter losses spanned the spectrum of nondurable industries, but were particularly steep in food processing, which lost 900 jobs.

Washington Seasonally-Adjusted Construction Employment



The bulk of job gains over the last three months took place in service-providing industries. Professional and business services—such as legal, accounting, and employment services—added the most jobs during the second quarter (3,600) and trailed only construction in year-ago comparisons. This sector has been, and continues to be one of the state’s most reliable contributors to employment growth from month to month.

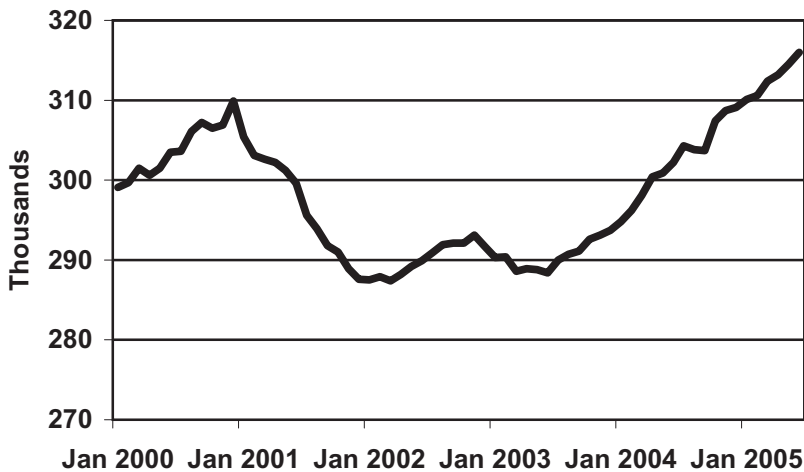
The same can be said for education and health services employment, which increased 3,100 during the second quarter. This increase follows on the heels of a slightly larger gain in the first quarter.

The lion’s share of job creation came from health care and social services firms. Health care was the industry with the most job vacancies statewide according to the Washington State Employment Security Department’s recently released April-May 2005 Job Vacancy Survey.

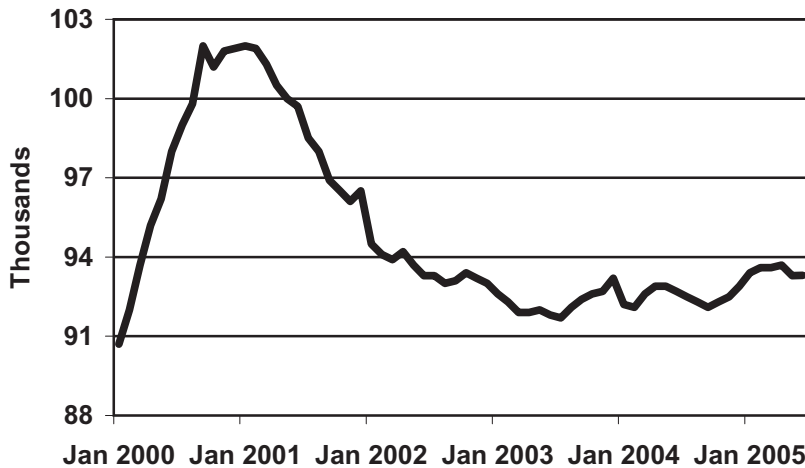
Leisure and hospitality employment was up solidly in the second quarter (2,900) and over the year (8,400). Tourism activity, as reflected through arts, entertainment, and recreation employment, has been robust. And brisk restaurant development helped boost employment in food services and drinking places by 1,100 during the quarter and 5,600 for the year.

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Washington Seasonally-Adjusted Professional and Business Services Employment



Washington Seasonally-Adjusted Information Employment



Looking forward, the fundamentals appear firmly in place to continue creating jobs. Consumers show little inclination to pull back on spending, and housing demand is still solid.



Financial activities employment bounced back in the second quarter (1,200) following a loss of 400 jobs in the first. For the year, financial activities employment is up 3,000. Firms in the information sector added 1,100 net new jobs in the April-June period, after adding 700 in the January-March period. In both quarters, solid gains in software publishing were more than enough to offset continued losses in telecommunications.

The wholesale trade sector, the transportation, warehousing and utilities sector, and the government sector each lost jobs in the second quarter, with the job losses totaling 2,100. For the year, however, each sector gained jobs with the increase summing to 8,600.

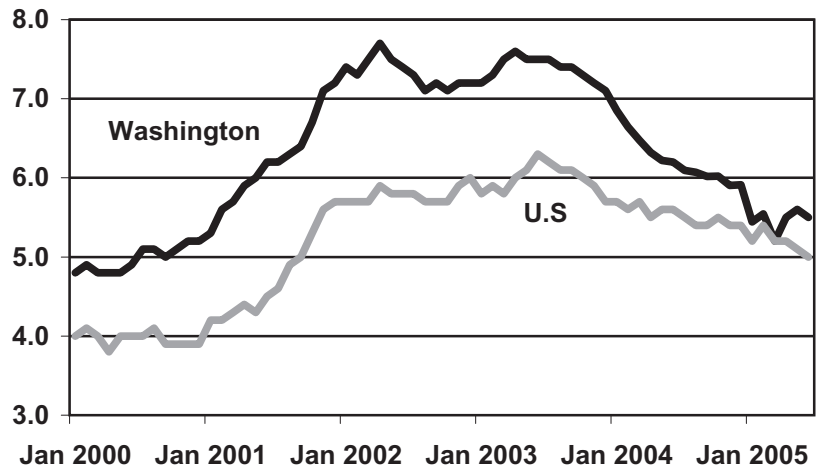
Conclusion

While job growth in the second quarter got off to a slow start, it certainly finished strong. Employment gains were again evi-

dent in both goods-producing and service-providing industries, and primarily in the private sector. Since the second quarter of 2004, employment in every major industrial breakout increased, including in some industries that had been struggling earlier in the year, most notably financial activities and information.

Looking forward, the fundamentals appear firmly in place to continue creating jobs. Consumers show little inclination to pull back on spending, and housing demand is still solid. Low interest rates will not only continue to boost household spending, but will also make business investment less expensive. Perhaps most importantly, the U.S. economy is on a roll which will heighten demand for the goods and services produced in Washington. I hate to be redundant, but for the second straight quarter, the economy appears to be picking up steam.

Washington, U.S. Unemployment Rates



National Outlook

Calmer Seas Ahead; U.S. Economy Weathers Tough Second Quarter

Rick Kaglic, Chief Economist

During the second quarter of 2005, the U.S. economy encountered rougher seas than it had seen in quite some time. Employment growth continued to track like the lines on a heart rate monitor. Unlike previous quarters, however, analysts were not just worried about job growth; they were genuinely concerned about the real economy. Data in the March-May period was suggesting that the economy had hit somewhat of a “soft patch.” Some of the indicators that track the economy in the broadest sense—the Conference Board’s leading economic indicators (LEI), the Institute for Supply Management’s (ISM) manufacturing index, and the Chicago Fed National Activity Index (CFNAI)—were clearly suggesting some weakening in the economy. Moreover, industrial production data showed that manufacturing output actually declined in March and was weak in April and May. There was even talk that the Fed would have to halt its actions to steadily raise short-term interest rates.

But with June, data hounds got a whole bunch of good news. Those indicators that had been heading down—the LEI, ISM, and CFNAI—rebounded, and sharply so. Manufacturing industrial production surged. And the Fed raised interest rates again.

One indicator that didn’t look so good—employment. Total nonfarm payroll employment in the U.S. rose by just 146,000 in June, far less than both consensus expectations and the long-term trend rate of growth. This follows on the heels of an even less impressive gain of 104,000 in May. For the quarter, U.S. employers have created 543,000 net new jobs, the smallest quarterly increase since the first quarter of 2004.

Consistent with the weakness in manufacturing output during the quarter, factory employment fell 24,000 in June and is off 72,000 since last June. The

bulk of June’s manufacturing job losses took place in motor vehicles and parts production (-17,900), but smaller losses were widespread. Gains in construction employment (18,000) helped mitigate the overall loss in goods-producing industries.

Employment in each of the major service-providing industries increased in June. Business and professional services led the way with a 56,000 increase last month. Sizeable increases were evident in professional and technical services and administrative support services. Education and health services added 38,000 jobs last month. Within this sector, health care accounted for the bulk of the increase while education made a much smaller contribution.

Leisure and hospitality businesses continued to augment their payrolls in June (19,000), as a big gain in accommodation and food services was augmented with a smaller, but still solid increase in arts, entertainment, and recreation.

Financial activities employment rose 16,000 last month, largely on strength in real estate and rental and leasing, and credit intermediation. Much of this likely resulted from ongoing strength in housing markets and construction activity.

