



INDICATORS

UNEMPLOYMENT RATE

Washington

(Seasonally Adjusted)

| | | |
|-----------------|------|------|
| October | 2006 | 4.8% |
| November | 2006 | 5.0% |
| December (prel) | 2006 | 5.0% |

United States

(Seasonally Adjusted)

| | | |
|-----------------|------|------|
| October | 2006 | 4.4% |
| November | 2006 | 4.5% |
| December (prel) | 2006 | 4.5% |

Nonagricultural Employment

Washington (Not Seasonally Adjusted)

(in thousands)

| | | |
|-----------------|------|---------|
| October | 2006 | 2,918.9 |
| November | 2006 | 2,924.7 |
| December (prel) | 2006 | 2,915.1 |

Nonagricultural Employment % Change

Washington

(over-the-year)

| | | |
|-----------------|-----------|------|
| October | 2005-2006 | 3.5% |
| November | 2005-2006 | 3.2% |
| December (prel) | 2005-2006 | 2.8% |

Current State Economic Conditions

Another Good Year for Employment Growth

By Evelina Tainer, Ph.D., Chief Economist

Nonfarm payroll growth increased 2.8 percent in 2006, just a bit less than 2005's 3.1 percent gain. This was the fourth straight year in which December-to-December

growth was positive. In 2003, though, nonfarm payrolls only increased 0.6 percent as the Washington state economy was just coming

out of the recession. Nonfarm payrolls increased 2.4 percent in 2004. The combination of 2005 and 2006 growth in nonfarm payrolls was the best two-year showing since 1996-97 when payrolls grew by 4 percent per year.

Construction payrolls have posted gains for five straight years, with modest gains in 2002 (1.2 percent) and 2003 (3.1 percent), but fairly healthy gains between 2004 and 2006 (averag-

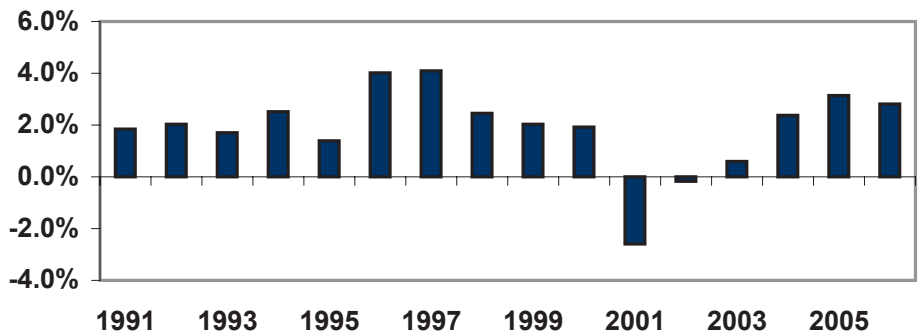
ing 7.9 percent per year) with the largest annual rise in 2005. In 2005, building construction as well as specialty trade contractor payrolls were the larger

growing sectors, but this shifted a bit in 2006 as heavy and civil engineering payrolls grew more rapidly than specialty trade contractors. Building construction payrolls were still the largest single contributor to the total construction sector for the year.



Nonfarm Payroll Growth

December/December Percent Change



Source: Labor Market and Economic Analysis, CES

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Manufacturing payrolls increased for the third straight year in 2006 after declining for six years (from 1998 through 2003). Payrolls for aerospace products and parts manufacturing increased 7.9 percent in 2006 after a healthy 11.4 percent gain in 2005. Excluding the aerospace industry, manufacturing payrolls increased 3.7 percent in 2006 after gaining 1.7 percent in 2005 and 1.2 percent in 2004. While the gains outside the aerospace industry may not appear large relative to the six annual declines, consider that total manufacturing employment in the U.S. is still declining.



Payrolls for aerospace products and parts manufacturing increased 7.9 percent in 2006 after a healthy 11.4 percent gain in 2005.

Among the service-providing industries, professional and business services was the industry with the largest gain by number of employees and grew 5.6 percent in 2006 after gaining 5 percent in 2005 and 4.8 percent in 2004. Information services is a smaller sector, and therefore grew less by total number of employees, but recorded a larger percentage gain, 7.7 percent thanks to a 12.3 percent hike in software publishing payrolls. Education and health services grew 2.8 percent for the second straight year after growing at a slightly slower pace in the two previous years. This sector has not posted an annual employment decline since the history of this series began in 1990.

Employment in the financial activities sector which includes banking, insurance, and real estate, posted the smallest increase among the service sector industries, rising 0.2 percent. Given the slowdown in the housing industry, one would

have expected to see a drop in real estate and rental leasing, but in fact, this sector increased 2.6 percent in 2006. The decline in the financial industry was concentrated in banking and insurance. Small increases were also recorded in “other services” which include repair and maintenance, personal and laundry services, and membership associations and organizations. Government payrolls also posted a small gain in 2006.

The Outlook for 2007

Job growth in 2005 and 2006 was healthy, primarily because the labor market was recovering from a recession. Typically, the first few years following a recession, strong growth is normal, but the rate of growth moderates as the expansion continues. We can say the same thing for 2007. The expansion is maturing, and therefore annual employment gains in the neighborhood of 2 to 2.5 percent will be more likely for the state of Washington.

Washington Year-over-Year Gains December-over-December

| | 2006 | 2005 | 2004 |
|-------------------------------------|------|-------|------|
| Total Nonfarm | 2.8% | 3.1% | 2.4% |
| Goods Producing | 5.8% | 6.0% | 3.3% |
| Natural Resources and mining | 0.0% | -4.3% | 7.0% |
| Construction | 7.6% | 9.7% | 6.4% |
| Manufacturing | 4.7% | 4.0% | 1.3% |
| Aerospace Product & Parts | 7.9% | 11.4% | 1.8% |
| Manufacturing less aerospace | 3.7% | 1.7% | 1.2% |
| Service-Providing | 2.2% | 2.6% | 2.2% |
| Trade, Transportation and Utilities | 1.9% | 2.7% | 2.6% |
| Information | 7.7% | 2.4% | 0.4% |
| Financial Activities | 0.2% | 1.8% | 0.8% |
| Professional and Business Services | 5.6% | 5.0% | 4.8% |
| Education and Health Services | 2.8% | 2.8% | 2.4% |
| Leisure and Hospitality | 1.4% | 4.1% | 2.9% |
| Other Services | 0.5% | 3.0% | 2.0% |
| Government | 0.4% | 0.3% | 0.6% |

Source: Labor Market and Economic Analysis, CES

National Outlook

Solid Employment Growth in 2006

By Evelina Tainer, Ph.D., Chief Economist

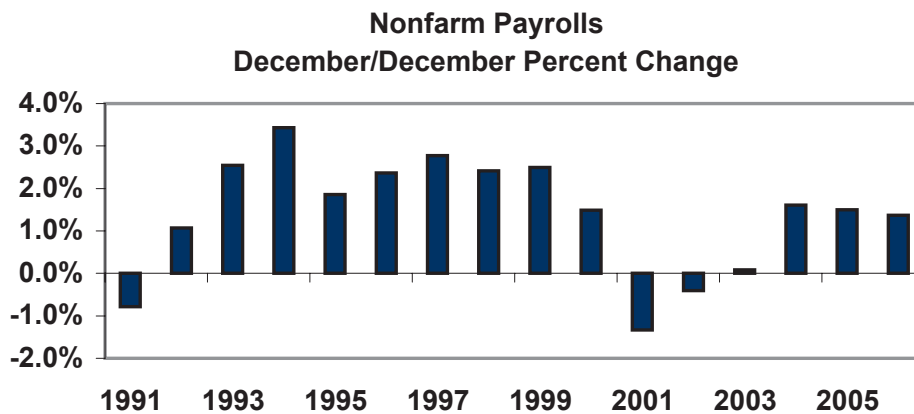
U.S. nonfarm payrolls grew 1.4 percent in 2006, moderating from 2005 when payrolls increased 1.5 percent and 2004 when payrolls grew 1.6 percent. (This is measured on a December-over-December basis.) Clearly, though, the gains are the best three-year showing since 1998-2000 when they averaged gains of 2.1 percent per year. The U.S. was technically in recession for less than one year: the economy peaked in March and bottomed in November, as measured by the National Bureau of Economic Research, the official arbiter of business cycles. Employment did not begin to recuperate until 2003, however. The job recovery was considered relatively anemic in the U.S. in the early phase of this business expansion. By 2006, though, the unemployment rate dropped to 4.6 percent after averaging 5.1 percent in 2005.

