



# Washington Labor Market Quarterly Review

Volume 32, Number 1

January - March 2008

## INDICATORS

### UNEMPLOYMENT RATE

#### Washington

##### (Seasonally Adjusted)

January 2008	4.5%
February 2008	4.5%
March 2008 (prel)	4.9%

#### United States

##### (Seasonally Adjusted)

January 2008	4.9%
February 2008	4.8%
March 2008 (prel)	5.1%

### NONAGRICULTURAL EMPLOYMENT

#### Washington (Seasonally Adjusted)

##### (in thousands)

January 2008	2,964.5
February 2008	2,969.4
March 2008 (prel)	2,966.4

#### Percent Change (over the year)

January 2007-2008	2.3%
February 2007-2008	2.0%
March 2007-2008 (prel)	1.8%

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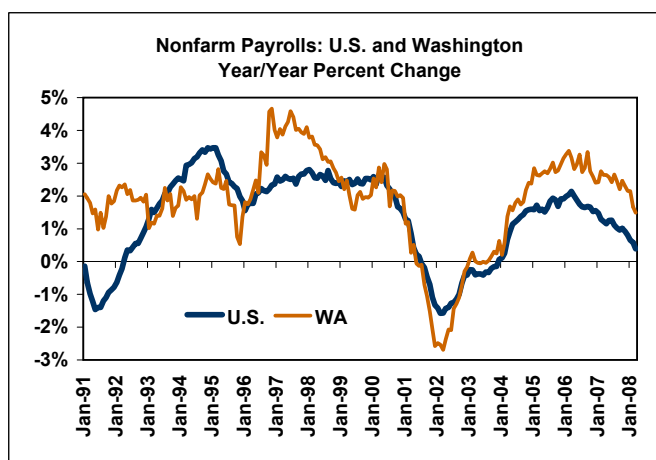
## Turning Points: Difficult to Choose

By Evelina Tainer, Ph.D., Chief Economist

When the stock market first tumbled last summer, it reflected the worries of financial market professionals, primarily in the banking and mortgage industry because poorly investigated subprime loans ultimately led to a high level of mortgage foreclosures. After several years of astronomical housing price appreciation, the housing market appeared to unravel as housing prices in many areas began to decline. Last summer, a few economists here and there might have mentioned the “r” word, but recession was not the consensus forecast among them. But, as 2007 drew to a close, more and more economists were getting on the recession bandwagon.

Not every state was, or is currently, affected equally by the housing market debacle, even though the national press discusses the housing market disarray all in one breath. Washington state is suffering from a declining home sales market as well as moderation in housing prices, but certainly not to the extent experienced in Florida and Nevada.

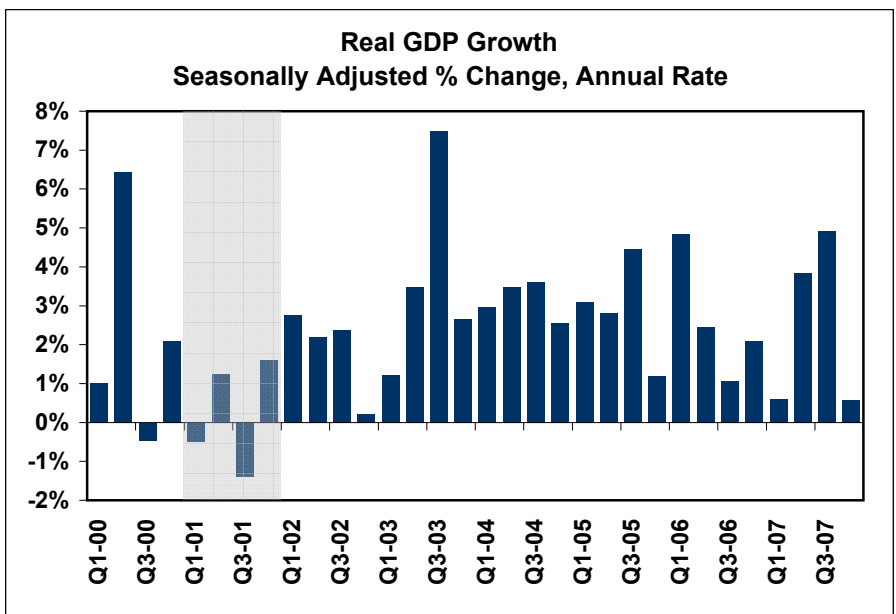
This article looks at key economic indicators that macro-economists must closely monitor to determine the overall health of the economy. It also covers some regional indicators that local area economists monitor to assess the health of local regional economies.



Source: U.S. Bureau of Labor Statistics / LMEA, ESD / Haver Analytics

A national recession generally reflects a broad-based downturn in economic activity. A recession tends to negatively impact all the states in the nation, but there is no question that some states have escaped recessions in the past. For instance, neither Washington state nor Idaho participated in the 1990-91 U.S. recession. Our neighbor to the north, Alaska, typically marches to its own tune, as does the state of Hawaii. In the past 40 years, several states have not participated in all the recessions and some have suffered deep downturns when the rest of the U.S. was expanding.

The National Bureau of Economic Research (NBER) is the official arbiter of recessions and determines when they begin and end. But since these are official, the Business Cycle Dating Committee of the NBER cannot predict a recession; they must use actual evidence that the economy has peaked, and that it has bottomed out. For instance, the 2001 recession began in March and ended in November. The NBER announced the March 2001 peak on November 26, 2001. They waited until July 17, 2003, almost two years later, to announce that the economy bottomed out in November 2001. The waiting period seems overly cautious, doesn't it? But in fact, given the fact that data are released with a lag – and even then can be revised as new information comes in – it is important to wait and see complete data to ensure that a one or two month rise in



Source: U.S. Bureau of Economic Analysis / Haver Analytics

economic indicators is not once again reversed.

