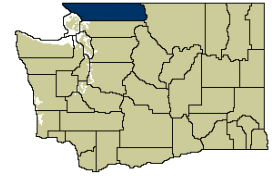




Bellingham MSA (Whatcom County)

Labor Area Summary

Volume 2009, Number 5

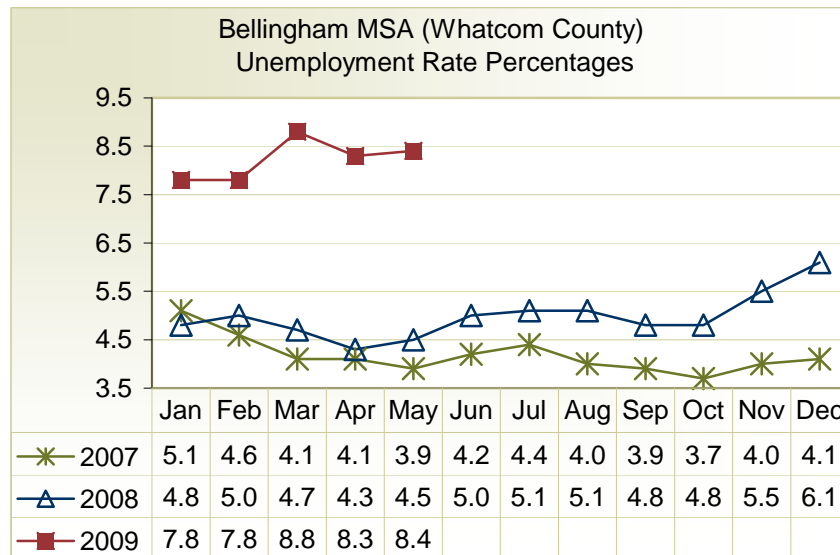


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Summary

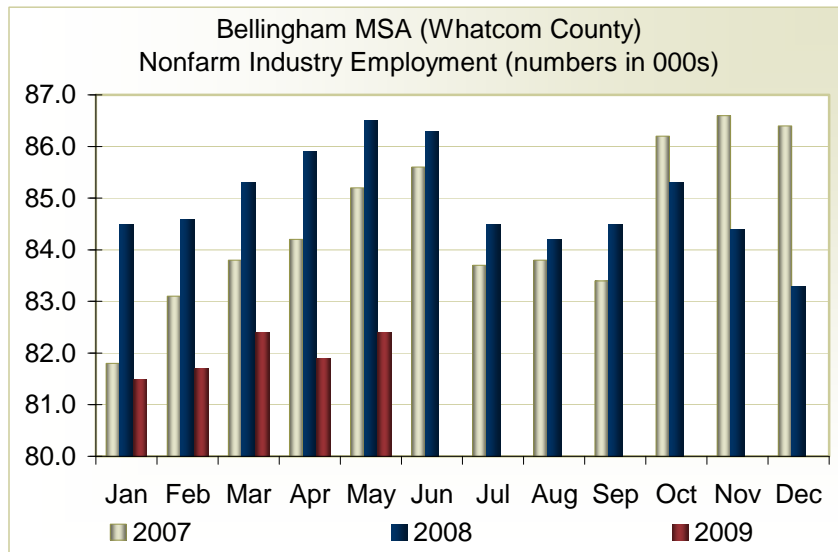
According to preliminary data released by the Washington Employment Security Department, the unemployment rate for the Bellingham Metropolitan Statistical Area (MSA) was 8.4 percent in May. The May rate was one-tenth of a percentage point above the revised April rate of 8.3 percent. Statewide, the May unemployment rate was 9.2 percent, three-tenths of a percentage point above the revised April rate of 8.9 percent.

The May 2009 area unemployment rate was three and nine-tenths percentage points above the May 2008 jobless rate of 4.5 percent. In the past year, employers have dropped 2,210 Whatcom County residents from their payrolls. The data show that 101,310 Whatcom County residents were gainfully employed in May, while 9,260 were looking for work – an increase of approximately 4,380 since May 2008.



Nonfarm employment in Whatcom County totaled 82,400 in May, up 500 jobs over the April total, but down 4,100 from the total from last year at this time. Goods-producing employment was up 100 in May, while the services-providing sectors added 400 paychecks to the economy. The entire over-the-month increase on the goods side occurred in the manufacturing industry.