On the whole, most industry sectors posted gains in 2006 – except for manufacturing. Factory payrolls dipped 0.5 percent in 2006 after declining by the same amount in 2005. Manufacturing employment had been flat in 2004. Factory employment has seen a secular decline – partly due to robust productivity gains in manufacturing industries and partly due to the fact that fewer goods are manufactured in the U.S. today relative to 20 years ago. This contrasts sharply with the manufacturing picture in Washington state where factory payrolls have risen in each of the past three years.

Construction employment growth moderated dramatically in the U.S. in 2006, increasing only 0.5 percent for the year after posting a 4.1 percent hike in 2005 and a 4.6 percent hike in 2004. Construction employment growth was much faster in Washington state over this period.

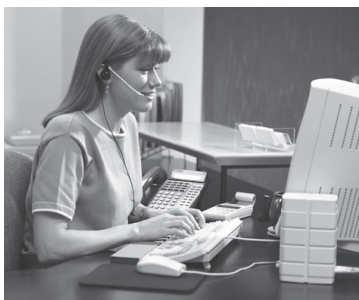


Construction employment growth moderated dramatically in the U.S. in 2006.



Source: Haver Analytics/Bureau of Labor Statistics

Leisure and hospitality, education and health services, and professional and business services were the three fastest growing (service) areas in the U.S.



Natural resources and mining payroll growth surged in 2006, rising 8.4 percent after gaining 7.2 percent in 2005 and 4.5 percent in 2004. Rising oil prices boosted activity in the U.S. oil industry.

Nonfarm payrolls in the service-providing sector increased 1.6 percent in 2006 and in each of the two previous years as well. Leisure and hospitality (2.7 percent), education and health services (2.6 percent), and professional and business services (2.5 percent) were the three fastest growing (service) areas in the U.S. in 2006. These same three sectors were also the fastest growing (service) sectors in 2004 and 2005, but not necessarily in the same order.

Payrolls in the financial activities industry grew 1.9 percent in 2006, faster than in 2005 (1.8 percent) and 2004 (1.2 percent). Government payrolls increased 1.1 percent in 2006, faster than in the two previous years when employment rose by 0.8 percent per year. Trade, transportation, and utilities employment

increased only 0.6 percent in 2006, half as much as in 2005 (1.2 percent) and only one-third as fast as in 2004 (1.6 percent). Utilities employment moderated, but wholesale trade employment and transportation and warehousing payrolls increased at roughly the same pace in 2006. In sharp contrast, retail trade employment declined in 2006, the first time since 2003.

The Outlook for 2007

The Bureau of Labor Statistics estimate that they will revise up the level of nonfarm employment by roughly 810,000 when they benchmark the annual job figures in February. This may cause the 2006 growth rate to surpass the payroll gains of the two previous years. With the unemployment rate under 5 percent, a rate consistent with full employment, it will be tough to see faster growth in 2007 than in 2006. Moreover, most economists are predicting that real GDP growth will moderate in 2007. Slower GDP growth is generally accompanied by slower employment growth.

**U.S. Year-over-Year Gains
December-over-December**

| | 2006 | 2005 | 2004 |
|--------------------------------------|-------------|-------------|-------------|
| Total Nonfarm | 1.4% | 1.5% | 1.6% |
| Goods Producing | 0.1% | 1.2% | 1.5% |
| Natural Resources and Mining | 8.4% | 7.2% | 4.5% |
| Construction | 0.5% | 4.1% | 4.6% |
| Manufacturing | -0.5% | -0.5% | 0.0% |
| Service-Providing | 1.6% | 1.6% | 1.6% |
| Trade, Transportation, and Utilities | 0.6% | 1.2% | 1.6% |
| Information | 0.2% | -0.5% | -2.3% |
| Financial Activities | 1.9% | 1.8% | 1.2% |
| Professional and Business Services | 2.5% | 3.0% | 3.0% |
| Education and Health Services | 2.6% | 2.1% | 2.3% |
| Leisure and Hospitality | 2.7% | 2.0% | 2.5% |
| Other Services | 0.6% | -0.2% | -0.1% |
| Government | 1.1% | 0.8% | 0.8% |

Industry Spotlight

Top Five Industries of 2006

By Rick Lockhart and Dave Wallace, Economists

The bell has tolled for 2006 and it is now time to look back and see how Washington's industries fared. The five industry sectors (Figure 1) in this article were chosen based mainly on percentage over-the-year employment growth, but they were also weighted by total employment growth. We also supplemented the analysis of each industry with the key occupations within the industry and the outlook for those occupations.

Administrative and Waste Services

In the past, the administrative and waste services industry would post large employment gains based on the waste services side of the industry. Much of that employment growth was caused by major projects at the Hanford Nuclear Reservation in Richland. However, the projects at Hanford reached their employment zenith during the second quarter of 2005 and have trended downward since then.

For 2006, the majority of employment gains in administrative and waste services were in

employment services (+6,800). Firms in the employment services industry generally attempt to bridge the gap between employers with job vacancies and job seekers. One caveat is necessary, though – a large part of the industry is made up of professional employer organizations (PEOs) which have grown due to firms changing industrial classification from one industry and into a PEO. This may have led to artificial employment growth numbers for PEOs. We will have a better understanding when covered employment numbers for 2006 are released later in 2007.

Janitors, laborers, and security guards in order were the three largest occupations within the administrative and waste services sector. Janitors and security guards are expected to average over 2 percent growth annually from 2004 to 2014, while laborers are expected to come close to that. The projected growth rate for that period for all occupations is 1.4 percent annually. However, hourly

median wages for these occupations are a little lower – in the \$10.00 to \$12.00 range.

Information

Employment gains in the information industry were centered squarely on software publishing. In 2006, software publishing expanded by 5,200 jobs making up 69 percent of employment increases for the information industry. Growth in software publishing is expected to continue at a rate of 4.2 percent per year through 2009.

Computer software engineers, when broken out into applications and systems software, were the top two occupations in the information sector. Estimates in both cases have employment in the industry at over 8,000. In addition, projected ten year growth rates are twice the average rate and hourly wage rates are well above that of most occupations. The information industry also employs large numbers of customer service representatives, which had a median wage of \$14.91 per hour in May of 2006.

Figure 1. Top Five Industries of 2006

| **NAICS Industry Title (numbers in thousands) | December 2005 Employment | December 2006 Employment | Total Growth | Percent Growth | 2005 Average Annual Wage |
|---|--------------------------|--------------------------|--------------|----------------|--------------------------|
| Administrative and Waste Services | 143.9 | 155.8 | 11.9 | 8.3% | \$33,700 |
| Information | 96.5 | 104.0 | 7.5 | 7.8% | \$80,200 |
| Construction | 182.9 | 197.0 | 14.1 | 7.7% | \$41,600 |
| Manufacturing | 277.0 | 290.2 | 13.2 | 4.8% | \$55,300 |
| Professional, Scientific, and Technical Svcs. | 144.9 | 150.7 | 5.8 | 4.0% | \$61,400 |

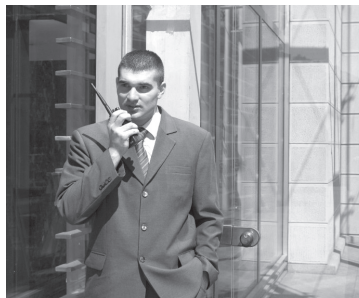
**North American Industry Classification System

Source: Labor Market and Economic Analysis, Employment Security Department (CES and QCEW), Alternate Series.

Construction

Each sub-sector within construction contributed to the overall employment increases. Of the three sub-sectors (construction of buildings, heavy and civil engineering, and specialty trade contractors), construction of buildings posted the highest percentage increase at 8.6 percent, while specialty trade contractors added the most jobs (+8,100). All three sub-sectors' employment growth rates fell between 7.2 percent and 8.6 percent for the year, far outpacing the rate for all-industries employment growth.

Worth noting, the construction industry is already far outpacing projected growth for the industry through 2009. Long-term projections show the industry hitting 186,900 jobs by 2009, and as of December 2006 total employ-



ment for the industry was at 197,000. Of course, projections are intended to cover the entire time frame from 2004 to 2009 and we may see declines in the industry in 2007 and 2008 that would bring it down to the projected employment level. There is currently little evidence of a trend shift yet.

The carpenter occupation is the most common in the construction industry, the sector in which half of all carpenters work. The outlook is good for carpenters with above average wages and projected growth. Construction laborers and managers of construction workers are also very important to the construction industry.

