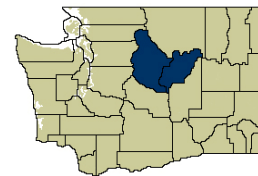




Wenatchee MSA (Chelan and Douglas counties) Labor Area Summary Volume 2008, Number 5



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Summary

Total nonfarm employment for the Wenatchee Metropolitan Statistical Area (MSA) showed a mixed performance in May 2008. Overall, jobs increased to 40,100 as the month-over-month pace of growth accelerated and the year-over-year growth rate decelerated.

Between April and May 2008, the labor market posted its biggest and third consecutive month-over-month nonfarm job gain with 700 jobs added, or a 1.8 percent increase. With the revised April figures, nonfarm employment expanded 1.0 percent (or 400) in March and 1.3 percent (or 500) in April. The state expanded at a slower pace, with a growth rate of one-half of a percent, four-tenths of a percent and seven-tenths of a percent, respectively, in March, April and May.

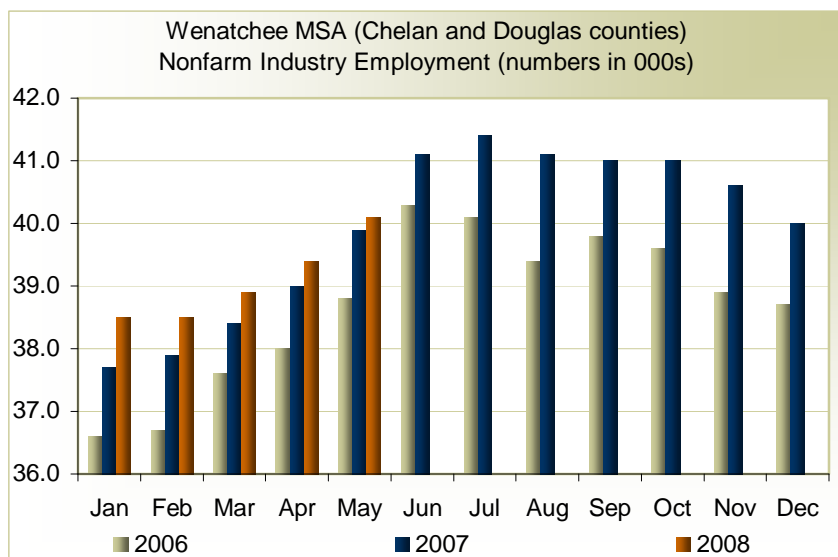
Compared to May 2007, employment levels of 39,900, a total of 200 jobs have been added in May 2008, or one-half of a percentage point increase. This was a much slower growth rate given the 2.6 percent increase in May 2006 and 2.8 percentage change in May 2007.

Best performers

- Leisure and hospitality, a services providing sector that includes the subsectors of arts, entertainment, recreation, accommodation, food services and drinking places, expanded 400 jobs (7.8 percent) from a year ago, and 200 jobs (3.8 percent) between April and May 2008. The state posted an annual growth rate of 2.6 percent and a 2.1 percent change over the last month.
- With a 2.2 percent annual growth rate, and 200 jobs added between May 2007 and May 2008, the government sector outpaced the state increase for the second consecutive year. Over the last 12 months, the state government employment sector grew by one-half of a percent below Chelan and Douglas counties' growth rate.
- Natural resources, mining and construction posted a mixed result, with the fourth consecutive month-over-month employment gain and the first yearly decline over the last three years. Employment in this goods producing sector expanded by 100 (3.7 percent) in March, 200 (7.1 percent) in April and 100 (3.3 percent) in May 2008. Between May 2007 and May 2008, however, employers slashed 400 jobs, or an 11.4 percent decline. Statewide, payrolls decreased by 1.1 percent from a year ago.

