



May 2011

# Northwest Washington Labor Market Review

Volume 2011, Number 5

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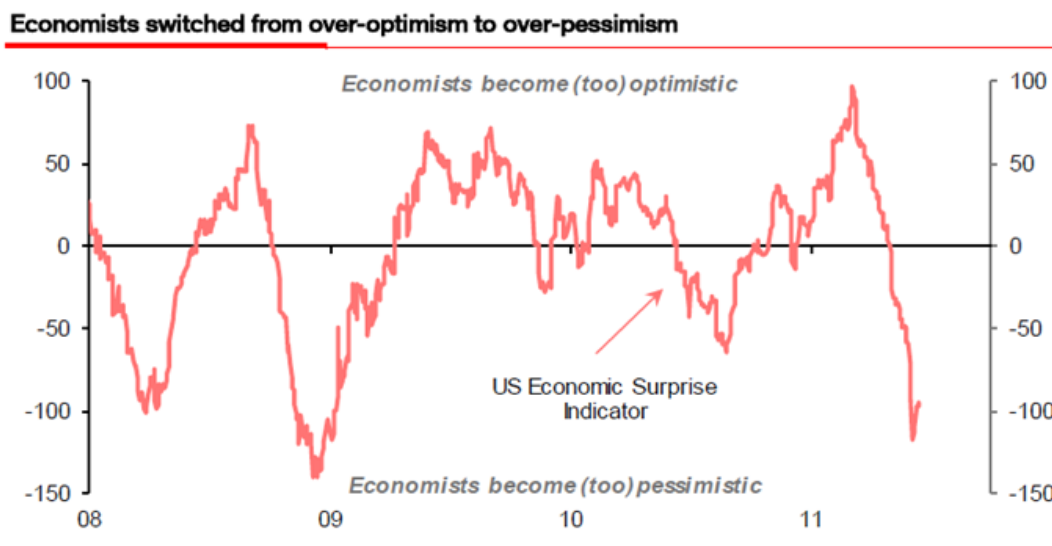
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## Executive Summary

### US Economic Overview & Outlook

The recent slowdown in economic growth occurring around most of the globe and the US is usually attributed by economists to the trade disruptions from the Fukushima nuclear disaster, the unfolding Greek tragedy in public finance, and the surge in energy and other commodity prices. Leading economic indicators for global industrial and manufacturing output are suggesting that this slowdown in growth will last well into the end of this year. Just as this is becoming the fashionable consensus view, it may turn out that economists are becoming too pessimistic in the short term and we may be facing some strong upside surprises late in this year and early next year. The chart of the month is the Citigroup Economic Surprise Index (CESI).



Source Bloomberg, Citigroup, SG Cross Asset Research

The positive spike in early 2011 occurred when the consensus economic view of future data was in error by being too optimistic and then gave birth to a deep pessimism, which is another error that may bode well for higher growth late this year or early next year. The chart shows that the deep pessimism brought on by the Lehman bankruptcy in late 2008 presaged the end of the Great Recession that officially occurred in June 2009.

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Looking at the June 17 release of the Conference Board US Leading Economic Index ([LINK](#)), it has reached a new all time high since bottoming in the second half of 2008. Their press release states, “The U.S. LEI rebounded in May and resumed its upward trend with a majority of the components supporting this gain. The Coincident Economic Index, a monthly measure of current economic conditions, continued to increase slowly but steadily. Overall, despite short-term volatility, the composite indexes still point to expanding economic activity in the coming months.” The ECRI Weekly Leading Index (WLI) is pointing towards some softening of growth through this year, but not negative economic growth. <http://www.businesscycle.com/>. Slowdowns in growth are common in economic expansions ([LINK](#)).

One short-term stimulant to the economy is the falling of crude oil prices and gasoline from their recent highs in early May. The announcement ([06/23/11](#)) by International Energy Administration to release 60 million barrels of crude oil from strategic reserves seems likely to add some short-term stimulus to consumer spending this summer benefitting the retail, leisure and hospitality industries.

### **Review of National Labor Markets**

For the National Employment Situation Report for May 2011 (BLS) please use the following link: <http://stats.bls.gov/news.release/pdf/empsit.pdf> The dramatic slowdown in job growth from the April data was very notable. The BLS notes, “Job gains continued in professional and business services, health care, and mining. Employment levels in other major private-sector industries were little changed, and local government employment continued to decline.”

### **Review of State Labor Markets**

For the Washington State Employment Situation Report for March 2011 please use the following link: [http://www.workforceexplorer.com/admin/uploadedPublications/11216\\_ESR\\_June\\_15\\_11.pdf](http://www.workforceexplorer.com/admin/uploadedPublications/11216_ESR_June_15_11.pdf) The month over month changes in *seasonally adjusted* employment noted were:

- It was a very good month for the leisure and hospitality sector, up 3,200 jobs. Growth largely came from the food services and drinking places industry, which added 2,900 jobs.
- Construction grew by 700 jobs. It was the third month out of the last four to see growth in construction.
- The wholesale trade sector lost more jobs (-2,100) over the month than any other sector.
- Retail trade lost 1,600 jobs, with the bulk coming from the general merchandise stores industry (-1,000 jobs).
- The employment services industry lost 500 jobs, making it the first month since August 2010 to see job declines.
- Durable goods manufacturing was up 1,500 jobs, driven by a jump of 1,000 jobs in aerospace.
- The uptick in public sector employment came from the federal level (+100) and state government education (+300 jobs).

For an exceptionally informative look at the state economy see LMEA’s acting chief economist’s (Dave Wallace) presentation at the Snohomish Economic Symposium. This has lots of industry and

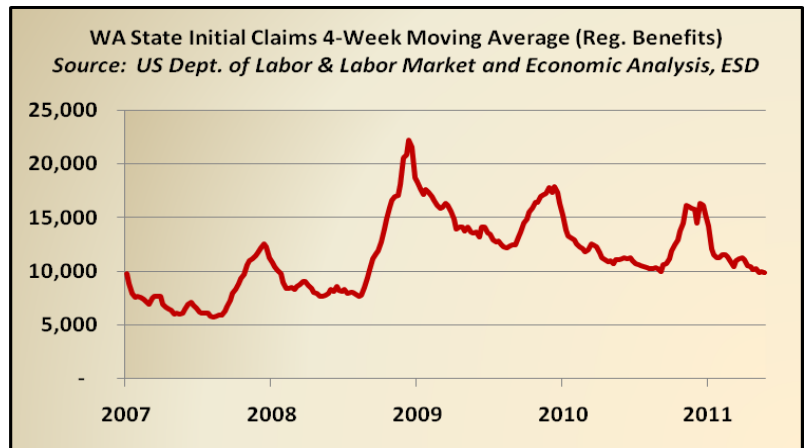
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occupational data on employment and wages, both historical and projected.