Manufacturing

Aerospace was again the driving force behind employment gains in the manufacturing industry as it made up 42 percent of total manufacturing employment growth in 2006. Perhaps more significant, though, was the performance of the rest of the manufacturing industry. Of the 21 sub-sectors within manufacturing, only two posted employment declines for a combined total of -300 jobs. This is quite significant for an industry that has been burdened by structural employment declines for decades.

The most common occupations in manufacturing reflect the resurgent aerospace industry

– team assemblers, aerospace engineers, and managers of production and operating workers. While these are the top occupations in terms of current employment, only aerospace engineers are projected to have stronger than average long-term employment growth. Wages and education levels for team assemblers are moderate, but high for aerospace engineers, and managers of production and operating workers.

Professional, Scientific, and Technical Services

The professional, scientific, and technical services industry has been on a steady growth pattern since January of 2004. In 2006, architecture and engineering services was a large contributor to employment growth adding 1,800 of the 5,800 total jobs. The industry is expected to continue its steady growth trend, increasing by 3.5 percent per year through 2009.

There were more lawyers than any other occupation in professional and technical services, though not by a large margin. It was followed fairly closely by civil engineers, accountants, and computer software engineers. For the most part these jobs projected strong growth and higher than average wages – led by lawyers with a median hourly wage of \$41.77 (in May 2006).

For more information on monthly industry employment, please go to the “Current Employment Situation Report” at www.workforceexplorer.com.

Regional Update

The Trends in Regional Employment Structure

By Alex Roubinchtein, Ph.D., Economist

To analyze the changes in employment structure, we used covered employment from the Employment Security Department's unemployment insurance time series. Data from 1990 through 2006Q2 were analyzed for the state and Workforce Development Areas (WDA). The data were aggregated into main sectors regardless of ownership codes; mining and utilities were combined.

Total Employment Growth

The average annual growth rates for total covered employment are presented in *Table 1*. We also added the latest available covered employment growth for the last two years (based on preliminary numbers from the second quarter of 2006).

In the long run (between 1990 and 2005) the fastest growing area was Northwest, closely followed by Southwest Washington. In addition to these areas, five other areas had annual growth rates larger than the state: Snohomish, Pierce, and Spokane

counties; Benton-Franklin and Pacific Mountain WDAs. Two areas, Olympic Consortium and North Central experienced growth rates close to the state average. Overall, just three areas had average growth below the state average. The slowest growing areas were South Central, Seattle-King County, and Eastern Washington, respectively.

For the last two years, the state and the majority of the areas experienced growth rates significantly higher than the long run trend. The most significant acceleration was in Snohomish and Seattle-King County driven mainly by manufacturing, construction, and professional services.

Industry Employment Structure

To analyze structural changes the indexes of dissimilarity¹ were calculated between each local area and the state for each year. These calculations produce a series of indexes for each area. Indexes for the base year (1990), last year

(2005), and change between them are presented in *Table 2*.

An increase in the index would indicate that the difference between area and state employment structure is increasing. However, decreases in the index indicate the convergence of local and state employment structures.

No areas had significant increases in the indexes between 1990 and 2005. For North Central and South Central, it fluctuated around the same level. The Olympic Consortium and Seattle-King County saw a slight increase in the index between 1990 and 2000 (with the highest point in 2000) and then dropped after that. By 2005, the index fell eventually to the level of 1990. All other areas experienced some degree of convergence to the state structure with

¹Index of dissimilarity between two structural vectors X and Y (total of component for each is equal 1) is defined as $\frac{1}{2} * \sum |X-Y|$. The theoretical possible value of the index is between 0 and 1 (0 for fully equal structures and 1 for completely opposite structures).

Table 1. Average Annual Employment Growth Rate for 1990-2005 and 2004Q2-2006Q2

| Area* | 1990-2005 | 2004Q2-2006Q2 |
|----------------------|-----------|---------------|
| Washington State | 1.8% | 2.8% |
| Olympic Consortium | 1.8% | 2.9% |
| Pacific Mountain | 1.9% | 2.9% |
| Northwest | 2.7% | 2.9% |
| Snohomish County | 2.2% | 5.3% |
| Seattle-King County | 1.3% | 2.6% |
| Pierce County | 2.2% | 3.2% |
| Southwest Washington | 2.5% | 3.4% |
| North Central | 1.8% | 1.6% |
| South Central | 1.1% | 1.3% |
| Eastern Washington | 1.5% | -0.3% |
| Benton-Franklin | 2.2% | 0.4% |
| Spokane | 2.1% | 3.1% |

*For area definitions, see the last page of this report.

Table 2. Indexes Dissimilarity for the WDA and State

| Area | 1990 | 2005 | 15-Year Change |
|----------------------|-------|-------|----------------|
| Olympic Consortium | 0.124 | 0.126 | 1.4% |
| Pacific Mountain | 0.183 | 0.152 | -16.9% |
| Northwest | 0.144 | 0.109 | -24.3% |
| Snohomish County | 0.169 | 0.140 | -17.1% |
| Seattle-King County | 0.102 | 0.106 | 3.4% |
| Pierce County | 0.122 | 0.109 | -10.5% |
| Southwest Washington | 0.101 | 0.082 | -19.2% |
| North Central | 0.261 | 0.243 | -6.7% |
| South Central | 0.199 | 0.202 | 1.1% |
| Eastern Washington | 0.206 | 0.206 | 0.1% |
| Benton-Franklin | 0.256 | 0.196 | -23.7% |
| Spokane | 0.127 | 0.097 | -23.7% |

Northwest, Spokane, and Benton-Franklin leading. By 2005, the area with the employment structure closest to the state was Southwest Washington, followed by Spokane, Seattle-King County, Pierce County, and Northwest.

North Central had the most differences with state employment structure followed by Eastern Washington, South Central, and Benton-Franklin.

The average index of dissimilarity for all WDAs from 1990 through 2005 is presented in *Graph 1*. The graph represents the changes in combined indicators of the employment structure convergence.

Between 1990 and 2005 the average index decreased by 11.4 percent, which indicates the general trend for convergence of employment structures. However, as you can see from the graph the decrease was not smooth or steady.

Employment Sectors Contributions to Dissimilarity

We can identify the relative combined contributions² to the average index of dissimilarity for each sector. The results for the first year, last year and changes between them are shown in *Table 3*.

It is no surprise that the sector with the largest and relatively stable contribution to the structural difference is agriculture, forestry, fishing, and hunting. The sectors with the largest changes are manufacturing and information, but they go in opposite directions. The contribution of manufacturing to the

Table 3. Sector Contributions to the Average Index of Dissimilarity

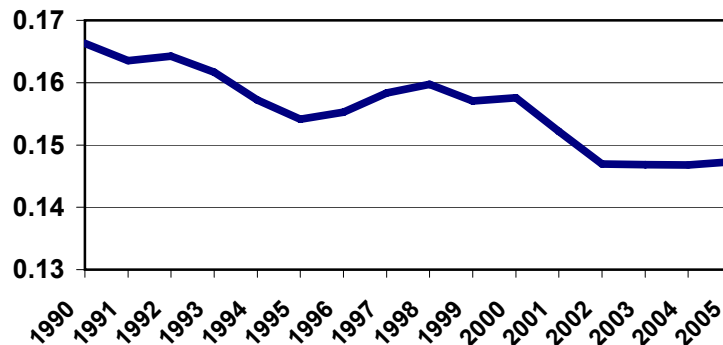
| Sector | 1990 | 2005 | Change in Contribution |
|--|-------|-------|------------------------|
| Agriculture, forestry, fishing and hunting | 0.181 | 0.186 | 2.6% |
| Utilities & Mining | 0.021 | 0.019 | -12.4% |
| Construction | 0.040 | 0.046 | 13.9% |
| Manufacturing | 0.163 | 0.083 | -48.8% |
| Wholesale trade | 0.045 | 0.041 | -8.4% |
| Retail trade | 0.044 | 0.046 | 4.9% |
| Transportation and warehousing | 0.039 | 0.040 | 2.0% |
| Information | 0.019 | 0.069 | 257.9% |
| Finance and insurance | 0.038 | 0.040 | 4.2% |
| Real estate and rental and leasing | 0.013 | 0.013 | -1.8% |
| Professional and technical services | 0.064 | 0.081 | 27.5% |
| Management of companies and enterprises | 0.013 | 0.025 | 91.4% |
| Administrative and waste services | 0.070 | 0.066 | -5.6% |
| Educational services | 0.058 | 0.055 | -5.2% |
| Health care and social assistance | 0.052 | 0.055 | 6.2% |
| Arts, entertainment, and recreation | 0.012 | 0.015 | 26.6% |
| Accommodation and food services | 0.034 | 0.029 | -14.7% |
| Other services, except public administration | 0.013 | 0.014 | 9.4% |
| Public administration | 0.080 | 0.076 | -4.6% |

index fell by half (it is actually moving towards convergence). The contribution of the information sector to the index more than tripled. This means that it is moving away from convergence. The decrease in manufacturing's contribution is significantly related to the decrease in manufacturing employment's share by about 39 percent for the state. The increase in information's contribution is mainly due to a disproportional distribution of sector employment growth between areas. The increase in the sector's employment share for the state between 1990 and 2005

was about 43 percent, while the increase of this sector's employment in Seattle-King County was more than two times.