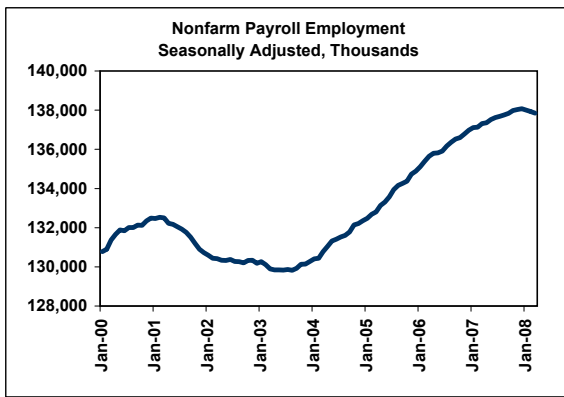
Everyone knows that a recession is determined by a two quarter drop in real GDP (Gross Domestic Product) growth, right? In fact, this rule of thumb was offered by economists whose livelihood depends on predicting economic conditions. But, in fact, it is not the definition used by the National Bureau of Economic Research. According to the NBER, they much prefer to determine recession dates by using *monthly* economic indicators and gross domestic product which is produced *quarterly*. Nonetheless, GDP is an important indicator to monitor and the Business Cycle Dating Committee does take it into account when deliberating on the state of the economy, even if it doesn't always tell the complete story. For instance, real GDP did not decline for two consecutive quarters in 2001. The NBER defines a recession as a significant decline in eco-

nomic activity spread across the economy, lasting more than a few months. They are able to more precisely date recessions by closely monitoring four indicators: real personal income excluding transfer payments, real business sales (manufacturing, retail, and wholesale trade), industrial production, and nonfarm payroll employment.

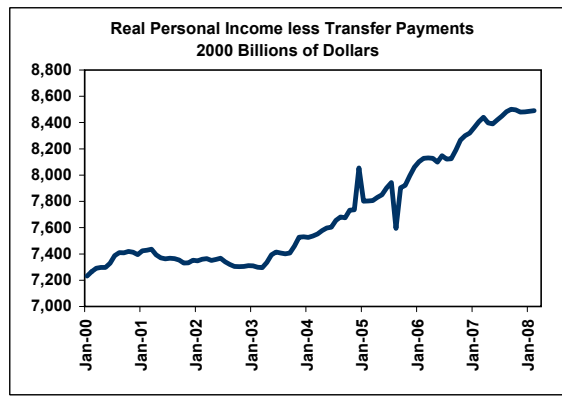
## Coincident Indicators for the Business Cycle

If the Business Cycle Dating Committee of the NBER were meeting today, they could certainly not declare a recession by GDP growth. Thus far, the last GDP growth figure available was for the fourth quarter, and it was a positive number. As noted before, this is one of the disadvantages of quarterly data. Let's move on to the monthly indicators.

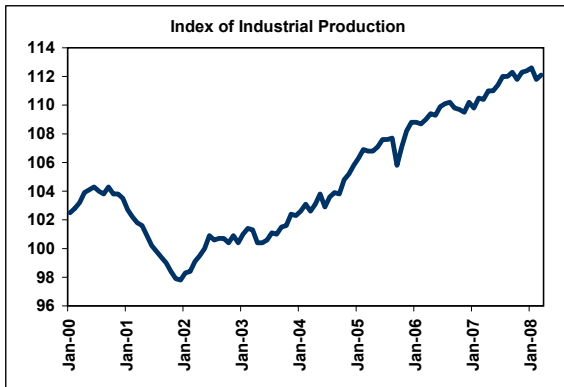
Employment figures are available through March 2008. In fact, the most recent report reveals that



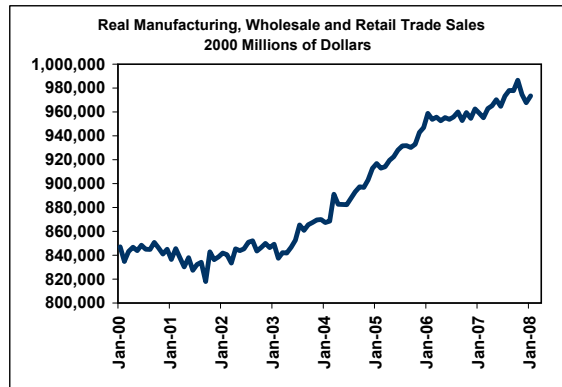
Source: U.S. Bureau of Labor Statistics / Haver Analytics



Source: U.S. Bureau of Economic Analysis / Haver Analytics



Source: Federal Reserve Board / Haver Analytics



Source: U.S. Census Bureau / Haver Analytics

nonfarm payroll employment peaked in December 2007 and has declined in each month of the first quarter of 2008. Taken alone, this indicator supports the view that an economic downturn has begun. However, if we look back to the 2001 recession, we will see that nonfarm payrolls declined in January and March of 2001 (not February) and the NBER still did not set the peak of the previous business cycle in December 2000. Remember, a business cycle is determined by more than one single indicator. Let's move on.

Industrial production figures are available through March 2008. Production has dipped now and again, and the highest level in this cycle was in January 2008. However, production rose in March, after dropping slightly in February. At this point, this

indicator would support a business cycle peak in January. In the last business cycle, industrial production peaked in November 2000, four months before the date chosen by the NBER.

Real personal income excluding transfer payments reached a peak level in September 2007 and then declined in October and November, but increased in December. Furthermore, January and February 2008 figures are also higher than the average for the fourth quarter. So, while we did see a peak month for income in 2007, it is more precise to say that this indicator is stagnant, rather than declining. In the previous business cycle, real personal income peaked in March 2001 and then declined for six of the subsequent seven months, bottoming out in October of that year. The personal income numbers do

not yet support a recession. Or put differently, we have not definitely seen a declining trend in personal income.

Finally, we come to manufacturing and trade sales. Real business sales peaked in October 2007 and declined in November and December. January 2008 sales, however, posted an increase, but have not regained the October peak. It is possible that Oc-

tober will turn out to have been the peak, but another month or two of data confirmation would be useful.

While it appears that the preponderance of these four indicators have peaked towards the end of 2007, it is not yet clear which month will turn out to be the official NBER peak. And all of these indicators are still in their preliminary stages. That is, monthly data are not yet final and the statistical agencies that compile these statistics are likely to revise them in the next few months. This explains why the NBER won't declare that the recession has officially begun until later this year. Remember, it is not their job to predict recession, just determine the months in which the business cycle peaks and bottoms out.

## GDP and Components for Economic Overview

As we monitor economic conditions, it is certainly worthwhile to consider other indicators than the four discussed above. Gross Domestic Product gets a lot of attention because it is comprehensive. It reveals information about all sectors of the economy from the consumer to business investment to foreign trade, and even government expenditures.

