Labor Market and Economic Analysis

Washington Labor Market Quarterly Review

Volume 31, Number 1 January - March 2007

INDICATORS

UNEMPLOYMENT RATE

Washington (Seasonally Adjusted)	
January 2007	5.1%
February 2007	4.8%
March 2007 (prel)	4.6%
United States (Seasonally Adjusted)	
January 2007	4.6%
February 2007	4.5%
March 2007 (prel)	4.4%

NONAGRICULTURAL EMPLOYMENT

Washington (Not Seasonally Adjusted)	
(in thousands)	
January 2007	2,835.8
February 2007	2,855.6
March 2007 (prel)	2,875.3
Percent Change (over the year)	
January 2006-2007	2.2%
February 2006-2007	2.1%
March 2006-2007 (prel)	2.1%

IN THIS ISSUE

Current State Economic Conditions

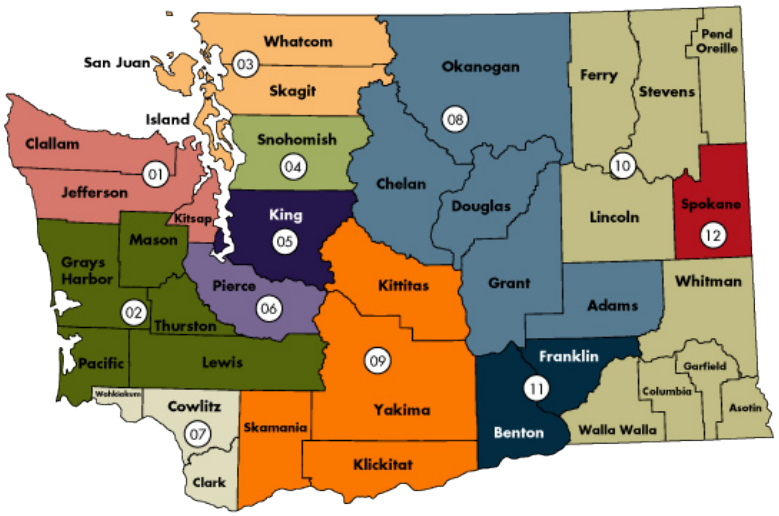
Strong Labor Market with Declining Unemployment Rates

By Evelina Tainer, Ph.D., Chief Economist

The Washington unemployment rate fell to 4.6 percent in March, tied for a record low (last seen in November 1999). This was the second straight month in which the state unemployment rate fell after holding in a tight 5-5.1 percent range through most of 2006. While seasonally adjusted figures are available for Washington state, county unemployment rates are not seasonally adjusted. Consequently, the charts in this article depict the unadjusted unemployment rates, but they are smoothed by taking the 12-month moving average in order to better see long-term trends rather than seasonal monthly fluctuations. Each of the charts shows unemployment rates by Workforce Development Areas (WDAs) relative to the state jobless rate. For the purpose of this analysis, the unadjusted jobless rate is used for the state as well, in order to be consistent with the WDA rate.

A word of caution: state unemployment rates often do not

Washington State Workforce Development Areas



WDA 1 - Olympic Consortium
WDA 2 - Pacific Mountain
WDA 3 - Northwest Washington
WDA 4 - Snohomish County
WDA 5 - Seattle-King County
WDA 6 - Pierce County
WDA 7 - Southwest Washington
WDA 8 - North Central/Columbia Basin
WDA 9 - South Central
WDA 10 - Eastern Washington
WDA 11 - Benton-Franklin
WDA 12 - Spokane County

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In cooperation with the U.S. Department of Labor

tell the entire story. Monthly employment estimates from the payroll survey are a good source of information depicting economic activity. Indeed, the unemployment rate is often considered a lagging indicator of economic activity. In some cases, the monthly industry employment estimates reveal that an area is showing healthy growth, but the area unemployment rates are still relatively high. Keep in mind that these unemployment rates are also estimates and should be used in conjunction with other labor market indicators. Here, we want to show that while area unemployment rates have converged over time, some small differences still exist. Also, we want to show that all areas of the state have benefited from the strong economy, albeit by different magnitudes.

While one would certainly expect all areas of the state to benefit by declining unemployment, it is nonetheless useful to see how each of the WDAs benefited by the economic recovery and subsequent expansion. Just like all states of the nation don't move in tandem during economic recessions and expansions, it is also true that unemployment rates in all WDAs did not increase and decrease by the same magnitude. Nevertheless, trends were pretty consistent across WDAs over the past 25 years. But even though each of the WDAs showed similar ups and downs, some changes have occurred over this time frame. For instance, a greater disparity among area unemployment rates was evident in the 1980s and 1990s, but the differences narrowed since 2000.

As shown in Chart 1, the unemployment rates have converged more closely over the past 25 years. Average unemployment rates for the Olympic Consortium and Northwest Washington are quite similar to the Washington average whereas the Pacific Mountain area still shows somewhat higher unemployment rates. This area was more closely tied to wood product manufacturing and the timber industry in the 1980s than today, although it is still a major industry sector. In the more recent period, Northwest Washington has benefited from the shipbuilding industry as well as Indian casino business. Northwest Washington and the Olympic Consortium are more oriented towards tourism than the Pacific Mountain area.

Chart 2 depicts the three largest counties in the state. These urban areas are not identical in their industrial base. For example, Snohomish County has a larger share of manufacturing activity relative to total business activity than either King or Pierce counties, but all have a good share of employment in key industries typically seen in large urban centers such as manufacturing, construction, trade, transportation and utilities, financial activities, professional and business services, leisure and hospitality, education and health services, and government services. The average unemployment rate for the Seattle-King County WDA (5) was lower than for Washington state, Snohomish, and Pierce counties during the entire period. To some extent, this reflects not only the broader urban base, but also the high degree of concentration in high tech industries and the fact that Seattle has a more varied

Chart 1. Olympic Consortium (1), Pacific Mountain (2), and Northwest Washington (3) WDAs versus Washington 12-Month Moving Average

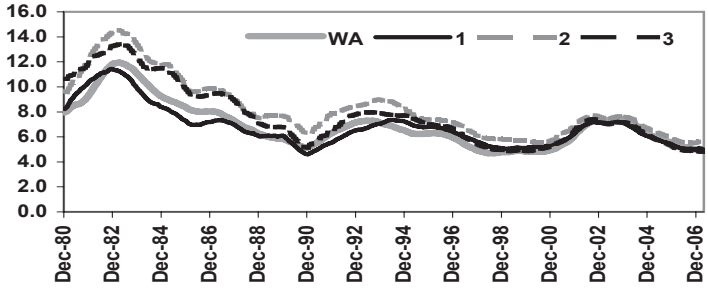
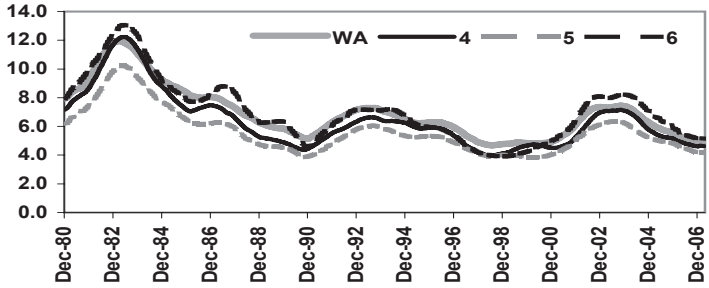


Chart 2. Snohomish County (4), Seattle-King County (5), Pierce County (6) WDAs versus Washington 12-Month Moving Average



Source: Employment Security Department, Labor Market and Ecomonic Analysis

labor force than the rest of the state. The Pierce County unemployment rate has run slightly higher than the state average over part of the past 10 years. It is possible that Pierce County residents are more closely tied to the aerospace industry than in the past, not only because of the Frederickson plant, but because of workers commuting to other Boeing plants in the region. Also, Tacoma is highly tied to the transportation industry and port activity was hurt during the U.S. and global recession at the turn of the century. Since 2004, this area has seen sharp improvement.