Other services employment (repair and maintenance; personal and laundry services; and membership organizations) increased 14,000. Retail trade, information, and government employment rose roughly 2,000 each. Employment in transportation, warehousing, and utilities and wholesale trade was basically flat. The nation’s unemployment rate edged down throughout the second quarter and stood at 5.0 percent in June.

The Outlook

While payroll employment growth in the U.S. may not have rebounded as sharply as economic activity might warrant, it re-



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bounded nonetheless in June. With fears of a soft patch rapidly fading, it's time to refocus on the horizon.

The broad measures of economic activity rebounded at the end of the second quarter, suggesting we had momentum heading into the third. The ISM indexes not only indicated expanding production, but also strong new orders and firm backlogs, which speaks to demand and the sustainability of that demand. If there was any softness in the economy in the second quarter, it appeared to be confined to manufacturing. Manufacturing output slowed because inventories were too high. It appears that the inventories have been worked down and increased production has resumed.

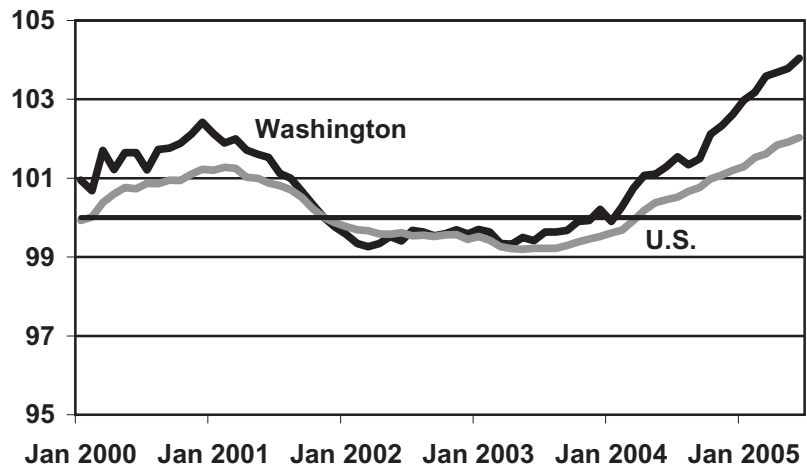
Consumers are still confident and are willing to part with their cash. Evidence can be found in exceptional light vehicle sales and brisk retail sales. And there appears to be no holding back the housing markets. New and existing home sales are still robust and residential starts and building permits remain above the historically high

two million-unit pace. With the rate on a 30-year fixed-rate mortgage fairly steady at historically low levels, the probability of a big change in housing market activity in the near term is pretty small.

Businesses investment was volatile in the March-May period. A measure I like to use as a proxy for business capital spending plans is the Census' new orders for non-defense capital goods, excluding aircraft. This indicator has been up and down over the last three months. However, this data is current only through May, when there was still some lingering caution about the soft patch. Moreover, total factory orders rose for three consecutive months and unfilled orders jumped in May. It is quite possible we'll see a rebound in the capital equipment numbers for June.

At the end of the day, consumers maintain enough confidence in the economy to go out and spend, and business enough to hire. As we move through the third quarter, the economic ship is likely to be more steady than it was in the second.

Washington and U.S. Seasonally Adjusted Employment, Indexed to Nov 2001



Making Sense of Employment and Unemployment

By Rick Kaglic, Chief Economist

Imagine this: you are sitting in your family room the morning of the employment situation report flipping through channels trying to get the latest reading on the pulse of Washington's labor markets. On one channel, a financial reporter is raving about the 5,000 net new jobs created in Washington during the month. The report is peppered with images of factories running at full bore and fully loaded freighters setting off to sea under a clear blue sky. You can't stop a smile from crossing your face. Nor can you control your urge to change the channel. Now you're staring at a somber reporter standing outside a shuttered restaurant telling you that the unemployment rate rose from 5.3 percent to 5.5 percent last month. As your smile starts to fade, you quickly flip back to the previous channel in hopes of restoring your good mood—but it's too late. The weatherman is on now, uttering those three dreaded words, "rain this weekend."

As you're calling your friends to tell them the weekend barbeque is off, you can't help but feel somewhat confused. How can employment and unemployment go up at the same time? Which is more important? And why does it always rain on the weekends? We can help with these questions—regarding the employment report, not the weather.

How do we calculate employment?

The employment figure, or jobs number that is most prominently displayed in the press refers to total nonfarm payroll employment. Moreover, it is usually the seasonally adjusted series being referred to.

Every month, Bureau of Labor Statistics (BLS) and state agencies across the country collect data on employment, hours, and earnings from a sample of about 300,000 nonfarm firms, which represents approximately 40 percent of the nonfarm population. (In Washington, approximately 7,800 firms are surveyed.) All firms with more than 1,000 employees are asked to participate in the survey along with a representative sample of smaller firms. Employers respond to the survey with data taken from payroll records that firms must keep for tax and accounting purposes. The data from these surveys are entered into a sophisticated statistical model that produces an estimate of total nonfarm payroll employment broken out by industry.

How do we calculate the unemployment rate?

It is a common misperception that the unemployment rate is determined solely by the number of claims filed for unemployment insurance benefits, thus excluding those who have exhausted

their benefits from the calculation. This is not the case. While unemployment claims are valuable in assessing labor market conditions, this number is but one of three that is used to estimate the unemployment rate in Washington.

In addition to unemployment insurance claims, results from surveys of households and businesses in the state are used in the calculation.

Each month, highly trained data compilers at the Census Bureau call sample households across the state. These households are asked a series of questions designed to determine if the respondent or anyone else in the household is participating in the labor force, and if they are employed or unemployed.

Data from these three sources—unemployment insurance claims, the survey of households, and the survey of businesses—are plugged into a complex statistical model that cross-checks the inputs against one another, and then produces an estimate of the unemployment rate in the state. Using this method, we can capture unemployed workers whether or not they are receiving unemployment insurance benefits.

We must emphasize that the numbers we produce are estimates and not a count. To obtain a true count of the

...each month data compilers under the guidance of Washington's Employment Security Department call thousands of businesses across the state to gauge their employment levels...



unemployed, we would have to survey every household in the state every month. This is simply not feasible. The state does not have the resources to conduct a census of the population every month. Moreover, households don't have the time, or the desire to respond to such a survey month after month.

That being the case, there is no "raw" count of the unemployed. Rather, there is an estimate based on solid, time-tested mathematical techniques.

How can employment and unemployment rise simultaneously?

Those who are actively participating in the labor force can be classified as employed or unemployed. Some would argue that this is an oversimplification on my part, and ignores the plight of underemployed workers, part-timers, and temporary help. Guilty as charged. However, these issues are not key elements in this discussion.

So then, using basic arithmetic:

1) labor force = (employed + unemployed)

or, by rearranging the equation:

2) (labor force - employed) = unemployed

The unemployment rate is simply:

3) unemployed ÷ labor force; or (labor force - employed) ÷ labor force

There is a lot of fluctuation in the labor force numbers from one month to the next. So if during the month, for example, employment increases from 2.74 million to 2.75 million and the labor force increases from 2.90 million to 2.92 million, then the unemployment rate will rise from 5.5 percent to 5.8 percent as well since:

4) $(2.90 - 2.74) \div 2.90 = 0.16 \div 2.90 = 5.5$ percent, and

5) $(2.92 - 2.75) \div 2.92 = 0.17 \div 2.92 = 5.8$ percent

Similarly, a drop in employment coupled with an even larger drop in the labor force will result in a lower unemployment rate. This is a simple case of the numerator falling more than the denominator.

More often than not, when the unemployment rate rises during a period of sustained job growth it represents a supply side response to labor demand. In other words, folks hear that there are jobs to be had so they enter, or re-enter the labor force. If more workers enter the labor force than jobs are created, the unemployment rate will go up.

Conversely, if folks hear that there are no jobs to be found, they may become discouraged and leave the labor force. If the number of workers exiting the labor force exceeds job losses, then the unemployment rate will fall.

So, which tells more about the underlying strength in the economy?

When employment is up and the unemployment rate is down, or vice versa, there is little reason to have this discussion—the news is usually considered either unambiguously good or bad.

The two scenarios described above, however, illustrate why employment is the better of the two indicators. Consider the first example where employment is rising and unemployment is rising. Continued increases in employment and a robust outlook may encourage discouraged workers to rejoin the labor force. Moreover, residents from states with limited job opportunities may choose to move to Washington in search of work. More workers looking for work, because there is work, is a healthy labor supply response to employment growth.

Then consider the opposite situation when employment and the unemployment rate are falling. Workers are leaving the workforce, or even the state, because they cannot find work. This is an unhealthy labor market development.

At the end of the day, if you have to choose one number—choose employment. And remember, one month is not a trend, so don't get too excited about fluctuations in the numbers from month to month.

