



Washington Labor Market Quarterly Review

Volume 33, Number 2

April - June 2009

INDICATORS

UNEMPLOYMENT RATE

Washington

(Seasonally Adjusted)

April 2009	9.0%
May 2009	9.1%
June 2009 (prel)	9.3%

United States

(Seasonally Adjusted)

April 2009	8.9%
May 2009	9.4%
June 2009 (prel)	9.5%

NONAGRICULTURAL EMPLOYMENT

Washington (Seasonally Adjusted)

(in thousands)

April 2009	2,861.2
May 2009	2,855.6
June 2009 (prel)	2,845.1

Percent Change (over the year)

April 2008-2009	-3.7%
May 2008-2009	-3.9%
June 2008-2009 (prel)	-4.0%

IN THIS ISSUE

**AN ANALYSIS OF FOURTH
QUARTER 2008 AND MUSINGS
UPON THE FUTURE** 1

BIRTHS 3

EXPANSIONS 3

**CONTRACTIONS AND
CLOSURES** 4

INDIVIDUAL HIRING 4

FTE EMPLOYMENT 5

WHAT'S NEXT? 6

STATS-AT-A-GLANCE 9

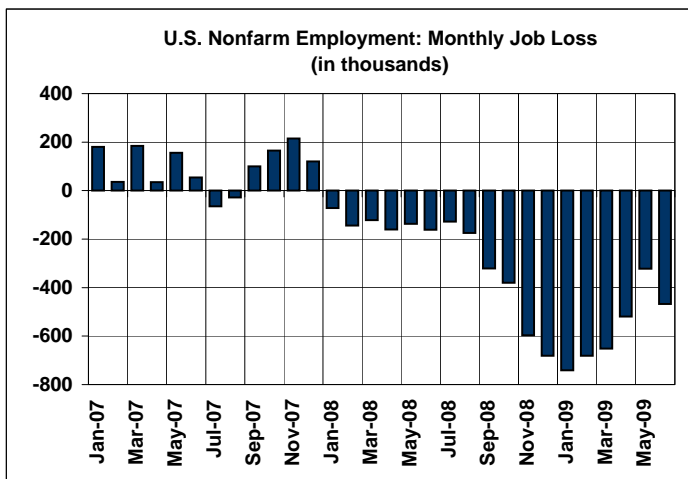
ABOUT LMEA 11

A Look Back at When Cliff-Diving Began¹: An Analysis of Fourth Quarter 2008 and Musings upon the Future

By Scott Bailey, Regional Economist

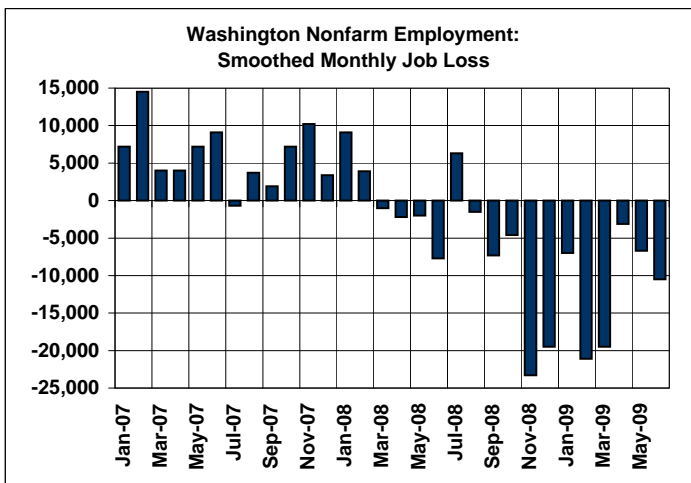
In the midst of a recession, especially one as deep as the current one, our tendency is to reduce the labor market to one dimension: a big flashing arrow pointed down. In truth, the labor market is much more complex. This article presents disaggregated data from the fourth quarter of 2008 to shed light on the dynamics of the downturn, and closes with a brief look ahead on the prospects for recovery.

The current recession officially started in December of 2007. That's when four indicators – industrial production; manufacturing, wholesale and retail sales; personal income (excluding transfer payments); and nonfarm employment – were judged to have turned the corner and headed downward. For most Americans, however, the economic indicator of singular importance is employment. For much of 2008, unemployment increased and employed decreased, but at a fairly sedate pace. It was only in September and then into the fourth quarter of 2008 that



Source: Bureau of Labor Statistics

¹ "Cliff-diving" describes the graphical presentation of many economic variables as the bubble burst. The phrase is commonly used on the blog *Calculated Risk*, which does an excellent job of presenting economic and housing data (www.calculatedriskblog.com/).



Source: Employment Security Department, LMEA

the proverbial chickens hit the fan. In the last three months of 2008, the U.S. lost 1.7 million jobs, compared with 1.6 million in the first nine months. Job losses in the first three quarters were heavily concentrated in four sectors: construction, manufacturing, retail trade, and employment services (mostly temporary help), which together accounted for 92.0 percent of the job loss. In the last quarter, job losses were somewhat more diversified, with the four sectors still contributing 70.0 percent of the cuts.

In Washington, nonfarm employment peaked two months after the U.S. in February of 2008. The same four industries accounted for the bulk of job losses from February through September. Unlike the nation, some other industries were still in a growth mode, notably information (due to software) and professional services (due to computer systems design). So, from February to September, the big four – construction, manufacturing, retail trade, and employment services – trimmed 26,000 from their payrolls, while other indus-

tries added a net 7,500 jobs.