<http://www.workforceexplorer.com/article.asp?ARTICLEID=11229>

### Statewide Initial Claims, All Industries.

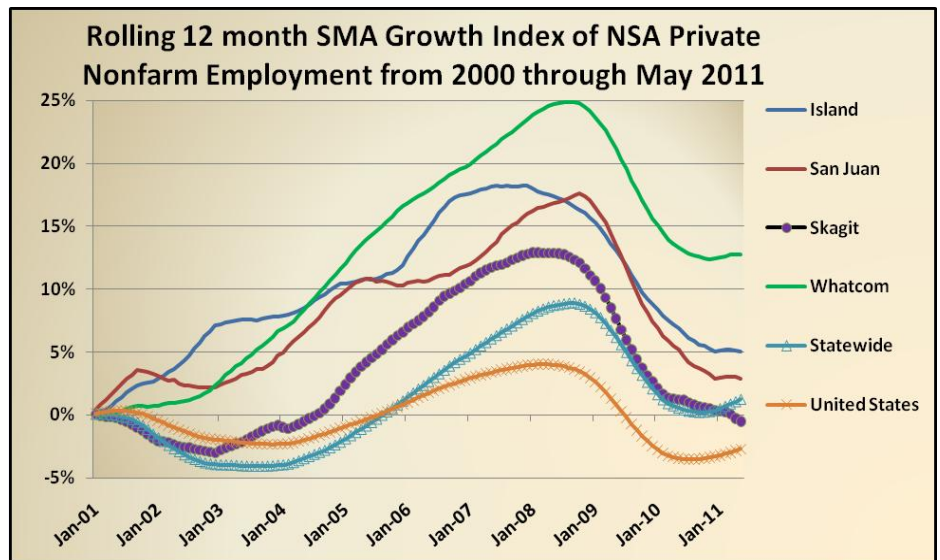
The chart on initial claims for UI regular benefits for the state shows that labor markets are still at a heightened level of difficulty compared to the summer of 2007 (before the recession began). This pretty much is the same pattern for the four-county area in northwest Washington.



### Review of NW Washington Labor Markets

The first chart compares the nonfarm private payroll growth of the four northwest Washington counties with state and the US since the year 2000. What is notable about this data is that the US (and now Skagit County) are below the levels of 2000. Whatcom County has done the best over this period.

Employment growth for the US, state and Whatcom county are visible, but Island and San Juan counties are still in a bottoming process for private nonfarm payroll employment.



### Comparison Tables for Unemployment Rates and Employment

See the appendix for more details on the unemployment rate data.

Area	May-11	Apr-11	May-10
USA (U-3)	8.7	8.7	9.3
USA (U-6)*	15.4	15.5	16.1
Washington	8.8	9.0	9.4
CD-2 (est.)	9.1	9.2	9.7
NW WDA	8.9	8.7	9.2
Whatcom	8.4	8.1	8.7
Skagit	10.0	9.9	10.2
Island	9.1	9.5	9.4
San Juan	6.9	7.2	6.5
Snohomish	9.2	9.5	10.0

\*U-6 rate counts discouraged and other workers.

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**Table 2: Employment Growth Rate Comparison of Select Industry Sectors**

*May 2011 Nonseasonally Adjusted Data for All Areas (Preliminary)*

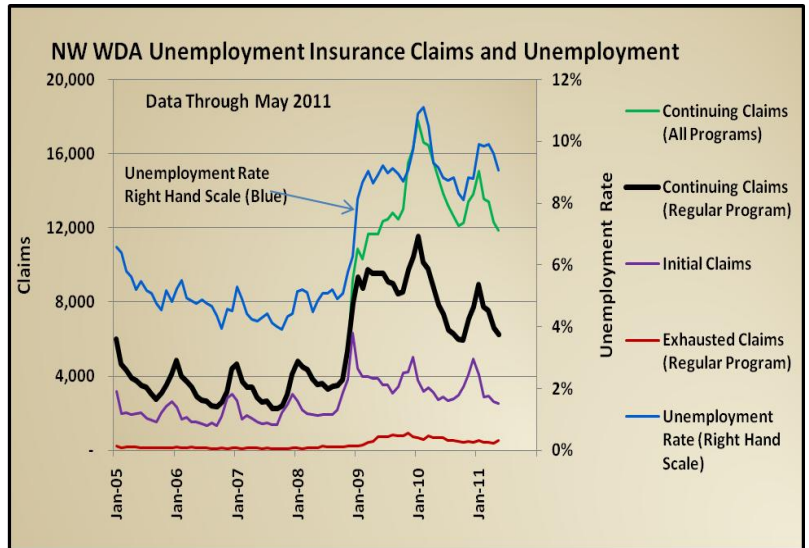
NAICS Industry	USA		Washington		NW Counties		Whatcom		Skagit		Island		San Juan	
	Y/Y %	M/M %	Y/Y %	M/M %	Y/Y %	M/M %	Y/Y %	M/M %	Y/Y %	M/M %	Y/Y %	M/M %	Y/Y %	M/M %
Total Nonfarm 1/	0.7%	0.5%	1.1%	0.6%	-1.4%	0.6%	-0.3%	0.0%	-2.2%	1.4%	-4.2%	0.0%	-2.9%	4.3%
Total Private	1.7%	0.7%	2.2%	0.7%	-1.2%	0.8%	0.0%	0.2%	-2.7%	1.9%	-3.5%	0.0%	-1.6%	5.2%
Goods Producing	1.5%	1.4%	1.3%	1.2%	0.5%	0.9%	1.5%	0.7%	0.0%	1.3%	-2.3%	0.1%	-5.4%	2.3%
Mining, Log. & Construct.	1.4%	3.4%	0.3%	2.9%	-1.2%	2.4%	0.0%	1.8%	0.0%	3.6%	-7.7%	3.7%	-6.8%	1.5%
Manufacturing	1.5%	0.3%	1.9%	0.2%	1.3%	-0.1%	2.6%	0.0%	0.0%	0.0%	-3.2%	-3.2%	0.0%	5.6%
Service Providing	0.6%	0.4%	1.1%	0.5%	-1.3%	0.7%	-0.6%	-0.2%	-2.7%	1.4%	-0.7%	1.4%	-2.4%	4.8%
Private Service Providing	1.7%	0.5%	2.4%	0.6%	-1.3%	1.0%	-0.4%	0.0%	-3.5%	2.1%	0.1%	1.5%	-0.6%	6.0%
Government	-3.6%	-0.2%	-3.2%	0.3%	-1.5%	-0.1%	-1.2%	-0.6%	-0.9%	0.0%	-2.2%	1.3%	-7.9%	1.0%