Over the year, nonfarm employment was down by 4.7 percent (statewide, over the year nonfarm employment decreased by 3.9 percent). Year-over-year total nonfarm employment growth in the county has been negative for eight consecutive months. This has not occurred since at least 1990 (the first year for which comparable data exist). In addition, the 4,100 jobs lost was the largest year-over-year decrease in jobs since at least 1990 (again, the first year for which comparable data exist). Employment on the goods side decreased by 2,300 jobs, while employment on the services side decreased by 1,800. On the goods side, the construction grouping has lost 1,300 paychecks to the economy since May 2008, while employers in the manufacturing sector eliminated 1,000 jobs in the past year. On the services side, three sectors each lost 500 jobs to the economy over the year – retail trade, professional and business services, and leisure and hospitality.



Turning to the national economy, the news is mixed. After decreasing in April, the U.S. unemployment rate increased in May to 9.1 percent. The May jobless rate was five-tenths of a percentage point above the revised April rate of 8.6 percent. While job losses have slowed in recent months, many economists are predicting the jobless rate will reach double digits before the economy starts to rebound. There is evidence to support this belief. Most importantly, preliminary data indicate that U.S. Gross Domestic Product (GDP) decreased at an annual rate of 5.7 percent in the first quarter of 2009. This comes on the heels of a 6.3 percent annualized decrease in the fourth quarter of 2008.

Economic growth is driven by consumer spending, and recent data indicate that consumer spending decreased in April. However, there are some indications that consumer confidence has improved recently. One measure of consumer confidence is the Conference Board Consumer Confidence Index™ (CCI). The consumer confidence index is defined as the degree of optimism on the state of the economy. In May, the index stood at 54.9 (1985=100), up from a revised figure of 40.8 in April. The index has increased for three consecutive months and is currently more than twice what it stood at in February. Since the economy is driven by consumer spending, increases in consumer confidence may be an indication that the economy is about to turn around. However, increases in consumer confidence must be sustained for several months before such conclusions can be drawn.

Summary Table

Labor Market Information for the Bellingham Metropolitan Statistical Area (Whatcom County) Not Seasonally Adjusted/*Updated with ***QCEW Data: December 2008						
	Change					
	Prelim May-09	Revised Apr-09	Revised May-08	Apr-09 May-09	May-08 May-09	May-08 May-09%
Employment by Place of Residence						
Civilian Labor Force	110,570	108,850	108,400	1,720	2,170	2.0%
Resident Employment	101,310	99,770	103,520	1,540	-2,210	-2.1%
Unemployment	9,260	9,080	4,880	180	4,380	89.8%
Unemployment Rate	8.4	8.3	4.5	0.1	3.9	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm ^{1/}	82.4	81.9	86.5	0.5	-4.1	-4.7%
Total Private	65.5	65.1	69.6	0.4	-4.1	-5.9%
Goods Producing	14.9	14.8	17.2	0.1	-2.3	-13.4%
Mining, Logging, and Construction	7.0	7.0	8.3	0.0	-1.3	-15.7%
Manufacturing	7.9	7.8	8.9	0.1	-1.0	-11.2%
Services Providing	67.5	67.1	69.3	0.4	-1.8	-2.6%
Private Services Providing	50.6	50.3	52.4	0.3	-1.8	-3.4%
Trade, Transportation, Warehousing, and Utilities	15.2	15.0	15.9	0.2	-0.7	-4.4%
Retail Trade	10.1	10.1	10.6	0.0	-0.5	-4.7%
Financial Activities	3.2	3.2	3.2	0.0	0.0	0.0%
Professional and Business Services	7.3	7.3	7.8	0.0	-0.5	-6.4%
Leisure and Hospitality	9.6	9.6	10.1	0.0	-0.5	-5.0%
Government	16.9	16.8	16.9	0.1	0.0	0.0%
Federal Government	1.2	1.2	1.2	0.0	0.0	0.0%
State Government	5.8	5.7	5.7	0.1	0.1	1.8%
Local Government	9.9	9.9	10.0	0.0	-0.1	-1.0%
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 2008) and estimates employment from that point to present.</p> <p>**North American Industry Classification System. ***QCEW = Quarterly Census of Employment and Wages</p>						