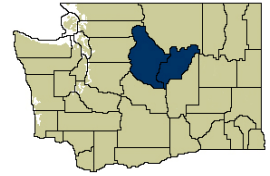




Wenatchee MSA (Chelan and Douglas counties)



Labor Area Summary

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Employment

The latest summary of nonfarm economic activities in the Wenatchee Metropolitan Statistical Area for February 2008 indicates a healthy economy. Nonfarm employers provided 39,000 jobs this February, a 1,100-job increase since February 2007 (see Table 1). This equates to a 2.9-percent over-the-year upturn (see Figure 1), and is an indication that the Wenatchee MSA is doing better than other parts of the state. In fact, over-the-year job growth rates in the Wenatchee MSA have surpassed statewide job growth rates in each month since July 2007 (see Figure 2).

The following paragraphs provide a better picture of performance between February 2007 and February 2008 of different industrial sectors in the Wenatchee MSA. In overview, employers in the government sector edged upwards by 100 jobs over the last 12 months while private sector employment rose by 1,000. Clearly, the lion's share of recent job growth occurred in the private sector

Best performers.

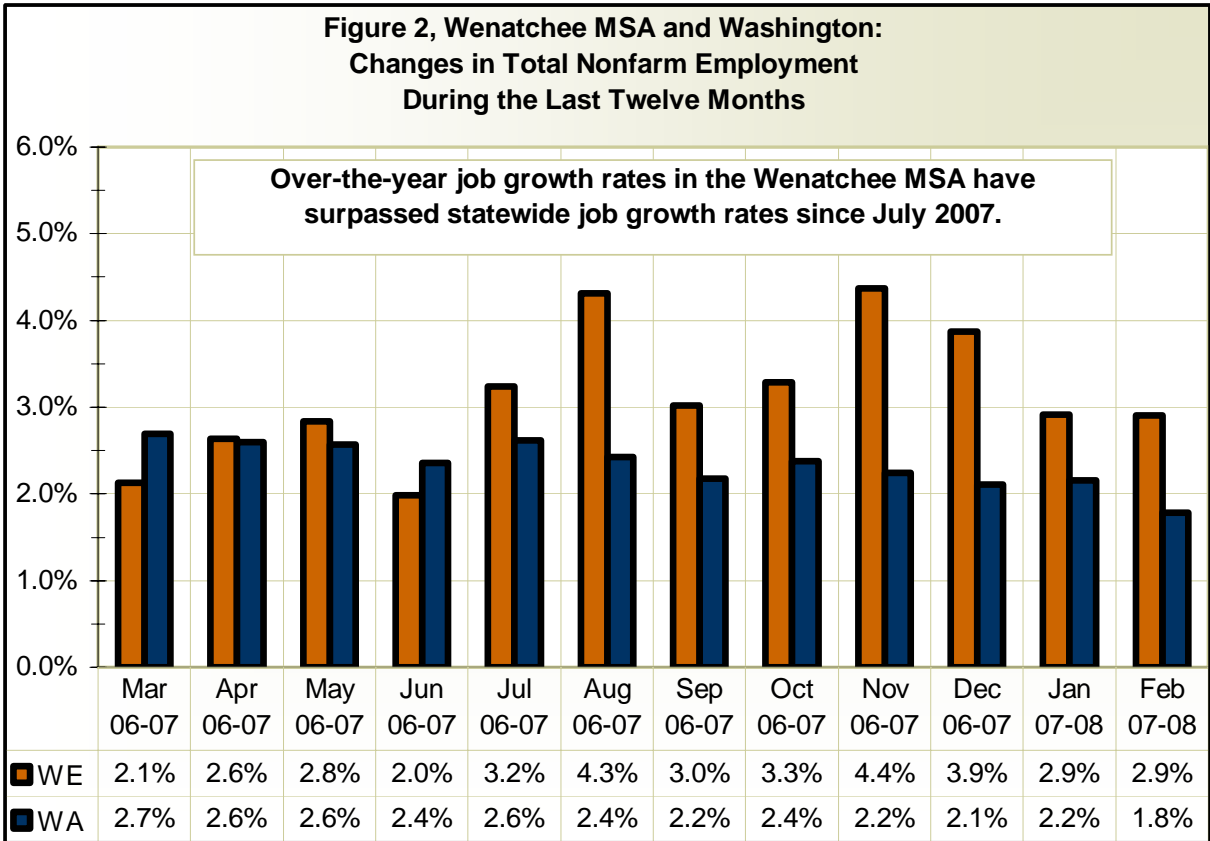
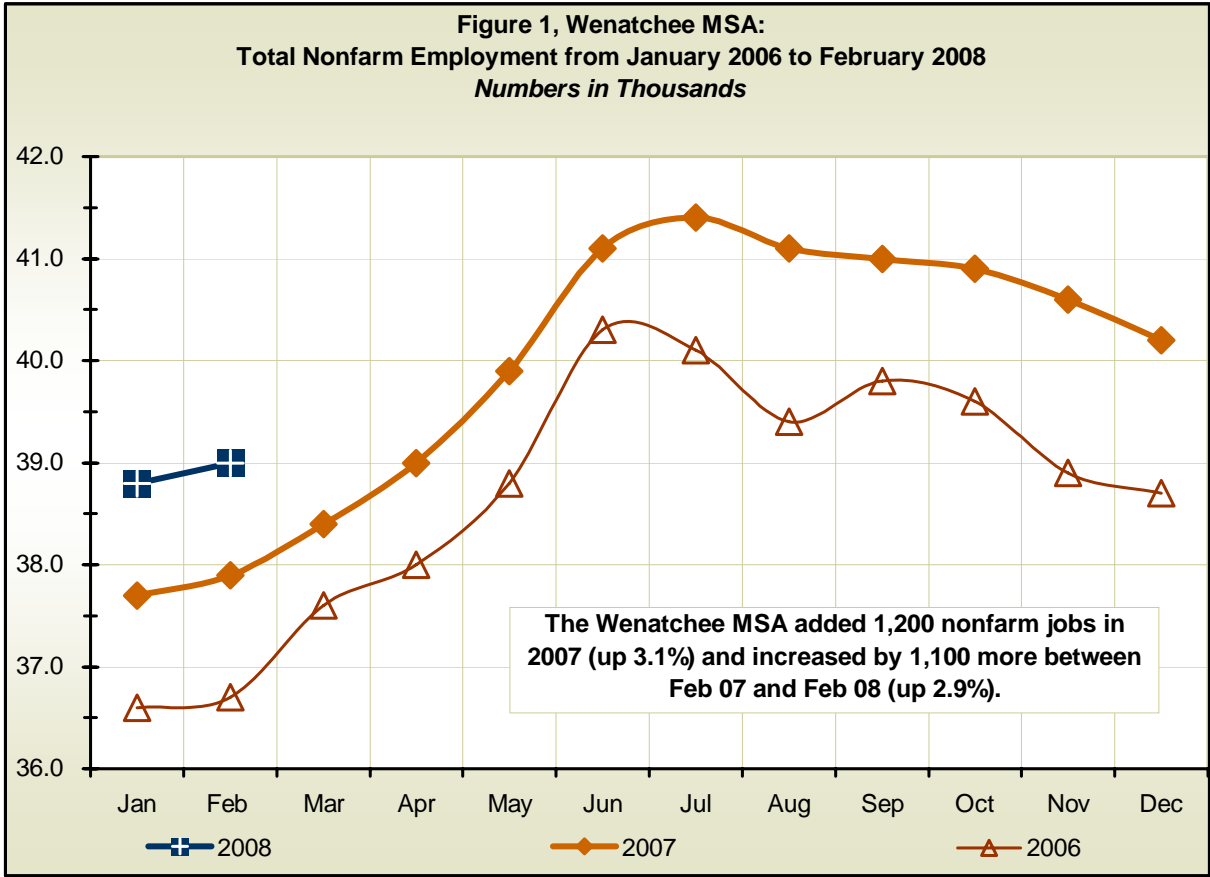
- **From February 2007 to February 2008, leisure and hospitality; which includes arts, entertainment, recreation, accommodation, food services, and drinking places, increased 10.9 percent by adding 500 jobs to their payrolls.** This is an improvement above previous over-the-year job increases of 100 new jobs between 2006 and 2007, and 300 between 2005 and 2006. Employment in this industry stabilized between January and February 2008, as it did between these two months in 2006 and in 2007.
- **Over the last twelve months, retail trade posted a substantial 300-job gain.** This is a better performance for retail trade compared with 200-job over-the-year increases between the Februaries of 2004-05, 2005-06, and 2006-07. On an annual average basis, retail trade has added jobs to local job market for the last four years. Specifically, retail trade stores netted: 200 new jobs in 2004, 300 new jobs in 2005, 100 new jobs in 2006, and 300 new jobs in 2007.
- **Natural resources, mining, and construction (with the majority of these jobs in the local construction industry) also posted a 300-job upturn between February 2006 and February 2007.** On an annual average basis, natural resources, mining and construction netted: no new jobs in 2003 or in

2004. But then the local housing boom started in the Wenatchee MSA and this industry grew by: 100 new jobs in 2005, 200 new jobs in 2006, and 400 new jobs in 2007. How is that for steady job growth?