Management of companies and enterprises, professional and technical services, and arts, entertainment, and recreation significantly increased in their contributions to dissimilarity. Except manufacturing, there were no other sectors with significant decreases in their contributions. Manufacturing was definitely the main driver toward convergence of WDA and state employment structures.

Graph 1. Average Index of Dissimilarity of Employment Structure between WDA and the State, 1990-2005



²The relative average contributions will be the same.

Special Feature

Comparing Pacific Northwest States' Industry Structures Relative to Washington State

By Jami Mills, Economist

The purpose of this study was to analyze industry structures in the Pacific Northwest (Washington, Oregon, Idaho, Montana, and Alaska). The goal was to gain a better understanding of the differences and similarities between states in the Pacific Northwest relative to Washington state and changes in each state's industry structure over time.

In order to analyze changes in industry structures of the Pacific Northwest states, employment was gathered at the two-digit NAICS level for each state from the Bureau of Labor Statistics. Each industry's share of total nonfarm employment by state was calculated. An index of dissimilarity¹ was generated based on the share of total nonfarm employment for each state relative to Washington state.

In this analysis, the index of dissimilarity was used to show similarities in industry structure between Washington and the other Pacific Northwest states. The closer the state's index is to 0, the more similar that state is to Washington's industry structure. If the index is closer to 1, the industry structures are less similar. There is no question that states in the Pacific

Northwest are similar to Washington but some are more similar than others (*Figure 1*). For instance, Oregon has generally been more similar and Alaska less similar.

Over the 15 years included in this analysis Oregon maintained a similar industry structure relative to Washington; however, the similarity decreased between 2000 and 2005. Manufacturing, specifically, was a main contributor to this change in 2000 and thereafter. In 2005, Oregon's manufacturing share was 12.3 percent compared to 9.8 percent for Washington; this difference in shares was larger than for all other industries.

In 2003, Oregon was still most similar to Washington's industry structure, Idaho was second. As shown in *Figure 2*, Idaho and Oregon changed places on the index of dissimilarity in 2004. Idaho moved closer to Washing-

ton's industry structure with an index of 0.041 while Oregon fell to second place (0.044) and continued to move further away from Washington's industry structure through 2005.

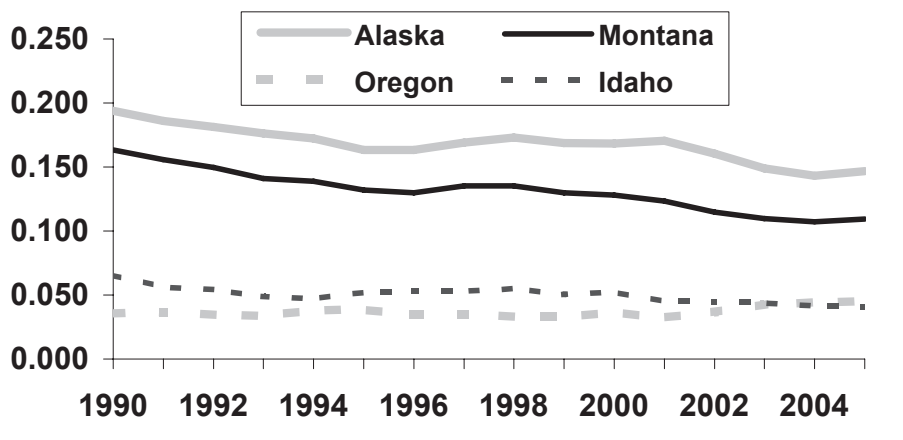
Idaho was similar to Washington in most sectors in 1990, but differed significantly in manufacturing, retail trade, and government. Idaho held higher shares of employment in retail trade (13.6 percent) and government (21.1 percent) compared to Washington at 11.6 and 18.6 percent respectively. By 2005, differences decreased and industries that reported the largest differences changed as well. Retail trade (12.5 percent) and professional and business services (12.6 percent) held larger shares compared to Washington at 11.4 percent for both industries. The largest difference in industry share

Figure 1. Index of Dissimilarity Relative to Washington State

| Year | Oregon | Idaho | Montana | Alaska |
|------|--------|-------|---------|--------|
| 1990 | 0.036 | 0.065 | 0.163 | 0.194 |
| 1991 | 0.037 | 0.056 | 0.156 | 0.186 |
| 1992 | 0.034 | 0.054 | 0.149 | 0.181 |
| 1993 | 0.034 | 0.049 | 0.141 | 0.176 |
| 1994 | 0.038 | 0.047 | 0.139 | 0.172 |
| 1995 | 0.038 | 0.052 | 0.132 | 0.163 |
| 1996 | 0.035 | 0.053 | 0.130 | 0.163 |
| 1997 | 0.035 | 0.053 | 0.135 | 0.169 |
| 1998 | 0.033 | 0.055 | 0.135 | 0.173 |
| 1999 | 0.033 | 0.050 | 0.130 | 0.169 |
| 2000 | 0.036 | 0.052 | 0.128 | 0.168 |
| 2001 | 0.032 | 0.045 | 0.124 | 0.171 |
| 2002 | 0.037 | 0.045 | 0.115 | 0.160 |
| 2003 | 0.043 | 0.044 | 0.110 | 0.149 |
| 2004 | 0.044 | 0.041 | 0.107 | 0.143 |
| 2005 | 0.045 | 0.041 | 0.109 | 0.147 |

¹The index of dissimilarity between two structural vectors X and Y (total of component for each is equal to 1) is defined as $\frac{1}{2} * \sum |X-Y|$. The theoretically possible value of the index is between 0 and 1 (0 for fully equal structures and 1 for completely opposite structures).

**Figure 2. Index of Dissimilarity
PNW States Compared to Washington 1990-2005**



was in information (-1.6 percentage points) with Washington reporting 3.4 percent and Idaho at 1.8 percent of total nonfarm employment.

Manufacturing and government were the main contributors to this change. Since 1990, Washington manufacturing has been concentrated in aerospace product and parts, which continues to be a driving force for Washington's economy. Oregon's manufacturing sector was largely comprised of wood product manufacturing in 1990. In 2005, however, computer and electronic product manufacturing represented the largest share of its manufacturing employment. According to Oregon's Employment Department, semiconductor manufacturing was the dominant sub-sector in this industry by more than two-thirds and activity in this sector has had a significant impact on Oregon's economy. Historically, Oregon's manufacturing sector has accounted for a larger share of total nonfarm employment than Washington. Government employment which consists of federal, state,

and local government employment, made up a smaller share of total nonfarm employment in Oregon compared to Washington each year from 1990 through 2005. Still, the share of government employment in both states has been higher than the nation which reported shares of 16.3 percent in 2005. For the same period, the government share of total nonfarm employment was 18.9 percent for Washington and 17.2 percent for Oregon. Local government made up the largest share of government employment in both states.