Another over-the-year loser

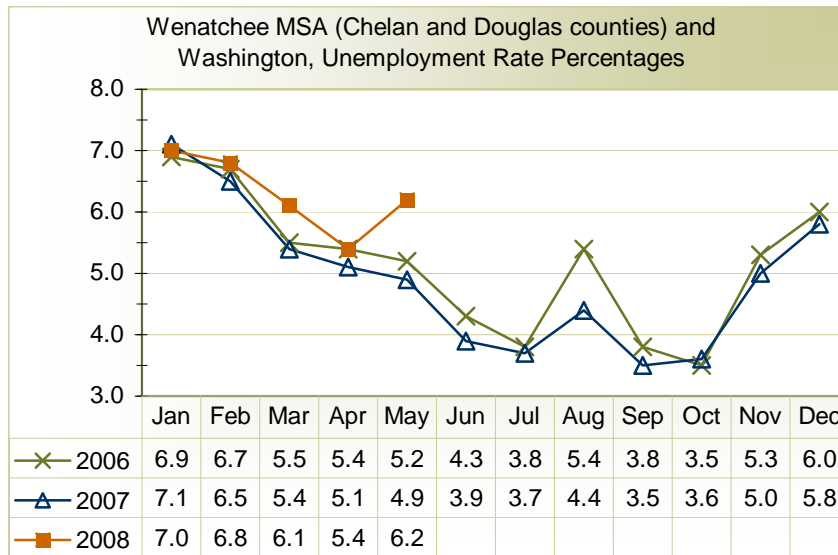
- From May 2007 to May 2008, companies in the manufacturing sector lost jobs for the second consecutive year. Over the last 12 months, 100 (-4.3 percent) jobs were lost following a decline of 200 jobs (down 8.0 percent) from the year before. The state manufacturing sector grew by 2.3 percent in 2007 and 1.9 percent in May 2008.
- In other labor market news, employment in the retail trade sector increased to 6,200, or grew by 100 jobs (1.6 percent) between April and May 2008, but remained unchanged compared to a year ago. Statewide, jobs increased by seven-tenths of one percent over the last month and by two-tenths of a percent over the last year.



Unemployment

The jobless rate in Chelan and Douglas counties has increased to its fourth lowest May rate since 1990. The unemployment rate rose to 6.2 percent, up 1.3 percent above the May 2007 rate. Over the last month, the unemployment rate went up eight-tenths of a percent from its revised April 2008 rate of 5.4 percent. At the same time, the number of residents who were out of work and actively seeking employment grew from 2,810 in May 2007 to 3,690 in May 2008, or up 880 out of a total labor force of 59,330. The state jobless rate reached 5.1 percent, up nine-tenths of a percent compared to the May 2007 rate of 4.2 percent and increased five-tenths of a percent from April 2008.

The unemployment rate is the ratio of the unemployed (individuals who are actively looking for work) divided by the total labor force (which consists of the employed plus the unemployed.) It can be affected by changes in the labor force participation rate (which is a ratio of the total labor force divided by the population age 16 and older). Over time, the makeup of the labor force also changes. New graduates are joining the labor force for the first time while some currently employed are retiring. At other times, some job seekers may be in or out of the labor force depending on the state of the economy and their hope of finding a job. All these facts suggest that the unemployment rate does not and should not be expected to respond one-for-one to changes in employment. When employment expands, not all the added jobs are filled by the previously unemployed. Some of the openings may be filled by residents who just joined the labor force, while others are taken by previously discouraged workers who previously were not counted as part of the labor force.



Summary Table

Labor market Information for the Wenatchee Metropolitan Statistical Area (Chelan and Douglas Counties)

Not Seasonally Adjusted/*Updated with ***QCEW Data: December 2007

(Employment statistics in whole numbers)	Prelim May-08	Revised Apr-08	Revised May-07	Change		
				Apr-08 May-08	May-07 May-08	May-07 May-08%
Employment by Place of Residence						
Civilian Labor Force	59,330	59,170	57,580	160	1,750	3.0%
Resident Employment	55,640	55,970	54,780	-330	860	1.6%
Unemployment	3,690	3,200	2,810	490	880	31.3%
Unemployment Rate	6.2	5.4	4.9	0.8	1.3	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm 1/	40.1	39.4	39.9	0.7	0.2	0.5%
Total Private	30.8	30.2	30.8	0.6	0.0	0.0%
Goods Producing	5.3	5.2	5.8	0.1	-0.5	-8.6%
Natural Resources, Mining, and Construction	3.1	3.0	3.5	0.1	-0.4	-11.4%
Manufacturing	2.2	2.2	2.3	0.0	-0.1	-4.3%
Services Providing	34.8	34.2	34.1	0.6	0.7	2.1%
Private Services Providing	25.5	25.0	25.0	0.5	0.5	2.0%
Trade, Transportation, Warehousing, and Utilities	8.8	8.7	8.8	0.1	0.0	0.0%
Retail Trade	6.2	6.1	6.2	0.1	0.0	0.0%
Education and Health Services	5.7	5.8	5.6	-0.1	0.1	1.8%
Leisure and Hospitality	5.5	5.3	5.1	0.2	0.4	7.8%
Government	9.3	9.2	9.1	0.1	0.2	2.2%
Federal Government	0.8	0.8	0.9	0.0	-0.1	-11.1%
State Government	1.5	1.4	1.4	0.1	0.1	7.1%
Local Government	7.0	7.0	6.8	0.0	0.2	2.9%
Workers In Labor/Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0
<p>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 2007) and estimates employment from that point to present.</p> <p>**North American Industry Classification System. ***QCEW = Quarterly Census of Employment and Wages</p>						