Finally, grab an umbrella—the week-end is coming.



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Industry Focus

SIC and NAICS Are Not a Match Made in Heaven

By Rick Lockhart, Economic Analyst

There have been many questions about how to handle industry employment and wage data since the federal government began to change how it classifies businesses by industry. A few common questions we get are: "Why was a change necessary?"; "Is the data comparable historically?"; and "Would antibiotics cure the SIC?". The following discussion should help answer the first two questions and the third, well, no.

What was the SIC and what were a few of its strengths and weaknesses?

The Standard Industrial Classification (SIC) system was introduced in the 1930s as a framework for organizing information about companies based on their final product or service. It benefited government and business in a few ways: (1) it made taxation of similar companies uniform across the country, (2) it provided a solid structure for analyzing economic data, (3) its long-term usage allowed for a substantial time series of data to be used for trend analysis and projections.

One of the weaknesses of the SIC system was that it was used only in the United States, which limited the ability to make international comparisons of economic data. Another weakness was that industry codes were assigned based on the final output of a company. This may not matter at the most detailed level of the coding system, but when data is aggregated into the most basic level of industry classification, the numbers can be thrown off significantly. A good example of this is logging. In the SIC system, logging fell under manufacturing. With the new coding system it falls under agriculture. The rationale being that as an industry its business process is more similar to agriculture since its final products are harvested, not manufactured.

Why the switch? What is the NAICS and what are a few of its strengths and weaknesses?

The North American Industry Classification System (NAICS) is a system for grouping companies based on their business processes in addition to their final product. It was originally released in 1997, and then updated in 2002. For the most part it shares many of the strengths that made the SIC system useful. Additionally, the NAICS was developed in partnership with Canada and Mexico to allow for comparable data between most of North America.

Moreover, the new classification structure used for the NAICS is a more accurate portrayal of information when industries are aggregated to their most basic level. Industries, like logging, are grouped with other industries that use similar production processes. Also, the headquarters of large companies are now classified in a separate industry grouping, which separates out entities that do not perform similar function or have similar output. An example would be Boeing. In the SIC system all Boeing employees would have been grouped into an aircraft manufacturing industry code. With NAICS, the parts of the Boeing company that manufacture aircraft are coded as such, and the parts of the company (which may be several hundred workers) that perform administrative functions are coded under "Management of Companies and Enterprises." This separation of company units by business activity allows for more accurate counts of employees and calculations of wages by industry.

The biggest drawback to switching from the SIC system to the NAICS is the break in the time series of data that started in the 1930s. Data based on SIC ends, for the most part, in 2002 and data based on

the NAICS began to show up in 2000. Some of the employment and wage data has been converted to NAICS from SIC back to 1990, but converting the data back further is not likely to happen since the accuracy of the conversion diminishes the further away from the base period the data goes.

Nary the Twain Shall Meet

Manufacturing \neq Manufacturing. Even at the most aggregated industry levels, the SIC data and the NAICS data should not be used together in series. Though total employment for an industry, say manufacturing, under NAICS may be similar to that of the same industry under SIC, what is being counted may be very different. Some firms may have been added to manufacturing with the NAICS, while some may have been removed.

What To Do For Historical Time Series

Historical data based on the SIC system is readily available* covering the 1981 to 2002 time frame. The diligent researcher can get pre-1981 SIC data if he or she is willing to dig through archived records on paper or microfiche. NAICS data is available from 1990 through the most recent quarter of published data (usually six months after the quarter is finished).

** SIC based historical data is provided by special request and may be subject to confidentiality restrictions.*

Resources

1. www.NAICS.com
2. www.BLS.gov
3. www.WorkforceExplorer.com
4. If all else fails...
Rlockhart@esd.wa.gov

Occupational Focus

Who Do You Work for and What Do You Do?

By Dave Wallace, Economic Analyst

How do industries and occupations differ?

For this month's Labor Market Report, our group of economists was asked to focus on one piece of data that is often misunderstood. For me that was easy. I am the economist that specializes in occupational data for the Employment Security Department (ESD) and even I sometimes get mixed up over the difference between occupations and industries. Figuring that if I, as the "Occupational Guy" still occasionally got mixed up, then it must certainly be hard for the casual data user. At face value the two seem different enough, but confusion lies not so much in understanding the difference, but in always treating the data as separate, despite apparent similarities.

Here is an example. In our recent Job Vacancy Survey (spring 2005), the occupation with the most vacancies was registered nurses, the top occupational group was "healthcare practitioners and technical," and the top industry was "health care and social assistance." Is this a coincidence? Certainly not. Is it then just a repetition of the same information? I would say it is related, but not the same.

So what is the difference? The Census Bureau defines industry as "the type of activity at a person's place of work" and occupation as "the kind of work a person does to earn a living." Generally the easiest way to understand them is by example. Imagine that you work as a janitor for Boeing. You would work in the aerospace industry (which is a sector within the wider manufacturing industry) but would be grouped within "building and grounds cleaning and maintenance occupations," specifically as "janitors and cleaners, except

maids and housekeeping cleaners" (SOC #372011).

It is particularly easy to confuse industry and occupation where specific occupations are strongly associated with a particular industry—such as nurses and the healthcare industry. While doctors, nurses, and orderlies are occupations closely tied to the healthcare industry, there are other occupations in the healthcare industry such as janitors and bookkeepers that are abundant in other industries. And conversely nursing positions can be found in the education services, government, and accommodation industries to name a few.

By contrast, an occupation such as office clerks is found widespread throughout many different industries. Outside of education and government, no industry accounts for as much as 5 percent of office clerk employment. The top ten list of industries employing office clerks reads in order; education, local government, state government, employment services, securities, commercial equipment, real estate, religious organizations, aerospace products, and individual and family services. Nothing like the concentration found among RNs.

Most Common RN Industries	Est. RNs Employed 2002	Percent of All RN Empl.
General Med. & Surgical Hospitals	22,239	49%
Offices of Physicians	4,457	10%
Nursing Care Facilities	2,743	6%
Educational Services	2,571	6%
Home Health Care Services	1,827	4%
Employment Services	1,796	4%
Local Government	1,457	3%
Outpatient Care Centers	1,358	3%
Federal Government	1,316	3%
Care Facilities for the Elderly	1,034	2%

Most Common Office Clerk Industries	Est. Clerks Employed 2002	Percent of All Clerk Empl.
Education	9,516	16%
Local Government	3,594	6%
State Government	2,794	5%
Employment Services	2,081	4%
Securities and Commodity Contracts	1,398	2%
Commercial Equip. Merchant Wholesalers	1,079	2%
Offices of Real Estate Agents and Brokers	1,061	2%
Religious Organizations	1,015	2%
Aerospace Product and Parts Manufacturing	953	2%
Individual and Family Services	827	1%

Types of Data Available

Pretty much all of the discussion up to this point has been about employment estimates. But at ESD, we produce and analyze employment, unemployment, insurance claims, and wage data for both industries and occupations.

Commonly Used Industry Data

- *Industry-side employment data* is primarily generated using two sources—payrolls covered by the unemployment insurance program and the Current Employment Statistics survey.
- *Unemployment insurance data* is fairly straightforward. When a person files for unemployment insurance, they identify the company they formerly worked for. From this we can identify the industry.
- *Industry Wage data.* Along with the reported covered employment comes industry wage data. Total industry wages can be tallied and divided by total industry employment to reach an

average industry wage. For example in 2003 the average wage based on covered employment in Washington was \$39,021. The software publishing industry came in at the top with \$181,727 (interestingly higher than the \$154,211 averaged by the professional sports team industry) and strawberry farming industry had the lowest average wage at \$7,057 (in large part due to seasonal nature of the work).

Commonly Used Occupational Data

- *Occupational Employment Data* begins with the industry side data. We then use an occupational survey, appropriately called the Occupational Employment Survey, to get an idea of how occupations are scattered among industries. This information is then used to convert industry employment estimates to occupational employment estimates.
- *Unemployment insurance data* is fairly straightforward on both the industry and occupational side. When a person files for unemployment insurance, they identify the company they formerly worked for. From

this we can identify the industry. They also self-report the occupation that was formerly held.

- *Wage data* comes from the previously mentioned Occupational Employment Survey. Employers are surveyed and asked what occupations they have and what they pay. In the 2003 survey data period, surgeons were the highest paid occupation earning on average \$191,188. It was followed by obstetricians and gynecologists at \$179,319 and airline pilots, copilots, and flight engineers at \$171,8346. Dining room and cafeteria attendants and bartender helpers had the lowest surveyed wage that year (\$17,119). The most common occupation in the software publishing industry is computer software engineers (both applications and systems software). Computer software engineers, applications earned on average \$80,506 in 2003. Computer software engineers, systems software came in at \$84,529.