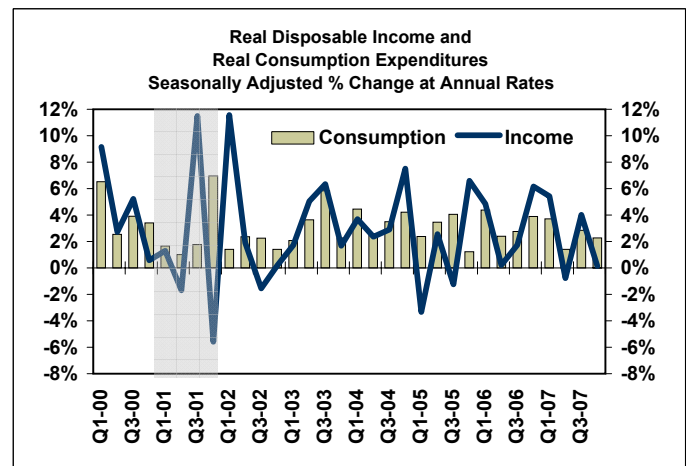
As mentioned above, real GDP did not decline for two consecutive quarters in 2001, during the recession. As the economy grew during the recovery and subsequent recession, note that the rate of growth was not uniform each and every quarter. Growth slowed particularly in 2006 and 2007. The consensus forecast among economists calls for real GDP growth to decline in the first half of 2008. The consensus also is looking for a moderate, not dramatic, decline in economic growth.

Not all sectors of the economy grow at the same pace at the same time. For instance, personal consumption expenditures, which account for roughly 70 percent of GDP, were weak during the 2001 recession and early recovery in 2002 and 2003. During the expansion (2004 and beyond), consumer spending grew at a healthy clip as consumers benefitted from gains in employment and earnings. In addition, the stock market accelerated, helping to boost consumer wealth from financial investments. Home prices

appreciated, boosting homeowners' wealth. Of course, as everyone knows, home prices stopped appreciating when the housing bubble popped. It is important to keep in mind that real estate is local, and not all hous-

ing markets in the U.S. turned down at the same time. But on a national basis, home prices generally began to decline in late 2006, early 2007. The rate of growth in consumer spending in 2007 was at its slowest pace since 2002 when the economy was first coming out of recession.

Even before housing prices began to decline on a national basis, real estate prices were already starting to fall in some areas of the country and there was no question that the rate of home price appreciation peaked in 2005 in many local areas. Housing starts peaked in January 2006 and headed straight down ever since. Consequently, growth in residential investment expenditures decreased at double digit rates in 2006 and 2007. Most forecasters expect residential investment spending to decrease in 2008 as well, but by a smaller magnitude. In March 2008, the level of housing starts was at its lowest level since early 1991. This suggests that homeowners are not likely to regain the wealth previously generated

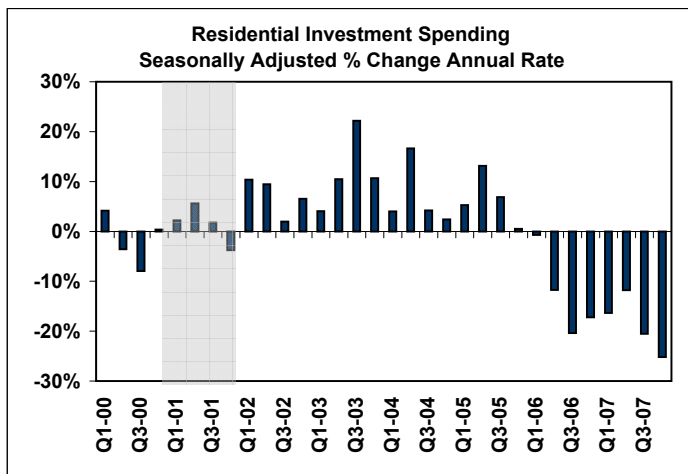


Source: U.S. Bureau of Economic Analysis / Haver Analytics

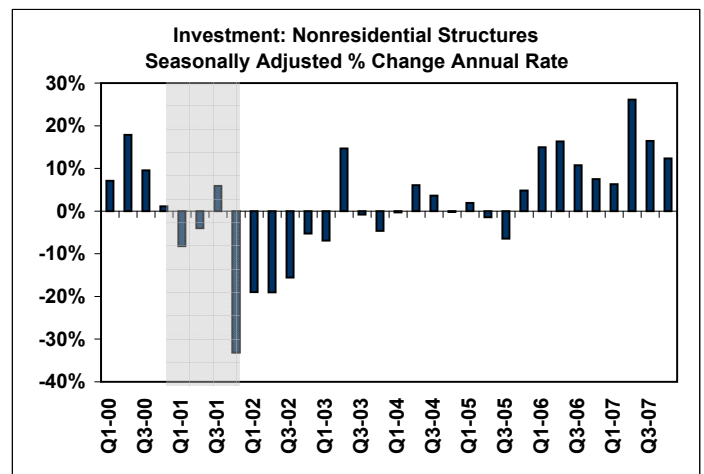
by home price appreciation any time soon. Consequently, wealth appreciation will not play a role in spurring consumer expenditures in the near term.

Investment in nonresidential structures was very sluggish following the 2001 recession, early in the recovery, and during the expansion when residential investment spending was strong. Just as the residential sector was turning down, non-residential investment spending began to grow at double digit rates in 2006 and 2007. This is not unusual behavior as the two often move in opposite directions. Investment in business structures depends on corporate cash flow rather than disposable income, although a low interest rate environment positively affects business investment as well. But low interest rates were not sufficient to boost this sector during the early part of the expansion. Investment spending on structures tends to follow long cycles where it is not unusual to see over-building occur before businesses realize that they indeed overbuilt





Source: U.S. Bureau of Economic Analysis / Haver Analytics



Source: U.S. Bureau of Economic Analysis / Haver Analytics

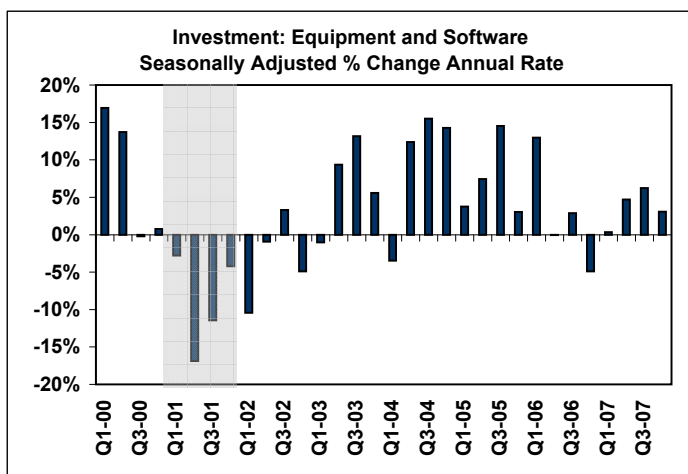
and are subsequently stuck with high vacancy rates. Interestingly enough, the previous peak level of nonresidential structures was reached in the fourth quarter of 2000. The level of nonresidential investment in the fourth quarter of 2007 is just a hairs' breadth away from that previous peak – which means that it took seven years for this sector to recover. An expansion begins when an old peak is surpassed.