Like the nation, the labor market took a turn for the worse in the fourth quarter. In the last three months of the year, employment dropped by over 44,000

jobs (on a seasonally-adjusted basis), compared to 18,500 in the first seven months of the downturn. The big four industries accounted for three-fourths of the net job loss.

So while there were some differences in the initial timing of the recession between the state and the nation, the end results are strikingly similar. Let's take a closer look at the fourth quarter 2008 in Washington, looking at data not adjusted for seasonality. Instead we'll compare that quarter with the same quarter in 2007, when (seasonally adjusted) employment was peaking. The data are not exactly comparable with nonfarm employment, because agriculture is included and non-covered employment, such as railroads and some religious organizations, is not.

From one quarter to the next, any one of five things can happen to an employer: it can be "born," it can increase its employment, it can "die," it can

lower its employment, or it can hold steady at its current job count. *Table 1* shows employment changes in the two quarters disaggregated at the employer level.² The following discussion focuses on private sector employment, excluding private household employers (NAICS 814).

- About 45 percent of firms in each quarter had no change in employment.
- The number of new employers dropped sharply in the fourth quarter of 2008 compared with 2007, but the impact of the decline was small, only about 1,900 jobs.
- Expansions fell off as well, with almost 26,000 fewer jobs created.
- Conversely, the number and impact of firms contracting or dying was larger in the fourth quarter of 2008 by almost 43,000 jobs.

It's too early to tell how many employer closures there were in the last quarter of 2008, because while over 9,000 firms contracted down to zero, some are merely hibernating, waiting for spring to hire again. In fourth quarter 2007, barely a third of the 7,200 employers ending the quarter with no employees were down for the count. It's a good working hypothesis that the number and impact of closures was higher in 2008, however.

² All data has been adjusted for "predecessor-successor" relationships. In the employer database, a false closure and expansion will be generated if Joe's Diner changes ownership, if its account is closed and a new account is opened. The overlap of employees between the two accounts, along with identifiers like name, address, and industry, were used to identify and adjust for false expansions and closures.

Table 1. Employment Change by Births, Expansions, Contractions, and Closures
Washington State, 4th Quarter 2007 vs. 4th Quarter 2008
Source: Employment Security Department/LMEA

	Sept. to Dec. 2007		Sept. to Dec. 2008		2007 to 2008
	# Firms	Employment Change	# Firms	Employment Change	Employment Difference
Births and Expansions	37,306	143,855	30,503	116,316	-27,539
Births	3,375	9,251	2,516	7,384	-1,867
Expansions	33,931	134,604	27,987	108,932	-25,672
Contractions and Closures	43,324	-197,042	48,357	-239,951	-42,909
Contractions	40,475	-188,787	NYA	NYA	NYA
Closures	2,849	-8,255	NYA	NYA	NYA
No Change	64,069	0	65,216	0	0
Total	144,699	-53,187	144,076	-123,635	-70,448

Table 2. New Employers
Washington State, 4th Quarter 2007 vs. 4th Quarter 2008
Source: Employment Security Department/LMEA

	2007 Q4		2008 Q4	
	Number of Births	December Employment	Number of Births	December Employment
All Industries	3,375	9,271	2,516	7,384
Accommodations and Food Services	345	2,363	310	2,471
Construction	594	1,497	337	702
Professional Services	480	824	398	647
Retail Trade	279	796	223	670
Business Services	239	602	169	421
All Other Industries	1,438	3,189	1,079	2,473



In the midst of a severe recession, even the hard-hit construction industry was filling new positions.

Births

In the fourth quarter of 2007, there were 3,375 new employers, which collectively employed over 9,000 in December. A year later, two of those had been absorbed by other firms, and over 500 were no longer employers. Total employment of the survivors was only 200 more than the previous December – still a better growth rate than the overall economy. The industries that generated the most births are shown in *Table 2*.

A year later, the number of new employers was 25 percent lower, while the number of jobs generated immediately by births fell 20 percent. While employment

in new lodging and restaurant establishments increased, most other industries experienced a substantial falloff.

Expansions

A more significant contributor to the fourth quarter 2008 downturn was the drop in both the number of firms that expanded, and the number of jobs added through expansions. A year earlier, 23.0 percent of firms were adding staff, while in 2008 only 19.0 percent were doing so. The number of jobs added through expansions in fourth quarter 2008 – almost 109,000 – was 19.0 percent below the 2007 comparable figure.

Virtually every sector was affected; health care and agriculture were the lone positives. Percentage declines were highest for finance and insurance, manufacturing, recreation services, construction, wholesale trade, and retail trade. There were fewer expansions across the spectrum from the smallest employers to the largest. However, employers with fewer than 20 employees were impacted slightly less than those with 50 to 1,000 jobs. The largest employers generated only 8.0 percent fewer jobs through expansions.