### Four County Area (WDA-3)

#### Overview of the Unemployment Insurance Claims and Unemployment rates

Please note the following about this chart:

- Data is not seasonally adjusted and numbers discussed below are the values for May 2011.
- The unemployment rate of 8.9 percent is read on the right hand scale.
- Claims data is on the left hand scale. Initial claims for the past three years are still elevated compared to 2005-2008 period. This indicates that workers are still being laid off at considerably higher rates than the 2005-2007 period.
- Continuing claims (heavy black line) are for the regular UI program only (6,274).
- Adding the EUC and EB continuing claims (5,597) to the regular continuing claims results in the green line (11,871 total).
- As the UEC and EB programs are eventually discontinued, exhausted claims may rise significantly unless significant job growth has returned, but this will not affect the reported unemployment rate directly, as those exhaustees are already unemployed.

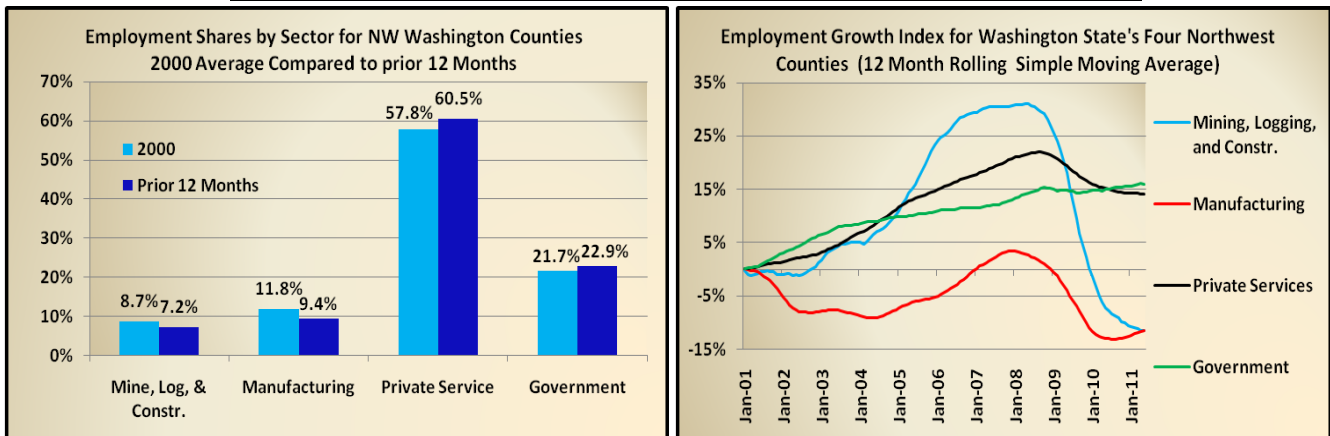


#### Overview of Nonfarm Employment Growth and Shares by Major Sectors

The charts referenced in this section reflect the May 2011 data release.

- The bar chart shows that the four-county region is following the national and state trends of declines in goods producing sector share and a rise in the broad private service producing sector share over the past 11 years.
- The share of government employment has increased, which is mostly due to the greater declines in the private sectors.

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To understand the rolling 12-month average method refer to the appendix of this report. Please note the following about the line chart:

- Manufacturing employment has bottomed out and is still rebounding, and its 12-month growth rate has held steady in May.
- Mining, logging and construction employment is still declining, but its decline rate is decelerating.
- Private service employment appears to be bottoming since its current rate of decline is nearly zero.
- Government employment has been in a mild uptrend since July 2010, but in May the growth rate slipped a tiny bit for the first time since March of 2010 (due to the May 2010 Census hiring spike falling out of the 12- months of averaged data now).

### Whatcom County

**Data:** [https://fortress.wa.gov/esd/lmea/countydashboard/Summary.aspx?area=53\\_04\\_000073](https://fortress.wa.gov/esd/lmea/countydashboard/Summary.aspx?area=53_04_000073)

**Unemployment:** The nonseasonally adjusted unemployment rate in Whatcom County rose from a revised 8.1 percent in April 2011 to 8.4 percent in May (see table 1 above). Over the month, the number of employed and the labor force grew. The number of unemployed also grew, which may be a sign that discouraged workers are coming back into the labor force to seek employment, hence the unemployment rate increased in May. While these monthly trends are positive, it may largely be driven by seasonal factors. Over the year, the employed and unemployed both decreased which signals that the labor markets are still in a bottoming process.

The unemployment rate is a lagging indicator, which means that it reacts to labor market conditions after hours worked, wages, and employment have changed. It is however the most watched labor market information by most people because it is a measure of 'pain' or difficulty in getting a job in the labor markets. Measuring the unemployment rate at the county level poses difficulties because it is not based on a direct household sample of the labor force (Were you employed or not employed but looking for work?), like the US employment rate is. The county unemployment rate instead is based on related data like initial claims for UI insurance and the monthly payroll data. The preliminary unemployment rate for each month is revised when a new month's preliminary unemployment rate is released. Even the revised unemployment rates contain much uncertainty: county rates probably need to move close to

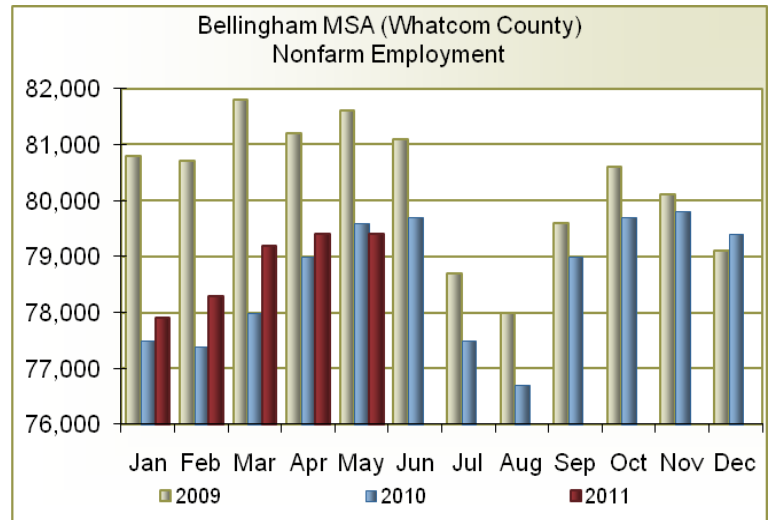
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a ½ percent to at least say with some certainty they have actually changed in reality rather than just in the model. The county unemployment rates are given a revision sometimes more than a year after the initial rates have been released and can swing by a whole percentage point after that. With all these difficulties with the county unemployment rate data, why bother looking at it?