Across the State Washington's Labor Markets Keep Chuggin' Along

By Cristina Gonzalez, Research Analyst

Employment Growth by County

In June, Washington's labor markets saw significantly greater year over year employment gains than in the two previous months of the quarter. All but four of Washington's 39 counties saw increases in payroll employment* in the past year. Also, the state's gains remain widespread geographically and by industry.

Columbia appeared to be the fastest growing county with a 74 percent growth rate over last year, but this is due to one plant that remained in operation for one month longer this year than last. Whatcom, the second fastest-growing county, has found itself in the top ten counties since March of 2005. The following counties have also found themselves on the top ten list since before the second

quarter of 2005: Snohomish, Skagit, Pend Oreille, and Skamania.

Eleven counties, including King, Snohomish and Clark counties, experienced increases in total nonfarm employment of at least 3.0 percent. King County, the state's largest, again saw faster increases (3.3 percent) than the statewide average (2.7 percent) over the last year.

Lincoln (-1.7 percent) and Wahkiakum (-5.9 percent) counties, losing jobs at the highest rates of Washington's counties, are also on the bottom ten list in each of this quarter's months.

Employment Growth by Industry

Since June of last year, five industries contributed to the greater part (80 percent) of the state's employment gains: construction (+14,500); trade, transportation, and utilities (+12,900); professional and business services (+13,900); education and health services (+8,700); and leisure and hospitality (+8,400). These five sectors

represent less than two-thirds of the state's total employment.

Construction was the fastest growing industry in the state, increasing 8.7 percent since last June. Most of this increase was concentrated in the Puget Sound area, with King, Snohomish, and Pierce counties together adding 6,800 jobs. Specialty trades contractors continued to be the major contributor (67 percent) of jobs to the construction industry. Construction employment in Whatcom, Kittitas, Pierce, Snohomish, and King counties increased at least 6.6 percent since last June.

Gains in professional and business services (+13,900) continued to be a major

**Employment estimates are prepared by LMEA, using a quarterly-benchmark process. The process uses data from the most recent quarter of Unemployment Insurance Tax Reports, and estimates employment from that point to present. December 2004 is the most recent quarter available.*

Top Ten and Bottom Ten Counties by Employment Growth Rate

County	June 05	June 04	Change	Growth Rate
Washington State	2,803,600	2,729,400	74,200	2.7%
Columbia	2,070	1,190	880	73.9%
Whatcom	81,400	78,100	3,300	4.2%
Snohomish	226,000	217,500	8,500	3.9%
Pend Oreille	3,050	2,940	110	3.7%
Skagit	46,000	44,400	1,600	3.6%
Clark	127,900	123,600	4,300	3.5%
Skamania	2,190	2,120	70	3.3%
King	1,164,800	1,127,800	37,000	3.3%
Grays Harbor	25,690	24,900	790	3.2%
Klickitat	5,110	4,960	150	3.0%
Kitsap	85,700	83,200	2,500	3.0%
Jefferson	9,640	9,570	70	0.7%
Clallam	22,850	22,720	130	0.6%
San Juan	6,130	6,100	30	0.5%
Asotin	5,710	5,690	20	0.4%
Walla Walla	23,870	23,800	70	0.3%
Yakima	77,700	77,600	100	0.1%
Garfield	860	860	0	0.0%
Okanogan	12,730	12,740	-10	-0.1%
Lincoln	2,950	3,000	-50	-1.7%
Wahkiakum	800	850	-50	-5.9%

Top Ten and Bottom Ten Counties by Employment Change

County	June 05	June 04	Change	Growth Rate
Washington State	2,803,600	2,729,400	74,200	2.7%
King	1,164,800	1,127,800	37,000	3.3%
Snohomish	226,000	217,500	8,500	3.9%
Pierce	263,800	256,400	7,400	2.9%
Clark	127,900	123,600	4,300	3.5%
Spokane	207,000	202,700	4,300	2.1%
Whatcom	81,400	78,100	3,300	4.2%
Kitsap	85,700	83,200	2,500	3.0%
Benton-Franklin	88,600	86,600	2,000	2.3%
Skagit	46,000	44,400	1,600	3.6%
Thurston	95,500	94,200	1,300	1.4%
Jefferson	9,640	9,570	70	0.7%
Skamania	2,190	2,120	70	3.3%
Walla Walla	23,870	23,800	70	0.3%
Ferry	1,750	1,720	30	1.7%
San Juan	6,130	6,100	30	0.5%
Asotin	5,710	5,690	20	0.4%
Garfield	860	860	0	0.0%
Okanogan	12,730	12,740	-10	-0.1%
Lincoln	2,950	3,000	-50	-1.7%
Wahkiakum	800	850	-50	-5.9%

contributor to overall employment since last year. These gains were split between professional, scientific, and technical services (+6,200) and administrative and support services (+7,200). Of King County's 9,600 jobs increase, 4,600 were in professional, scientific, and technical services, while 3,900 were in administrative and support services. Both Spokane (+700) and Pierce (+1,800) counties experienced growth in professional and business services.

The 12,900 new jobs in trade, transportation, and utilities resulted from substantial growth in the retail trade sector (+7,500) and healthy growth in the wholesale (+2,400) and trade, warehousing, and utilities (+3,000) sectors. The industry's job increases were concentrated in western Washington with increases in Whatcom (+1,000), King (+4,800), Pierce (+1,300), and Clark (+1,200) counties, with some increases in the east, in Spokane County (+1,500).

The education and health services industry added 8,700 jobs statewide since last June. Within this sector, health services and social assistance accounted for all of the employment gains. Seattle-Bellevue-Everett MD, Clark County and the Tri-Cities region each had increases of at least 2.6 percent employment growth in the industry. By contrast, Pierce County saw a loss of 100 jobs.

Manufacturing employment was up by 5,900 or 2.2 percent, since last June. Increases in manufacturing continue to be entirely due to gains in durable goods production (+6,600), specifically in aerospace (+5,500), ship and boat building (+1,100), and fabricated metal (+800). Declines in paper, primary metal, and computer and electronic products manufacturing contributed to an overall drop in nondurable goods employment (-700).

Although King, Snohomish, and Pierce counties' manufacturing firms gained 7,300 new jobs, nondurable goods employment in this region remained in decline. Island, Pacific, Whitman, Okanogan, Whatcom, Cowlitz, Grays Harbor, and Pend Oreille counties each experienced higher job growth than the industry's average in the state of 2.2 percent.

Unemployment

In June, Washington had 23,100 fewer unemployed workers, or 11.3 percent, than a year ago. In fact, the number of unemployed workers fell in all but two of Washington's counties. Those two counties, Asotin and Garfield, together netted an increase of 60 unemployed workers over the year. Two-thirds of all counties saw declines in unemployment of at least 10 percent.

**Change in Construction Employment,
Selected Labor Markets June 2004 to June 2005**

County	Jun-05	Jun-04	Change	%Growth
Jefferson	840	810	30	3.7%
Bellingham	7,800	7,000	800	11.4%
Wenatchee	2,700	2,900	-200	-6.9%
Kittitas	1,120	1,020	100	9.8%
Tacoma	21,300	19,500	1,800	9.2%
Lewis	2,500	2,400	100	4.2%
Island	1,320	1,260	60	4.8%
Olympia	4,900	4,700	200	4.3%
Adams	140	150	-10	-6.7%
Ferry	270	260	10	3.8%
Whitman	450	460	-10	-2.2%
King	63,300	59,400	3,900	6.6%
Snohomish	18,500	17,400	1,100	6.3%

**Change in Education and Health Services Employment,
Selected Labor Markets, June 2004 to June 2005**

County	Jun-05	Jun-04	Change	%Growth
Seattle	145,100	139,600	5,500	3.9%
Tri-Cities	9,200	8,900	300	3.4%
Clark	15,500	15,100	400	2.6%
Spokane	33,200	32,500	700	2.2%
Tacoma	37,000	37,100	-100	-0.3%
Cowlitz	4,800	4,800	0	0.0%

Special Feature

Understanding The Business Cycle—In Plain Talk

By Cristina Gonzalez, Research Analyst

The Business Cycle Model

Decades of historical data have shown that economies have a general movement, consisting of periods of economic expansion and periods of economic decline. The Business Cycle model helps to illustrate that basic rise and fall of economic activity at the national, state or county level.