A subset of expansions is the opening of new branches/stores by multi-establishment employ-

Table 3. Firms that Expanded
Washington State, 4th Quarter 2007 vs. 4th Quarter 2008
Source: Employment Security Department/LMEA

	2007 Q4		2008 Q4		2007 to 2008
	# Firms Expanding	Sept. - Dec. Job Gain	# Firms Expanding	Sept. - Dec. Job Gain	% Change in Job Creation
<i>By Industry</i>					
Total	33,931	134,604	27,987	108,932	-19%
Retail Trade	3,747	28,112	2,979	21,733	-23%
Construction	5,343	15,548	3,938	11,541	-26%
Accommodations and Food Services	3,244	11,550	2,564	8,756	-24%
Health Care and Social Assistance	3,544	11,283	3,456	11,893	5%
Professional Services	3,456	10,460	3,044	8,293	-21%
Manufacturing	2,048	9,500	1,416	6,359	-33%
All Other Industries	12,549	48,151	10,590	40,357	-16%
<i>By Size of Firm, September</i>					
0	4,452	11,198	3,739	9,105	-19%
1-4	11,010	20,095	9,507	17,027	-15%
5-9	6,796	14,189	5,598	11,871	-16%
10-19	4,882	13,761	3,883	11,273	-18%
20-49	3,742	15,989	2,914	12,532	-22%
50-99	1,492	13,139	1,114	9,517	-28%
100-249	987	12,929	767	10,097	-22%
250-499	318	8,634	257	6,203	-28%
500-999	154	7,601	122	5,549	-27%
1,000+	98	17,069	86	15,758	-8%

ers. There were 452 of these in fourth quarter 2007, creating almost 4,600 jobs. While the numbers of new branches/stores were down quite a bit in 2008 – only 332 – more than 4,300 jobs resulted, only about 5 percent down from the year before.

What's interesting is that even in the midst of a severe recession there were still thousands of employers who were filling new positions, even in such hard-hit industries as construction, even in the fourth quarter of the year (*Table 3*).

Contractions & Closures

While fewer expansions had an important role in the downturn, job cuts were the most important factor, causing 60.0 percent

of the total loss. The number of firms trimming their payrolls in fourth quarter 2008 was 12.0 percent higher than in fourth quarter 2007, and the total number of jobs which disappeared was up 22.0 percent.

Business services and manufacturing were especially hard hit, each with more than 40.0 percent more pink slips in 2008. Within business services, employment services cuts were 66.0 percent higher.

While firms of all sizes were slashing payrolls, the cuts were proportionately higher for larger firms. In contrast with expansions – the biggest firms were only marginally lower in job creation in fourth quarter 2008 than the previous year – the number of jobs destroyed was

43.0 percent higher in 2008 than in 2007. Even then, the losses at the largest firms were numerically smaller than the losses at firms in most of the smaller size classes. Employers with less than five employees in September 2008 had cut over 24,000 jobs by December, versus less than 21,000 for employers with 1,000 or more staff (*Table 4*).

Individual Hiring

The temptation, when the labor market goes south, is to focus on the headline numbers – rising unemployment and monthly job losses. As we've seen, even in a tough quarter with large net job losses, there are still thousands of employers that are expanding. If we go even deeper, down to the level of the individual worker, the numbers are

Table 4. Firms that Lost Employment
 Washington State, 4th Quarter 2007 vs. 4th Quarter 2008
 Source: Employment Security Department/LMEA

	2007 Q4		2008 Q4		2007 to 2008
	# Firms Contracting	Sept. - Dec. Job Loss	# Firms Contracting	Sept. - Dec. Job Loss	% Change in Job Loss
<i>By Industry</i>					
Total	43,324	-197,042	48,357	-239,951	22%
Construction	8,561	-29,691	9,499	-36,947	24%
Accommodations and Food Services	5,142	-20,427	5,739	-25,750	26%
Business Services	2,905	-14,639	3,324	-20,924	43%
Manufacturing	2,287	-14,488	2,863	-20,594	42%
Retail Trade	4,163	-12,306	4,541	-16,492	34%
Recreation Services	880	-11,101	947	-12,618	14%
All Other Industries	19,386	-94,390	21,444	-106,626	13%
<i>By Size of Firm, September</i>					
1-4	15,495	-21,306	17,319	-24,498	15%
5-9	10,390	-23,389	11,593	-26,069	11%
10-19	7,897	-27,833	8,818	-31,553	13%
20-49	5,664	-37,083	6,418	-43,239	17%
50-99	1,918	-24,827	2,243	-29,326	18%
100-249	1,121	-23,544	1,336	-30,916	31%
250-499	278	-12,438	368	-18,058	45%
500-999	131	-12,166	161	-15,680	29%
1,000+	74	-14,456	100	-20,616	43%

even larger. In the fourth quarter of 2008, businesses hired over 440,000 workers, and state and local government agencies nearly 50,000. While these numbers are below fourth quarter 2007, when private businesses hired nearly 530,000 workers, they are still substantial.

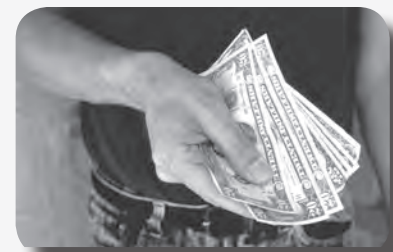
On the other hand, there were about 710,000 jobs that ended in third quarter 2008 and didn't continue into the fourth quarter. While this was slightly lower than a year earlier, it was more than offset by the drop in hiring in fourth quarter 2008. Separations data for that quarter are not yet available.