- It is useful for looking at trends of the difficulty in finding a job in a specific area and to compare across areas in the same time period.
- The underlying data for the unemployment rate consists of the number of people working, plus the number of people not working, but actively looking for a job, which sums to the civilian labor force. The changes in the number of employed and unemployed tell us more useful information about the labor force.

**Industry Employment:** Looking at Table 2 for changes in nonfarm *private* payroll employment, the preliminary May sample survey of private employers in Whatcom County showed no change over the year. Over the same period, the state increased jobs by 3.4 percent (200 jobs) over the year. The quarterly benchmarking with the December UI payroll data showed that the year over year job losses from December through March were entirely reversed with the release of the April benchmarked revisions. It seems likely that this benchmarking process will show that the April and May private employment numbers will be revised upwards and the private employment growth will bring total nonfarm employment up over the year. What has probably been holding back total nonfarm employment growth are the estimates of the residual private services sector as well as the hefty losses in government jobs (census spike in federal employment last May over the year across all geographic areas in Table 2).

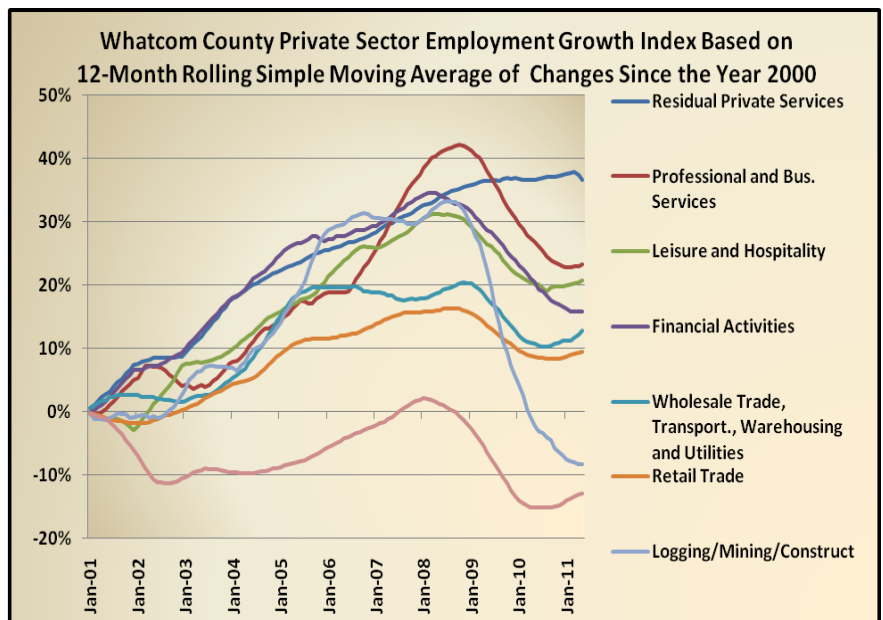
The sectors that had the strongest employment gains over the year were wholesale trade, transportation, warehousing and utilities as well as leisure and hospitality, with both sectors enjoying a 300 job gain; professional & business service, manufacturing, and retail trade each enjoyed 200 jobs in gains over the year. Canadian visitors are likely responsible for a large part of the increases due to tourism. Remember that monthly numbers, even over 2-3 months do not reliably show the intermediate trends in the sectors because of benchmarking revisions. While single family residential construction may take a considerable time to recover as noted previously, commercial and industrial construction are expected to provide the jobs over this and next year. This year's employment data through March has been showing strong seasonal growth, while it appears be cooling off somewhat from current data for April and May, benchmarking the data this summer may show the stronger seasonal trend to be continuing.



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**Major Sector Shares and Growth:** Looking at the more durable intermediate trends in nonfarm payroll employment using a rolling 12-month simple moving average to smooth out the seasonality and noise from preliminary estimate for the current month, the following are evident from the data:

- Federal civilian employment is mostly flat since last summer, but this only accounts for less than two percent of total jobs. The year over year comparison with the US Census hiring surge from last May is showing some giveback.
- State government employment has been in a fairly strong uptrend since July of 2009.
- Local government employment had been drifting lower, but has stabilized since last December.
- Natural resources and construction employment counts for about nine percent of private jobs, employment here is still declining, but the rate of decline keeps easing and may be bottoming out. Planned construction of new apartments and hotels this year and next will provide some relief to the long-suffering construction workers.
- Wholesale trade, transportation, warehousing and utilities employment has markedly reversed since the new benchmarks have been taken. Since early last summer this sector has been steadily rising at a decent pace.
- Financial activity employment counts for less than five percent of private employment, but appears to have bottomed, which may be a prelude to growth.
- Retail trade employment has bottomed and starting a modest uptrend that began late fall of 2010.
- Professional and business services employment has bottomed last fall and has shown some signs of a new uptrend.
- Manufacturing employment is still in an uptrend that began in late summer of 2010.
- Restaurants and drinking establishments have been in a moderate uptrend since June 2010 and seems to be gaining some strength recently.
- Finally, residual private services employment, after the recent benchmarking has regained most of the losses that were such an apparent drag on private sector growth over the past several months. The chart shows a two-month downtick, but data revisions will likely reverse that and the modest uptrend will continue.