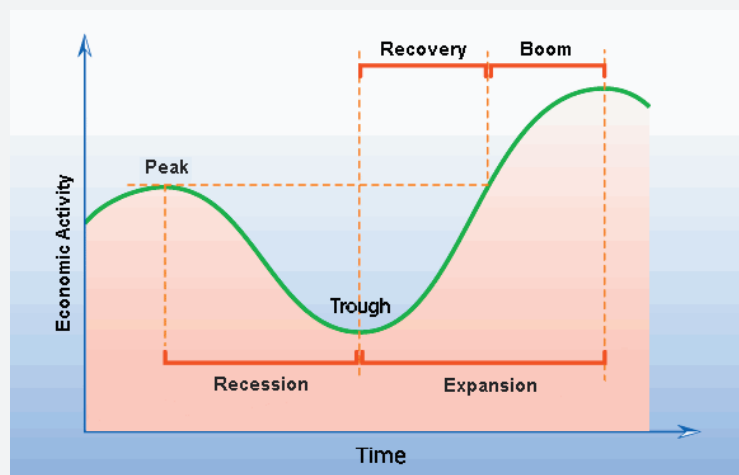
As legislators, the press, citizens or analysts, we hope to understand the movements of our own particular economies in order to make informed decisions, to report accurately, or to judge our economic well being today compared to, say, one year ago. Specifically as analysts, it is important to have a firm understanding of the business cycle so that we may make relevant comparisons over time and therefore provide useful information regarding the state of the economy.

Understanding the Business Cycle

The following graphics represent an economy's "business cycle." The undulating line represents the economy over time, as it expands and contracts.

The "expansion" refers to the time frame where economic activity, mea-

sured by economic indicators such as gross domestic product (GDP), new home construction, and employment, is increasing. During the "recession" period, economic activity is in decline, usually signified by reductions in employment or drops in production levels. The "peak" represents the point in time

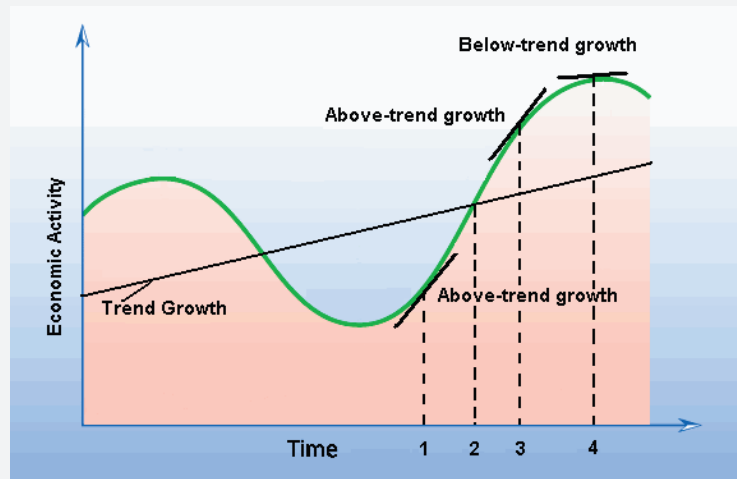


when economic activity has reached a zenith and begins to decrease, while at the “trough,” economic indicators again begin to increase. So, from a peak to the following trough, the economy is said to be in a recession, while from that same trough to the following peak, the economy is an expansion.

For simplicity, the expansion can be divided into two frames: the recovery period, where the economic indicators increase to the previous peak’s levels, and the boom period, where the economy has surpassed the previous peak’s level, and continues to swell until it reaches a new peak.

The National Bureau of Economic Research (NBER), an independent research institute, determines the official dates of peaks and troughs of U.S. business cycles. It defines a recession as a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales. It is important to note that peaks and troughs of the Washington economy may or may not coincide with those of the U.S. economy.

The second image illustrates that the economy, while moving in a cyclical motion, also grows in a general direction, or trend. In this model, the economy is growing with an upward trend. The economy could, in theory, continue to grow at this exact rate forever, but it is impossible to maintain this exact growth rate considering the innumerable shocks and boosts (such as increases in the price of crude oil or falling interest rates) that affect the economy. The economy’s inability to sustain this exact level of growth is what causes the undulating motion. Instead, the economy is usually growing either faster or slower than the trend growth rate. When the economy grows faster than the trend (as at Time 1, where the tangent line is steeper than the trend line), the economy is expanding



businesses, adding jobs, increasing capital assets at a faster pace than is ultimately sustainable. This level remains sustainable until it reaches trend levels (Time 2).

As firms and the economy continue to grow faster than the general trend (say at Time 3, where the tangent line is still steeper than the trend line), the economy creates inefficiencies (such as unused capital) and firms are forced to employ less productive workers. As firms and the economy recognize these inefficiencies in their everyday production, firms will begin to hire fewer workers and increase capital less quickly (such as at Time 4, where the tangent line is less steep than the trend line). If the inefficiencies are severe enough, firms will begin to slow down production and to lay off workers, inducing the beginning of a recession.

Using the Business Cycle to Make Meaningful Comparisons

A common occurrence in the dissemination of economic conditions is the comparison of one phase of the business cycle to a different phase; for example, analysts may compare employment growth in the recovery phase to that of the boom phase. But because each phase is producing different outcomes, this is a meaningless comparison.

During the recovery period, the economy is building up, or accelerating, to previous peak levels. The economy at this phase may or may not have had a rough or slow start, but its objective is to gear up to pre-recession levels. (The recovery

phase is like an automobile accelerating from 0 to 60 MPH.) On the other hand, the boom phase signifies an economy that has reached pre-recession levels and is reaping the rewards of an economy that, although may have struggled to reach these pre-recession levels, is now on a steady course. (The boom phase may be likened to the auto that has already struggled to get up to speed and is now cruising at 60 MPH.)

Thus, comparing a recovery to a boom phase of an economy is like comparing the gas efficiency of one car while it is accelerating from 0 to 60 MPH to the efficiency of another when it is already cruising at 60 MPH. Neither comparison provides useful information.

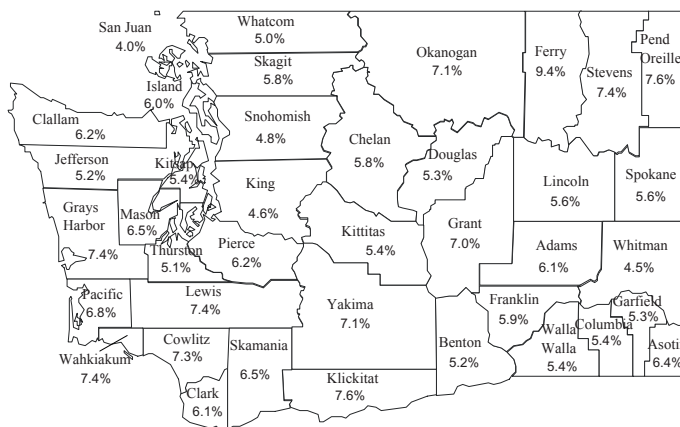
Instead, the analyst could make a more useful observation by comparing the economic activity (such as employment, wages, or production) of one recovery period to a previous recovery period. This observation could indicate whether the lengths of the recoveries were similar, whether wages grew as rapidly in the similar phases, or whether the growth rates caused a more rapid or vast expansion than the last. Likewise, comparing a boom phase to a previous boom phase provides insight on to the magnitude of the prosperity in one expansion versus another expansion. Such comparisons would provide a more accurate and useful examination of economic conditions.

Second Quarter Stats-At-A-Glance

Average Unemployment Rates by County
April, May, and June 2005
Washington State = 5.4%
United States = 5.0%
Not Seasonally Adjusted

Monthly Resident Civilian Labor Force and Employment in Washington State

<i>(In Thousands)</i>	April	May	June
	2005 (Rev)	2005 (Rev)	2005 (Prel)
<i>Seasonally Adjusted Unemployment:</i>			
Washington State	5.5%	5.6%	5.5%
United States	5.2%	5.1%	5.0%
<i>Not Seasonally Adjusted:</i>			
Resident Civilian Labor Force	3,247.4	3,259.5	3,300.0
Employment	3,071.2	3,084.4	3,119.5
Unemployment	176.2	175.1	180.5
Percent of Labor Force	5.4%	5.4%	5.5%



Civilian Labor Force Estimates for Washington State Counties and MSAs^{1/}

Washington State
 Employment Security Department
 Labor Market and Economic Analysis