Chart 3 shows quite a bit more variety in the unemployment rates for these regions. This is likely because Southwest Washington behaves more like the Western Washington WDAs but North Central Washington/Columbia Basin and South Central have a different economic structure – one that is geared more towards agriculture. Clark is the predominant county in the Southwest Washington WDA and operates more like a large urban center with Vancouver tied closely to Portland business activity. Oddly enough, the Southwest Washington unemployment rate increased more dramatically for this region than for the other two during the recession, suggesting a larger recession impact than the two regions tied more closely with agriculture. The higher-than-average unemployment rate in Southwest Washington might be surprising, particularly since Clark County is among the fastest growing area in the state. Often, areas with strong economic growth see a light of in-migration and as more workers enter the region, the increased population and labor force could lead to a higher unemployment rate, even if employment is growing. Each of the WDAs has improved over the past four years, but each of these is still showing unemployment rates which are higher than the state average. Nonetheless, note that the variation in the unemployment rates has diminished substantially in the past seven years.

Chart 4 depicts Eastern Washington – WDAs primarily tied to agri-business. During this 25 year interval, Benton-Franklin was the outlier – until roughly 2000 when this region converged with the other two – and the state of Washington. Washington residents are likely to remember the W.P.P.S.S. debacle in the early 1980s that led to major layoffs. Sudden shutdown of construction work on nuclear power plant generators resulted not only in layoffs, but also population shifts. Today, Benton-Franklin is highly tied to the waste management industry. The three WDAs, now appear to roughly match the state average unemployment rate. The rate for Spokane County is slightly lower than for the other two WDAs, but not by a wide margin. Spokane, of course, is the largest urban center in Eastern Washington and has a wider variety of employment opportunities, like the other urban WDAs (Seattle-King, Pierce, and Snohomish).

To learn more about the local areas, look for the Labor Area Summaries prepared by our Regional Economists at: **workforceexplorer.com.**

Chart 3. Southwest Washington (7), North Central Washington/Columbia-Basin (8), South Central (9) WDAs versus Washington
12-Month Moving Average

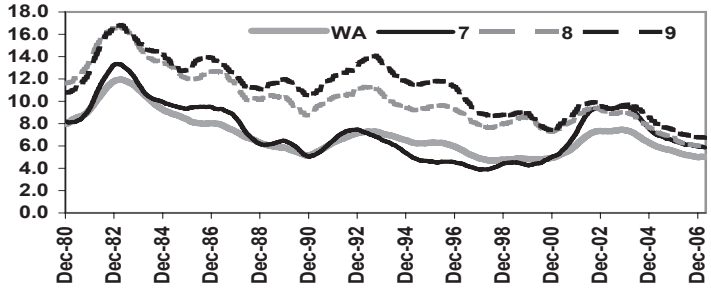
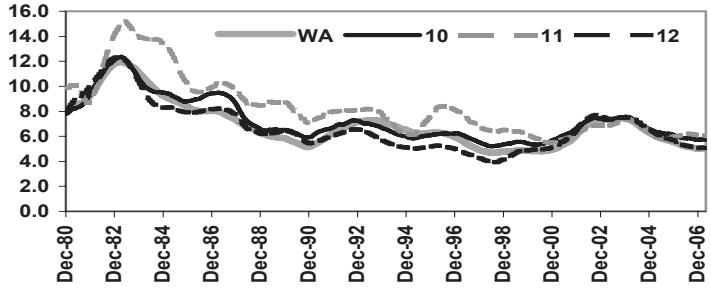


Chart 4. Eastern Washington (10), Benton-Franklin (11), Spokane County (12) WDAs versus Washington
12-Month Moving Average



Source: Employment Security Department, Labor Market and Ecomonic Analysis

National Outlook

U.S. Employment Keeps on Chugging

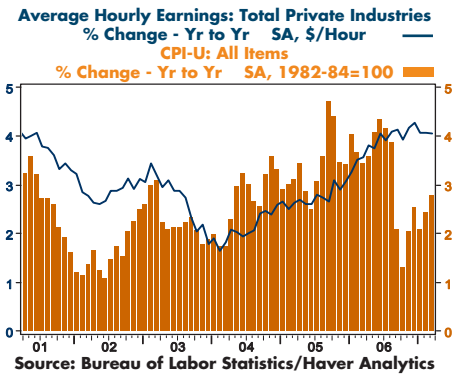
By Evelina Tainer, Ph.D., Chief Economist

Nonfarm payroll employment (seasonally adjusted) rose 180,000 in March, after upward revisions to the two previous months. While it was the largest rise since December, the 12-month trend in monthly nonfarm payroll growth continued to trend lower. Nonetheless, the 12-month trend still shows relatively healthy growth at this mature phase of the business cycle (seven years after the last recession bottomed out). The March rise was stronger than expected by most economists and it will be interesting to see how Federal Reserve officials interpret the latest figures. The Federal Open Market Committee's (FOMC) statement from their most recent meeting on March 21 indicated that they still feared inflation pressures more than economic weakness. They felt that the economy would moderate but not fall into recession this year. The current employment figures support this view.

One of the key worries among economists and policymakers is that the correction in the housing market will transfer over to the rest of the economy. Home prices, relative to a year ago, have already declined in some regions of the country. Housing starts have dropped dramatically from their highs, and in the first two months of 2007 were at levels last seen prior to 2000. Despite the sharp drop-off in housing starts, economists are still debating whether or not housing activity has hit bottom. Construction employment peaked nationally in September 2006. February and March 2007 employment levels were roughly the same as they were a year ago. The decline in housing activity is matched by declines in residential construction employment. Largely, total construction employment has remained at high levels because nonresidential activity has picked up steam over the past year. Among specialty trade contractors, the number of jobs is roughly equal between residential and nonresidential. However, the number of jobs in residential building payrolls is about 20 percent larger than on nonresidential building payrolls. Growth in the nonresidential sector cannot completely offset contractions in the residential market. Incidentally, the drop-off in construction employment might even be higher when one considers that the residential housing construction business also sees a lot of self-employed workers which are not counted in the payroll data.

The civilian unemployment rate dipped to 4.4 percent in March from 4.5 percent in February. The change is not considered statistically significant – the rate has remained in a tight range over the past year.

Average hourly earnings increased 0.3 percent in March, generally in line with the past several months. On a year-over-year basis, this translates into a 4.0 percent change, again not very different from the past few months. But real earnings have improved. That is, after adjusting for inflation, wage earners actually saw an increase in their purchasing power. The chart below depicts year-over-year changes in average hourly earnings (line) compared to year-over-year changes in the consumer price index (bar). Just looking at the time horizon shown in this graph, average hourly earnings rose more rapidly than the CPI from 2001 through 2003. Between 2004 and mid-2006, consumer prices were rising faster than wages. In the past six months or so, as energy prices have fallen, wage growth has more than kept up with inflation. Keep in mind that the CPI could easily shoot up should energy prices surge again. Crude oil prices were once again running between $58 and $62/barrel on average in March. Prices are higher in early April, and gasoline prices have indeed risen rapidly in the past several weeks. But it is not likely that we will see the same doubling of gasoline prices that we saw a few years ago.