### Skagit County

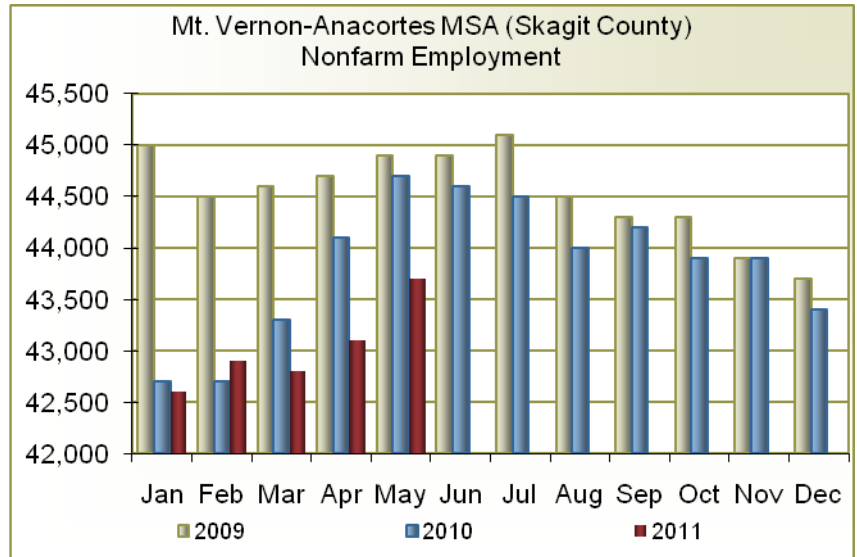
**Unemployment:** The nonseasonally adjusted unemployment rate in Skagit County increased from a revised 9.9 percent in April 2011 to 10.0 percent in May (see table 1 above). Over the month, the number of employed and the labor force grew. The number of unemployed also grew, which may be a

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sign that discouraged workers are coming back into the labor force to seek employment, hence the unemployment rate increased in May. While these monthly trends are positive, it may largely be driven by seasonal factors. Over the year, the employed and unemployed both decreased which signals that the labor markets are still in a bottoming process. For a general discussion on unemployment rates and their usefulness, please see the discussion under Whatcom County unemployment

**Industry Employment:** Looking at Table 2 for changes in nonfarm private payroll employment, the preliminary May sample survey of private employers in Skagit County showed no over the year growth in manufacturing nor mining/logging/construction.

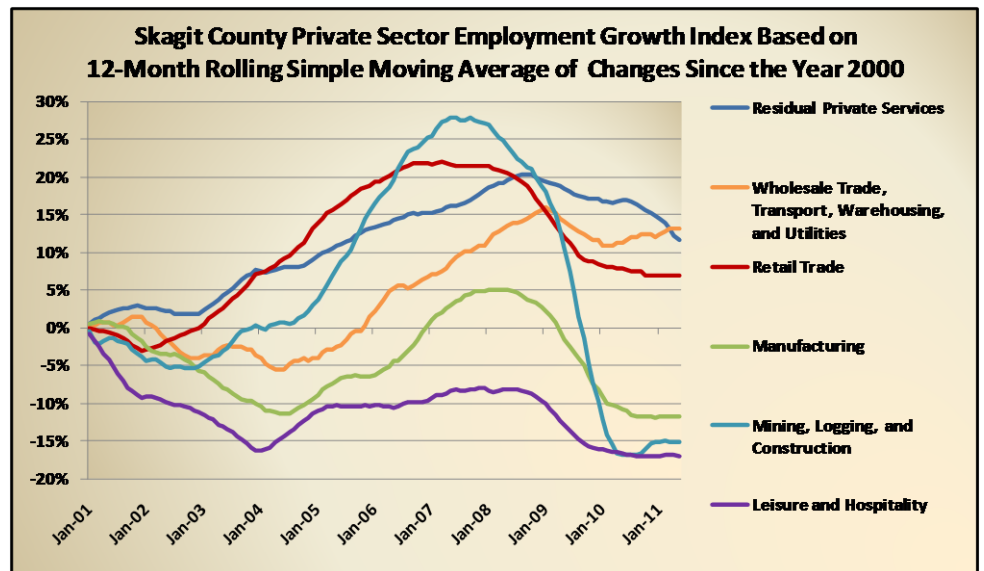
Private service providing industries were hit hard over the year with a loss of 900 jobs, with 800 being lost from residual private services. The losses in private residual services began in late summer in 2008. Looking at the more detailed QCEW data to find the industries mostly responsible for this decrease from August 2008 to September 2010 (September 2010 is the most recent QCEW data available) the findings are: (1) Ambulatory Health Care Services lost 360 jobs for a 15 percent decline; and (2) Finance & Insurance lost 204 jobs for a 13 percent decline.



responsible for this decrease from August 2008 to September 2010 (September 2010 is the most recent QCEW data available) the findings are: (1) Ambulatory Health Care Services lost 360 jobs for a 15 percent decline; and (2) Finance & Insurance lost 204 jobs for a 13 percent decline.

The only over the year growth across all sectors/industries was in local government employment with a gain of 100 jobs. Looking at the intermediate trend graphs below, the only sectors that are currently in uptrends are local government and the “Wholesale Trade, Transport, Warehousing, and Utilities” sector.

There are some seasonal tailwinds that are pushing jobs up over the month in May. Mining, logging and construction increased by 100 jobs, but manufacturing was flat. Curiously, residual private services was the biggest over the month gainer with 400 jobs, while leisure and hospitality services provided another 100 jobs over the



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month.

**Sector Growth:** Looking at the more durable intermediate trends in nonfarm payroll employment using a rolling 12-month simple moving average to smooth out the seasonality and noise from preliminary estimate for the current month, the following are evident from the data:

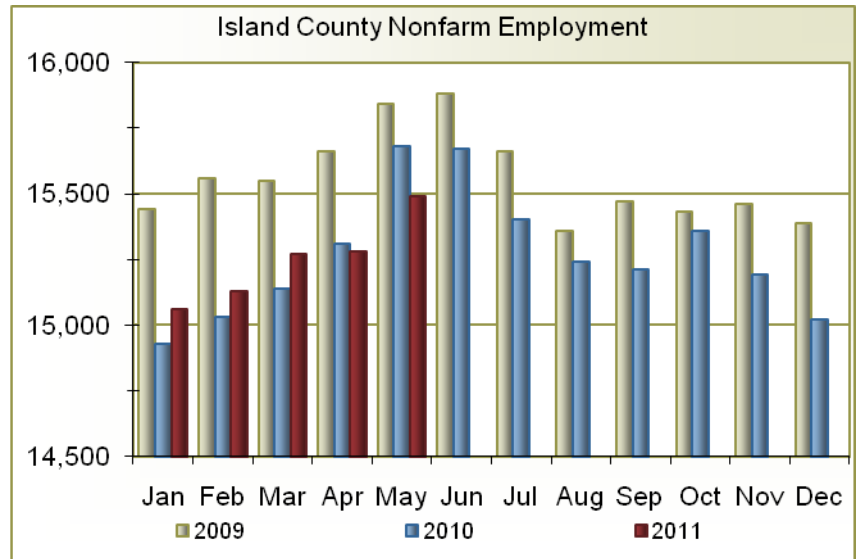
- Local government employment is still in a brisk uptrend since the spring of 2010.
- State government employment has been moving slowly lower since early 2009 and these job losses have partially reversed with a small uptick in employment.
- Federal government civilian employment is slowly growing or stabilizing, but employment is less than one percent of total nonfarm employment, but recently had a strong downtick compared to May of 2010 from the Census hiring spike back then.
- Total private service providing employment is still drifting lower and this sector is about 57 percent of total nonfarm employment. The following industries make up the private service providing sector:
  - Retail trade employment seems to have recently bottomed and is still flat.
  - Wholesale trade, transportation, warehousing and utility employment bottomed in late 2009 and is in the strongest uptrend in the private services sector.
  - Employment at restaurants and drinking establishments bottomed in the summer-fall of 2010 and is flat since then.
  - The other components of private services are not broken out separately in this employment data. This eclectic mix of service industries is still in a downtrend which began in the fall of 2008.
- Goods producing industries are in a possibly very weak uptrend or flat which began in the early summer of 2010. These industries constitute about 18 percent of total nonfarm employment.
  - Manufacturing has about 15 percent of private nonfarm employment and has bottomed and is struggling to begin a tentative uptrend.
  - Mining, logging and construction employment in Skagit County has flattened out for the county after a brief uptrend, so some uncertainty is present for this industry.