Date: 7/19/05
 Benchmark: March 2004

Not Seasonally Adjusted	April 2005 Revised				May 2005 Revised				June 2005 Preliminary			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,247,400	3,071,200	176,200	5.4	3,259,500	3,084,400	175,100	5.4	3,300,000	3,119,500	180,500	5.5
Bellingham MSA	104,000	98,800	5,200	5.0	104,300	99,400	4,900	4.7	104,800	99,400	5,400	5.1
Bremerton MSA	123,400	116,600	6,800	5.5	122,400	116,100	6,300	5.2	123,100	116,300	6,800	5.5
Kennewick-Richland-Pasco MSA	117,500	111,100	6,400	5.5	118,900	112,800	6,100	5.1	125,700	118,900	6,800	5.4
Benton County 2/	89,300	84,700	4,600	5.1	90,600	86,100	4,500	4.9	95,800	90,700	5,100	5.3
Franklin County 2/	28,200	26,300	1,800	6.5	28,400	26,700	1,600	5.7	29,900	28,200	1,700	5.8
Longview MSA (Cowlitz)	44,190	40,850	3,340	7.5	43,970	40,920	3,050	6.9	44,550	41,310	3,240	7.3
Mt. Vernon-Anacortes MSA (Skagit)	57,310	53,840	3,460	6.0	57,180	54,040	3,140	5.5	58,350	54,960	3,390	5.8
Olympia MSA	125,400	118,800	6,500	5.2	123,900	117,900	6,000	4.8	124,100	117,700	6,400	5.2
Seattle-Bellevue-Everett MD*	1,332,000	1,274,900	57,100	4.3	1,348,100	1,282,500	65,600	4.9	1,348,400	1,283,700	64,700	4.8
King County 2/	994,600	952,700	42,000	4.2	1,006,900	958,400	48,500	4.8	1,007,200	959,200	47,900	4.8
Snohomish County 2/	337,300	322,200	15,100	4.5	341,200	324,100	17,000	5.0	341,200	324,400	16,800	4.9
Spokane MSA	227,900	214,800	13,100	5.8	225,700	213,700	12,100	5.3	225,300	212,500	12,800	5.7
Tacoma Metropolitan Division	372,900	349,200	23,700	6.4	369,300	347,400	22,000	5.9	369,700	346,500	23,200	6.3
Wenatchee MSA	56,100	52,380	3,710	6.6	57,560	54,140	3,430	6.0	66,430	63,400	3,020	4.6
Chelan County 2/	37,390	34,830	2,560	6.8	38,360	36,000	2,360	6.2	44,210	42,160	2,050	4.6
Douglas County 2/	18,710	17,550	1,160	6.2	19,210	18,140	1,070	5.6	22,210	21,240	970	4.4
Yakima MSA	114,500	105,100	9,300	8.2	116,900	108,600	8,200	7.1	128,100	120,100	8,000	6.2
Aberdeen LMA (Grays Harbor)	32,110	29,610	2,500	7.8	31,620	29,420	2,200	7.0	32,280	29,920	2,360	7.3
Centralia LMA (Lewis)	31,870	29,360	2,510	7.9	31,690	29,510	2,180	6.9	32,040	29,660	2,380	7.4
Ellensburg LMA (Kittitas)	19,880	18,710	1,160	5.8	19,620	18,590	1,030	5.2	20,090	19,060	1,030	5.1
Moses Lake LMA (Grant)	36,560	33,730	2,830	7.7	38,470	35,910	2,560	6.7	41,190	38,470	2,720	6.6
Oak Harbor LMA (Island County)	32,400	30,500	1,900	6.0	32,200	30,300	1,800	5.7	32,300	30,400	1,900	6.1
Port Angeles LMA (Clallam)	28,750	26,870	1,880	6.6	28,640	26,910	1,730	6.0	28,850	27,080	1,770	6.1
Pullman LMA (Whitman)	21,630	20,700	930	4.3	21,010	20,110	900	4.3	19,130	18,150	980	5.1
Shelton LMA (Mason)	24,070	22,450	1,620	6.7	24,120	22,630	1,480	6.1	24,210	22,640	1,570	6.5
Walla Walla LMA (Walla Walla)	29,550	27,840	1,710	5.8	29,870	28,360	1,510	5.0	30,550	28,920	1,630	5.3
Adams	7,810	7,290	520	6.6	8,350	7,860	490	5.9	8,850	8,330	510	5.8
Asotin 2/	10,680	10,070	620	5.8	10,240	9,600	640	6.3	10,370	9,620	750	7.3
Clark 2/	195,800	184,000	11,800	6.0	193,300	182,000	11,400	5.9	194,900	182,500	12,400	6.4
Columbia	2,140	2,010	130	5.9	2,220	2,120	110	4.7	2,170	2,060	110	5.2
Ferry	2,960	2,650	320	10.7	3,030	2,770	260	8.5	3,090	2,820	270	8.6
Garfield	1,110	1,040	60	5.8	1,120	1,060	60	5.4	1,140	1,080	60	5.0
Jefferson	13,790	13,040	750	5.4	13,710	13,020	690	5.1	13,790	13,070	720	5.2
Klickitat	9,280	8,510	760	8.2	9,500	8,780	720	7.6	10,400	9,650	750	7.2
Lincoln	4,880	4,590	290	5.9	4,920	4,670	260	5.2	4,970	4,710	270	5.3
Okanogan	18,860	17,290	1,570	8.3	19,510	18,160	1,360	6.9	22,020	20,650	1,360	6.2
Pacific	9,460	8,760	700	7.4	9,550	8,930	610	6.4	9,750	9,100	650	6.6
Pend Oreille	5,230	4,770	460	8.8	5,170	4,810	360	6.9	5,240	4,880	370	7.0
San Juan	8,250	7,900	350	4.3	8,480	8,150	330	3.9	8,960	8,620	340	3.8
Skamania 2/	4,980	4,630	350	7.1	4,880	4,580	300	6.1	4,900	4,590	310	6.4
Stevens	18,560	17,030	1,520	8.2	18,400	17,120	1,280	6.9	18,640	17,300	1,340	7.2
Wahkiakum	1,660	1,530	130	7.8	1,650	1,540	120	7.0	1,680	1,560	120	6.9

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.
 *Metropolitan Division

April

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

In Thousands, Not Seasonally Adjusted	April		March		Numeric Change	
	2005 (Prel)	2005 (Rev)	2004 (Rev)	2004 (Rev)	Mar. 2005 to Apr. 2005	Apr. 2004 to Apr. 2005
Total Nonagricultural Wage & Salary Workers	2,737.2	2,718.2	2,683.9	2,659.7	19.0	53.3
Natural Resources and Mining	8.6	8.6	8.5	8.3	0.0	0.1
Logging	5.1	5.2	5.4	5.2	-0.1	-0.3
Construction	166.2	162.5	159.0	155.5	3.7	7.2
Construction of Buildings	43.2	42.5	41.9	41.3	0.7	1.3
Heavy and Civil Engineering	19.7	18.8	19.6	18.2	0.9	0.1
Specialty Trade Contractors	103.3	101.2	97.5	96.0	2.1	5.8
Manufacturing	264.7	263.5	261.2	258.9	1.2	3.5
Durable Goods	186.8	185.7	180.2	179.1	1.1	6.6
Wood Product Manufacturing	18.4	18.6	18.0	17.7	-0.2	0.4
Fabricated Metal Products	17.7	17.6	17.1	16.9	0.1	0.6
Computer and Electronic Products	21.7	21.7	22.0	22.0	0.0	-0.3
Transportation Equipment	77.8	77.0	72.9	72.9	0.8	4.9
Aerospace Products and Parts	65.0	64.5	61.0	61.0	0.5	4.0
Nondurable Goods	77.9	77.8	81.0	79.8	0.1	-3.1
Food Manufacturing	31.9	31.9	33.6 ^{2/}	32.3 ^{2/}	0.0	-1.7
Wholesale Trade	119.9	119.6	118.9	116.9	0.3	1.0
Retail Trade	313.0	311.4	303.4	300.5	1.6	9.6
Motor Vehicle and Parts Dealers	43.2	42.7	41.9	41.3	0.5	1.3
Food and Beverage Stores	59.8	59.6	58.3	58.0	0.2	1.5
Clothing and Clothing Accessories Stores	24.3	24.6	23.2	23.5	-0.3	1.1
General Merchandise Stores	55.7	55.2	52.7	52.5	0.5	3.0
Transportation, Warehousing, and Utilities	90.8	90.7	87.6	86.7	0.1	3.2
Utilities	4.5	4.5	4.4	4.4	0.0	0.1
Transportation and Warehousing	86.3	86.2	83.2	82.3	0.1	3.1
Air Transportation	12.1	12.1	12.4	12.4	0.0	-0.3
Water Transportation	3.3	3.3	3.1	3.1	0.0	0.2
Truck Transportation	23.4	23.0	22.6	22.0	0.4	0.8
Support Activities for Transportation	16.6	17.0	16.0	15.7	-0.4	0.6
Support Activities for Water Transportation	5.2	5.7	5.4	5.2	-0.5	-0.2
Warehousing and Storage	9.2	9.2	7.9	8.1	0.0	1.3
Information	91.8	92.1	92.0	92.1	-0.3	-0.2
Software Publishers	40.5	40.3	38.7	38.6	0.2	1.8
Telecommunications	25.2	25.4	26.7	27.2	-0.2	-1.5
Financial Activities	151.8	151.1	151.1	151.4	0.7	0.7
Finance and Insurance	102.4	102.1	102.6	103.3	0.3	-0.2
Credit Intermediation and Related Activities	52.6	52.5	53.3	53.1	0.1	-0.7
Insurance Carriers and Related Activities	38.1	38.1	38.1	38.8	0.0	0.0
Real Estate and Rental Leasing	49.4	49.0	48.5	48.1	0.4	0.9
Professional and Business Services	310.7	307.1	298.9	294.3	3.6	11.8
Professional, Scientific, and Technical Services	140.2	139.8	136.3	136.3	0.4	3.9
Legal Services	20.9	20.8	20.7	20.6	0.1	0.2
Architectural, Engineering, and Related Services	32.4	32.2	31.3	31.2	0.2	1.1
Computer Systems Design and Related Services	21.7	21.6	21.0	21.0	0.1	0.7
Management of Companies and Enterprises	33.5	33.2	32.8	32.8	0.3	0.7
Admin., Suppt. Svcs., Waste Mgmt., and Remediation	137.0	134.1	129.8	125.2	2.9	7.2
Employment Services	48.4	47.4	44.2	42.6	1.0	4.2
Education and Health Services	329.5	327.7	320.8	318.7	1.8	8.7
Educational Services	45.8	46.0	45.6	46.1	-0.2	0.2
Hospitals	63.6	63.5	62.3	62.1	0.1	1.3
Nursing and Residential Care Facilities	53.8	53.9	52.6	52.4	-0.1	1.2
Social Assistance	49.5	48.2	47.7	46.5	1.3	1.8
Leisure and Hospitality	254.7	248.7	252.3	247.0	6.0	2.4
Arts, Entertainment, and Recreation	44.0	41.9	43.9	43.0	2.1	0.1
Accommodation	28.5	27.7	27.8	26.9	0.8	0.7
Food Services and Drinking Places	182.2	179.1	180.6	177.1	3.1	1.6
Government	534.1	534.3	530.4	530.3	-0.2	3.7
Federal	69.5	69.3	69.1	68.5	0.2	0.4
State	152.9	153.8	151.6	152.8	-0.9	1.3
State Educational Services	85.3	86.2	84.7	86.0	-0.9	0.6
Local	311.7	311.2	309.7	309.0	0.5	2.0
Local Educational Services	157.2	157.4	156.9	156.9	-0.2	0.3
Workers in Labor-Management Disputes	0.0	0.0	0.2	0.2	0.0	-0.2