Investment spending on software and equipment is also highly dependent on corporate cash flow. And of course, low interest rates encourage investment expenditures as well.

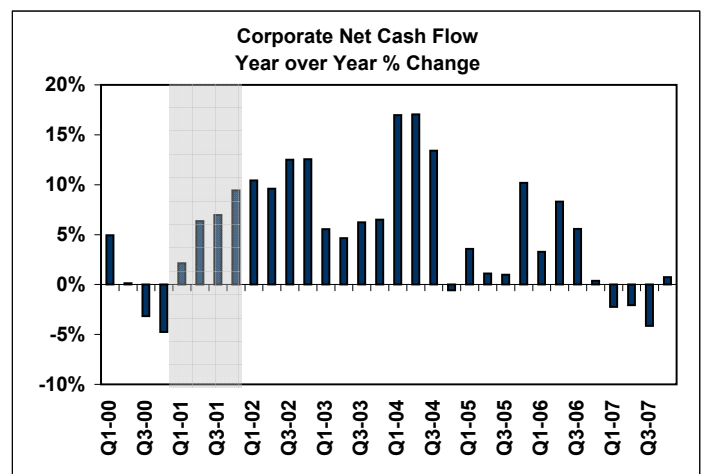
Notice that this segment of fixed business investment spending accelerated early in the economic recovery and only moderated in 2006 and 2007. Net cash flow moderated in 2006 and declined on a year-over-year basis in 2007. This explains the slower rate of investment spending on equipment and software. Weaker corporate profits, and therefore a reduction in net cash flow, would signal a reduction in the rate of investment spending overall (structures and equipment). Note the decline in yearly net cash flow in 2007.

Export growth has accelerated over the past few years as the

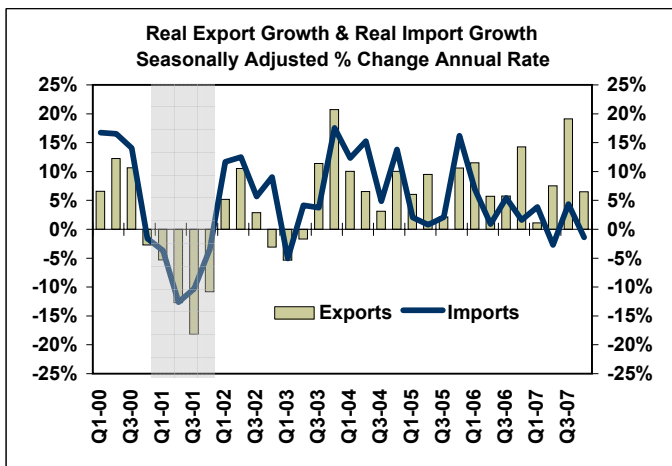
dollar weakened. At the same time, import growth has moderated significantly because imported goods and services have become increasingly more expensive as the dollar has become increasingly weaker. Despite the slower growth rate for imports and the more rapid growth for exports, the trade balance remains negative, although the gap is narrowing slightly. The total value of our import bill is about 41 percent higher than the value of U.S. exports. The U.S. would have a long way to go before the trade deficit could turn into a trade surplus and no one is predicting such an event within the



Source: U.S. Bureau of Economic Analysis / Haver Analytics



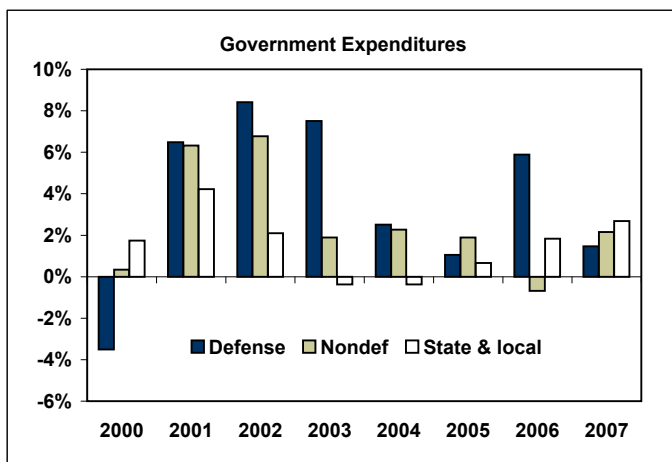
Source: U.S. Bureau of Economic Analysis / Haver Analytics



Source: U.S. Bureau of Economic Analysis / Haver Analytics

next several years. In any case, a narrowing trade deficit boosts GDP growth.

Government expenditures also impact GDP growth. The level of state and local government expenditures is almost twice as high as the level of federal government expenditures. Defense spending levels are about twice as high as nondefense expenditures. Defense spending tends to run in long cycles with increases (1960s, 1980s, and since 2000) and declines (1970s and 1990s), but nondefense spending has steadily increased in the past 40 years. Defense expenditures have increased sharply



Source: U.S. Bureau of Economic Analysis

since 9/11. Typically, state and local government spending will remain strong during a recession, but decline in the year or two following recession. This also happened in the latest cycle where expenditures rose in 2001

and 2002, but declined in 2003 and 2004 before starting to recover in 2005. A weak economy in 2008 will hurt state budgets, but it would not be a surprise to see state and local government spending post a gain during the year, followed by weaker spending in 2009 or 2010.