### Island County

**Unemployment:** The May 2011 unemployment rate of 9.1 percent (not seasonally adjusted) in Island County was slightly above the 9.1 percent revised number for April 2011. This amount of movement is way too small to be statistically significant. Over the month, the number of employed and the labor force grew. The number of unemployed also grew, which may be a sign that discouraged workers are coming back into the labor force to seek employment, hence the unemployment rate increased in May. While these monthly trends are positive, it may largely be driven by seasonal factors. Over the year, the employed and unemployed both decreased which signals that the labor markets are still in a bottoming process. For a general discussion on unemployment rates and their usefulness, please see the discussion under Whatcom County unemployment.

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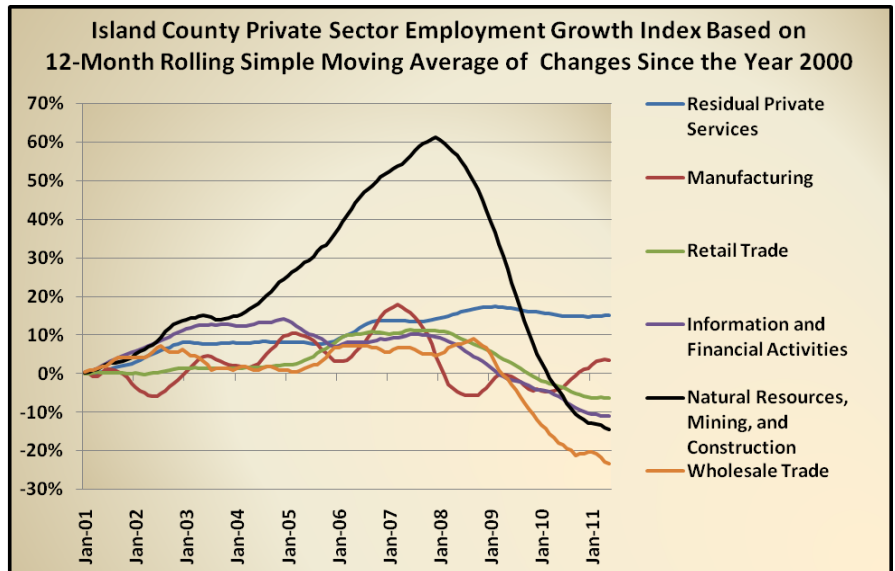
**Industry Employment:** The bar chart below shows some seasonal growth in employment but year over year were decreases for the last two month of this spring. Data revisions for the last two months of 2010 brought down those previously reported declines down even further. To see how this affected individual sectors, see the discussion below.



**Sector Growth:** Looking at the more durable intermediate trends in

nonfarm payroll employment using a rolling 12-month simple moving average to smooth out the seasonality and noise from preliminary estimate for the current month, the following are evident from the data:

- Aggregate private service providing employment, which is about 60 percent of the total nonfarm employment has bottomed out last fall and is possibly beginning an uptrend.
  - Retail trade employment appears to be bottoming out since last fall, but has not yet given a signal for a new uptrend.
  - Information and financial activity employment is still in the downtrend which began in late 2007.
  - Wholesale trade employment is also in a downtrend, which began in summer 2008, and has accelerated a bit recently.
  - The other components of private services are not broken out separately in this employment data. Employment in these other industries is about 54 percent of private payrolls. The largest of these is health care and social assistance employment, which is about 10 percent of private payrolls. The next largest are: food services and drinking establishments (11 percent); professional and technical services (3.5 percent); and then a large number of smaller industries. In total, this eclectic mix of service industries has likely bottomed out from a modest downtrend that began in late 2008. The beginnings of an uptrend are tentatively emerging, which began in the last two months of 2010.



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- State and local government employment which is about 21 percent of total nonfarm payrolls has also bottomed out and is flat.
- Federal government civilian employment has been growing since mid-2009 and has about a nine percent share of total nonfarm employment. The growth rate has recently peaked and ticked downward a bit due to the May 2010 Census hiring surge not being in the 12 month average data any more.
- Employment in the goods producing industries, with a 10 percent share of total nonfarm employment growth is in a tug of war between natural resources/mining/construction which is in a downtrend and manufacturing which is in a stalled uptrend.
  - Manufacturing employment, with a 6 percent share of private nonfarm employment, had started a strong uptrend early in 2010 and this trend appears to be flattening out.
  - Natural resources, mining and construction is still in a downtrend, but the rate of decline has accelerated in recent months. This employment grouping has about an eight percent share of private nonfarm employment.