FTE Employment

A hallmark of many recessions, and the current one in particular,

is the furlough. Many employees have had their workweek cut – sometimes as a precursor to the job being eliminated later on. Nationally this phenomenon is evident in two statistics. The average work week is now 32.1 hours, the lowest since this measure first appeared in 1964. Second, the number of workers who desire full-time work but are working part time (due to either their hours being cut or the lack of availability of full-time jobs) has soared. The measure of labor underutilization which folds in these part-time workers with discouraged workers and the unemployed, known as “U-6,” is also at an all-time high, topping 16.0 percent.

One would expect, then, that hours worked would be declining faster than job counts. This

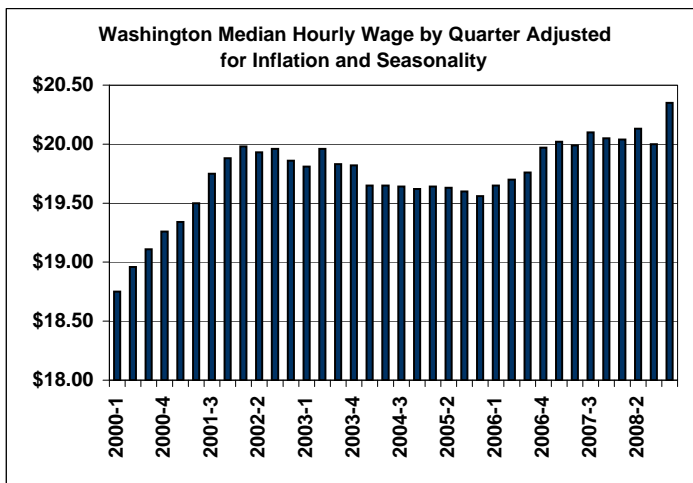


At the national level, hourly wages have been declining as higher-wage jobs have disappeared and unemployment has declined.

turns out not to be the case, at least through the fourth quarter of 2008. An average work week per quarter was calculated based

on total hours worked (from the quarterly wage files), average monthly jobs, and the number of weekdays in each quarter. Since

mid-2005, the average work week has averaged 32.6 hours, with some oscillation but a clear trend line.



Source: Employment Security Department, LMEA

Finally, at the national level, hourly wages have been declining as higher-wage jobs have disappeared and unemployment has declined. Wage declines may be happening in Washington in 2009, but they didn't register in 2008. The chart shows the quarterly median hourly wage, adjusted for inflation and seasonality. Somewhat surprisingly, the median rose in the fourth quarter of 2008.

What's Next?

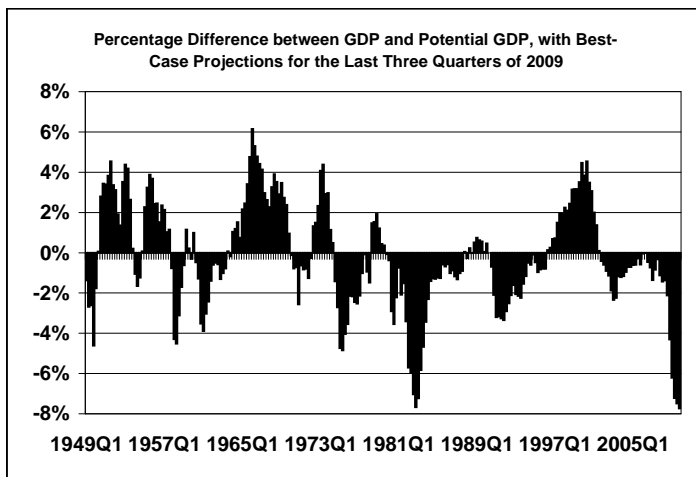
As we go to print, there is a growing discussion about the timing and shape of the recovery. First, let's try to put current conditions into perspective. The chart below shows gross domestic product (GDP), the basic measure of economic activity, compared with potential GDP, were the economy making efficient uses of all of its resources. The deficit for the last three quarters of 2009 is

projected, based on a scenario of a 2.0 percent decline in the second quarter of the year, followed by 1.0 percent growth in the last half of the year. Clearly, we're in a deep hole, likely headed for the deepest hole since the depression. By this measure, recovery will not begin until the economy grows faster than 2.0 percent.

There is some disagreement among economists about when growth (as measured by GDP)

will resume. Lakshman Achuthan of the Economic Cycle Research Institute (ECRI) has predicted that the recession will be over by Labor Day. Specifically, Achuthan is saying that the four indicators used to gauge a recession – non-farm employment; industrial production; manufacturing, wholesale and retail sales; and personal income (excluding transfer payments) – will all be on the rise³. His views are based on the ECRI leading indicator index, which has correctly tracked every recovery going back to World War I, and his belief that when things start getting worse at a slower rate, recovery begins roughly four months later.

Achuthan's reasoning is that this recession, like all downturns, is



Source: Congressional Budget Office and LMEA

³ Fox Business News, June 12, 2009 interview with Lakshman Achuthan. In later interviews Achuthan has been less definite – positive GDP growth some time this year; no mention of the specific factors; and seeming to say that a jobless recovery is likely.

an inventory recession. That is, when the recession begins and sales start to drop, inventories pile up, so manufacturers cut production – here’s the key – at a higher rate than sales drop, in order to bring down inventories. Once inventories are back in line, new orders increase, and production increases again. He also believes that while part of the decline in consumer spending is related to unemployment, many households become overly cautious until they are sure that their jobs are secure. Once these consumers become more confident about their jobs, their spending picks up. Finally, Achuthan mentions the possibility of credit markets loosening up.