Industry Spotlight

Educational Services

By Rick Lockhart and Dave Wallace, Economists

The educational services industry[1] is somewhat different from the rest in that it gets plenty of press in policy discussions, but rarely discussed in the economic sense. This is especially interesting since it ranks fourth in employment out of the 21 major industry sectors in the state.

Industry Highlights

In 2005, the educational services industry employed 241,000, ranking fourth among all industries, and paid an average annual wage of $35,000 (Table 1). Looking back, the industry maintained a steady growth rate for both employment and wages in the 15 years spanning 1990 to 2005. Wage growth in the industry was not as robust as the all-industries average in the late 1990s, but it caught up as the rest of the economy cooled in the first few years of the new millennium (Figure 1).

Many discussions focused on improving the quality of education in Washington center around reducing class sizes. We do not have any direct employment-based numbers to indicate whether or not this is happening. However, we do know that the industry has increased employment at a greater rate than the population it serves has grown. Comparing employment in elementary and secondary schools to increases in the 5- to 19-year-old population, we see that employment increased by 41 percent from 1990 to 2005, while the population grew by 26 percent (Figure 2).

The Educational Services industry has increased employment at a greater rate than the population it serves.

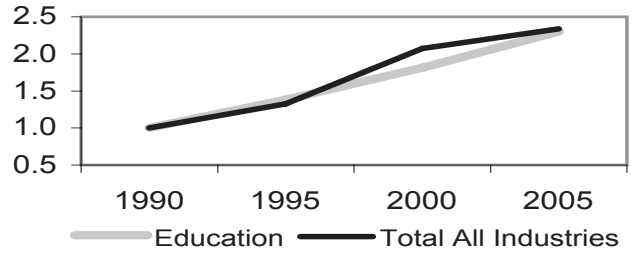
[1] The education industry includes all levels of education up to and including graduate and professional level. It is also inclusive of government as well as private employment.

Table 1. Top 5 Industries in Washington by Employment

Industry Title	2005 Employment	2005 Average Annual Wage
Health Care and Social Assistance	324,600	$37,200
Retail Trade	314,400	$27,300
Manufacturing	278,400	$55,300
Educational Services	241,000	$35,000
Accommodation and Food Services	216,700	$15,100
Total All Industries	**2,766,300**	**$40,800**

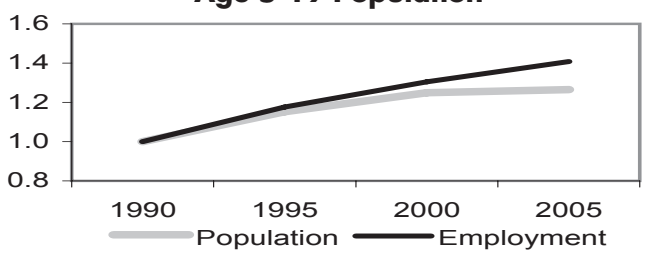
Source: Employment Security Department (ESD), Labor Market and Economic Analysis (LMEA)/Quarterly Census of Employment and Wages (QCEW)

Figure 1. Indexed Wage Growth, Educational Services and All Industries Total



Source: ESD, LMEA/QCEW

Figure 2. Indexed Growth, Elementary and Secondary School Employment Compared to Age 5-19 Population



Source: ESD, LMEA/QCEW and Office of the Forecast Council, Population Estimates

Table 2: Top 10 Occupations in Educational Services

Occupational Title	2004 Est Empl	Annual Median Wage June 2006	Ann. Avg. growth rate 2004-2014	Fall 2006 Vacancies	Vacancy Rate
Teacher Assistants	30,159	$25,180	1.6%	602	1.7%
Elementary School Teachers, Except Special Education	24,644	$45,888	1.6%	36	0.1%
Teachers and Instructors, All Other	18,577	$31,164	1.5%	231	0.9%
Middle School Teachers, Except Special and Voc. Education	13,935	$45,925	1.6%	81	0.6%
Secondary School Teachers, Except Special and Voc. Education	13,343	$47,046	1.6%	192	1.3%
Office Clerks, General	9,796	$26,271	1.7%	740	1.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,174	$23,384	2.0%	814	1.7%
Bus Drivers, School	8,172	$31,636	1.6%	210	1.9%
Secretaries, Except Legal, Medical, and Executive	6,544	$31,928	1.5%	140	0.5%
Vocational Education Teachers, Postsecondary	5,707	$42,884	1.6%	75	1.2%
All Occupations	**273,955**	**$34,002**	**1.4%**	**90,880**	**2.8%**

Source: Employment Security Department

Occupations in Educational Services

Teacher assistants were the most common occupation in the education services industry in Washington (Table 2). Teacher assistants will probably remain the most populous occupation for the time being, as it is projected to have above average growth (1.6 compared to 1.4 percent annually for all occupations). However, they are among the lowest paid workers in the industry. In the top 10, only janitor and food preparation workers earn less than the $25,180 annual median wage of teacher assistants.

Forty-five percent of those employed in the Educational Services industry were teachers of one sort or another.

Overall, 45 percent of those employed in the industry were teachers of one sort or another. They generally do well in the wage earning department. The average annual wage for teachers was $45,481, well above that of all occupations. While teachers weren't the highest paid occupation in education services, some were well-compensated based on the subject taught (particularly those in math and science). Postsecondary engineering teachers ($88,160), followed by postsecondary health specialties teachers ($85,919), then postsecondary law teachers ($85,919) were the highest earning teaching jobs.

Interestingly, dentists garnered the highest median wage in the education sector ($139,741), followed by more medical occupations – psychiatrists and family and general practitioners. These occupations may not be traditionally linked to the education industry, however, hospitals/medical facilities linked to universities are often coded as educational institutions.

Conclusions

Educational services is much like health care in that employment patterns are not influenced much by the ups and downs of the business cycle. Growth prospects for the industry are best categorized as moderate and steady in the coming years. The industry is projected to average 1.5 percent per year growth through 2009 and increase slightly to 1.7 percent from 2009 to 2014. This compared to 1.9 percent and 1.2 percent, respectively, for all-industries employment growth.

On the occupation side, there has been a well documented shortage of math and science teachers. Beyond that, we do expect employment growth to be spread fairly evenly among the common occupations in the industry. The educational services industry is a great option for job seekers given the steady employment and wage growth, large variety of occupations, and geographic diversity of locations.

Regional Update

Comparing Industry Structures across the Nation Relative to Washington State

By Jami Mills, Economist

The purpose of this article was to compile a brief analysis of industry employment structures in the United States relative to Washington state. Further analysis of how similar states handle economic decisions can provide policymakers in Washington more resources for their decision making.

In order to analyze changes in industry structures of states within the U.S., Current Employment Statistics' annual employment series was gathered at an aggregated level based on NAICS[1]. Each industry's share of total nonfarm employment (excluding natural resources and mining[2]) for each state was calculated. An index of dissimilarity[3] was generated based on the share of total nonfarm employment[4] for each state relative to Washington.

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.

This index shows wide variations between states in the U.S. For instance, Oregon has generally been more similar to Washington and the District of Columbia less similar.

States Most Similar to Washington Industry Employment Structure

Over the 15 years included in this analysis, Oregon maintained a similar structure relative to Washington. However, the similarity decreased between 2000 and 2005: manufacturing 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.