Other sectors

- **Manufacturing (specifically nondurable goods manufacturing, i.e., the food processing industry) saw employment decrease by 100 jobs.** Although the 2007 apple crop was profitable, it was smaller than the 2006 harvest, resulting in less food processing jobs. As mentioned in the local media, Tree Top Inc. laid off approximately 70 workers at their juice processing plant in Cashmere, in early January 2008 accounting for much of this over-the-year job loss in manufacturing. The company may reopen this autumn if the crop size supports it.
- **Educational and health services employers, and local government lengthened their payrolls by 200 jobs over the last 12 months.** There were 5,700 jobs in educational and health services this February, up 3.6 percent compared with a year ago. Local government provided 6,800 jobs in February 2008. Both employment categories increased by 100 jobs from the previous month.

Table 1 Labor Market Information for the Wenatchee Metropolitan Statistical Area (Chelan and Douglas Counties) Not Seasonally Adjusted/*UPDATED WITH ***QCEW DATA: September 2007						
				Change		
(Employment statistics in whole numbers)	Prelim Feb-08	Revised Jan-08	Revised Feb-07	Jan-08 Feb-08	Feb-07 Feb-08	Feb-07 Feb-08 %
Employment by Place of Residence						
Civilian Labor Force	58,800	57,840	57,260	960	1,540	2.7%
Resident Employment	54,730	53,790	53,530	940	1,200	2.2%
Unemployment	4,070	4,050	3,730	20	340	9.1%
Unemployment Rate	6.9%	7.0%	6.5%	xxx	xxx	xxx
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
TOTAL NONFARM 1/	39.0	38.8	37.9	0.2	1.1	2.9%
TOTAL PRIVATE	30.1	30.0	29.1	0.1	1.0	3.4%
GOODS PRODUCING	5.2	5.0	5.0	0.2	0.2	4.0%
NAT. RESOURCES, MINING, & CONSTR.	3.0	2.8	2.7	0.2	0.3	11.1%
MANUFACTURING	2.2	2.2	2.3	0.0	-0.1	-4.3%
SERVICES PROVIDING	33.8	33.8	32.9	0.0	0.9	2.7%
TRADE, TRANSPORTATION, WAREHSG., & UTIL.	9.1	9.2	8.8	-0.1	0.3	3.4%
Retail Trade	6.2	6.3	5.9	-0.1	0.3	5.1%
EDUCATION and HEALTH SERVICES	5.7	5.6	5.5	0.1	0.2	3.6%
LEISURE and HOSPITALITY	5.1	5.1	4.6	0.0	0.5	10.9%
GOVERNMENT	8.9	8.8	8.8	0.1	0.1	1.1%
Federal Government	0.7	0.7	0.8	0.0	-0.1	-12.5%
State Government	1.4	1.4	1.4	0.0	0.0	0.0%
Local Government	6.8	6.7	6.6	0.1	0.2	3.0%
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 3rd quarter 2007) and estimates employment from that point to present.						
North American Industry Classification System. *QCEW = Quarterly Census of Employment and Wages						



Unemployment

In Wenatchee Metropolitan Statistical Area, there were 4,070 residents out of work in February 2008, up 340 from the 3,730 unemployed residents in the same month one-year prior. The unemployment rate rose to 6.9 percent, a four-tenths percentage point rise over the 6.5-percent reading in February 2007. Over the month, however, the rate of unemployment declined by one-tenth of a percent, down from 7.0 percent in January 2008.

Washington's February 2008 unemployment rate of 5.4 percent (not seasonally adjusted) rose a tick above the 5.3-percent reading posted in February 2007; still, the current rate is the second-lowest unemployment rate on record for the month of February (i.e., going all the way back to 1990). In fact, until this recent over-the-year uptick in unemployment, rates had declined over the year for the last 51 months, from November 2003 through January 2008.