All in all, Gross Domestic Product has increased through the end of 2007. Among the components, residential investment spending was the weakest sector in 2006 and 2007. Given the continued declines in housing starts in early 2008, residential investment spending will probably decline for at least another

year. But the bulk of the decline has taken place. This sector will not contribute as much to GDP weakness in 2008 and 2009 as perhaps other sectors of the economy. For instance, consumer spending is likely to be sluggish,

even with the 2008 fiscal tax stimulus, because consumers will not be using their home equity as cash machines, as they did in the previous few years. Until the stock market is once again in its bull phase, it will not make consumers feel wealthy either. Net cash flow, dependent on corporate profits, will also act as a depressant on business fixed investment in 2008. These factors point to a recession in 2008, although not all economic indicators suggest that a recession has already begun.

## Looking to the 50 United States

National statistics are abundant: one can find some economic indicator released on any day of the week. Since economists and investors have a plethora of national economic indicators to assess the state of the economy, it is not surprising that state economic data are virtually ignored. Nonetheless, data are available for each of the fifty states. Just like all attention turns to the monthly employment situation every first Friday of the month, states monitor their own employment situation every month. In Washington, for instance, the monthly employment situation is usually released on the third Tuesday of each month. On the whole, state trends show a moderating rate of growth in employment since the middle of 2007. March nonfarm payrolls did decline for the first time since last July. But one month does not make a trend and does

not necessarily point to an immediate economic downturn in this state.

In March 2008, 27 states plus the District of Columbia recorded declines in nonfarm payrolls. The total decline from the states amounted to 48,700. The national payroll data revealed a drop of 80,000. In February, the sum of the declines in the states amounted to a modest 12,300 with 26 states declining. In contrast, the U.S. national payroll figures posted a drop of 76,000. In January, the sum of states figures shows an increase of 59,200 in nonfarm payrolls, a sharp contrast from the national data which posted a 76,000 drop for the month. It should be noted that the sum of states figures often fluctuates more than the national employment statistics. The sum of states employment data posted declines from time to time since 2004, whereas the national data did not.

Nonfarm payroll employment is just one indicator. The Federal Reserve Bank of Philadelphia publishes a coincident index of economic activity for the U.S. and 50 individual states. The

index includes four indicators: nonfarm payroll employment, the unemployment rate, average hours worked in manufacturing and wages and salaries. Coincident indicators move in lockstep with the economic business cycle. When the economy is growing, coincident indicators rise; when the economy is falling, coincident indicators decline. Therefore, one can look at the Philadelphia Fed's coincident index for each of the 50 states and consider whether these states are in recession or not.

Jason Novak, senior economic analyst at the Federal Reserve Bank of Philadelphia describes recent research he undertook in the April article: "Marking NBER Recessions with State Data." The article is available on the Philadelphia Fed's website. In sum, Novak suggests that the coincident indexes for the states can help determine when the U.S. economy falls into recession several months in advance of the official recession dates determined by the National Bureau of Economic Research.

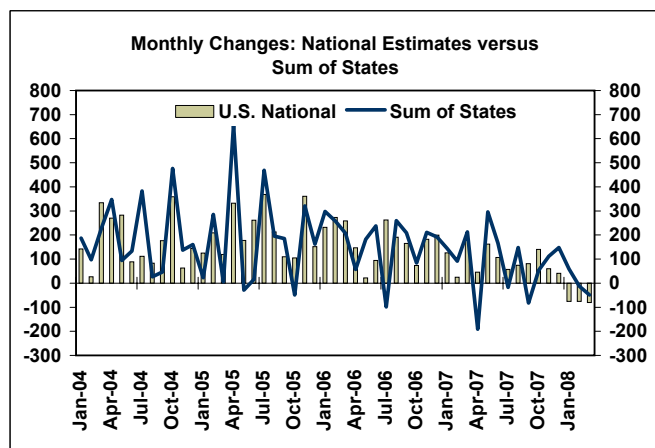
<http://www.philadelphiafed.org/files/resrap/2008/diffusion-index.pdf>

Novak begins with a very basic analysis: counting the states that have posted declines and increases over the month, and over a three-month period. He completed his research

before March 2008 data were available. As of February, seven state indexes had declined, 37 states had increased, and six states had recorded no growth over the one-month period. Looking at the three-month period, seven states posted declines while 43 states had increased.

Novak creates one-month and three-month diffusion indexes. Diffusion indexes calculate the percentage of state coincident indexes posting increases minus those posting declines. Consequently, +100 and -100 are the upper and lower bounds (when all states increase or all states decline). Either bound is an unusual occurrence. Since August 1979, the one-month diffusion index reached +100 only 4.7 percent of the time. It never reached -100. Its lowest level was -74 in January 1982. Looking at the three-month diffusion index, +100 was reached 10 percent of the time since October 1979. The lowest level (-68) was reached in January 1982.

The one-month and three-month diffusion indexes correlate strongly with the NBER recession dates. Novak notes that the one-month diffusion index was negative in six episodes between 1979 and 2007. Four of those episodes were during official recessions. Two episodes (November 2002 and February 2003) only lasted one month. The three month diffusion index had five negative episodes; all but the 2003 episode corresponding to NBER recession dates.



Source: U.S. Bureau of Labor Statistics / Haver Analytics

Novak concludes that the coincident indexes could give advance warning on the NBER dates, but stresses that the coincident indexes can also suffer from some of the same problems as the NBER faces: revised data. State employment figures are revised from one month to the next, just like the national employment figures. Furthermore, notes Novack, the coincident index suffers a drawback from

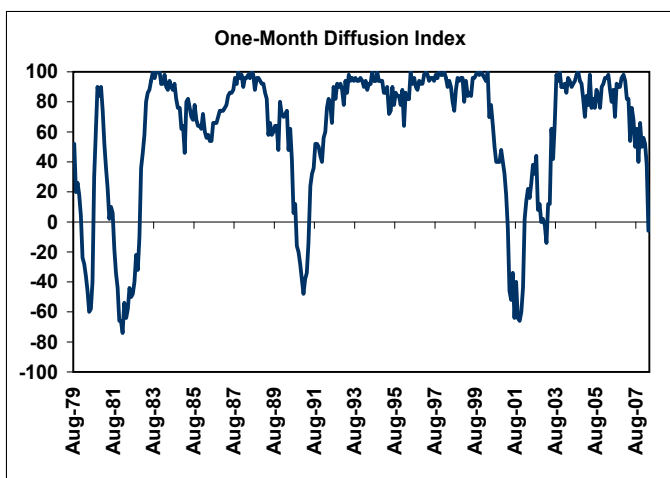
the modeling process. “The methodology is recursive, which means that when new information enters the model, previous index values can be modified to refine the path. While these revisions are often small, the most recent January BLS rebenchmark dramatically increased the level of the diffusion indexes in the fourth quarter. The December value was most affected. Pre-revision, the one-month diffu-

sion index was -6 percent, but by February, it had been revised to +56 percent; the three-month diffusion index was less affected but still showed a sizable revision from 42 to 74 percent.”