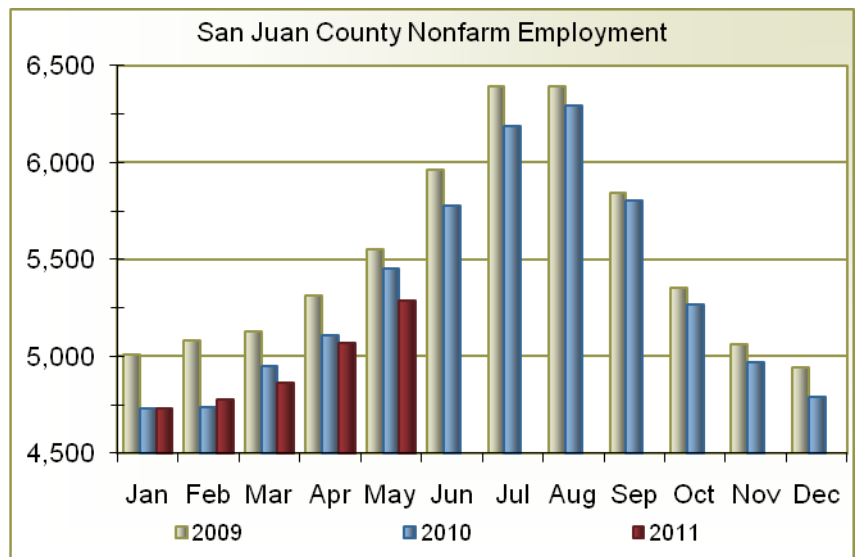
### San Juan County

**Unemployment:** The May 2011 unemployment rate of 6.9 percent (not seasonally adjusted) in San Juan County was below the 7.2 reading in April 2011. Over the month, the number of employed (+390) and the labor force grew strongly. The number of unemployed also grew modestly (+10), which may be a sign that discouraged workers are coming back into the labor force to seek employment. The large growth in the number of employed was the main reason the unemployment rate fell. While these monthly trends are positive, they may largely be driven by seasonal factors. Over the year, the employed and unemployed both decreased which signals that the labor markets are still in a bottoming process. For a general discussion on unemployment rates and their usefulness, please see the discussion under Whatcom County unemployment.

**Industry Employment:** Over the year, total nonfarm payroll employment has fallen below year ago levels for the past three months and by 160 jobs in May. Over the year, government lost 90 jobs due to the temporary surge of Census workers in May 2010. The private job loss was 70 over this period. Natural resources/construction employment lost 50 jobs over the year. There is decent seasonal employment growth however.

**Sector Growth:** Rather than focus on the changes in the most recent month it is better to focus on the intermediate trends in each sector. The line chart shows how each of the

sectors employment grew since 2000. For an explanation of this line chart see the appendix. The May  
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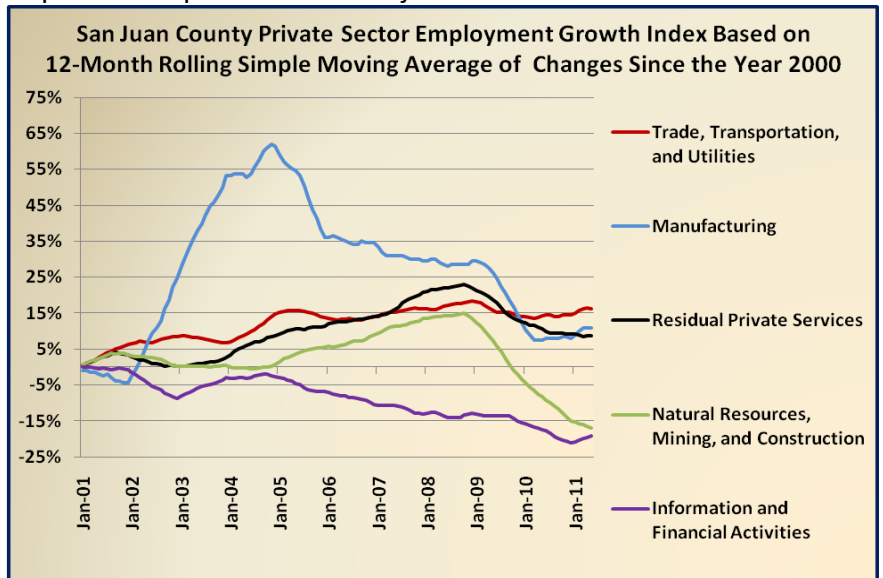


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employment data is based on a sample and can be volatile resulting in some revisions as more information is received.

Looking at the more durable intermediate trends in nonfarm payroll employment using a rolling 12-month simple moving average to smooth out the seasonality and noise from preliminary estimate for the current month, the following are evident from the data:

- Aggregate private service providing employment, which is about 64 percent of the nonfarm total employment has bottomed out and is struggling to begin an uptrend. Looking at the industries in this broad sector:
  - Trade, transportation and utilities employment has bottomed out during the summer of last year and is in a tentative uptrend, but its recent momentum has waned. This broad sector contains about 23 percent of private nonfarm jobs.
  - Information and financial activity employment bottomed out late last summer and is in a moderate uptrend that has is still going strong. This industry has about 6 percent of private nonfarm jobs for the county.
  - The other components of private services are not broken out separately in this employment data. Employment in these other industries is about 50 percent of private payrolls. The largest of these is food services and drinking establishments, with about 19 percent of private employment; health care and social assistance employment, which is about 6 percent of private payrolls. There are many other industries in this mix that are much smaller as well. This eclectic mix of service industries has been in a decline since September 2008 but the decline rate is slowing and is still showing some tentative signs of bottoming out.
- Total government employment which is about 19 percent of total nonfarm payrolls bottomed out a year ago and began an uptrend, but reversed late last year and is declining again.
- Employment in the goods producing industries which is about 17 percent of total nonfarm payrolls have slowed their rate of job losses, but it is still in a downtrend, that is picking up a bit of speed lately.
  - Natural resources, mining and construction employment makes up about 16 percent of private sector employment and is still in a downtrend, but the rate of job losses is slowing somewhat.
  - Manufacturing is the brightest spot in the county for job growth. It bottomed out in the first half of 2010 and has been a fairly steady gainer, but it is only less than 4 percent of private employment in the county.