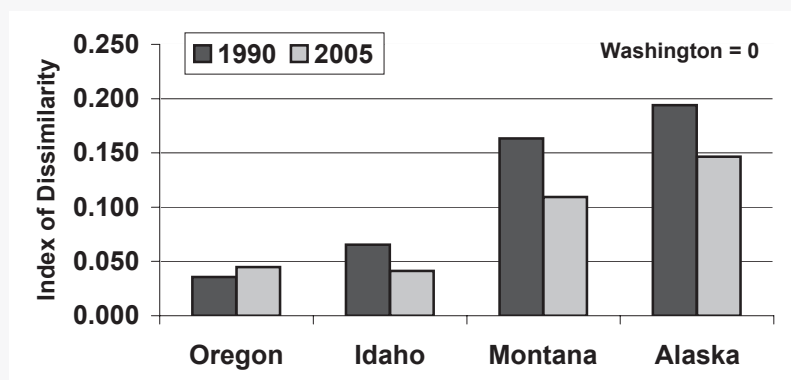
Montana and Alaska have remained relatively consistent in their industry shares over the last 15 years; retail trade, leisure and hospitality, and government ac-

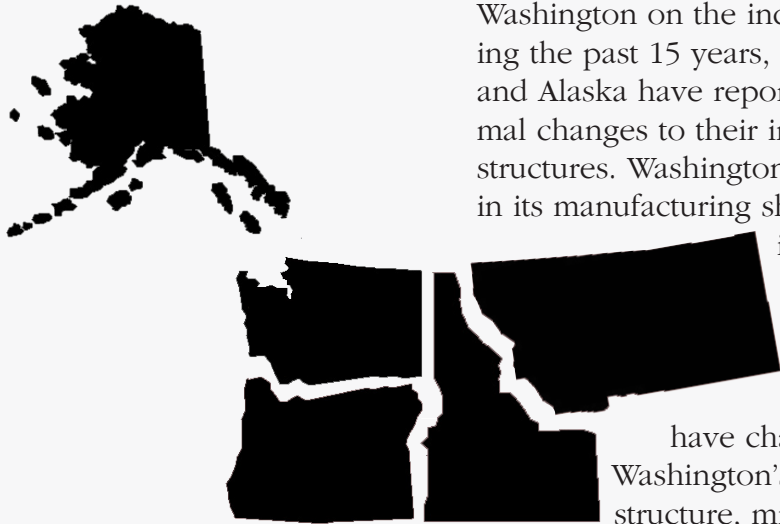
counted for the largest shares of total nonfarm employment. In 1997, Alaska's share in education and health services employment increased; employment in this sector surpassed the level of employment in leisure and hospitality payrolls in 2002, a trend which continued through 2005.

Just like the rest of the nation, Washington shifted from a goods-producing to a service-providing economy. Washington's manufacturing share of total nonfarm payrolls fell from 15.8 percent in 1990 to 9.8 percent in 2005 (in the U.S., manufacturing's share of payrolls declined from 16.2 percent in 1990 to 10.7 percent in 2005). Among the service-providing sectors, education and health services and professional and business services increased in share from 1990 through 2005 by 2.3 and 2.2 percentage points respectively.

Figure 3 compares the index of dissimilarity for each state in 1990 and 2005. Washington's industry structure has moved closer to other states in the northwest (with the exception of Oregon). Oregon continues to move further away from

Figure 3. Industry Structure Change in the Pacific Northwest





Washington on the index. During the past 15 years, Montana and Alaska have reported minimal changes to their industry structures. Washington's decline in its manufacturing share and increases in its service-providing sectors have changed Washington's industry structure, minimizing the difference between states in the Pacific Northwest.

Washington has become more similar to Montana and Alaska industry structures, Washington is still most similar to Idaho and Oregon. In Montana, these differences are concentrated in manufacturing, leisure and hospitality, and professional and business services. Montana and Alaska have historically held a smaller share of manufacturing employment than Washington. Montana's leisure and hospitality sector, however, maintained a higher share of nonfarm employment. Alaska's differences are due to a higher share of government employment. Alaska's natural resources and mining share is higher than all other states in this region which can be attributed largely to oil and gas extraction and mining support activities.

In conclusion, states have very similar industry structures within the Pacific Northwest. With the exception of Oregon, northwest states have shared an upward trend towards service sector industries; this has caused their industry structures to become more similar.

With the exception of Oregon, northwest states have shared an upward trend towards service sector industries; this has caused their industry structures to become more similar.

In 2005, information, retail trade, and professional and business services contributed largely toward differences between Washington's and Idaho's industry structures. In Idaho, telecommunications has remained the largest contributing sub-sector to the information sector since 1990. While telecommunications contributed largely in 1990, software publishing industries (except internet) held the larger share in Washington's information sector in 2005.

As exhibited in *Figure 4*, Washington moved closer to Idaho, Montana, and Alaska. While

Figure 4. Changes in the Index of Dissimilarity

| State | 1990 | 2005 | 15-Yr change |
|---------|-------|-------|--------------|
| Oregon | 0.036 | 0.045 | 26.0% |
| Idaho | 0.065 | 0.041 | -37.1% |
| Montana | 0.163 | 0.109 | -33.0% |
| Alaska | 0.194 | 0.147 | -24.4% |

Third Quarter Stats-At-A-Glance

Average Unemployment Rates by County October, November, and December 2006

Washington State = 4.7%

United States = 4.2%

Not Seasonally Adjusted

Monthly Resident Civilian Labor Force and Employment in Washington State

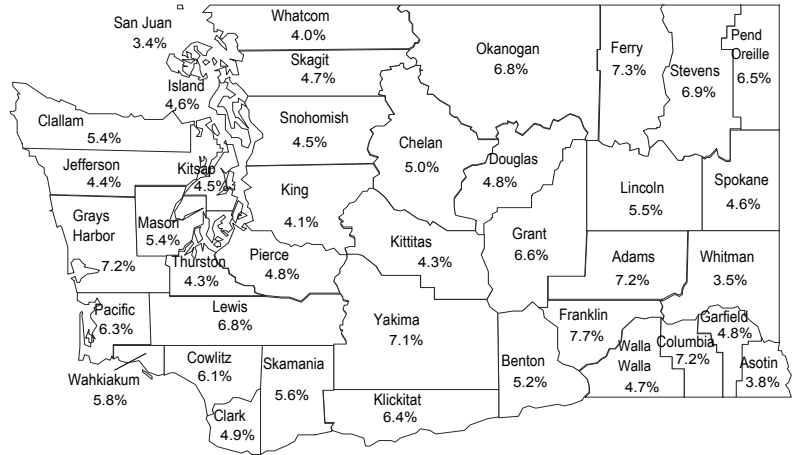
| (In Thousands) | Oct. 2006 (Update) | Nov. 2006 (Update) | Dec. 2006 (Prel) |
|----------------|--------------------------|--------------------------|------------------------|
|----------------|--------------------------|--------------------------|------------------------|

Seasonally Adjusted Unemployment:

| | | | |
|------------------|------|------|------|
| Washington State | 5.0% | 5.0% | 4.8% |
| United States | 4.5% | 4.5% | 4.4% |

Not Seasonally Adjusted:

| | | | |
|-------------------------------|---------|---------|---------|
| Resident Civilian Labor Force | 3,344.7 | 3,357.5 | 3,359.0 |
| Employment | 3,204.1 | 3,191.2 | 3,191.4 |
| Unemployment | 140.6 | 166.3 | 167.6 |
| Percent of Labor Force | 4.2% | 5.0% | 5.0% |



Washington State
Employment Security Department
Labor Market and Economic Analysis