Martin Feldstein, the former president of the National Bureau of Economic Research and a former member of the committee that officially dates recessions, believes that GDP will be flat or slightly positive in the current (third) quarter, with a high risk of a return to negative growth in the fourth quarter⁴. Feldstein believes that once inventories are rebuilt, there will be little forward momentum for the economy.

Nouriel Roubini is sticking with his prediction that GDP will continue to decline, albeit at a slower pace, throughout 2009, before tepid (1.0 percent) growth in 2010. He sees much less pent-up consumer demand than Achuthan, and is more pessimistic about the credit markets. Roubini fears a possible double-dip recession at the end of 2010, if federal budgets remain large. That could push up inflation fears, which in

turn would lead to higher long-term interest rates.

Roubini believes consumer spending will be sluggish at best.

- Continuing job losses and cutbacks in the workweek will keep a lid on earnings. The average work week fell to its all-time low (33.0 hours) in June, and the *index of aggregate* (total) hours worked dropped another eight tenths of a percent.
- Foreclosures will continue at a high rate for the foreseeable future, as many Option ARM mortgages are reset at higher rates, and as job losers fall behind in payments.
- Consumer credit is tightening. Banks have recently cut a trillion dollars worth of consumer credit, and raised interest rates on credit cards. Earlier in this decade consumers used mortgage refinancing to draw out hundreds of billions of dollars for spending. Refinancing at one point contributed 8.0 percent of disposable income. That option no longer exists.
- The savings rate has jumped, diverting any increase in incomes from spending into paying down debt. Even so, we are still many years off from a full repair of household balance sheets.

He also believes the banking system is still very fragile; and without the subsidies and guarantees provided by the Fed and the Treasury Department, would likely be in considerable turmoil.

Following up the home mortgage mess, commercial real estate is now declining at a rapid pace, with rising defaults on commercial real estate loans (which apparently were approved with the same lack of due diligence as home loans). Commercial real estate prices have now dropped by the same percentage as housing⁵.



Will the four indicators used to gauge a recession – nonfarm employment; industrial production; manufacturing, wholesale and retail sales; and personal income – be on the rise?

⁴ <http://www.bloomberg.com/apps/news?pid=20601087&sid=a31pfKeeveVM>

⁵ <http://www.calculatedriskblog.com/2009/07/real-estate-commercial-and-residential.html>

Only time will tell which of these gentlemen is closest to the mark. What we can do in the interim is to keep an eye on three developments.

- **First**, we can track the four measures that along with GDP enter into the determination of when a recession begins and ends. All are still declining. *Nonfarm employment*, as mentioned at the beginning of this article, is still falling. *Industrial production* declined again in June; increasing excess capacity pushes out any recovery in investment in plant and equipment. *Personal income* (excluding transfer payments) looks like it is close to a bottom, but with falling wages and more job losses, does not appear poised for a rebound. *Manufacturing, wholesale and retail sales* have continued to drop, though with inventories falling, sales may start a modest rebound soon.
- **Second**, we can follow how the various financial regulatory agencies deal with systemic risk in the banking system. So far, the government has acted to make the banking system even more concentrated, by allowing two large investment banks to fail, and sub-

sidizing the survivors – our “Too-Big-To-Fail” banks have gotten even bigger. Goldman Sachs has taken advantage of the federal guarantees by increasing the level of risk of their portfolio. As Meredith Whitney, one of the top bank stock analysts put it, “There are a lot of one-time, tricky things going on with the financials [banks], but then mainstream consumers have not been helped one bit.”⁶

She explains that recent legislation funnels billions to the big banks in the form of fees and incentives for refinancing and mortgage modifications – even though this does nothing in the long run to improve bank solvency. In the short run, it boosts their income statements (and stock prices). The legislation also allows banks acting as mortgage servicers to pass on the cost of loan modifications to mortgage bond holders, a further incentive for banks to renegotiate mortgage workouts, even though a significant number of these workouts only delay, rather than prevent, foreclosure⁷.

Secretary Geithner has proposed a partial regulation of credit default swaps, along the lines recommended by the very banks that helped cause the meltdown. Nas-

sim Taleb provides a good list of principles for how to change the global system⁸. Chris Whalen provides an in-depth discussion of how to regulate credit default swaps (Taleb thinks they should be banned)⁹. It remains to be seen whether either of their ideas will become law.

- **Third**, the huge federal deficit and growing debt, while necessary in the short run to help stabilize the economy, may create challenges down the road. As Tim Duy points out, perhaps the only way to minimize the problems created by the deficit is to lower health care costs¹⁰. “You need to examine the policy space to find an obvious candidate for controlling the growth of aggregate spending in the U.S. And that exercise always leads you back to health care, and the realization that we spend an extra \$1 trillion more than other industrialized nations, and we don’t get much if anything for it.”

In summary: government officials have stabilized the patient with various life-support systems, but have not provided the cure. They are betting that the economic recovery will be robust enough to avoid further intervention. Stay tuned.