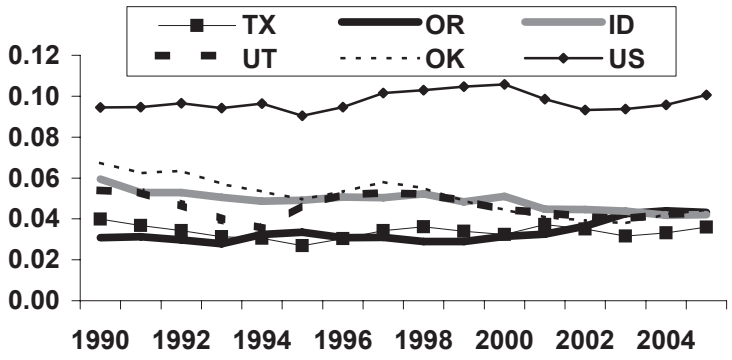
Historically, Oregon's manufacturing sector has accounted for a larger share of total nonfarm employment than Washington. However, employment within this industry structure is distributed differently in both states. Aerospace provides a large share of Washington manufacturing employment while Oregon's manufacturing employment is bolstered by a large semi-conductor processing industry.

Government employment at the federal, state, and local level made up a smaller share of total nonfarm employment in Oregon compared to Washington each year from 1990 through 2005. Local government made up the largest share of government employment in both states. It is important to note that government employment is defined differently for individual states and is comprised of different activities depending on what state we are evaluating. For example, in Washington, Native American employment made up about 4.6 percent of total government employment in 2005. Depending on the state, Native American employment can be divided between private, local, or federal government.

With the exception of Oregon, which shows a trend moving further away from Washington's industry structure (see chart); the four other states

see Regional, page 15

Index of Dissimilarity
5 Most Similar States Compared to Washington 1990-2005



[1]Data were gathered from Bureau of Labor Statistics/Haver Analytics.

[2]Natural resources and mining were excluded because natural resources is defined differently for different states, and certain states combine natural resources and mining with construction. Delaware was also excluded because construction data were unavailable for 2005. For the purpose of this article, industry shares represent the industry's share of total nonfarm employment excluding natural resources and mining.

[3]The Index of dissimilarity between two structural vectors X and Y (total of components 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).

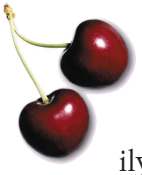
[4]It is important to note that we are not looking at agricultural employment which may give a total employment structure slightly different from what is seen in this analysis.

Agricultural Update

Apples and Cherries Lead Seasonal Agricultural Employment

By John Wines, Economist

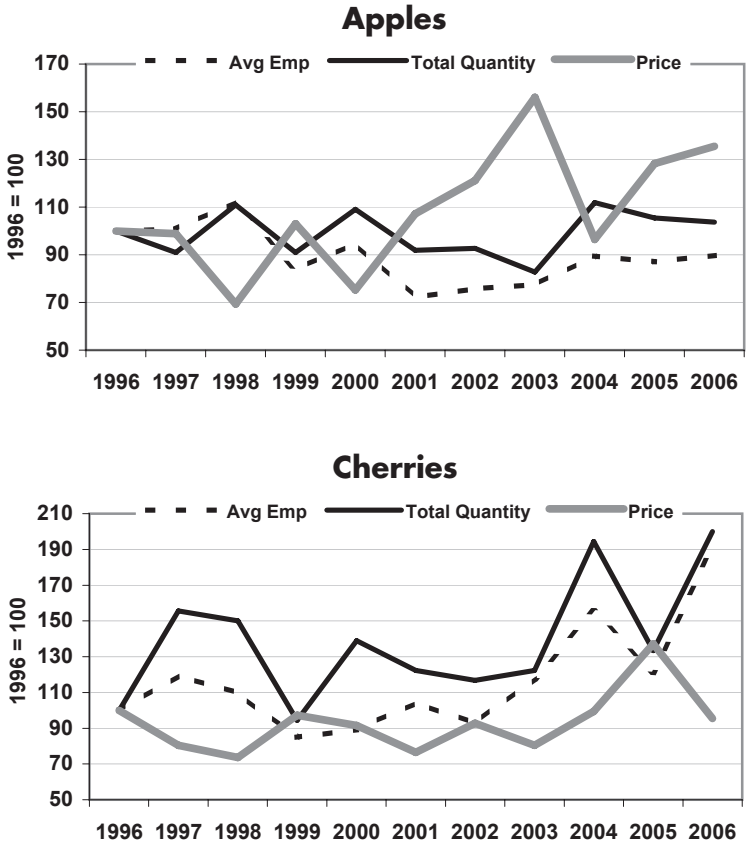
Apple and cherry workers made up 64.3 percent of all seasonal agricultural employees in 2006. Peak seasonal employment for cherries was 32,300 in July and 38,100 for apples in October 2006. These data come from the Seasonal Farm Labor Survey.



Cherries are more labor intensive than apples, with the harvest occurring primarily over a two-month period. This causes weather to play a large role in the size of the cherry harvest as well as the month in which it occurs. In 2006, the cherry crop was late, peaking in July with 32,300 seasonal workers. This was quite a contrast from 2005 when the crop peaked in June with only 22,600 seasonal workers. The total tonnage of cherries harvested was up 50 percent in 2006 compared with 2005, and played a major role in the 57.6 percent increase in seasonal labor over this period. A variety of crop activities normally overlap to some degree. Cherry harvesting and apple thinning fall into this category. This is why most growers pay a 50¢ to $1.00 per bin bonus to cherry pickers willing to stay through the end of harvest season. With the cherry harvest peaking in July instead of June 2006, a shortage of apple thinners occurred in July 2006. Apple thinners dropped by 13 percent (2,360) when compared to July 2005.

As with all crops, employment, quantity, and price are closely related. The chart below shows that the apple harvest was at its lowest in 2003 (2,275,000 tons) over the 1996 to 2006 time frame. As one would expect from simple economics, the price per ton of apples peaked ($518/ton). Conversely, quantity rose in 2004, (3,075,000 tons), and prices declined ($320/ton). Logically, of course, the employment numbers track very well with the size of the harvest. However, it is worth noting that the total apple harvest declined slightly in 2005 and 2006, but employment was relatively stable.

Prices varied inversely with quantities in the cherry market as well. The price trough for cherries was in 1998 ($1,310/ton) when quantity was almost as high as it had ever been to that point in time (27,000 tons) during the 10-year time period. The quantity peak in 2006 (36,000 tons) was accompanied by a plunge in prices ($1,700/ton) from a high of $2,440 per ton in 2005 (24,000 tons). While the cherry harvest increase varied dramatically over the 10-year time frame, depicted in the chart, the variation in prices was much smaller. Notice that prices fluctuated within a smaller band.



Source: Agricultural Labor Employment and Wage Trends and National Agricultural Statistics Service

Special Feature

Claiming Unemployment Insurance: Looking for Patterns

By Felix D'Allesandro, Operations Support Manager

The Unemployment Insurance (UI) system was established by the Social Security Act of 1935 as a joint Federal and state effort. The Social Security Act and the Federal Unemployment Tax Act (FUTA) form the framework for the UI system. Federal law structures the system through guidelines for administration, eligibility, and numerous requirements that states must meet. Within this general framework, states have a great deal of latitude in determining individual qualification requirements, disqualification provisions, eligibility, waiting periods, weekly benefit amounts, potential weeks of benefits, and the state tax structure to finance the unemployment benefits that states are responsible for paying.

The primary purpose of the UI system is to provide temporary income support to workers who have lost their jobs through no fault of their own. While drawing benefits, these workers must demonstrate on a week-to-week basis that they are able to work, available for work, and seeking work. The Employment Security Department usually charges base-year employers for the benefits paid to their workers. Taxable employers are assigned tax rates based, in part, on the amount of charges to their accounts over a four-year period. Reimbursable employers pay dollar-for-dollar all benefits paid to their workers. The balancing of incentives for the workers and the employers in this system help to stabilize local labor markets as these labor markets move through seasonal and business cycles.