Civilian Labor Force Estimates for Washington State Counties and MSAs¹

Date: 1/16/07
Benchmark: March 2005

| | October 2006 Updated | | | | November 2006 Updated | | | | December 2006 Preliminary | | | |
|--|----------------------|------------|--------------|-------------------|-----------------------|------------|--------------|-------------------|---------------------------|------------|--------------|-------------------|
| | Labor Force | Employment | Unemployment | Unemployment Rate | Labor Force | Employment | Unemployment | Unemployment Rate | Labor Force | Employment | Unemployment | Unemployment Rate |
| Not Seasonally Adjusted | | | | | | | | | | | | |
| Washington State Total | 3,344,700 | 3,204,100 | 140,600 | 4.2 | 3,357,500 | 3,191,200 | 166,300 | 5.0 | 3,359,000 | 3,191,400 | 167,600 | 5.0 |
| Bellingham MSA | 103,700 | 99,900 | 3,800 | 3.7 | 106,500 | 102,200 | 4,400 | 4.1 | 106,600 | 102,000 | 4,600 | 4.4 |
| Bremerton PMSA | 121,500 | 116,200 | 5,200 | 4.3 | 124,400 | 118,600 | 5,800 | 4.7 | 124,300 | 118,600 | 5,800 | 4.6 |
| Richland-Kennewick-Pasco MSA | 114,500 | 109,100 | 5,300 | 4.6 | 113,100 | 106,300 | 6,900 | 6.1 | 112,800 | 105,100 | 7,800 | 6.9 |
| Benton County 2/ | 86,300 | 82,400 | 3,900 | 4.6 | 84,700 | 80,200 | 4,500 | 5.3 | 84,300 | 79,300 | 5,000 | 5.9 |
| Franklin County 2/ | 28,110 | 26,730 | 1,380 | 4.9 | 28,380 | 26,020 | 2,350 | 8.3 | 28,520 | 25,730 | 2,790 | 9.8 |
| Longview MSA (Cowlitz) | 43,820 | 41,300 | 2,530 | 5.8 | 44,810 | 41,920 | 2,890 | 6.5 | 44,620 | 41,850 | 2,770 | 6.2 |
| Mt. Vernon-Anacortes MSA (Skagit) | 56,200 | 53,890 | 2,310 | 4.1 | 56,750 | 54,020 | 2,730 | 4.8 | 56,920 | 54,050 | 2,870 | 5.0 |
| Olympia PMSA | 123,200 | 118,300 | 4,900 | 4.0 | 126,500 | 121,000 | 5,500 | 4.3 | 127,200 | 121,500 | 5,700 | 4.5 |
| Seattle-Bellevue-Everett MD* | 1,407,300 | 1,352,900 | 54,400 | 3.9 | 1,411,200 | 1,346,600 | 64,600 | 4.6 | 1,411,400 | 1,352,100 | 59,200 | 4.2 |
| King County 2/ | 1,051,300 | 1,011,300 | 40,000 | 3.8 | 1,054,000 | 1,006,600 | 47,300 | 4.5 | 1,053,800 | 1,010,700 | 43,100 | 4.1 |
| Snohomish County 2/ | 356,000 | 341,600 | 14,400 | 4.1 | 357,300 | 340,000 | 17,300 | 4.8 | 357,600 | 341,400 | 16,200 | 4.5 |
| Spokane MSA | 230,700 | 221,400 | 9,400 | 4.1 | 237,100 | 226,300 | 10,800 | 4.6 | 237,800 | 225,700 | 12,100 | 5.1 |
| Tacoma Metropolitan Division | 374,200 | 357,100 | 17,000 | 4.6 | 384,300 | 365,400 | 18,900 | 4.9 | 385,100 | 366,300 | 18,800 | 4.9 |
| Wenatchee MSA | 63,250 | 61,040 | 2,210 | 3.5 | 57,960 | 54,950 | 3,010 | 5.2 | 57,400 | 53,890 | 3,510 | 6.1 |
| Chelan County 2/ | 42,040 | 40,520 | 1,520 | 3.6 | 38,500 | 36,480 | 2,020 | 5.2 | 38,120 | 35,770 | 2,350 | 6.2 |
| Douglas County 2/ | 21,210 | 20,520 | 690 | 3.2 | 19,460 | 18,470 | 990 | 5.1 | 19,280 | 18,120 | 1,170 | 6.0 |
| Yakima MSA | 123,000 | 117,000 | 6,000 | 4.9 | 113,200 | 104,600 | 8,500 | 7.5 | 113,300 | 103,100 | 10,200 | 9.0 |
| Local Labor Market Areas (LMAs) | | | | | | | | | | | | |
| Aberdeen LMA (Grays Harbor) | 31,130 | 29,140 | 1,990 | 6.4 | 31,210 | 28,870 | 2,340 | 7.5 | 31,470 | 29,020 | 2,460 | 7.8 |
| Centralia LMA (Lewis) | 31,020 | 29,260 | 1,760 | 5.7 | 32,020 | 29,940 | 2,080 | 6.5 | 32,540 | 29,890 | 2,640 | 8.1 |
| Ellensburg LMA (Kittitas) | 20,280 | 19,560 | 720 | 3.5 | 19,870 | 18,960 | 900 | 4.6 | 20,080 | 19,080 | 1,000 | 5.0 |
| Moses Lake LMA (Grant) | 41,440 | 39,670 | 1,770 | 4.3 | 35,730 | 33,140 | 2,580 | 7.2 | 36,870 | 33,730 | 3,140 | 8.5 |
| Oak Harbor LMA (Island County) | 32,500 | 31,100 | 1,400 | 4.3 | 33,500 | 31,900 | 1,600 | 4.8 | 33,400 | 31,800 | 1,600 | 4.7 |
| Port Angeles LMA (Clallam) | 29,260 | 27,900 | 1,370 | 4.7 | 29,870 | 28,180 | 1,690 | 5.6 | 29,810 | 28,030 | 1,780 | 6.0 |
| Pullman LMA (Whitman) | 20,750 | 20,080 | 670 | 3.2 | 21,140 | 20,360 | 780 | 3.7 | 20,750 | 20,030 | 720 | 3.5 |
| Shelton LMA (Mason) | 24,910 | 23,720 | 1,190 | 4.8 | 25,730 | 24,330 | 1,400 | 5.4 | 25,100 | 23,600 | 1,510 | 6.0 |
| Walla Walla LMA (Walla Walla) | 29,470 | 28,300 | 1,170 | 4.0 | 28,970 | 27,600 | 1,380 | 4.7 | 27,920 | 26,380 | 1,540 | 5.5 |
| Adams | 8,550 | 8,230 | 330 | 3.8 | 7,630 | 7,040 | 590 | 7.7 | 7,590 | 6,800 | 790 | 10.5 |
| Asotin 2/ | 9,720 | 9,330 | 380 | 3.9 | 9,830 | 9,450 | 380 | 3.9 | 9,830 | 9,470 | 360 | 3.7 |
| Clark 2/ | 201,300 | 191,500 | 9,800 | 4.9 | 206,200 | 195,800 | 10,400 | 5.0 | 206,700 | 197,000 | 9,700 | 4.7 |
| Columbia | 1,440 | 1,350 | 90 | 6.4 | 1,460 | 1,350 | 110 | 7.6 | 1,530 | 1,400 | 120 | 8.1 |
| Ferry | 2,960 | 2,770 | 190 | 6.3 | 3,000 | 2,770 | 220 | 7.4 | 2,910 | 2,670 | 240 | 8.4 |
| Garfield | 1,030 | 990 | 40 | 4.3 | 1,050 | 1,000 | 50 | 4.7 | 1,030 | 970 | 60 | 5.5 |
| Jefferson | 13,510 | 12,960 | 550 | 4.1 | 13,700 | 13,100 | 600 | 4.4 | 13,700 | 13,070 | 630 | 4.6 |
| Klickitat | 9,430 | 8,980 | 450 | 4.7 | 9,240 | 8,630 | 610 | 6.6 | 9,130 | 8,420 | 710 | 7.8 |
| Lincoln | 4,660 | 4,450 | 220 | 4.6 | 4,640 | 4,380 | 260 | 5.5 | 4,620 | 4,330 | 290 | 6.2 |
| Okanogan | 22,940 | 21,890 | 1,050 | 4.6 | 19,000 | 17,590 | 1,410 | 7.4 | 18,730 | 17,040 | 1,690 | 9.0 |
| Pacific | 9,170 | 8,670 | 510 | 5.5 | 9,230 | 8,620 | 600 | 6.5 | 9,160 | 8,540 | 620 | 6.8 |
| Pend Oreille | 5,170 | 4,910 | 270 | 5.1 | 5,270 | 4,930 | 340 | 6.5 | 5,330 | 4,920 | 410 | 7.8 |
| San Juan | 8,050 | 7,820 | 240 | 2.9 | 7,900 | 7,620 | 280 | 3.5 | 7,840 | 7,550 | 300 | 3.8 |
| Skamania 2/ | 5,020 | 4,780 | 250 | 4.9 | 5,200 | 4,880 | 310 | 6.0 | 5,210 | 4,910 | 300 | 5.7 |
| Stevens | 17,860 | 16,900 | 950 | 5.3 | 18,490 | 17,230 | 1,260 | 6.8 | 18,660 | 17,110 | 1,560 | 8.3 |
| Wahkiakum | 1,660 | 1,570 | 90 | 5.5 | 1,750 | 1,630 | 110 | 6.5 | 1,730 | 1,630 | 100 | 5.8 |

