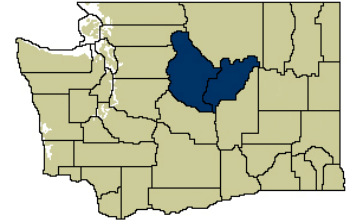




# Wenatchee MSA

## (Chelan and Douglas Counties)

### Labor Area Summary



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WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT  
Labor Market and Economic Analysis Branch (LMEA)  
Donald W. Meseck, Regional Labor Economist

Central Washington University, 400 East 8th Avenue, Ellensburg, WA 98926-7486  
Voice: (509) 963-2606; FAX: (509) 963-1992  
[dmeseck@esd.wa.gov](mailto:dmeseck@esd.wa.gov), [www.workforceexplorer.com](http://www.workforceexplorer.com)

## Employment

September 20, 2007

**Nonagricultural employers in the Wenatchee MSA provided 41,000 jobs in August 2007, a 1,600-job increase over the corresponding month in 2006 (see Table 1).** Statewide, employment added 88,600 jobs between August 2006 and August 2007, a 3.1-percent growth rate (Not Seasonally Adjusted) versus an even more robust 4.1-percent clip in the Wenatchee MSA. Over-the-year job growth rates in the Wenatchee MSA and in Washington State have generally been comparable; in the two- to three-percent range for the past twelve months (see Figure 1).

**Natural Resources, Mining, and Construction; Retail Trade; and Leisure and Hospitality; each added 300 new jobs, since August 2006.** Virtually all of the Natural Resource, Mining, and Construction gain was in building construction, heavy construction, and specialty trades. The lion's share of new Leisure and Hospitality jobs were in amusement/recreation, hotels, and restaurants. Education and Health Services, primarily at private health services providers, increased by 200. Manufacturing was the sole major industry in the Wenatchee MSA to post an over-the-year job loss (down 200) this August. Many of these jobs were lost because of the mid-December 2006 closure of Longview Fibre's sawmill in Winton, Washington – the last remaining sawmill in Chelan County. According to the June 18<sup>th</sup> edition of the *Wenatchee World*, 102 employees lost their jobs as the result of this closure.

**What about longer term employment trends in the Wenatchee MSA?** Total nonagricultural employment in the Wenatchee MSA grew 10.6 percent from 2001 to 2006, by generating 3,700 new jobs (see Table 2). This was much faster than the 6.0-percent job growth pace across Washington State, during this five-year period. Six local industries accounted for 3,100 of these 3,700 new jobs: Education and Health Services; Leisure and Hospitality; Natural Resources, Mining, and Construction; Local Government; Retail Trade; and Manufacturing. But the Big Three: Education and Health Services; Leisure and Hospitality; and Natural Resources, Mining, and Construction accounted for almost 65 percent of all new jobs added in the Wenatchee MSA during this time frame. A brief summary follows:

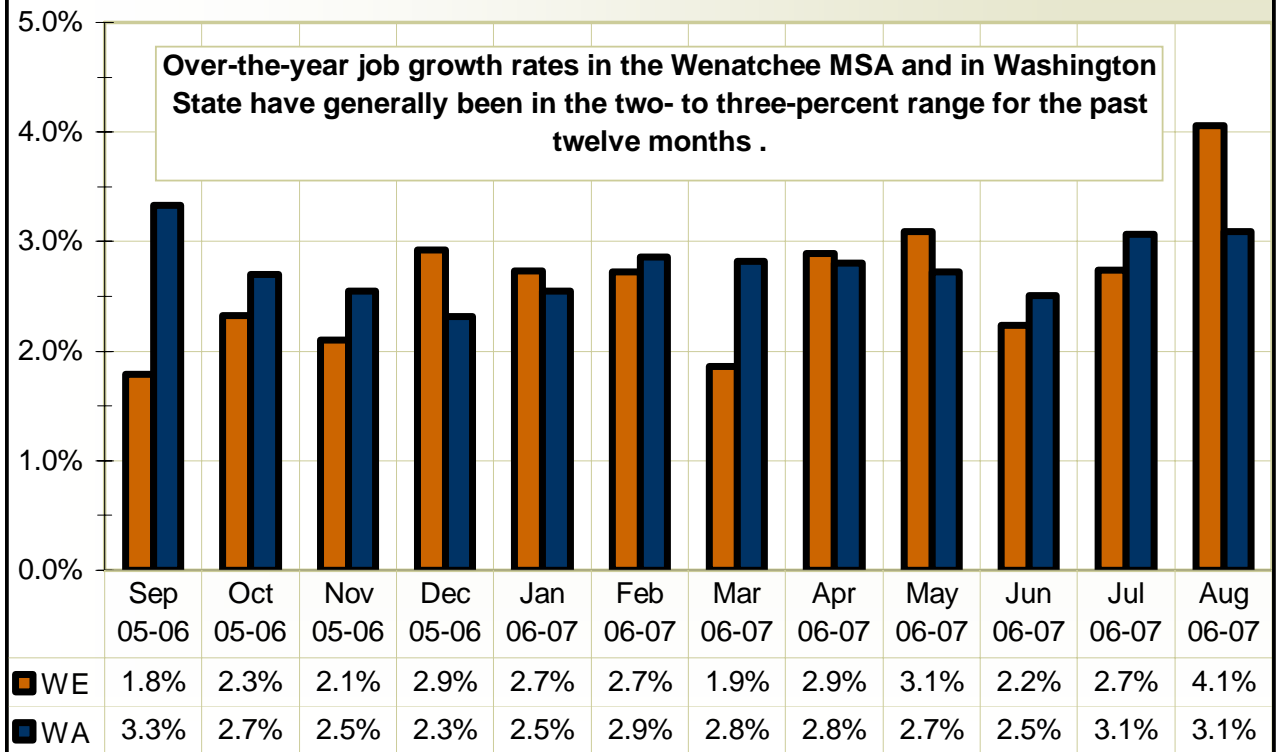
- Education and Health Services was clearly the industry that created the most new jobs in the Wenatchee MSA during the past five years. Employment increased from 4,700 to 5,700 jobs in this period (up 1,000 jobs). The vast majority of these jobs are with private health services providers (i.e., hospitals, doctors and dentists offices, medical and diagnostic laboratories, home health care services, ambulance services, nursing and residential care facilities, vocational and rehabilitation services, child day care services, etc.). Private educational services, parochial schools, etc. performed well too, but most new jobs created in this combined category were in "Health Services."
- Leisure and Hospitality ranked Number Two in the Wenatchee MSA in terms of the industry that added the most new jobs over the last five years. This category includes not only Accommodation

and Food Services (i.e., hotels and restaurants), but also Arts, Entertainment, and Recreation (i.e., golf courses and country clubs, skiing facilities, fitness and recreational sports centers, etc.). This industry added 700 jobs in the last five years and indicates that efforts to market travel and tourism in the Chelan and Douglas Counties area are paying off.

- Natural Resources, Mining, and Construction (primarily Construction) was ranked the third-largest job generator in the Wenatchee MSA between 2001 and 2006. Natural Resources, Mining, and Construction jumped from 2,200 jobs in 2001 to 2,900 jobs five-years later - an astounding 31.8-percent employment increase.