⁶ www.nakedcapitalism.com/2009/07/is-meredith-whitney-bullish-now.html

⁷ <http://subprimeshakeout.blogspot.com/search/label/Greenwich%20Financial%20Services>

⁸ www.ft.com/cms/s/0/5d5aa24e-23a4-11de-996a-00144feabdc0.html?nclick_check=1

⁹ www.ritholtz.com/blog/2009/07/reforming-over-the-counter-derivatives-qa-for-christopher-dodd/#comments

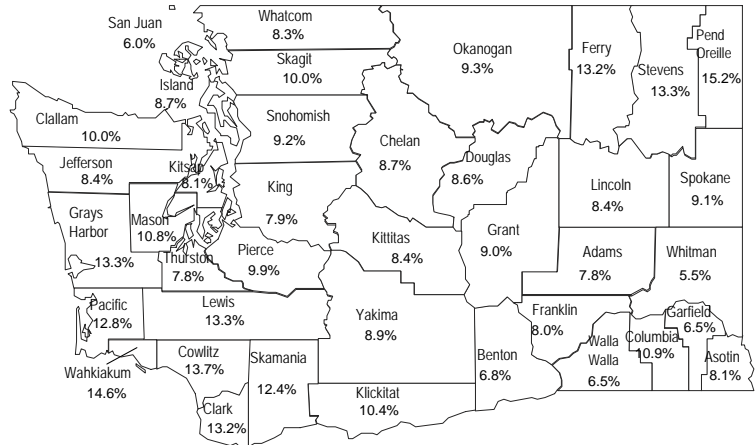
¹⁰ <http://economistsview.typepad.com/timduy/2009/06/a-tangled-policy-web.html>

Second Quarter Stats-At-A-Glance

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

(In Thousands)	April 2009 (Revised)	May 2009 (Revised)	June 2009 (Prel)
Seasonally Adjusted Unemployment Rate:			
Washington State	9.0%	9.1%	9.3%
United States	8.9%	9.4%	9.5%
Washington State			
<i>Not Seasonally Adjusted:</i>			
Resident Civilian Labor Force	3,517.8	3,544.7	3,580.6
Employment	3,204.2	3,227.7	3,250.6
Unemployment	313.5	317.0	330.0
Percent of Labor Force	8.9%	8.9%	9.2%

Average Unemployment Rates by County April, May, and June 2009 Washington = 9.0% / United States = 9.1% 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: 7/28/09
Benchmark: March 2008

Not Seasonally Adjusted	April 2009 Revised				May 2009 Revised				June 2009 Preliminary			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	3,517,760	3,204,230	313,530	8.9	3,544,720	3,227,730	316,990	8.9	3,580,620	3,250,640	329,980	9.2
Bellingham MSA	108,860	99,770	9,090	8.3	110,460	101,510	8,960	8.1	111,670	102,260	9,420	8.4
Bremerton MSA	122,400	112,380	10,020	8.2	123,600	113,790	9,810	7.9	123,470	113,480	9,990	8.1
Kennewick-Pasco-Richland MSA	122,960	113,500	9,470	7.7	128,630	119,710	8,920	6.9	134,720	125,550	9,180	6.8
Benton County 2/	89,270	82,770	6,500	7.3	93,490	87,300	6,180	6.6	97,930	91,560	6,380	6.5
Franklin County 2/	33,700	30,730	2,970	8.8	35,140	32,410	2,730	7.8	36,790	33,990	2,800	7.6
Longview MSA (Cowlitz)	45,180	38,370	6,810	15.1	45,290	39,340	5,940	13.1	44,820	39,090	5,720	12.8
Mt. Vernon-Anacortes MSA (Skagit)	58,850	52,750	6,100	10.4	60,050	54,130	5,910	9.8	60,350	54,370	5,980	9.9
Olympia MSA	134,100	123,460	10,640	7.9	135,450	125,040	10,410	7.7	134,740	124,270	10,470	7.8
Seattle-Bellevue-Everett MD*	1,491,640	1,382,810	108,830	7.3	1,498,150	1,375,840	122,310	8.2	1,504,920	1,367,440	137,480	9.1
King County 2/	1,109,790	1,032,560	77,230	7.0	1,114,510	1,027,350	87,160	7.8	1,119,710	1,021,080	98,630	8.8
Snohomish County 2/	381,850	350,250	31,600	8.3	383,640	348,490	35,160	9.2	385,210	346,360	38,850	10.1
Spokane MSA	240,960	218,420	22,540	9.4	241,930	220,410	21,530	8.9	239,720	218,280	21,440	8.9