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

Nonagricultural Wage and Salary Employment in Washington State, Place of Work¹

Seasonally Adjusted

Quarterly Benchmark: June 2006

In Thousands

NAICS Industry

| | December 2006 (prel) | November 2006 (Rev) | October 2006 (Rev) | September 2006 (Rev) | August 2006 (Rev) | July 2006 (Rev) |
|--|----------------------------|---------------------------|--------------------------|----------------------------|-------------------------|-----------------------|
| Total Nonfarm | 2,900.3 | 2,897.0 | 2,891.7 | 2,884.5 | 2,878.7 | 2,876.7 |
| Natural Resources and Mining | 8.8 | 8.8 | 8.8 | 8.7 | 8.7 | 8.8 |
| Logging | 5.2 | 5.2 | 5.2 | 5.2 | 5.2 | 5.3 |
| Construction | 200.1 | 198.6 | 198.6 | 197.2 | 195.8 | 196.5 |
| Construction of Buildings | 53.0 | 52.7 | 52.7 | 52.5 | 51.7 | 51.9 |
| Heavy and Civil Engineering | 24.2 | 23.9 | 23.9 | 23.7 | 23.5 | 23.7 |
| Speciality Trade Contractors | 122.9 | 122.0 | 122.0 | 121.0 | 120.6 2/ | 120.9 |
| Manufacturing | 291.4 | 290.9 | 289.3 | 288.3 | 287.7 | 287.4 |
| Durable Goods | 208.8 | 208.0 | 206.4 | 205.8 | 204.9 | 204.3 |
| Wood Product Manufacturing | 20.6 | 20.5 | 20.5 | 20.4 | 20.3 | 20.4 |
| Fabricated Metal Product Manufacturing | 19.8 | 19.7 | 19.5 | 19.4 | 19.3 | 19.3 |
| Computer and Electronic Product Manufacturing | 22.9 | 23.0 | 23.0 | 22.9 | 22.9 | 22.9 |
| Transportation Equipment Manufacturing | 89.9 | 89.2 | 88.3 | 87.8 | 87.4 | 86.8 |
| Aerospace Product and Parts Manufacturing | 76.1 | 75.5 | 74.7 | 74.2 | 73.7 | 73.2 |
| Non Durable Goods | 82.6 | 82.9 | 82.9 | 82.5 | 82.8 | 83.1 |
| Food Manufacturing | 34.2 | 34.9 | 34.6 | 34.8 | 34.3 | 34.6 |
| Wholesale Trade | 126.1 | 126.1 | 126.0 | 126.3 | 125.9 | 125.5 |
| Retail Trade | 328.6 | 328.8 | 328.9 | 326.5 | 326.1 | 325.7 |
| Motor Vehicle and Parts Dealers | 42.6 | 42.6 | 42.7 | 42.3 | 42.5 | 42.6 |
| Food and Beverage Stores | 63.6 | 62.9 | 62.9 | 61.9 | 62.0 | 61.7 |
| Clothing and Clothing Accessories Stores | 28.3 | 28.6 | 28.3 | 27.6 | 27.3 | 27.4 |
| General Merchandise Stores | 58.4 | 58.7 | 59.2 | 58.9 | 59.0 | 59.1 |
| Transportation, Warehousing and Utilities | 93.9 | 94.4 | 94.1 | 94.0 | 94.8 | 95.1 |
| Utilities | 5.3 | 5.3 | 5.3 | 4.6 | 4.7 | 4.7 |
| Transportation and Warehousing | 88.6 | 89.1 | 88.8 | 89.4 | 90.1 | 90.4 |
| Air Transportation | 11.2 | 11.2 | 11.0 | 10.8 | 10.9 | 10.9 |
| Water Transportation | 3.4 | 3.5 | 3.4 | 3.4 | 3.5 | 3.5 |
| Truck Transportation | 25.3 | 25.2 | 25.2 | 25.1 | 25.0 | 24.9 |
| Support Activities for Transportation | 18.4 | 18.3 | 18.6 | 18.6 | 18.6 | 18.6 |
| Support Activities for Water Transportation | 5.7 | 5.7 | 5.8 | 5.9 | 6.1 | 6.1 |
| Warehousing and Storage | 10.7 | 10.8 | 10.3 | 10.2 | 10.7 | 10.8 |
| Information | 103.0 | 103.2 | 103.2 | 102.3 | 101.6 | 100.9 |
| Software Publishers | 47.5 | 47.4 | 46.9 | 46.0 | 46.0 | 45.6 |
| Telecommunications | 25.3 | 25.3 | 25.2 | 25.1 | 24.8 | 24.7 |
| Financial Activities | 156.2 | 156.1 | 155.9 | 156.3 | 155.8 | 155.9 |
| Finance and Insurance | 105.1 | 104.9 | 104.9 | 105.0 | 104.2 | 104.6 |
| Credit Intermediation and Related Activities | 55.2 | 55.2 | 55.2 | 55.1 | 54.6 | 55.0 |
| Insurance Carriers and Related Activities | 38.3 | 38.4 | 38.4 | 38.5 | 38.5 | 38.6 |
| Real Estate and Rental Leasing | 51.1 | 51.2 | 51.0 | 51.3 | 51.6 | 51.3 |
| Professional and Business Services | 341.9 | 339.9 | 336.8 | 335.8 | 335.0 | 335.4 |
| Professional, Scientific and Technical Services | 150.5 | 150.8 | 150.5 | 150.3 | 150.2 | 149.3 |
| Legal Services | 20.5 | 20.6 | 20.6 | 20.8 | 20.7 | 20.7 |
| Architectural and Engineering Services | 34.8 | 34.6 | 34.7 | 34.4 | 34.4 | 34.3 |
| Computer Systems Design and Related Services | 23.9 | 23.8 | 23.8 | 23.9 | 24.4 | 25.0 |
| Management of Companies and Enterprises | 34.6 | 34.6 | 34.3 | 34.4 | 34.7 | 34.7 |
| Admin and Support and Waste Management and Remediation | 156.8 | 154.5 | 152.0 | 151.1 | 150.1 | 151.4 |
| Employment Services | 60.7 | 59.6 | 58.9 | 58.7 | 57.7 | 57.8 |
| Education and Health Services | 342.4 | 342.7 | 341.8 | 341.0 | 338.8 | 337.7 |
| Education Services | 47.5 | 48.0 | 47.9 | 47.7 | 47.4 | 47.0 |
| Hospitals | 65.7 | 65.6 | 65.6 | 65.5 | 65.4 | 65.2 |
| Nursing and Residential Care Facilities | 55.4 | 55.4 | 55.2 | 55.1 | 55.0 | 55.2 |
| Social Assistance | 53.8 | 53.7 | 53.4 | 53.5 | 52.7 | 52.5 |
| Leisure and Hospitality | 273.6 | 272.8 | 272.9 | 271.3 | 271.7 | 271.1 |
| Arts, Entertainment and Recreation | 43.9 | 44.1 | 44.4 | 43.8 | 44.2 | 44.4 |
| Accommodation | 30.0 | 29.9 | 29.9 | 29.6 | 29.5 | 29.4 |
| Food Services and Drinking Places | 199.7 | 198.8 | 198.6 | 197.9 | 198.0 | 197.3 |
| Government | 529.6 | 530.4 | 531.0 | 532.7 | 532.7 | 532.5 |
| Federal Government | 68.1 | 68.2 | 68.4 | 69.1 | 69.2 | 69.5 |
| Total State Government | 148.7 | 148.7 | 149.1 | 149.8 | 147.2 | 147.1 |
| State Government Educational Services | 80.6 | 80.9 | 81.8 | 82.0 | 80.8 | 80.5 |
| Total Local Government | 312.8 | 313.5 | 313.5 | 313.8 | 316.3 | 315.9 |
| Local Government Educational Services | 151.3 | 151.8 | 151.6 | 153.4 | 156.3 | 155.8 |
| Workers in Labor-Management Disputes | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 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 by the Labor Market and Economic Analysis Branch using a Quarterly Benchmark process.

This process uses the most recent quarter from the Unemployment Insurance Tax Reports (currently second quarter 2006) and estimates employment from that point to present.