¹Excludes 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. ²Workers excluded because of involvement in labor-management dispute.

Prepared in cooperation with the Bureau of Labor Statistics

May

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

In Thousands, Not Seasonally Adjusted	Numeric Change					
	May 2005 (Prel)	April 2005 (Rev)	May 2004 (Rev)	April 2004 (Rev)	Apr. 2005 to May 2005	May 2004 to May 2005
Total Nonagricultural Wage & Salary Workers	2,761.8	2,737.5	2,705.9	2,683.9	24.3	55.9
Natural Resources and Mining	8.9	8.6	8.7	8.5	0.3	0.2
Logging	5.5	5.1	5.6	5.4	0.4	-0.1
Construction	171.2	166.6	163.2	159.0	4.6	8.0
Construction of Buildings	44.3	43.4	42.8	41.9	0.9	1.5
Heavy and Civil Engineering	20.9	19.6	20.4	19.6	1.3	0.5
Specialty Trade Contractors	106.0	103.6	100.0	97.5	2.4	6.0
Manufacturing	266.4	264.6	262.5	261.2	1.8	3.9
Durable Goods	187.6	186.6	181.1	180.2	1.0	6.5
Wood Product Manufacturing	18.2	18.4	18.3	18.0	-0.2	-0.1
Fabricated Metal Products	17.7	17.6	17.2	17.1	0.1	0.5
Computer and Electronic Products	21.7	21.7	22.1	22.0	0.0	-0.4
Transportation Equipment	78.7	77.8	73.0	72.9	0.9	5.7
Aerospace Products and Parts	65.7	65.0	60.8	61.0	0.7	4.9
Nondurable Goods	78.8	78.0	81.4	81.0	0.8	-2.6
Food Manufacturing	32.5	32.0	33.7 ^{2/}	33.6 ^{2/}	0.5	-1.2
Wholesale Trade	120.9	120.2	118.9	118.9	0.7	2.0
Retail Trade	315.6	312.7	307.2	303.4	2.9	8.4
Motor Vehicle and Parts Dealers	43.2	43.1	42.2	41.9	0.1	1.0
Food and Beverage Stores	60.4	59.7	59.3	58.3	0.7	1.1
Clothing and Clothing Accessories Stores	24.8	24.3	23.6	23.2	0.5	1.2
General Merchandise Stores	55.9	55.9	53.3	52.7	0.0	2.6
Transportation, Warehousing, and Utilities	91.4	90.8	88.3	87.6	0.6	3.1
Utilities	4.5	4.5	4.4	4.4	0.0	0.1
Transportation and Warehousing	86.9	86.3	83.9	83.2	0.6	3.0
Air Transportation	12.0	12.1	12.4	12.4	-0.1	-0.4
Water Transportation	3.4	3.3	3.2	3.1	0.1	0.2
Truck Transportation	23.5	23.4	22.8	22.6	0.1	0.7
Support Activities for Transportation	16.8	16.6	16.0	16.0	0.2	0.8
Support Activities for Water Transportation	5.3	5.2	5.4	5.4	0.1	-0.1
Warehousing and Storage	9.4	9.2	7.9	7.9	0.2	1.5
Information	92.0	91.9	92.5	92.0	0.1	-0.5
Software Publishers	40.3	40.6	38.7	38.7	-0.3	1.6
Telecommunications	24.8	25.0	26.9	26.7	-0.2	-2.1
Financial Activities	152.7	151.9	151.7	151.1	0.8	1.0
Finance and Insurance	102.6	102.4	102.7	102.6	0.2	-0.1
Credit Intermediation and Related Activities	52.7	52.6	53.3	53.3	0.1	-0.6
Insurance Carriers and Related Activities	38.3	38.2	38.1	38.1	0.1	0.2
Real Estate and Rental Leasing	50.1	49.5	49.0	48.5	0.6	1.1
Professional and Business Services	312.5	310.6	300.1	298.9	1.9	12.4
Professional, Scientific, and Technical Services	139.2	139.9	134.8	136.3	-0.7	4.4
Legal Services	21.0	20.9	20.7	20.7	0.1	0.3
Architectural, Engineering, and Related Services	31.8	31.8	31.7	31.3	0.0	0.1
Computer Systems Design and Related Services	21.7	21.7	21.1	21.0	0.0	0.6
Management of Companies and Enterprises	33.5	33.5	33.0	32.8	0.0	0.5
Admin., Suppt. Svcs., Waste Mgmt., and Remediation	139.8	137.2	132.3	129.8	2.6	7.5
Employment Services	49.8	48.4	45.5	44.2	1.4	4.3
Education and Health Services	330.8	329.3	321.8	320.8	1.5	9.0
Educational Services	45.4	45.6	45.6	45.6	-0.2	-0.2
Hospitals	64.1	63.6	62.4	62.3	0.5	1.7
Nursing and Residential Care Facilities	54.2	53.9	52.7	52.6	0.3	1.5
Social Assistance	49.9	49.5	48.1	47.7	0.4	1.8
Leisure and Hospitality	261.1	254.9	258.1	252.3	6.2	3.0
Arts, Entertainment, and Recreation	45.6	44.1	45.1	43.9	1.5	0.5
Accommodation	29.6	28.5	28.9	27.8	1.1	0.7
Food Services and Drinking Places	185.9	182.3	184.1	180.6	3.6	1.8
Government	536.0	533.9	532.2	530.4	2.1	3.8
Federal	69.6	69.1	69.2	69.1	0.5	0.4
State	153.3	153.1	151.6	151.6	0.2	1.7
State Educational Services	85.3	85.3	84.4	84.7	0.0	0.9
Local	313.1	311.7	311.4	309.7	1.4	1.7
Local Educational Services	156.9	157.1	156.5	156.9	-0.2	0.4
Workers in Labor-Management Disputes	0.0	0.0	0.2	0.2	0.0	-0.2

¹Excludes 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. ²Workers excluded because of involvement in labor-management dispute.