Tacoma Metropolitan Division	400,130	359,610	40,520	10.1	402,880	363,330	39,550	9.8	403,220	363,860	39,360	9.8
Wenatchee MSA	57,680	52,190	5,490	9.5	57,900	52,810	5,090	8.8	65,330	60,270	5,050	7.7
Chelan County 2/	38,070	34,400	3,670	9.6	38,210	34,810	3,400	8.9	43,010	39,730	3,280	7.6
Douglas County 2/	19,610	17,790	1,820	9.3	19,690	18,000	1,680	8.6	22,320	20,540	1,770	7.9
Yakima MSA	119,530	108,020	11,520	9.6	120,810	110,020	10,800	8.9	131,920	121,100	10,820	8.2
Aberdeen MSA (Grays Harbor)	33,310	28,640	4,670	14.0	33,740	29,190	4,550	13.5	33,270	29,110	4,150	12.5
Centralia MSA (Lewis)	32,400	27,880	4,520	13.9	32,590	28,320	4,270	13.1	32,930	28,690	4,240	12.9
Ellensburg MSA (Kittitas)	22,440	20,500	1,950	8.7	22,280	20,400	1,890	8.5	22,740	20,890	1,850	8.1
Moses Lake MSA (Grant)	40,800	36,840	3,970	9.7	41,710	37,950	3,770	9.0	45,060	41,340	3,730	8.3
Oak Harbor MSA (Island County)	33,510	30,520	2,990	8.9	33,970	31,060	2,910	8.6	34,140	31,160	2,980	8.7
Port Angeles MSA (Clallam)	30,360	27,180	3,180	10.5	30,840	27,850	2,990	9.7	30,910	27,860	3,050	9.9
Pullman MSA (Whitman)	21,600	20,510	1,090	5.0	21,210	20,110	1,100	5.2	19,250	18,040	1,200	6.3
Shelton MSA (Mason)	25,770	22,710	3,070	11.9	25,720	23,040	2,670	10.4	25,760	23,140	2,630	10.2
Walla Walla MSA (Walla Walla)	30,340	28,220	2,120	7.0	30,980	29,020	1,960	6.3	31,990	29,990	2,000	6.3
Adams	8,150	7,470	680	8.4	8,200	7,550	640	7.8	8,890	8,250	640	7.2
Asotin 2/	11,130	10,110	1,020	9.2	11,360	10,460	900	7.9	11,280	10,480	800	7.1
Clark 2/	220,520	189,760	30,760	13.9	220,170	191,210	28,960	13.2	217,550	190,550	27,000	12.4
Columbia	1,570	1,380	190	12.3	1,580	1,410	170	10.6	1,630	1,470	160	9.7
Ferry	3,130	2,650	470	15.2	3,160	2,760	400	12.5	3,220	2,830	390	12.1
Garfield	1,030	960	70	6.3	1,070	1,000	70	6.3	1,130	1,060	70	6.3
Jefferson	13,830	12,610	1,220	8.8	14,070	12,900	1,170	8.3	14,160	13,030	1,130	8.0
Klickitat	10,590	9,310	1,280	12.1	10,610	9,560	1,050	9.9	11,510	10,430	1,080	9.4
Lincoln	4,880	4,460	430	8.7	4,940	4,540	400	8.1	5,030	4,630	410	8.1
Okanogan	20,040	17,840	2,200	11.0	20,560	18,670	1,890	9.2	23,580	21,710	1,870	7.9
Pacific	9,390	8,130	1,260	13.5	9,620	8,380	1,240	12.9	9,670	8,510	1,160	12.0
Pend Oreille	5,620	4,670	950	16.9	5,660	4,790	860	15.3	5,600	4,840	750	13.5
San Juan	8,580	8,010	570	6.7	9,130	8,580	550	6.0	9,840	9,310	530	5.4
Skamania 2/	5,260	4,520	750	14.2	5,160	4,550	610	11.9	5,100	4,530	570	11.2
Stevens	19,490	16,650	2,830	14.5	19,610	17,090	2,520	12.8	19,820	17,360	2,460	12.4
Wahkiakum	1,720	1,440	280	16.5	1,650	1,400	240	14.8	1,710	1,500	220	12.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.
*Metropolitan Division

