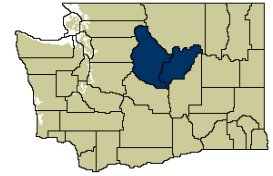




# Wenatchee MSA (Chelan and Douglas counties) Labor Area Summary Volume 2008, Number 6



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## Summary

The June 2008 nonfarm employment summary in the Wenatchee Metropolitan Area (MSA) showed a soft labor market. Compared to a year ago, total employment declined by 200 paychecks, as the year-over-year pace of growth expanded in the services providing industry and shrank in the goods producing industry.

### Services Providing

- With the revised May 2008 figures, the services providing sector (trade, transportation, warehousing and utilities, educational and health services, leisure and hospitality, government and all other services) have added jobs at an accelerating rate for the fourth consecutive month.
- In June, employment was up 2.6 percent (900 jobs) – the fastest monthly growth rate since the beginning of the year. The record month-over-month job increase in June followed 1.5 percent upturn (500 jobs) in May, six tenths of a percent increase (200 jobs) in April, and nine tenths of a percent increase (300 paychecks) in March.
- Over the last 12 months, employment has expanded by 300 jobs, or up 0.8 percent, and 0.9 percent below the prior year's growth rate.
- The state posted a yearly growth rate of 1.1 percent and a month-over-month percentage change of 0.6 percent in June, 0.7 percent in May and 0.4 percent in April.

### Goods Producing

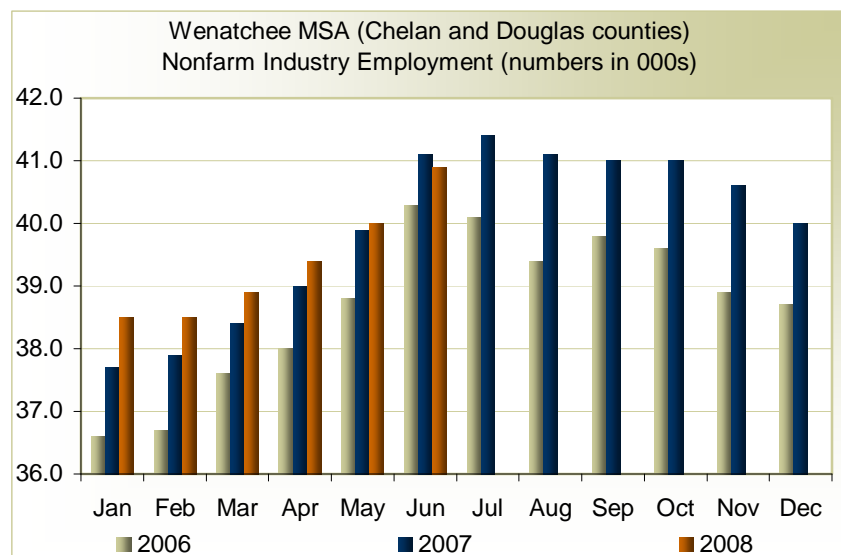
- Over the last 12 months, the goods producing industry (manufacturing, natural resources, mining and construction) shrank 500 jobs, down 8.6 percent.
- In the prior two years, employers created jobs at 7.7 percent and 3.6 percent growth rate in June 2006 and June 2007, respectively.
- Over the month, the number of workers remained unchanged compared to May 2008 total of 5,300. This follows an increase of 100 jobs in May and 300 in April.
- Statewide, jobs were slashed by 0.3 percent between June 2007 and 2008, but were added at a 1.2 percentage rate in both June and May 2008.

## The Winners

- Leisure and hospitality, a services providing sector that includes the subsectors of arts, entertainment, recreation, accommodation, food services and drinking place, continued to drive the job growth with 500 jobs created over the last 12 months and 600 added over the last month. Between June 2006 and June 2007, employment expanded by 200 jobs, a 3.7 percent upturn and 5.2 percent below the current annual percentage increase of 8.9 percent. The state expanded at a slower pace with an annual and monthly increase of 2.2 percent each.
- With 2.1 percent growth rate and 3.6 percentage increase respectively for government and educational and health services between June 2007 and June 2008, employment expanded by 200 paychecks in each of these two services providing sectors. Education and health services posted a month-to-month job increase of 100 in June after declining by the same amount in May, while payroll in the government sector went up 300 paychecks (3.2 percent) in June and 100 jobs (1.1 percent) in May. Statewide, employers created jobs at a slower pace since June 2007 with 1.6 percent upturn for the government sector and 2.3 percent growth rate for education and health services providers.
- In June 2008, there were a total of 6,300 retail trade jobs, up 100 (or 1.6 percent) from both June 2007 and May 2008. Statewide, employment expanded by six tenths of a percent over the last month and by two tenths of a percent over the last 12 months.