<b>Table 1</b>						
<b>Labor Market Information for</b>						
<b>the Wenatchee Metropolitan Statistical Area (Chelan and Douglas Counties)</b>						
<b>Not Seasonally Adjusted/*UPDATED WITH ***QCEW DATA: December 2006</b>						
	Prelim	Revised	Revised	Jul-07	Change	
	Aug-07	Jul-07	Aug-06	Aug-07	Aug-06	Aug-06
Employment by Place of Residence	Aug-07	Jul-07	Aug-06	Aug-07	Aug-07	Aug-07 %
Civilian Labor Force	64.4	73.5	63.0	-9.1	1.4	2.3%
Resident Employment	61.5	70.6	59.6	-9.1	2.0	3.3%
Unemployment	2.9	2.9	3.5	0.0	-0.6	-15.9%
Unemployment Rate	4.5%	3.9%	5.5%	xxx	xxx	xxx
<b>Employment by Place of Work (**NAICS Industry Titles)</b>						
<b>TOTAL NONFARM 1/</b>	<b>41.0</b>	<b>41.2</b>	<b>39.4</b>	<b>-0.2</b>	<b>1.6</b>	<b>4.1%</b>
TOTAL PRIVATE	32.5	32.4	31.1	0.1	1.4	4.5%
<b>GOODS PRODUCING</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>0.1</b>	<b>0.1</b>	<b>1.7%</b>
NAT. RESOURCES, MINING, & CONSTR.	3.5	3.4	3.2	0.1	0.3	9.4%
MANUFACTURING	2.4	2.4	2.6	0.0	-0.2	-7.7%
<b>SERVICES PROVIDING</b>	<b>35.1</b>	<b>35.4</b>	<b>33.6</b>	<b>-0.3</b>	<b>1.5</b>	<b>4.5%</b>
TRADE, TRANSPORTATION, WAREHSG., & UTIL.	9.2	9.1	8.8	0.1	0.4	4.5%
Retail Trade	6.3	6.1	6.0	0.2	0.3	5.0%
EDUCATION and HEALTH SERVICES	5.9	5.8	5.7	0.1	0.2	3.5%
LEISURE and HOSPITALITY	5.8	5.9	5.5	-0.1	0.3	5.5%
GOVERNMENT	8.5	8.8	8.3	-0.3	0.2	2.4%
Federal Government	1.0	1.0	1.0	0.0	0.0	0.0%
State Government	1.3	1.3	1.2	0.0	0.1	8.3%
Local Government	6.2	6.5	6.1	-0.3	0.1	1.6%
Workers in Labor/Management Disputes	0.0	0.0	0.0	0.0	0.0	xxx
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. Columns may not add due to rounding. *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 4th quarter 2006) and estimates employment from that point to present.						
**North American Industry Classification System. ***QCEW = Quarterly Census of Employment and Wages						

**Figure 1, Wenatchee MSA and Washington:  
Total Nonfarm Employment Change Percentages  
During the Last Twelve Months**



**Table 2:  
Wenatchee MSA: Nonfarm Job Growth in Major Industries  
During the Last Five Years (From 2001-2006)**

Industry	An Avg Employment in 2001 (in Thousands)	An Avg Employment in 2006 (in Thousands)	Job Change (in Thousands)	Percent Change
<b>Total Nonagricultural Employment</b>	<b>35.0</b>	<b>38.7</b>	<b>3.7</b>	<b>10.6%</b>
Education and Health Services	4.7	5.7	1.0	21.3%
Leisure and Hospitality	4.3	5.0	0.7	16.3%
Natural Resources, Mining, and Construction	2.2	2.9	0.7	31.8%
Local Government	6.0	6.4	0.4	6.7%
Retail Trade	5.7	5.9	0.2	3.5%
Manufacturing	2.4	2.5	0.1	4.2%

## Unemployment

**This August the 4.5 percent unemployment rate in the Wenatchee MSA decreased one full percentage point below the August 2006 reading of 5.5 percent.** The number of unemployed residents in Chelan and Douglas counties (i.e., the Wenatchee MSA) area fell substantially, by 550 over the year, from 3,450 in August 2006 to 2,900 in August 2007 (see Figure 2). The current 4.5 percent reading is the lowest unemployment rate on record for the local labor market for the month of August in recent economic history (i.e., all the way back to 1990). The previous record-low unemployment rate for the month of August was set back in August 1997 with a 5.4-percent reading.

**Washington's August 2007 unemployment rate of 4.4 percent (Not Seasonally Adjusted) was five-tenths of a point below the already low 4.9-percent reading posted in August 2006 and was the lowest August unemployment rate on record in recent economic history.** This year, Washington's rates began falling below those of corresponding months in 2006 beginning in February 2007. This trend has continued through August 2007, an excellent economic indicator for the Evergreen State during each of these last seven months. It is a good time to be a job-seeker in Washington State.