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

Quarterly Benchmark: September 2008
In Thousands

Industry	June 2009 (Prel)	May 2009 (Rev)	Apr 2009 (Rev)	Mar. 2009 (Rev)	Feb. 2009 (Rev)	Jan. 2009 (Rev)
Total Nonfarm	2,845,100	2,855,600	2,862,300	2,865,400	2,884,900	2,906,000
Mining and Logging	6,600	6,600	6,700	6,800	6,900	7,000
Logging	4,200	4,100	4,100	4,100	4,200	4,300
Construction	168,200	169,400	171,900	173,700	179,100	182,800
Construction of Buildings	41,900	42,600	43,100	43,900	45,200	45,800
Heavy and Civil Engineering	18,800	18,800	19,400	18,900	19,400	20,400
Specialty Trade Contractors	107,500	108,000	109,400	110,900	114,500	116,600
Manufacturing	269,200	269,200	271,000	274,100	278,100	280,300
Durable Goods	195,200	195,600	197,300	199,700	202,600	204,600
Wood Products	14,100	14,200	14,400	14,600	15,100	15,100
Fabricated Metal Products	17,800	17,800	18,400	18,600	19,200	19,300
Computer and Electronic Products	19,900	20,100	20,400	20,600	21,200	21,500
Transportation Equipment	93,500	93,500	93,700	95,000	95,700	96,500
Aerospace Products and Parts	83,400	83,500	83,600	84,300	84,800	85,300
Nondurable Goods	74,000	73,600	73,700	74,400	75,500	75,700
Food Manufacturing	33,300	33,300	32,900	33,100	33,700	33,700
Wholesale Trade	124,800	124,800	124,500	125,500	126,000	127,500
Retail Trade	313,300	315,400	315,200	314,000	317,200	318,700
Motor Vehicle and Parts Dealers	34,100	34,700	35,000	34,600	35,700	36,500
Food and Beverage Stores	61,100	61,300	61,600	60,400	60,700	61,100
Clothing and Clothing Accessories Stores	28,700	28,900	28,900	28,600	29,300	29,200
General Merchandise Stores	65,000	64,900	64,600	64,800	64,300	63,500
Transportation, Warehousing and Utilities	93,800	94,500	94,100	92,900	93,000	94,200
Utilities	5,100	5,100	5,000	5,000	5,000	5,000
Transportation and Warehousing	88,700	89,400	89,100	87,900	88,000	89,200
Air Transportation	10,600	10,700	10,600	10,600	10,500	10,700
Water Transportation	3,500	3,500	3,500	3,500	3,500	3,500
Truck Transportation	21,900	21,800	21,900	21,900	23,400	23,200
Support Activities for Transportation	17,500	17,600	17,500	17,400	17,800	17,700
Support Activities for Water Transportation	5,400	5,400	5,300	5,000	5,200	5,000
Warehousing and Storage	9,900	10,000	10,000	10,100	10,100	10,300
Information	102,200	102,600	104,300	105,300	105,200	106,000
Software Publishers	51,800	52,000	52,200	52,700	52,700	52,600
Telecommunications	24,000	24,100	24,800	25,100	25,400	25,400
Financial Activities	145,000	145,600	146,000	145,200	146,800	147,400
Finance and Insurance	93,300	93,800	94,600	94,300	96,300	96,900
Credit Intermediation and Related Activities	46,200	46,200	46,700	46,700	47,900	48,300
Insurance Carriers and Related Activities	36,400	36,700	36,900	36,900	37,400	37,500
Real Estate and Rental Leasing	51,700	51,800	51,400	50,900	50,500	50,500
Professional and Business Services	324,800	324,700	325,900	327,700	331,500	338,800
Professional, Scientific and Technical Services	163,600	163,600	163,600	164,100	165,100	165,400
Legal Services	21,000	21,100	21,300	21,300	21,200	21,200
Architectural and Engineering Services	36,300	36,200	36,400	36,500	37,500	37,700
Computer Systems Design and Related Services	32,000	32,000	31,500	31,500	32,000	31,800
Management of Companies and Enterprises	32,900	32,800	32,800	32,600	32,600	33,400
Admin and Support and Waste Management and Remediation	128,300	128,300	129,500	131,000	133,800	140,000
Employment Services	35,500	35,300	36,100	37,100	38,000	42,200
Education and Health Services	367,300	368,500	368,800	369,400	368,800	370,200
Education Services	46,800	47,100	47,600	47,700	47,700	47,900
Hospitals	73,900	73,700	73,700	73,900	73,800	73,600
Nursing and Residential Care Facilities	59,100	59,700	59,300	59,200	58,700	58,700
Social Assistance	61,000	61,400	61,900	62,100	61,900	61,900
Leisure and Hospitality	277,000	276,500	275,200	274,800	276,700	276,400
Arts, Entertainment and Recreation	45,300	45,300	44,600	46,100	46,200	46,100
Accommodation	31,400	31,300	31,200	31,200	31,600	31,500
Food Services and Drinking Places	200,300	199,900	199,400	197,500	198,900	198,800
Government	548,600	553,200	554,300	551,000	550,100	551,400
Federal Government	71,000	71,600	71,600	71,000	71,200	70,900
Total State Government	153,000	154,100	154,600	153,800	153,200	154,000
State Government Educational Services	80,500	82,000	81,900	81,800	81,400	81,500
Total Local Government	324,600	327,500	328,100	326,200	325,700	326,500
Local Government Educational Services	155,800	155,900	156,200	155,400	155,400	155,100
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.

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 fourth quarter 2008) and estimates employment from that point to present.

About LMEA

The Labor Market and Economic Analysis (LMEA) branch of Washington state's Employment Security Department (ESD) gathers, analyzes, and publishes information about the state's labor market. Data are gathered from tax reports, employers, government agencies, surveys, and other sources, and edited for privacy.

The resulting information is disseminated via papers, reports, the Web (www.workforceexplorer.com), news releases, forums, speeches, and consultations. Information and analyses are provided to decision-makers at all levels, including government policymakers, county commissioners, economic planners, educators, students, and job seekers.

Every month we release the latest employment numbers and unemployment rates for nonfarm employment. We also provide average wage information for all industries, and occupations employed within those industries.

All of this information tells the story of Washington's economy, job market, businesses, and workforce. Data on jobs and workers, including labor force, employment and unemployment, industrial growth, occupational trends, and wages are increasingly important in getting a clear picture of the global economy.

Mission and Goals

As a branch of Employment Security, LMEA shares ESD's mission: "Help Washington's workers and employers succeed in the global economy by delivering superior employment services, timely benefits, and a fair and stable unemployment insurance system."

One of ESD's goals that is directly related to the work of LMEA is to help leadership make data-driven decisions. LMEA provides accurate and timely data to make those decisions.

We also want to simplify and increase access to economic information and analyses for workers, businesses, and policymakers. Our Web site, Workforce Explorer, is one way we provide that information.

Another of ESD's goals is to improve public access to economic information for career planning and to provide timely, high-quality, professionally-presented information to stakeholders and decision makers. At LMEA we do this by providing data and information that will help policymakers make informed decisions. We also respond to information requests from stakeholders and the Legislature.

Regional Labor Economists

We have twelve regional labor economists, each serving one of the 12 Regional Workforce Development Areas (WDAs) in the state. These labor economists provide custom services to many professionals and organizations in their area including the local Work-Source Offices, Workforce Development Councils, non-profit organizations, the higher education system, and businesses.

Employment Security is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities.

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Employment Security Department**

Labor Market and Economic Analysis