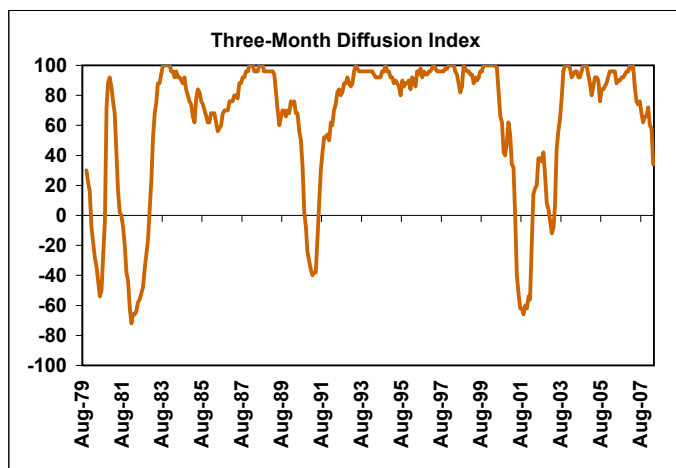
March figures for the coincident index became available between the time Novak published his article and we are publishing this one. First, it is interesting to note that conditions have changed somewhat dramatically between February and March. In Feb-

ruary, seven state indexes had posted declines, but in March, 22 state indexes posted declines. Furthermore, the revisions to the February data reveal that the one-month and three-month diffusion indexes were revised down. The one-month diffusion index was originally pegged at 60, but was lowered to 38. The three-month diffusion index was originally pegged at 72, but was reduced to 58 with the new revised employment figures. In March, a greater number of states posted declines. Consequently, the one-month diffusion index declined to -6 and the three-month diffusion index fell to 34.

Jason Novack’s research shows additional model testing to determine whether or not a statistical relationship exists between NBER recession dates and each diffusion index (one month and three months) separately. After all is said and done, he does conclude that the state coincident indexes help predict the NBER recession dates. His results support our view that a U.S. recession probably did not begin in 2007, but could turn out to have started around February or March. It is a good idea to keep up with the revisions to these coincident indexes as they are likely to be revised in upcoming months when state employment figures are revised.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia



# First Quarter Stats-At-A-Glance

## Average Unemployment Rates by County January, February, and March 2008

Washington State = 5.3%

United States = 5.3%

Not Seasonally Adjusted

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

(In Thousands)

	Jan. 2008 (Updated)	Feb. 2008 (Updated)	Mar. 2008 (Prel)
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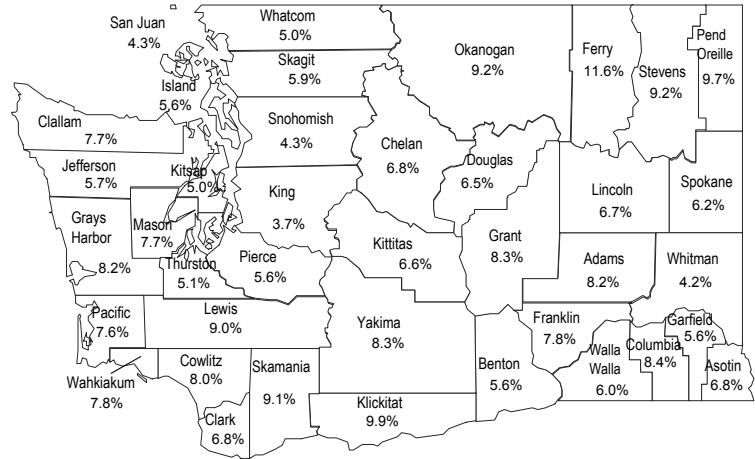
### Seasonally Adjusted Unemployment Rate:

Washington State	4.5%	4.5%	4.9%
United States	4.9%	4.8%	5.1%

### Washington State

#### Not Seasonally Adjusted:

Resident Civilian Labor Force	3,450.6	3,449.1	3,466.0
Employment	3,271.5	3,265.7	3,283.6
Unemployment	179.1	183.3	182.4



Washington State  
Employment Security Department  
Labor Market and Economic Analysis