The department recently completed a study of the patterns of unemployment insurance receipt. The study was mandated by the state's 2006 Legislature. Great interest was shown in better understanding the use of the UI system by employers to retain a workforce and by workers to allow time for job search. At least as early as May 1964, patterns of UI use in Washington state have been studied and reported on. The 1964 study observed that UI is a recurring experience for many of Washington state's workers. The study reported that over 40 percent of the beneficiaries at a point in time were repeat recipients of benefits and that they were concentrated in five industries that could readily be classified as either seasonal or weather-dependent. In a study conducted by the National Bureau of Economic Research (NBER) in 1996, analysts found that more than 30 percent of Washington state beneficiaries had claimed three or more benefit years over the five-year period.

The 2006 analysis for the Washington Legislature found, consistent with past studies, that 30 percent or more of the beneficiaries on June 30, 2006 had received payment of benefits in at least three of the last five years. The conclusion drawn by NBER seems applicable to Washington state, i.e., repeat use of UI benefits consumes a large proportion of a state's UI resources.

Looking at a population such as beneficiaries at a point in time, usually limits any understanding of that population's processes. Washington state beneficiaries are no exception. The table below presents the claim activity for the 171,347 beneficiaries who had an open claim on June 30, 2006. Looking back over the four and a half years of data available to the study yields a distribution of those beneficiaries by the number of claims paid.

Claim Activity of Beneficiaries Who Had an Open Claim on June 30, 2006

Number of Claims	Number of Beneficiaries	Percent of Beneficiaries
1	81,662	47.7
2	38,551	22.5
3	23,644	13.8
4	23,131	13.5
5	4,359	2.5
Total	**171,347**	**100.0**

Source: UI Benefits Data Warehouse

It is worth a quick digression here to explain the nature of a claim and the making of a repeat user. A person must work at least 680 hours during a specific time period and meet other requirements to qualify for unemployment

benefits. Each claim lasts 52 weeks (this period is termed a benefit year), during which a person may have one or more episodes of unemployment.

The amount a person can receive in benefits – both the weekly amount and the potential maximum over the course of the 52-week benefit year – is calculated based on how much he or she earned during the base year (usually the first four of the five quarters preceding a claim) of the claim. The number of weeks for which a person collects unemployment during a claim is referred to as weeks paid.

By law, a person can collect a full weekly benefit for up to 26 weeks during each claim. However, if a person works part time while collecting benefits, his or her weekly benefits will be reduced and he or she may be eligible to collect for more than 26 weeks, as long as the total payout does not exceed the maximum available for the year.

If the benefit year ends and a person has not collected the maximum amount available for that year, he or she cannot collect the remaining balance and must file a new claim to receive benefits. If a person collects all of the money available for the benefit year, he or she must wait until the claim ends to file another Washington claim.

To qualify for another Washington claim, the person must meet the 680-hour work requirement using the new base year, and also must have worked and earned a minimum amount since the first episode of unemployment on the previous claim. This means that only individuals who return to work qualify for payment across multiple benefit years.

For the purposes of this analysis, people with three or more claims in the five-year period are defined as repeat users of the UI system.

Study data allowed for a longitudinal look at all those beneficiaries who had filed a claim on and after January 1, 2002. There were 302,432 individuals who filed a claim in calendar year 2002. The table below shows the number of claims filed and paid by this group over the four and a half year period. Nearly 80 percent filed only one or two claims.

Claim Activity of Beneficiaries Who Started a Claim in 2002

Number of Claims	Number of Beneficiaries	Percent of Beneficiaries
1	167,303	55.3
2	71,425	23.6
3	34,410	11.4
4	24,935	8.2
5	4,359	1.4
Total	**302,432**	**100.0**

Source: UI Benefits Data Warehouse

These data allow for two very different perspectives on the pattern of UI use. The point in time suggests a UI system that supports workers and firms with frequent and predictable layoffs. The longitudinal look argues for a system that is geared to workers caught by unforeseen events such as a business slowdown.

During the study period, nearly 297,000 employers reported wages. Unemployment claims during that period were based on work and earnings from more than 144,000 base-year employers. The study team identified 105,066 distinct primary base employers. Beneficiaries with repeat episodes had 29,848 primary base employers – 20.7 percent of all base-year employers and 28.4 percent of all primary base employers.

Beneficiaries during the study period worked for an average of two employers during the base year of each claim. A closer look shows that more than 70 percent of people with repeat episodes worked for the same one or two primary base employers, indicating that they repeatedly returned to work for the same employers after episodes of unemployment.

There are many aspects to consider when defining characteristics of people who had multiple episodes of unemployment. This analysis focused on two key areas: employment patterns and demographics.

Employment patterns include the types of jobs people had before they filed for benefits, where they worked, and whether they belonged to a referral union. Almost 70 percent of the beneficiaries who filed three or more claims during the study period, compared to approximately 34 percent of those with one or two claims, were concentrated in four occupational groups:

Beneficiaries with Same One or Two Primary Base Employers on Three or More Claims Between Jan. 2002 and June 2006

Number of Claims	Number of Beneficiaries	Number of Beneficiaries with Same One or Two Primary Base Employers	Percent Across
3	47,569	35,441	74.5
4	26,461	17,366	65.6
5	4,359	3,017	69.2
Total	**78,389**	**55,824**	**71.2**

Source: UI Benefits Data Warehouse

- Construction and extraction (27 percent of those with three or more claims vs. 11 percent of people who filed one or two claims)
- Farming, fishing, and forestry (15 vs. 3 percent)
- Transportation and material moving (14 vs. 8 percent)
- Production (14 vs. 12 percent)

Beneficiaries with repeat episodes of unemployment lived in Eastern Washington and in rural counties to a greater degree than did those with only one or two claims. Although only 25 percent of beneficiaries with one or two claims lived in Eastern Washington, 45 percent of beneficiaries with repeat episodes lived there. Only 8 percent of beneficiaries from Western Washington, but 18 percent from Eastern Washington, experienced repeat episodes. In both Eastern and Western Washington, a greater percentage of people with three or more claims lived in rural counties.

Workers who are members of recognized referral unions are sent out on jobs when the union is contacted by an employer for workers in that union with the necessary skills. Almost 22 percent of beneficiaries with repeat episodes were referral union members on every claim they had during the study period. About 6 percent of those with only one or two claims belonged to referral unions.

Patterns are also found in the demographics of the beneficiaries. People with repeat episodes of unemployment are disproportionately male – men made up 74 percent of those with three or more claims compared to 60 percent of beneficiaries with one or two claims during the study period. For both men and women, a higher percentage of beneficiaries with repeat episodes are between the ages of 35 and 54 than those with only one or two claims (58 percent vs. 49 percent). People with repeat episodes are also disproportionately less educated and Hispanic. Almost 25 percent had not graduated from high school or earned their GEDs vs. 11 percent of those with one or two claims. Also, 23 percent of those with repeat episodes are Hispanic versus only 8 percent of those with one or two claims.