## **Appendix**

### **About the Data, Charts and Graphs in this Release**

- 1) Employment is measured by the quarterly benchmarked CES (Current Employment Statistic) data which excludes farm based employment. CES counts jobs whether full or part time and is not an FTE based measure. Furthermore, if an individual works at two different firms, this would count as two jobs. This is a sample based estimate and can be volatile and change from the preliminary release as more sample is processed. Furthermore, during the benchmarking process using the QCEW data it becomes very accurate. This CES data measures both UI covered and noncovered employment. The quarterly benchmarked CES data in Washington State differs from the CES data on the Bureau of Labor Statistics (BLS) as the BLS data for Washington is benchmarked only annually.
- 2) The QCEW (Quarterly Census of Employment and Wages) data has a detailed industry breakout since it is based only on UI tax data and is considered very accurate. The most recent QCEW data is for the third quarter of 2011.
- 3) The level of detail in the CES data is far lower than the QCEW data and many service based industries are not estimated at all for the CES data, so this results in a category termed 'residual private services.' Using the QCEW data this sector's industries may be discerned.
- 4) The CES sector shares in this report are based on the prior 12 month's averages of data to remove seasonal influences and minimize volatility from preliminary data. See the growth index graphs for determining intermediate trends in employment data by sector.
- 5) The growth indexes consist of rolling 12-month moving simple averages of employment data. As another month is added to the data, a simple average of the most recent 12 months of data is calculated. In order to put the employment from different industries on the same graph for comparison, all growth is indexed from the base year of 2000 to zero. If one were to draw separate graphs of the 12-month rolling simple moving average (but not using a growth index) then they would appear identical in shape to the growth index data for the same series. Reading off the left axis of these charts, we can tell how much higher or lower we are compared to the 2000 base period. Furthermore, it is easy to see whether each sector's employment has increased, bottomed out or is still decreasing based on the shape of the past several months of each series.
- 6) Since the CES data in this review is subject to revision, this averaging process removes the influence of any particular data point used to determine whether the industry is in a growth, bottoming, or declining phase. It is simple to locate what is called the intermediate trend of the 12-month moving average data: if in the last several months it is turning up from being flat, then the industry employment is growing, and vice versa for a declining industry.
- 7) Caution is again advised in not interpreting preliminary data on unemployment rates or industry employment as a statement of absolute fact. This is the main reason that the employment data is portrayed as a 12-month moving average to remove some of the noise from the data. The revision and benchmarking process will yield a far better picture.

**NORTHWEST WASHINGTON LABOR MARKET REVIEW FOR MAY 2011**

**Detailed Local Area Unemployment Statistics (LAUS)**

<b>Table 3 Unemployment Rates and Labor Force Composition: All Data is Not Seasonally Adjusted (NSA)</b>												
	<b>May 2011 NSA Preliminary</b>				<b>April 2011 NSA Revised</b>				<b>May2010 NSA Revised</b>			
	<b>Labor Force</b>	<b>Employ</b>	<b>Unemploy</b>	<b>URate</b>	<b>Lab Force</b>	<b>Employ</b>	<b>Unemploy</b>	<b>URate</b>	<b>Lab Force</b>	<b>Employ</b>	<b>Unemploy</b>	<b>URate</b>
<b>USA (thousands)</b>	<b>153,449</b>	<b>140,028</b>	<b>13,421</b>	<b>8.7</b>	<b>152,898</b>	<b>139,661</b>	<b>13,237</b>	<b>8.7</b>	<b>153,866</b>	<b>139,497</b>	<b>14,369</b>	<b>9.3</b>
M/M change	551	367	184	0.0								
Y/Y Change	-417	531	-948	-0.6								
Y/Y % Change	-0.3%	0.4%	-6.6%									
<b>Washington</b>	<b>3,470,800</b>	<b>3,163,880</b>	<b>306,920</b>	<b>8.8</b>	<b>3,456,750</b>	<b>3,144,520</b>	<b>312,230</b>	<b>9.0</b>	<b>3,529,270</b>	<b>3,196,010</b>	<b>333,260</b>	<b>9.4</b>
M/M change	14,050	19,360	-5,310	-0.2								
Y/Y Change	-58,470	-32,130	-26,340	-0.6								
Y/Y % Change	-1.7%	-1.0%	-7.9%									
<b>CD-2 Est.</b>	<b>577,930</b>	<b>525,530</b>	<b>52,400</b>	<b>9.1</b>	<b>574,400</b>	<b>521,500</b>	<b>52,900</b>	<b>9.2</b>	<b>590,830</b>	<b>533,590</b>	<b>57,240</b>	<b>9.7</b>
M/M change	3,530	4,030	-500	-0.1								
Y/Y Change	-12,900	-8,060	-4,840	-0.6								
Y/Y % Change	-2.2%	-1.5%	-8.5%									
<b>NW WDA (3)</b>	<b>203,730</b>	<b>185,580</b>	<b>18,150</b>	<b>8.9</b>	<b>201,070</b>	<b>183,480</b>	<b>17,590</b>	<b>8.7</b>	<b>207,770</b>	<b>188,730</b>	<b>19,040</b>	<b>9.2</b>
M/M change	2,660	2,100	560	0.2								
Y/Y Change	-4,040	-3,150	-890	-0.3								
Y/Y % Change	-1.9%	-1.7%	-4.7%									
<b>Whatcom</b>	<b>104,610</b>	<b>95,840</b>	<b>8,770</b>	<b>8.4</b>	<b>103,560</b>	<b>95,130</b>	<b>8,430</b>	<b>8.1</b>	<b>107,170</b>	<b>97,830</b>	<b>9,340</b>	<b>8.7</b>
M/M change	1,050	710	340	0.3								
Y/Y Change	-2,560	-1,990	-570	-0.3								
Y/Y % Change	-2.4%	-2.0%	-6.1%									
<b>Skagit</b>	<b>57,990</b>	<b>52,180</b>	<b>5,810</b>	<b>10.0</b>	<b>57,400</b>	<b>51,700</b>	<b>5,700</b>	<b>9.9</b>	<b>58,780</b>	<b>52,770</b>	<b>6,010</b>	<b>10.2</b>
M/M change	590	480	110	0.1								
Y/Y Change	-790	-590	-200	-0.2								
Y/Y % Change	-1.3%	-1.1%	-3.3%									
<b>Island</b>	<b>32,910</b>	<b>29,910</b>	<b>3,000</b>	<b>9.1</b>	<b>32,290</b>	<b>29,390</b>	<b>2,900</b>	<b>9.0</b>	<b>33,370</b>	<b>30,230</b>	<b>3,140</b>	<b>9.4</b>
M/M change	620	520	100	0.1								
Y/Y Change	-460	-320	-140	-0.3								
Y/Y % Change	-1.4%	-1.1%	-4.5%									
<b>San Juan</b>	<b>8,220</b>	<b>7,650</b>	<b>570</b>	<b>6.9</b>	<b>7,820</b>	<b>7,260</b>	<b>560</b>	<b>7.2</b>	<b>8,450</b>	<b>7,900</b>	<b>550</b>	<b>6.5</b>
M/M change	400	390	10	-0.3								
Y/Y Change	-230	-250	20	0.4								
Y/Y % Change	-2.7%	-3.2%	3.6%									
<b>Snohomish</b>	<b>374,200</b>	<b>339,950</b>	<b>34,250</b>	<b>9.2</b>	<b>373,330</b>	<b>338,020</b>	<b>35,310</b>	<b>9.5</b>	<b>383,060</b>	<b>344,860</b>	<b>38,200</b>	<b>10.0</b>
M/M change	870	1,930	-1,060	-0.3								
Y/Y Change	-8,860	-4,910	-3,950	-0.8								
Y/Y % Change	-2.3%	-1.4%	-10.3%									