Prepared in cooperation with the Bureau of Labor Statistics

June

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

In Thousands, Not Seasonally Adjusted	Numeric Change					
	June 2005 (Prel.)	May 2005 (Rev.)	June 2004 (Rev.)	May 2004 (Rev.)	May 2005 to Jun. 2005	Jun. 2004 to Jun. 2005
Total Nonagricultural Wage & Salary Workers	2,786.9	2,761.4	2,729.3	2,705.9	25.5	57.6
Natural Resources and Mining	9.1	8.9	9.0	8.7	0.2	0.1
Logging	5.6	5.4	5.7	5.6	0.2	-0.1
Construction	175.8	171.3	166.5	163.2	4.5	9.3
Construction of Buildings	45.8	44.3	43.4	42.8	1.5	2.4
Heavy and Civil Engineering	21.9	20.9	21.1	20.4	1.0	0.8
Specialty Trade Contractors	108.1	106.1	102.0	100.0	2.0	6.1
Manufacturing	269.9	266.8	264.6	262.5	3.1	5.3
Durable Goods	189.4	187.9	182.2	181.1	1.5	7.2
Wood Product Manufacturing	18.7	18.4	18.6	18.3	0.3	0.1
Fabricated Metal Products	17.9	17.7	17.4	17.2	0.2	0.5
Computer and Electronic Products	21.7	21.7	22.2	22.1	0.0	-0.5
Transportation Equipment	79.6	78.8	73.1	73.0	0.8	6.5
Aerospace Products and Parts	66.5	65.7	60.9	60.8	0.8	5.6
Nondurable Goods	80.5	78.9	82.4	81.4	1.6	-1.9
Food Manufacturing	33.7	32.6	34.0 2/	33.7 2/	1.1	-0.3
Wholesale Trade	120.9	120.5	120.1	118.9	0.4	0.8
Retail Trade	318.6	315.7	309.8	307.2	2.9	8.8
Motor Vehicle and Parts Dealers	43.3	43.2	42.1	42.2	0.1	1.2
Food and Beverage Stores	61.0	60.4	59.8	59.3	0.6	1.2
Clothing and Clothing Accessories Stores	26.2	24.8	25.2	23.6	1.4	1.0
General Merchandise Stores	56.2	55.9	53.7	53.3	0.3	2.5
Transportation, Warehousing, and Utilities	92.7	91.4	90.6	88.3	1.3	2.1
Utilities	4.6	4.5	4.5	4.4	0.1	0.1
Transportation and Warehousing	88.1	86.9	86.1	83.9	1.2	2.0
Air Transportation	11.8	11.8	12.5	12.4	0.0	-0.7
Water Transportation	3.5	3.4	3.3	3.2	0.1	0.2
Truck Transportation	24.0	23.5	23.4	22.8	0.5	0.6
Support Activities for Transportation	17.2	16.9	16.6	16.0	0.3	0.6
Support Activities for Water Transportation	5.4	5.4	5.7	5.4	0.0	-0.3
Warehousing and Storage	9.7	9.4	8.7	7.9	0.3	1.0
Information	94.0	91.9	92.9	92.5	2.1	1.1
Software Publishers	41.8	40.3	39.2	38.7	1.5	2.6
Telecommunications	24.7	24.8	26.5	26.9	-0.1	-1.8
Financial Activities	154.0	152.7	152.6	151.7	1.3	1.4
Finance and Insurance	103.0	102.6	102.9	102.7	0.4	0.1
Credit Intermediation and Related Activities	53.0	52.7	53.2	53.3	0.3	-0.2
Insurance Carriers and Related Activities	38.3	38.3	38.3	38.1	0.0	0.0
Real Estate and Rental Leasing	51.0	50.1	49.7	49.0	0.9	1.3
Professional and Business Services	316.0	312.3	303.5	300.1	3.7	12.5
Professional, Scientific, and Technical Services	140.0	139.1	135.8	134.8	0.9	4.2
Legal Services	21.3	21.0	21.1	20.7	0.3	0.2
Architectural, Engineering, and Related Services	32.2	31.9	32.2	31.7	0.3	0.0
Computer Systems Design and Related Services	21.8	21.8	21.1	21.1	0.0	0.7
Management of Companies and Enterprises	33.8	33.6	33.3	33.0	0.2	0.5
Admin., Suppt. Svcs., Waste Mgmt., and Remediation	142.2	139.6	134.4	132.3	2.6	7.8
Employment Services	51.1	49.8	46.3	45.5	1.3	4.8
Education and Health Services	328.3	330.8	320.0	321.8	-2.5	8.3
Educational Services	42.1	45.5	42.8	45.6	-3.4	-0.7
Hospitals	64.2	64.0	62.7	62.4	0.2	1.5
Nursing and Residential Care Facilities	54.5	54.2	52.8	52.7	0.3	1.7
Social Assistance	49.9	49.9	48.2	48.1	0.0	1.7
Leisure and Hospitality	268.2	261.6	263.8	258.1	6.6	4.4
Arts, Entertainment, and Recreation	48.1	45.9	47.1	45.1	2.2	1.0
Accommodation	30.9	29.7	30.0	28.9	1.2	0.9
Food Services and Drinking Places	189.2	186.0	186.7	184.1	3.2	2.5
Government	536.0	535.3	534.2	532.2	0.7	1.8
Federal	70.1	69.6	69.9	69.2	0.5	0.2
State	150.5	152.7	150.3	151.6	-2.2	0.2
State Educational Services	81.9	85.0	82.0	84.4	-3.1	-0.1
Local	315.4	313.0	314.0	311.4	2.4	1.4
Local Educational Services	157.4	157.0	156.5	156.5	0.4	0.9
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.2	0.0	0.0

¹Excludes 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. ²Workers excluded because of involvement in labor-management dispute.

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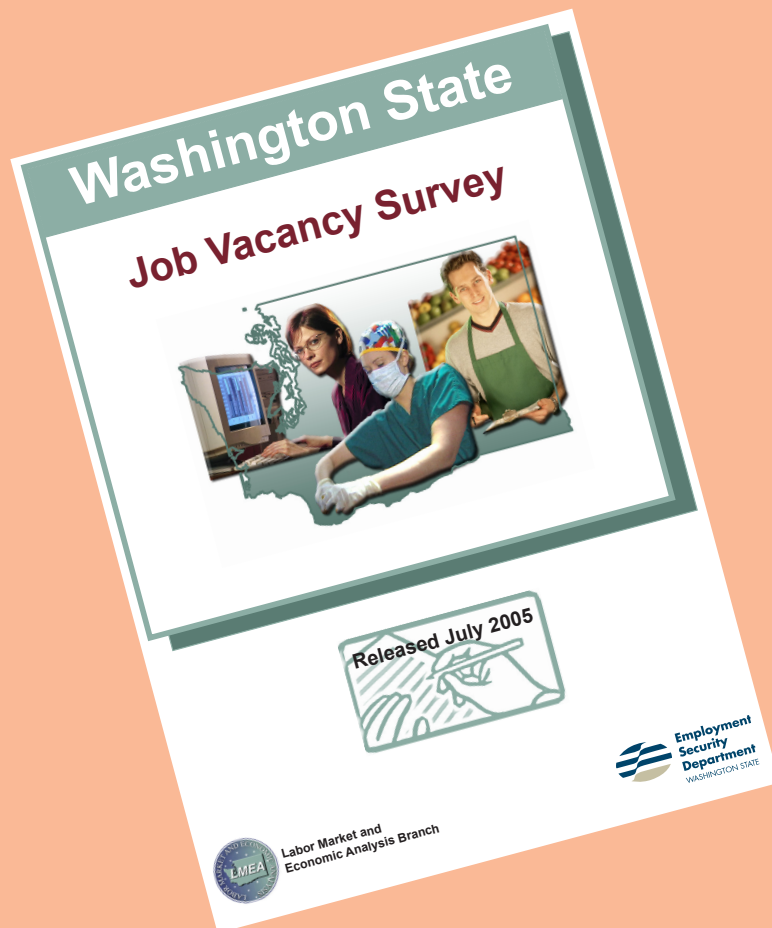
What's New?

The April-May 2005 Washington Job Vacancy Survey is Posted on the Web

The April-May 2005 Washington Job Vacancy Survey produced point in time estimates of job vacancies in Washington based on a survey of employers with more than two employees. The sample represents a population of 117,801 firms. The overall response rate to the survey was 78 percent.

By measuring the number of vacant positions for which employers are hiring, the Washington Job Vacancy Survey provides valuable insights into labor market conditions in our state. Survey results show not only the number of vacant positions, but also a number of job characteristics to reveal employers' immediate workforce needs.

For more information about the April-May 2005 Washington Job Vacancy Survey, contact Dave Wallace at (360) 438-4818 or dbwallace@esd.wa.gov. Results from the survey are also available at www.workforceexplorer.com. Summary tables by Workforce Development Area are available as downloadable spreadsheet files and include data on vacancies by industry, occupation group, education level, and wage range.



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