## The Losers:

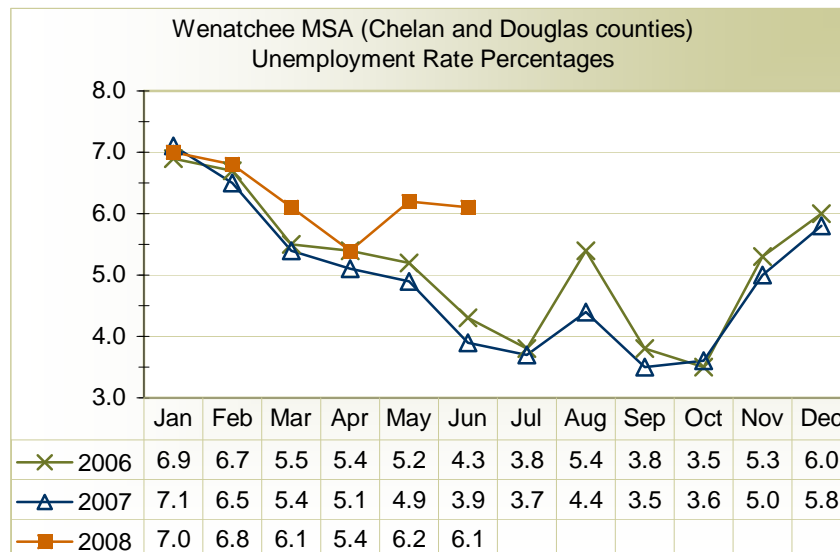
- Manufacturing employment remained unchanged at 2,200 paychecks since April 2008, while employers slashed 8.3 percent (from 2,400) of the workforce from a year ago. Statewide, manufacturing employment expanded by 1.3 percent since June 2008 and by 1.1 percent since May 2008.
- Between June 2007 and June 2008, the natural resources, mining and construction sector dropped by 300 jobs, or down 8.8 percent after posting a 9.7 percent increase the year before. Over the last month, employment levels remained unchanged at 3,100 workers. In the state, employment in the construction sector went down 2.2 percent over year ago totals, while increasing 1.5 percent from May 2008.



## Unemployment

The unemployment rate in Chelan and Douglas counties rose to 6.1 percent, up 2.2 percent above the June 2007 rate of 3.9 percent. Over the last month, the unemployment rate edged down one tenth of a percent from 6.2 percent in May 2008. At the same time, the number of residents who are out of work and actively seeking employment increased from 2,580 in June 2007 to 4,100 in June 2008, or up 1,520 out of a total labor force of 66,700. The state jobless rate reached 5.4 percent or up a percent compared to the June 2007 rate of 4.4 percent and increased three tenths of one percent from May 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 factors suggest that the unemployment rate doesn't 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						
	Change					
(Employment statistics in whole numbers)	Prelim Jun-08	Revised May-08	Revised Jun-07	May-08 Jun-08	Jun-07 Jun-08	Jun-07 Jun-08%
Employment by Place of Residence						
Civilian Labor Force	66,700	59,150	66,170	7,550	530	0.8%
Resident Employment	62,610	55,500	63,580	7,110	-970	-1.5%
Unemployment	4,100	3,660	2,580	440	1,520	58.9%
Unemployment Rate	6.1	6.2	3.9	-0.1	2.2	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm <sup>1/</sup>	40.9	40.0	41.1	0.9	-0.2	-0.5%
Total Private	31.3	30.7	31.7	0.6	-0.4	-1.3%
Goods Producing	5.3	5.3	5.8	0.0	-0.5	-8.6%
Natural Resources, Mining, and Construction	3.1	3.1	3.4	0.0	-0.3	-8.8%
Manufacturing	2.2	2.2	2.4	0.0	-0.2	-8.3%
Services Providing	35.6	34.7	35.3	0.9	0.3	0.8%
Private Services Providing	26.0	25.4	25.9	0.6	0.1	0.4%
Trade, Transportation, Warehousing, and Utilities	9.0	8.8	9.2	0.2	-0.2	-2.2%
Retail Trade	6.3	6.2	6.2	0.1	0.1	1.6%
Education and Health Services	5.8	5.7	5.6	0.1	0.2	3.6%
Leisure and Hospitality	6.1	5.5	5.6	0.6	0.5	8.9%
Government	9.6	9.3	9.4	0.3	0.2	2.1%
Federal Government	1.0	0.9	1.0	0.1	0.0	0.0%
State Government	1.5	1.5	1.4	0.0	0.1	7.1%
Local Government	7.1	6.9	7.0	0.2	0.1	1.4%
Workers In Labor/Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0
<p><sup>1/</sup> 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>						