Employers in 20 industry sectors employed almost 75 percent of the total number of beneficiaries with repeat episodes of unemployment. The following five industries, all of which have regular and large annual fluctuations in employment, employed 47 percent of those with at least three claims, but only 15 percent of those with one or two claims:

- Specialty trade contractors
- Food manufacturing
- Crop production
- Heavy and civil engineering construction
- Construction of buildings

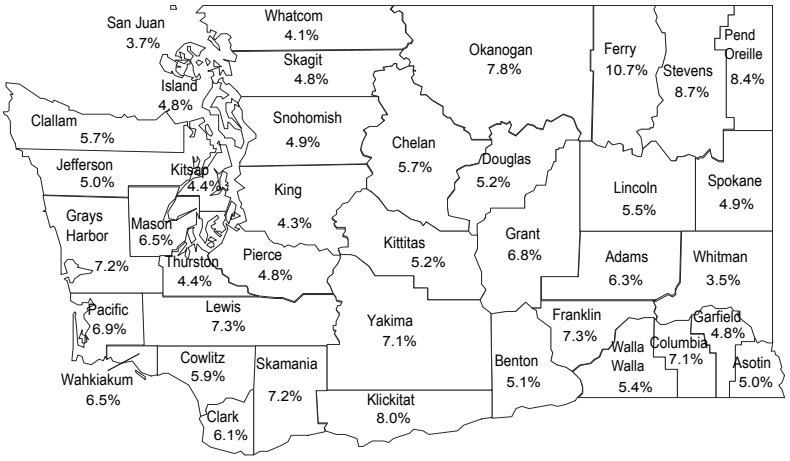
Section 24 of Engrossed Substitute Senate Bill 6885 directed Employment Security to conduct four studies on various elements of the unemployment insurance system. This study covers the topic of repeat episodes of unemployment. The other three study reports:
- employers in rate class 40,
- employer turnover, and
- corporate officers
are available online at www.studies.go2ui.com.

First Quarter Stats-At-A-Glance

Monthly Resident Civilian Labor Force and Employment in Washington State and U.S.

(In Thousands)	Jan. 2007 (Updated)	Feb. 2007 (Updated)	Mar. 2007 (Prel)
Seasonally Adjusted Unemployment:			
Washington State	5.1%	4.8%	4.6%
United States	4.6%	4.5%	4.4%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	3,335.7	3,356.5	3,381.1
Employment	3,140.3	3,166.0	3,212.3
Unemployment	195.3	190.5	168.7
Percent of Labor Force	5.9%	5.7%	5.0%

Average Unemployment Rates by County
January, February, and March 2007
Washington State = 5.5%
United States = 4.8%
Not Seasonally Adjusted



Washington State
Employment Security Department
Labor Market and Economic Analysis

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

Date: 4/17/07
Benchmark: March 2006

	January 2007 Updated				February 2007 Updated				March 2007 Preliminary			
Not Seasonally Adjusted	Labor Force	Employ-ment	Unemploy-ment	Unemploy-ment Rate	Labor Force	Employ-ment	Unemploy-ment	Unemploy-ment Rate	Labor Force	Employ-ment	Unemploy-ment	Unemploy-ment Rate
Washington State Total	3,335,700	3,140,300	195,300	5.9	3,356,500	3,166,000	190,500	5.7	3,381,100	3,212,300	168,700	5.0
Bellingham MSA	106,700	101,000	5,700	5.4	106,500	101,300	5,200	4.9	107,000	102,600	4,400	4.2
Bremerton PMSA	123,300	116,600	6,700	5.4	123,500	117,100	6,400	5.1	124,100	118,600	5,500	4.4
Richland-Kennewick-Pasco MSA	112,200	103,300	8,900	7.9	112,700	104,800	7,900	7.0	113,800	107,400	6,400	5.6
Benton County 2/	82,860	77,138	5,722	6.9	83,407	78,255	5,152	6.2	84,500	80,200	4,300	5.1
Franklin County 2/	29,360	26,175	3,185	10.8	29,336	26,554	2,782	9.5	29,340	27,220	2,130	7.2
Longview MSA (Cowlitz)	44,014	40,720	3,294	7.5	43,975	40,833	3,142	7.1	43,880	41,280	2,600	5.9
Mt. Vernon-Anacortes MSA (Skagit)	56,881	53,274	3,607	6.3	56,871	53,634	3,237	5.7	57,630	54,880	2,750	4.8
Olympia PMSA	126,726	119,896	6,830	5.4	127,342	120,868	6,474	5.1	127,700	122,000	5,600	4.4
Seattle-Bellevue-Everett MD*	1,397,500	1,332,800	64,700	4.6	1,407,100	1,341,000	66,100	4.7	1,420,400	1,357,300	63,000	4.4
King County 2/	1,040,516	994,079	46,437	4.5	1,048,033	1,000,217	47,816	4.6	1,057,800	1,012,400	45,500	4.3
Snohomish County 2/	356,959	338,730	18,229	5.1	359,110	340,822	18,288	5.1	362,500	345,000	17,600	4.8
Spokane MSA	232,671	217,952	14,719	6.3	234,973	220,701	14,272	6.1	235,700	224,100	11,600	4.9
Tacoma Metropolitan Division	380,494	358,320	22,174	5.8	381,800	360,658	21,142	5.5	383,100	364,600	18,500	4.8
Tacoma Metropolitan Division	56,300	52,000	4,300	7.6	57,000	53,100	3,900	6.9	58,100	54,900	3,200	5.5
Chelan County 2/	37,349	34,468	2,881	7.7	37,821	35,182	2,639	7.0	38,570	36,390	2,180	5.6
Douglas County 2/	18,924	17,529	1,395	7.4	19,200	17,892	1,308	6.8	19,530	18,510	1,020	5.2
Yakima MSA	114,605	103,489	11,116	9.7	116,379	106,414	9,965	8.6	117,900	109,600	8,400	7.1
Aberdeen LMA (Grays Harbor)	31,619	28,777	2,842	9.0	31,647	29,048	2,599	8.2	31,870	29,570	2,300	7.2
Centralia LMA (Lewis)	31,944	28,873	3,071	9.6	31,637	28,950	2,687	8.5	31,610	29,310	2,310	7.3
Ellensburg LMA (Kittitas)	19,846	18,476	1,370	6.9	19,815	18,521	1,294	6.5	19,900	18,860	1,040	5.2
Moses Lake LMA (Grant)	37,671	33,836	3,835	10.2	37,238	33,871	3,367	9.0	37,480	34,940	2,540	6.8
Oak Harbor LMA (Island County)	33,055	31,150	1,905	5.8	33,101	31,281	1,820	5.5	33,400	31,800	1,600	4.8
Port Angeles LMA (Clallam)	30,189	27,955	2,234	7.4	30,362	28,258	2,104	6.9	30,540	28,780	1,750	5.7
Pullman LMA (Whitman)	20,978	20,063	915	4.4	21,360	20,467	893	4.2	21,250	20,510	740	3.5
Shelton LMA (Mason)	24,905	22,996	1,909	7.7	24,873	23,194	1,679	6.8	25,170	23,540	1,640	6.5
Walla Walla LMA (Walla Walla)	27,930	26,010	1,920	6.9	28,621	26,733	1,888	6.6	28,830	27,260	1,570	5.5
Adams	7,660	6,821	839	11.0	7,679	6,947	732	9.5	7,780	7,290	490	6.3
Asotin 2/	10,308	9,689	619	6.0	10,568	9,903	665	6.3	10,570	10,040	530	5.0
Clark 2/	208,729	195,684	13,045	6.2	211,021	196,425	14,596	6.9	211,700	198,700	13,000	6.1
Columbia	1,536	1,382	154	10.0	1,551	1,416	135	8.7	1,540	1,430	110	7.1
Ferry	2,979	2,643	336	11.3	3,032	2,692	340	11.2	3,000	2,680	320	10.6
Garfield	1,014	947	67	6.6	1,021	956	65	6.4	1,040	990	50	4.9
Jefferson	13,675	12,863	812	5.9	13,853	13,072	781	5.6	13,920	13,230	690	5.0
Klickitat	9,266	8,357	909	9.8	9,456	8,557	899	9.5	9,700	8,920	780	8.1
Lincoln	4,573	4,228	345	7.5	4,648	4,314	334	7.2	4,710	4,460	260	5.4
Okanogan	18,726	16,776	1,950	10.4	19,134	17,291	1,843	9.6	19,490	17,980	1,510	7.8
Pacific	8,999	8,274	725	8.1	9,111	8,390	721	7.9	9,200	8,570	630	6.8
Pend Oreille	5,198	4,682	516	9.9	5,209	4,706	503	9.7	5,230	4,790	440	8.5
San Juan	7,628	7,205	423	5.5	7,679	7,311	368	4.8	7,880	7,590	290	3.7
Skamania 2/	5,262	4,794	468	8.9	5,266	4,812	454	8.6	5,250	4,870	380	7.3
Stevens	18,888	16,890	1,998	10.6	18,822	16,945	1,877	10.0	19,030	17,380	1,650	8.7
Wahkiakum	1,683	1,560	123	7.3	1,645	1,531	114	6.9	1,680	1,570	110	6.6