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

Date: 4/30/08  
Benchmark: March 2007

	January 2008 Updated				February 2008 Updated				March 2008 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	3,450,600	3,271,500	179,100	5.2	3,449,100	3,265,700	183,300	5.3	3,466,000	3,283,600	182,400	5.3
Bellingham MSA	108,800	103,500	5,300	4.9	109,000	103,500	5,500	5.1	110,000	104,400	5,600	5.1
Bremerton MSA	124,600	118,800	5,900	4.7	124,100	117,900	6,200	5.0	125,200	118,600	6,600	5.3
Kennewick-Pasco-Richland MSA	118,400	110,700	7,800	6.6	118,700	111,300	7,400	6.2	120,100	113,300	6,800	5.7
Benton County 2/	86,753	81,662	5,091	5.9	87,138	82,186	4,952	5.7	88,230	83,620	4,610	5.2
Franklin County 2/	31,672	28,998	2,674	8.4	31,707	29,184	2,523	8.0	31,900	29,690	2,200	6.9
Longview MSA (Cowlitz)	44,515	40,998	3,517	7.9	44,574	40,955	3,619	8.1	44,570	40,970	3,600	8.1
Mt. Vernon-Anacortes MSA (Skagit)	58,742	55,386	3,356	5.7	58,812	55,274	3,538	6.0	59,450	55,950	3,500	5.9
Olympia MSA	131,444	124,948	6,496	4.9	131,147	124,382	6,765	5.2	132,810	125,760	7,100	5.3
Seattle-Bellevue-Everett MD*	1,459,700	1,404,500	55,200	3.8	1,456,100	1,400,100	56,000	3.8	1,453,600	1,398,500	55,100	3.8
King County 2/	1,086,222	1,046,837	39,385	3.6	1,083,941	1,043,733	40,208	3.7	1,081,560	1,042,330	39,230	3.6
Snohomish County 2/	373,525	357,678	15,847	4.2	373,028	356,618	16,410	4.4	372,030	356,140	15,890	4.3
Spokane MSA	237,827	223,516	14,311	6.0	238,419	223,152	15,267	6.4	239,240	224,630	14,600	6.1
Tacoma Metropolitan Division	397,181	376,128	21,053	5.3	396,379	374,056	22,323	5.6	399,410	375,940	23,500	5.9
Wenatchee MSA	57,800	53,800	4,000	7.0	58,600	54,600	4,000	6.8	59,500	55,800	3,700	6.2
Chelan County 2/	38,272	35,603	2,669	7.0	38,998	36,262	2,736	7.0	39,450	36,940	2,510	6.4
Douglas County 2/	19,551	18,194	1,357	6.9	19,866	18,530	1,336	6.7	20,050	18,880	1,170	5.8
Yakima MSA	116,992	106,816	10,176	8.7	118,744	108,822	9,922	8.4	119,750	110,510	9,240	7.7
Aberdeen MSA (Grays Harbor)	31,886	29,243	2,643	8.3	31,514	28,952	2,562	8.1	31,850	29,260	2,590	8.1
Centralia MSA (Lewis)	31,474	28,689	2,785	8.8	31,737	28,667	3,070	9.7	31,670	28,980	2,690	8.5
Ellensburg MSA (Kittitas)	20,823	19,485	1,338	6.4	21,060	19,606	1,454	6.9	21,360	19,950	1,410	6.6
Moses Lake MSA (Grant)	38,360	34,981	3,379	8.8	39,183	35,801	3,382	8.6	39,740	36,780	2,950	7.4
Oak Harbor MSA (Island County)	33,396	31,530	1,866	5.6	33,284	31,404	1,880	5.6	33,620	31,700	1,920	5.7
Port Angeles MSA (Clallam)	30,342	28,093	2,249	7.4	30,417	27,970	2,447	8.0	30,730	28,370	2,370	7.7
PulMSAn MSA (Whitman)	20,782	19,938	844	4.1	21,166	20,276	890	4.2	21,220	20,330	890	4.2
Shelton MSA (Mason)	25,248	23,556	1,692	6.7	25,475	23,408	2,067	8.1	25,770	23,680	2,100	8.1
Walla Walla MSA (Walla Walla)	28,564	26,808	1,756	6.1	28,764	26,975	1,789	6.2	29,640	27,960	1,680	5.7
Adams	7,533	6,837	696	9.2	7,584	6,887	697	9.2	7,650	7,170	480	6.2
Asotin 2/	10,773	10,077	696	6.5	10,493	9,749	744	7.1	10,620	9,890	730	6.9
Clark 2/	215,397	201,232	14,165	6.6	214,554	199,820	14,734	6.9	216,310	201,450	14,860	6.9
Columbia	1,489	1,368	121	8.1	1,488	1,363	125	8.4	1,510	1,390	130	8.3
Ferry	2,997	2,685	312	10.4	3,001	2,649	352	11.7	3,020	2,640	380	12.7
Garfield	948	897	51	5.4	970	910	60	6.2	980	920	50	5.4
Jefferson	13,794	13,065	729	5.3	13,825	13,021	804	5.8	13,990	13,160	830	5.9
Klickitat	9,248	8,347	901	9.7	9,636	8,684	952	9.9	9,770	8,780	980	10.1
Lincoln	4,588	4,271	317	6.9	4,613	4,292	321	7.0	4,730	4,420	300	6.4
Okanogan	18,242	16,512	1,730	9.5	18,445	16,721	1,724	9.3	19,160	17,500	1,670	8.7
Pacific	9,334	8,647	687	7.4	9,217	8,527	690	7.5	9,320	8,580	730	7.9
Pend Oreille	5,412	4,904	508	9.4	5,419	4,892	527	9.7	5,440	4,900	540	9.9
San Juan	7,845	7,505	340	4.3	7,891	7,549	342	4.3	8,070	7,720	350	4.3
Skamania 2/	5,374	4,896	478	8.9	5,372	4,862	510	9.5	5,380	4,900	480	8.9
Stevens	18,912	17,296	1,616	8.5	18,872	17,135	1,737	9.2	19,210	17,300	1,910	9.9
Wahkiakum	1,699	1,557	142	8.4	1,659	1,535	124	7.5	1,690	1,560	130	7.6