Nonagricultural Wage and Salary Employment in Washington State, Place of Work¹

Not Seasonally Adjusted

In Thousands

| | December 2006 (Prel) | November 2006 (Rev) | October 2006 (Rev) | September 2006 (Rev) | August 2006 (Rev) | July 2006 (Rev) |
|--|----------------------------|---------------------------|--------------------------|----------------------------|-------------------------|-----------------------|
| Total Nonagricultural Wage & Salary Workers | 2,905.3 | 2,916.1 | 2,911.3 | 2,897.9 | 2,873.3 | 2,876.2 |
| Natural Resources and Mining | 8.1 | 8.1 | 8.3 | 8.3 | 8.4 | 8.4 |
| Logging | 5.0 | 4.9 | 5.0 | 5.0 | 5.0 | 5.1 |
| Construction | 193.2 | 197.1 | 202.3 | 203.7 | 203.8 | 201.6 |
| Construction of Buildings | 52.4 | 52.6 | 53.5 | 53.9 | 53.7 | 53.2 |
| Heavy and Civil Engineering | 22.6 | 24.0 | 25.6 | 25.9 | 26.0 | 25.5 |
| Specialty Trade Contractors | 118.2 | 120.5 | 123.2 | 123.9 | 124.1 2/ | 122.9 |
| Manufacturing | 286.9 | 287.9 | 289.7 | 289.5 | 287.9 | 287.1 |
| Durable Goods | 207.3 | 207.0 | 206.0 | 205.5 | 204.8 | 203.8 |
| Wood Product Manufacturing | 19.9 | 19.9 | 19.9 | 20.1 | 20.2 | 20.2 |
| Fabricated Metal Products | 19.7 | 19.6 | 19.5 | 19.5 | 19.5 | 19.3 |
| Computer and Electronic Products | 21.9 | 21.9 | 21.9 | 21.8 | 21.8 | 21.8 |
| Transportation Equipment | 90.9 | 90.1 | 89.2 | 88.7 | 88.2 | 87.7 |
| Aerospace Products and Parts | 76.9 | 76.3 | 75.5 | 75.0 | 74.5 | 74.0 |
| Nondurable Goods | 79.6 | 80.9 | 83.7 | 84.0 | 83.1 | 83.3 |
| Food Manufacturing | 33.4 | 34.5 | 37.0 | 37.2 | 36.2 | 35.9 |
| Wholesale Trade | 124.6 | 125.4 | 125.8 | 126.0 | 125.8 | 125.5 |
| Retail Trade | 344.8 | 339.7 | 330.6 | 328.2 | 328.6 | 326.9 |
| Motor Vehicle and Parts Dealers | 42.6 | 43.0 | 43.1 | 43.0 | 43.3 | 43.3 |
| Food and Beverage Stores | 64.5 | 63.8 | 63.6 | 63.2 | 63.6 | 63.0 |
| Clothing and Clothing Accessories Stores | 32.7 | 30.9 | 28.4 | 28.2 | 28.6 | 28.4 |
| General Merchandise Stores | 66.2 | 64.6 | 60.4 | 58.8 | 58.6 | 58.1 |
| Transportation, Warehousing, and Utilities | 93.6 | 93.5 | 94.7 | 94.1 | 93.7 | 93.9 |
| Utilities | 5.2 | 5.2 | 5.2 | 4.5 | 4.5 | 4.5 |
| Transportation and Warehousing | 88.4 | 88.3 | 89.5 | 89.6 | 89.2 | 89.4 |
| Air Transportation | 11.1 | 11.1 | 11.0 | 11.0 | 11.2 | 11.2 |
| Water Transportation | 3.3 | 3.4 | 3.4 | 3.5 | 3.6 | 3.7 |
| Truck Transportation | 24.6 | 24.7 | 25.0 | 25.3 | 25.4 | 25.2 |
| Support Activities for Transportation | 18.9 | 18.9 | 19.1 | 19.1 | 19.2 | 19.2 |
| Support Activities for Water Transportation | 6.1 | 6.1 | 6.2 | 6.3 | 6.5 | 6.6 |
| Warehousing and Storage | 10.2 | 10.1 | 10.1 | 10.0 | 9.8 | 9.8 |
| Information | 101.9 | 101.6 | 101.1 | 100.2 | 100.4 | 99.2 |
| Software Publishers | 46.9 | 46.7 | 46.5 | 45.8 | 46.1 | 45.6 |
| Telecommunications | 25.4 | 25.3 | 25.3 | 25.2 | 24.9 | 24.8 |
| Financial Activities | 157.8 | 157.4 | 157.7 | 158.8 | 159.2 | 159.0 |
| Finance and Insurance | 107.0 | 106.6 | 106.5 | 106.6 | 106.2 | 106.4 |
| Credit Intermediation and Related Activities | 56.2 | 56.1 | 56.0 | 55.8 | 55.5 | 55.7 |
| Insurance Carriers and Related Activities | 38.9 | 39.0 | 39.0 | 39.1 | 39.1 | 39.2 |
| Real Estate and Rental Leasing | 50.8 | 50.8 | 51.2 | 52.2 | 53.0 | 52.6 |
| Professional and Business Services | 342.9 | 345.7 | 346.3 | 345.4 | 344.5 | 343.4 |
| Professional, Scientific, and Technical Services | 148.8 | 147.9 | 147.6 | 147.6 | 148.3 | 147.0 |
| Legal Services | 20.5 | 20.4 | 20.4 | 20.7 | 20.7 | 20.9 |
| Architectural, Engineering, and Related Services | 34.7 | 34.6 | 34.7 | 34.6 | 34.9 | 34.8 |
| Computer Systems Design and Related Services | 22.8 | 22.7 | 22.7 | 22.7 | 23.2 | 23.8 |
| Management of Companies and Enterprises | 37.0 | 36.9 | 36.7 | 36.9 | 37.1 | 36.9 |
| Admin., Suppt. Svcs., Waste Mgmt., Remediation | 157.1 | 160.9 | 162.0 | 160.9 | 159.1 | 159.5 |
| Employment Services | 60.8 | 62.4 | 62.5 | 62.3 | 60.4 | 58.4 |
| Education and Health Services | 342.8 | 344.4 | 342.6 | 337.6 | 330.3 | 329.7 |
| Educational Services | 45.6 | 47.3 | 46.1 | 41.5 | 35.8 | 36.5 |
| Hospitals | 65.7 | 65.6 | 65.6 | 65.5 | 65.4 | 65.2 |
| Nursing and Residential Care Facilities | 55.5 | 55.5 | 55.3 | 55.4 | 55.4 | 55.4 |
| Social Assistance | 54.7 | 55.0 | 55.2 | 54.8 | 53.6 | 53.5 |
| Leisure and Hospitality | 270.0 | 268.9 | 272.8 | 282.4 | 285.1 | 282.8 |
| Arts, Entertainment, and Recreation | 44.7 | 44.2 | 45.8 | 49.8 | 49.6 | 49.7 |
| Accommodation | 28.4 | 28.7 | 29.6 | 31.4 | 32.7 | 32.1 |
| Food Services and Drinking Places | 196.9 | 196.0 | 197.4 | 201.2 | 202.8 | 201.0 |
| Government | 534.4 | 542.7 | 535.1 | 518.5 | 499.7 | 512.2 |
| Federal | 68.4 | 68.3 | 68.6 | 69.6 | 70.0 | 70.4 |
| State | 151.2 | 153.9 | 153.1 | 142.3 | 133.4 | 131.5 |
| State Educational Services | 83.9 | 86.6 | 86.0 | 75.0 | 66.0 | 63.9 |
| Local | 314.8 | 320.5 | 313.4 | 306.6 | 296.3 | 310.3 |
| Local Educational Services | 155.6 | 156.9 | 153.1 | 140.3 | 131.3 | 145.2 |
| Workers in Labor-Management Disputes | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 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.

Prepared in cooperation with the Bureau of Labor Statistics

What's New?

Occupational Outlooks 2004-2014

The top fifteen occupations by level of preparation are listed for each of the twelve Workforce Development Areas and Washington state. The occupational updates are short extractions from occupational projections developed by the Labor Market and Economic Analysis Branch of the Washington State Employment Security Department. These updates, as well as detailed projections for 2, 5, and 10 years can be found on our website at www.workforceexplorer.com.

Pacific Northwest Regional Economic Conference...since 1967



Announcing the Forty-First Annual Pacific Northwest Regional Economic Conference

Technology and Science in Regional Economic Development

Richland, Washington
May 17-18, 2007

The theme for this year's conference reflects the challenges facing the economy and governments in our region as we add new technology, new workforce requirements, and new business models. The emerging economic landscape includes new demands and new competition for many of our natural resources and our limited public budgets, as well as increased international opportunities and challenges. Registration materials and additional information can be found at: <http://www.pnrec.org>.

Workforce Development Area definitions

- WDA 1 Olympic: Clallam, Jefferson, Kitsap
- WDA 2 Pacific Mountain: Grays Harbor, Lewis, Mason, Pacific, Thurston
- WDA 3 Northwest: Island, Skagit, San Juan, Whatcom
- WDA 4 Snohomish County
- WDA 5 Seattle-King County
- WDA 6 Tacoma-Pierce County
- WDA 7 Southwest: Clark, Cowlitz, Wahkiakum
- WDA 8 North Central: Adams, Chelan, Douglas, Grant, Okanogan
- WDA 9 South Central: Kittitas, Klickitat, Yakima, Skamania
- WDA 10 Eastern: Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Stevens, Walla Walla, Whitman
- WDA 11 Benton and Franklin Counties
- WDA 12 Spokane County

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Washington Labor Market



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