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data/Haver Analytics
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 Work 1/

Seasonally Adjusted

Quarterly Benchmark: September 2006 *In Thousands* **NAICS Industry**	**March 2007 (Prel)**	**February 2007 (Rev)**	**January 2007 (Rev)**	**December 2006 (Rev)**	**November 2006 (Rev)**	**October 2006 (Rev)**
Total Nonfarm	**2,904,100**	**2,901,000**	**2,893,800**	**2,883,900**	**2,882,300**	**2,878,600**
Natural Resources and Mining	8,000	8,000	8,000	8,100	8,600	8,600
Logging	5,100	5,100	5,100	5,200	5,200	5,200
Construction	**203,000**	**202,800**	**201,900**	**199,700**	**198,700**	**198,100**
Construction of Buildings	53,300	53,300	53,100	52,200	52,000	52,000
Heavy and Civil Engineering	24,100	23,900	24,100	24,300	24,000	23,900
Speciality Trade Contractors	125,600	125,600	124,700	123,200	122,700	122,200
Manufacturing	**292,000**	**292,100**	**291,500**	**290,200**	**290,000**	**289,300**
Durable Goods	209,600	209,300	208,900	207,600	207,400	206,600
Wood Product Manufacturing	20,300	20,400	20,400	20,300	20,300	20,200
Fabricated Metal Product Manufacturing	19,200	19,200	19,200	19,300	19,200	19,000
Computer and Electronic Product Manufacturing	22,600	22,700	22,700	22,500	22,500	22,500
Transportation Equipment Manufacturing	91,000	90,600	90,300	89,700	89,600	89,300
Aerospace Product and Parts Manufacturing	77,500	76,900	76,600	75,800	75,700	75,600
Non Durable Goods	82,400	82,800	82,600	82,600	82,600	82,700
Food Manufacturing	34,200	34,500	34,600	33,700	34,300	34,000
Wholesale Trade	**128,600**	**128,300**	**128,100**	**127,900**	**127,800**	**127,700**
Retail Trade	**326,300**	**325,700**	**323,500**	**321,600**	**322,100**	**323,500**
Motor Vehicle and Parts Dealers	42,700	42,400	42,500	42,400	42,200	42,500
Food and Beverage Stores	60,800	60,700	60,200	60,000	60,100	60,000
Clothing and Clothing Accessories Stores	29,000	29,000	28,700	28,500	28,700	28,500
General Merchandise Stores	60,600	60,400	59,400	58,200	58,400	58,900
Transportation, Warehousing and Utilities	**95,500**	**95,400**	**95,600**	**94,900**	**95,400**	**94,400**
Utilities	5,600	5,600	5,500	5,400	5,400	5,400
Transportation and Warehousing	89,900	89,800	90,100	89,500	90,000	89,000
Air Transportation	11,200	11,200	11,200	11,300	11,300	11,200
Water Transportation	3,400	3,400	3,400	3,400	3,400	3,300
Truck Transportation	25,600	25,700	25,700	25,500	25,400	25,200
Support Activities for Transportation	18,700	18,700	18,800	18,300	18,500	18,500
Support Activities for Water Transportation	5,800	5,800	6,000	5,700	5,900	5,800
Warehousing and Storage	10,500	10,500	10,500	10,500	10,400	9,800
Information	**103,500**	**103,600**	**102,900**	**101,700**	**101,900**	**102,000**
Software Publishers	48,200	48,000	47,600	47,400	47,300	46,900
Telecommunications	24,600	24,800	24,800	24,600	24,700	25,000
Financial Activities	**157,000**	**156,900**	**156,800**	**155,800**	**155,500**	**155,500**
Finance and Insurance	105,000	105,100	104,900	104,400	104,200	104,400
Credit Intermediation and Related Activities	55,800	55,800	55,400	55,100	54,600	54,800
Insurance Carriers and Related Activities	38,500	38,700	38,800	38,500	38,400	38,500
Real Estate and Rental Leasing	52,000	51,800	51,900	51,400	51,300	51,100
Professional and Business Services	**337,800**	**337,300**	**336,400**	**336,100**	**335,200**	**332,500**
Professional, Scientific and Technical Services	149,300	149,600	149,500	150,100	150,400	149,900
Legal Services	21,000	21,100	21,000	20,800	20,800	20,600
Architectural and Engineering Services	34,600	34,600	34,400	34,300	34,200	34,200
Computer Systems Design and Related Services	26,100	25,900	25,700	25,600	25,400	25,400
Management of Companies and Enterprises	34,300	34,000	33,900	33,600	33,700	33,600
Admin and Support and Waste Management and Remediation	154,200	153,700	153,000	152,400	151,100	149,000
Employment Services	58,200	57,400	57,000	56,800	56,000	55,600
Education and Health Services	**343,200**	**343,300**	**342,800**	**340,900**	**340,200**	**339,800**
Education Services	44,800	45,100	45,000	44,900	45,200	45,100
Hospitals	65,800	65,800	65,400	65,200	65,000	65,100
Nursing and Residential Care Facilities	55,200	55,200	55,300	55,400	55,200	55,100
Social Assistance	56,100	56,200	55,800	55,000	54,600	54,500
Leisure and Hospitality	**277,400**	**277,300**	**276,100**	**275,300**	**274,100**	**274,100**
Arts, Entertainment and Recreation	45,300	45,600	45,200	45,500	45,200	45,500
Accommodation	31,300	31,300	31,200	31,000	30,600	30,500
Food Services and Drinking Places	200,800	200,400	199,700	198,800	198,300	198,100
Government	**527,000**	**525,600**	**525,700**	**526,700**	**527,900**	**528,300**
Federal Government	67,300	67,200	67,500	67,400	67,900	68,000
Total State Government	147,300	147,200	147,400	148,800	148,700	149,000
State Government Educational Services	79,500	79,400	79,500	80,700	80,900	81,600
Total Local Government	312,400	311,200	310,800	310,500	311,300	311,300
Local Government Educational Services	151,100	150,800	150,800	150,400	151,100	150,900
Workers in Labor-Management Disputes	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and 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 third quarter 2006) and estimates employment from that point to present.