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 2007

In Thousands

Industry	Mar. 2008 (Prel)	Feb. 2008 (Rev)	Jan. 2008 (Rev)	Dec. 2007 (Rev)	Nov. 2007 (Rev)	Oct. 2007 (Rev)
<b>Total Nonfarm</b>	<b>2,957,400</b>	<b>2,960,600</b>	<b>2,959,300</b>	<b>2,953,200</b>	<b>2,950,200</b>	<b>2,946,800</b>
Natural Resources and Mining	8,200	8,200	8,200	8,000	8,000	8,100
Logging	5,000	4,900	4,900	4,900	4,900	5,000
<b>Construction</b>	<b>205,700</b>	<b>206,200</b>	<b>206,300</b>	<b>206,900</b>	<b>207,800</b>	<b>207,900</b>
Construction of Buildings	53,600	53,400	53,300	53,600	53,500	53,600
Heavy and Civil Engineering	22,400	22,500	22,900	23,200	23,600	23,800
Speciality Trade Contractors	129,700	130,300	130,100	130,100	130,700	130,500
<b>Manufacturing</b>	<b>297,000</b>	<b>297,200</b>	<b>297,500</b>	<b>296,600</b>	<b>296,000</b>	<b>295,200</b>
Durable Goods	216,400	216,200	216,200	215,200	214,300	213,600
Wood Product Manufacturing	18,700	18,700	18,800	18,700	18,700	18,800
Fabricated Metal Product Manufacturing	20,700	20,700	20,600	20,600	20,600	20,500
Computer and Electronic Product Manufacturing	22,800	22,900	22,800	22,900	22,900	23,000
Transportation Equipment Manufacturing	97,500	97,300	97,100	96,400	95,800	94,900
Aerospace Product and Parts Manufacturing	84,400	84,000	83,900	83,000	82,600	81,900
Non Durable Goods	80,600	81,000	81,300	81,400	81,700	81,600
Food Manufacturing	34,000	34,100	34,500	34,200	34,400	34,300
<b>Wholesale Trade</b>	<b>130,200</b>	<b>130,200</b>	<b>130,900</b>	<b>130,000</b>	<b>129,300</b>	<b>129,200</b>
<b>Retail Trade</b>	<b>329,500</b>	<b>329,000</b>	<b>329,000</b>	<b>328,800</b>	<b>329,100</b>	<b>329,200</b>
Motor Vehicle and Parts Dealers	43,100	43,100	43,200	43,200	43,200	43,100
Food and Beverage Stores	61,500	61,600	61,500	61,000	61,000	60,800
Clothing and Clothing Accessories Stores	31,100	30,600	30,200	30,800	30,900	30,600
General Merchandise Stores	61,600	61,000	60,500	60,300	60,400	61,000
<b>Transportation, Warehousing and Utilities</b>	<b>95,900</b>	<b>96,600</b>	<b>96,900</b>	<b>96,400</b>	<b>97,800</b>	<b>96,000</b>
Utilities	4,700	4,600	4,700	4,700	4,700	4,700
Transportation and Warehousing	91,200	92,000	92,200	91,700	93,100	91,300
Air Transportation	10,800	10,700	10,700	10,700	10,800	10,700
Water Transportation	3,400	3,400	3,400	3,400	3,400	3,500
Truck Transportation	24,900	25,100	25,400	25,300	25,200	25,300
Support Activities for Transportation	18,400	18,700	18,500	18,500	18,600	18,600
Support Activities for Water Transportation	5,600	5,800	5,600	5,600	5,900	6,000
Warehousing and Storage	11,000	11,200	11,200	11,100	11,200	11,200
<b>Information</b>	<b>103,900</b>	<b>103,500</b>	<b>103,200</b>	<b>103,700</b>	<b>103,500</b>	<b>103,400</b>
Software Publishers	49,300	48,900	48,600	48,300	48,100	48,100
Telecommunications	26,100	26,300	26,300	26,300	26,100	26,100
<b>Financial Activities</b>	<b>153,700</b>	<b>154,000</b>	<b>154,200</b>	<b>154,000</b>	<b>154,100</b>	<b>154,200</b>
Finance and Insurance	102,200	102,400	102,500	102,300	102,500	102,700
Credit Intermediation and Related Activities	52,300	52,300	52,400	52,200	52,400	52,400
Insurance Carriers and Related Activities	38,400	38,600	38,500	38,400	38,500	38,500
Real Estate and Rental Leasing	51,500	51,600	51,700	51,700	51,600	51,500
<b>Professional and Business Services</b>	<b>350,000</b>	<b>350,300</b>	<b>350,400</b>	<b>349,500</b>	<b>347,100</b>	<b>346,100</b>
Professional, Scientific and Technical Services	159,000	159,600	159,500	158,700	159,300	159,000
Legal Services	20,600	20,700	20,700	20,700	20,700	20,700
Architectural and Engineering Services	37,000	37,000	36,900	36,800	36,900	36,900
Computer Systems Design and Related Services	30,900	30,900	30,600	30,400	30,200	30,200
Management of Companies and Enterprises	34,200	34,300	34,200	34,900	34,700	34,400
Admin and Support and Waste Management and Remediation	156,800	156,400	156,700	155,900	153,100	152,700
Employment Services	59,200	58,800	58,600	58,400	56,600	57,200
<b>Education and Health Services</b>	<b>353,800</b>	<b>354,100</b>	<b>353,500</b>	<b>352,600</b>	<b>351,900</b>	<b>350,900</b>
Education Services	46,000	46,200	46,900	46,700	46,500	46,300
Hospitals	68,500	68,400	68,000	67,700	67,600	67,200
Nursing and Residential Care Facilities	56,300	56,400	56,200	56,100	56,300	55,900
Social Assistance	58,400	58,400	57,900	57,800	57,800	58,100
<b>Leisure and Hospitality</b>	<b>286,000</b>	<b>287,200</b>	<b>285,600</b>	<b>284,100</b>	<b>282,900</b>	<b>283,800</b>
Arts, Entertainment and Recreation	48,000	48,200	48,100	47,200	47,100	47,800
Accommodation	31,700	31,600	31,600	31,800	31,600	31,900
Food Services and Drinking Places	206,300	207,400	205,900	205,100	204,200	204,100
<b>Government</b>	<b>537,700</b>	<b>538,100</b>	<b>537,400</b>	<b>537,200</b>	<b>537,200</b>	<b>537,000</b>
Federal Government	67,200	67,200	67,100	67,500	67,500	68,100
Total State Government	149,000	149,300	149,400	149,600	149,900	150,200
State Government Educational Services	80,700	80,500	80,500	81,600	82,100	82,000
Total Local Government	321,500	321,600	320,900	320,100	319,800	318,700
Local Government Educational Services	151,900	151,300	152,300	152,600	152,300	152,200
<b>Workers in Labor-Management Disputes</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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.

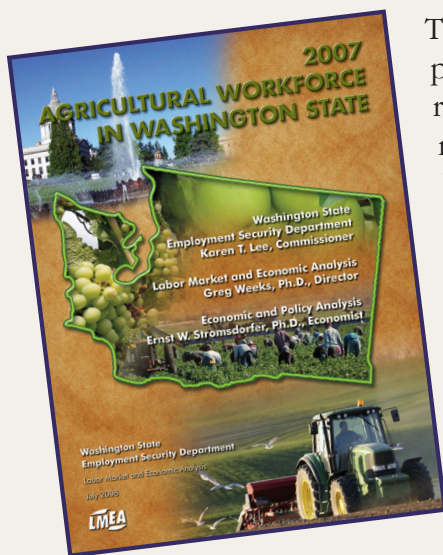
2/ Workers excluded because of involvement in labor-management dispute.

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 2007) and estimates employment from that point to present.

# Coming Soon

## 2007 Agricultural Workforce in Washington State



The Employment Security Department collects data on agricultural employment, wage rates, and earnings to assist Washington's agricultural industry in the recruitment of farm workers and in industry management. Over the seasons, it is important to estimate the number of workers needed across the agricultural regions of the state. Reliable estimates of the wage rates paid to these workers for different jobs are crucial. Also, it

is important to understand how the industry evolves and responds to economic and weather challenges yearly and over time.

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- State of the Agricultural Economy in Washington;
- Employment, Hours Worked, and Average Annual Earnings;
- Average Hourly Wage Rates and the Question of a Structural Shortage of Agricultural Labor;
- Employment, Unemployment, Job Vacancies, and the Insured Unemployed; and more.

Look for the full report in July 2008 at:

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