Nonagricultural Wage and Salary Employment in Washington State, Place of Work 1/

Not Seasonally Adjusted

In Thousands	March 2007 (Prel)	February 2007 (Rev)	January 2007 (Rev)	December 2006 (Rev)	November 2006 (Rev)	October 2006 (Rev)
Total Nonagricultural Wage & Salary Workers	**2,875.3**	**2,855.6**	**2,835.8**	**2,899.6**	**2,910.5**	**2,904.3**
Natural Resources and Mining	7.7	7.8	7.7	8.1	8.6	8.8
Logging	4.9	5.0	5.0	5.2	5.2	5.3
Construction	**195.1**	**191.0**	**187.6**	**196.1**	**200.5**	**205.1**
Construction of Buildings	51.6	51.0	50.3	52.0	52.4	53.3
Heavy and Civil Engineering	21.6	20.9	20.5	23.1	24.5	26.0
Specialty Trade Contractors	121.9	119.1	116.8	121.0	123.6	125.8
Manufacturing	**288.3**	**287.6**	**287.1**	**289.2**	**290.4**	**292.3**
Durable Goods	208.4	207.8	207.1	207.8	207.7	206.7
Wood Product Manufacturing	20.0	20.1	20.1	20.1	20.2	20.2
Fabricated Metal Products	19.0	18.8	18.9	19.2	19.2	19.2
Computer and Electronic Products	22.7	22.7	22.6	22.6	22.6	22.7
Transportation Equipment	91.0	90.6	90.2	90.2	89.5	88.6
Aerospace Products and Parts	77.5	77.2	76.8	76.4	75.9	75.1
Nondurable Goods	79.9	79.8	80.0	81.4	82.7	85.6
Food Manufacturing	32.1	32.0	32.5	33.0	34.1	36.6
Wholesale Trade	**127.5**	**126.5**	**125.9**	**127.7**	**128.3**	**128.7**
Retail Trade	**318.3**	**317.2**	**320.2**	**338.8**	**333.8**	**324.3**
Motor Vehicle and Parts Dealers	42.2	41.7	41.5	42.1	42.3	42.8
Food and Beverage Stores	59.6	59.5	58.9	60.5	60.5	60.2
Clothing and Clothing Accessories Stores	27.4	27.9	29.2	32.5	30.6	28.2
General Merchandise Stores	58.1	58.1	59.5	65.4	63.7	59.5
Transportation, Warehousing, and Utilities	**93.3**	**92.9**	**93.1**	**96.1**	**95.9**	**96.5**
Utilities	5.5	5.5	5.5	5.4	5.4	5.4
Transportation and Warehousing	87.8	87.4	87.6	90.7	90.5	91.1
Air Transportation	11.2	11.1	11.1	11.2	11.2	11.1
Water Transportation	3.3	3.3	3.3	3.3	3.0	3.3
Truck Transportation	24.9	24.8	24.7	25.3	25.4	25.6
Support Activities for Transportation	18.4	18.4	18.4	18.3	18.5	18.8
Support Activities for Water Transportation	5.8	5.8	5.9	5.8	5.8	5.9
Warehousing and Storage	10.3	10.3	10.4	10.7	10.5	10.5
Information	**102.8**	**102.9**	**102.0**	**102.4**	**102.3**	**102.0**
Software Publishers	47.7	47.5	47.2	47.4	47.2	47.3
Telecommunications	24.6	24.7	24.8	24.9	24.9	24.9
Financial Activities	**155.8**	**155.4**	**155.0**	**156.3**	**155.7**	**156.0**
Finance and Insurance	104.6	104.6	104.2	105.0	104.6	104.6
Credit Intermediation and Related Activities	55.4	55.4	55.1	55.6	55.0	55.0
Insurance Carriers and Related Activities	38.7	38.6	38.5	38.6	38.4	38.4
Real Estate and Rental Leasing	51.2	50.8	50.8	51.3	51.1	51.4
Professional and Business Services	**332.5**	**329.7**	**325.4**	**334.8**	**337.5**	**338.0**
Professional, Scientific, and Technical Services	150.7	150.7	149.0	150.4	149.5	148.9
Legal Services	20.9	20.9	20.8	20.9	20.8	20.6
Architectural, Engineering, and Related Services	34.3	34.1	33.7	34.2	34.2	34.1
Computer Systems Design and Related Services	26.1	25.8	25.5	25.7	25.6	25.5
Management of Companies and Enterprises	33.9	33.6	33.5	33.8	33.7	33.5
Admin., Suppt. Svcs., Waste Mgmt., Remediation	147.9	145.4	142.9	150.6	154.3	155.6
Employment Services	54.2	53.1	51.9	57.8	59.5	59.6
Education and Health Services	**345.1**	**343.2**	**339.7**	**343.3**	**343.9**	**342.4**
Educational Services	48.0	47.3	45.1	46.8	48.3	47.1
Hospitals	65.5	65.4	65.1	65.4	65.2	65.2
Nursing and Residential Care Facilities	55.0	54.9	54.8	55.4	55.2	55.1
Social Assistance	55.9	55.7	54.7	54.7	54.7	55.0
Leisure and Hospitality	**269.4**	**265.3**	**263.1**	**270.8**	**269.5**	**273.2**
Arts, Entertainment, and Recreation	43.3	43.3	42.4	43.8	43.1	44.5
Accommodation	226.1	222.0	220.7	227.0	226.4	228.7
Food Services and Drinking Places	196.6	193.3	192.4	197.6	196.9	198.3
Government	**535.1**	**532.6**	**526.3**	**531.8**	**540.2**	**532.7**
Federal	66.1	66.1	66.6	68.1	68.1	68.4
State	153.0	152.1	150.7	151.3	153.9	153.1
State Educational Services	85.3	84.6	83.0	83.9	86.6	86.0
Local	316.0	314.4	309.0	312.4	318.2	311.2
Local Educational Services	157.8	156.6	153.6	155.0	156.6	152.7
Workers in Labor-Management Disputes	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. 2/ Workers excluded because of involvement in labor-management dispute.

Prepared in cooperation with the Bureau of Labor Statistics/Haver Analytics

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closest to Washington (Texas, Idaho, Utah, and Oklahoma) share the same top four industries by employment.

In 2001, Oregon was still most similar to Washington's industry structure, Texas was second. Texas and Oregon changed places on the index in 2002. Texas moved closer to Washington's industry structure with an index of 0.035 while Oregon fell to 2nd place (0.036).

While Oregon steadily moves further away from Washington's industry structure, Texas, Idaho, Utah, and Oklahoma continue to move closer. Texas, however, has remained relatively consistent with Washington from 1990 through 2005.

Oklahoma's manufacturing sector falls directly in line with Washington as manufacturing represented 9.8 percent of employment for both states in 2005. Manufacturing employment in Oklahoma is similar to Washington's manufacturing employment, concentrated in aerospace.

States Least Similar to Washington Industry Employment Structure

District of Columbia, Nevada, Wyoming, and Alaska have remained relatively consistent in the composition of their industry structures over the last 15 years. These four states remained least similar to Washington's industry structure from 1990 through 2005.

The leisure and hospitality industry was a main contributor to significant differences in industry structures between Washington and many "least similar" states. For example, Nevada and Hawaii, known tourist spots, reported much higher employment shares (27.0 and 17.8 percent respectively) compared to Washington (9.5 percent). In 2005, Nevada reported just over 61 percent of leisure and hospitality employment was in casino hotels.

In 2005, significant differences were seen in retail trade between Washington (11.4 percent) and the District of Columbia (2.6 percent). District of Columbia reported 21.8 percent of employment in professional and business services compared to 11.4 for the state. Wyoming reported a minimal 6.6 percent for the same industry. Nevada and Wyoming differed mainly in education and healthcare employment shares (7.0 and 9.1 respectively) relative to Washington (11.9 percent).

Just like the rest of the nation, Washington has continually shifted its employment base from goods-producing to service-providing sectors. States least similar to Washington in 1990 remain least similar in 2005. Retail trade, professional and business services, and education and healthcare services contributed widely to both similarities and differences between industry structures of various states.

Washington Labor Market Quarterly Review

Published by the Labor Market and Economic Analysis Branch, Economic and Policy Analysis Unit

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