

SOUTHWEST WASHINGTON LABOR MARKET NEWS

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MONTHLY REVIEW

“Hear all the bombs, they fade away...” The Decemberists,
“Sons and Daughters”

Please note my new mailing address—805 Broadway, Suite 412, Vancouver, WA 98660 (same office as the Columbia River Economic Development Council and the Southwest Washington Workforce Development Council). No change to phone or email.

STATE OF THE NATION

What’s ahead for the coming year? According to our friends at Global Insight, slower growth in the U.S. as the housing market settles out and the auto producers work through some difficult times. On the plus side, petroleum prices have dropped, which will help consumers, and the value of the dollar is dropping, which should boost exports. High corporate profits mean that companies have lots of cash on hand to invest in new equipment and facilities. And the labor market continues to do well enough to push wages up a little bit.

So 2007 could be like the mid-1990s, when growth eased but did not falter for several quarters, and then took off again.

STATE OF THE STATES

In Washington, nonfarm employment rose by 4,900 jobs in November, not a great month (slowest since March), but a decent one. Manufacturers added 1,600 jobs, including 800 in aerospace, and software was up 500. The unemployment rate was essentially unchanged at 5.0 percent. News was mixed from Oregon—employment was up a seasonally-adjusted 2,400 jobs, following a loss of 4,700 in October. Manufacturing dropped 2,000 jobs over the month, due to a spate of closures in the wood products industry. Unemployment followed the same trend as in Washington—up two tenths of a point.

| NOVEMBER 2006 UNEMPLOYMENT RATES | | | |
|----------------------------------|-----------|-----------|-----------|
| | Nov. 2006 | Oct. 2006 | Nov. 2005 |
| Seasonally Adjusted: | | | |
| U.S. | 4.5 | 4.4 | 5.0 |
| Washington | 5.0 | 4.8 | 5.4 |
| Oregon | 5.3 | 5.1 | 5.8 |
| Unadjusted: | | | |
| U.S. | 4.3 | 4.1 | 4.8 |
| Washington | 5.0 | 4.2 | 5.4 |
| Oregon | 5.0 | 4.5 | 5.5 |
| Clark | 4.8 | 4.9 | 5.7 |
| Cowlitz | 6.5 | 5.8 | 7.1 |
| Klickitat | 6.6 | 4.7 | 6.9 |
| Skamania | 5.8 | 4.9 | 7.1 |
| Wahkiakum | 6.5 | 5.5 | 7.2 |

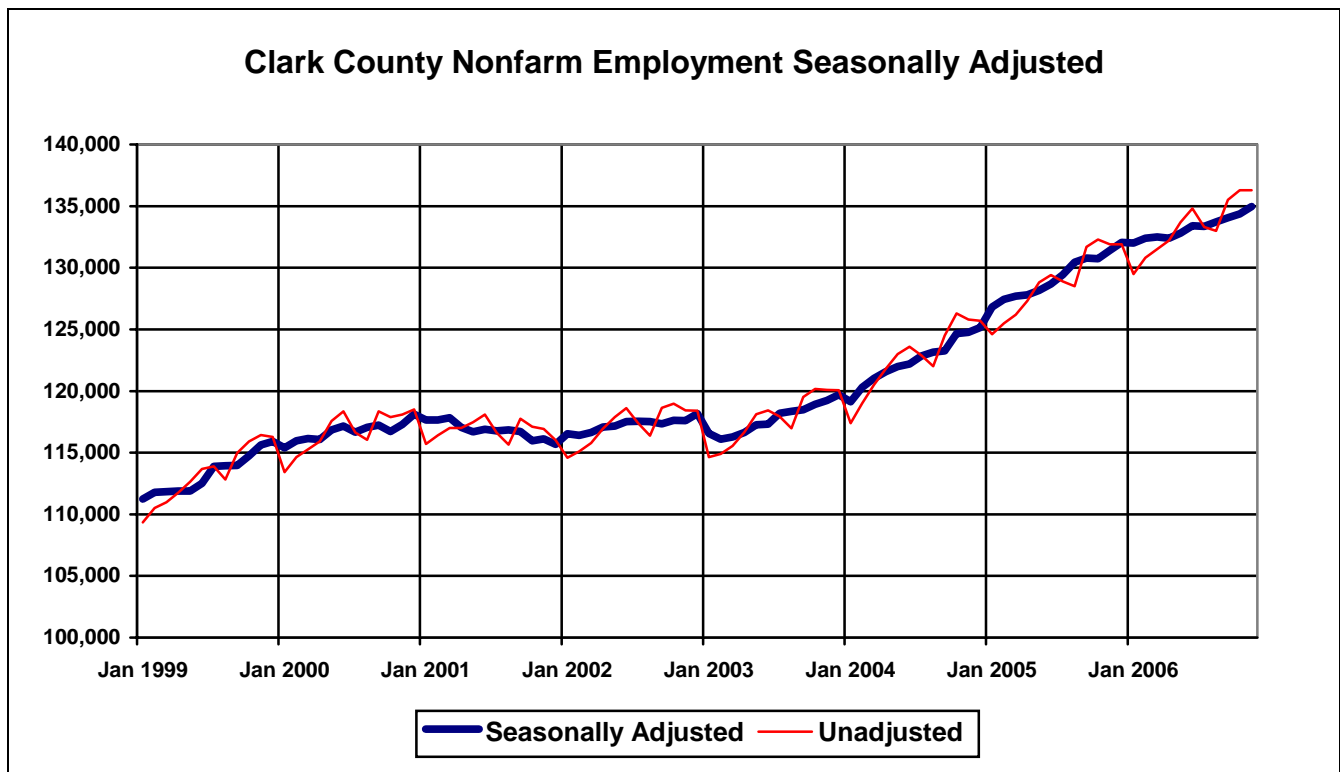
REGIONAL ROUNDUP

Preliminary estimates of nonfarm employment have been revised through June and re-estimated for subsequent months. Revisions were upward for Clark County (+300 jobs), Cowlitz (+100 jobs), Klickitat (+60 jobs), and Skamania (+160 jobs), and downward slightly for Wahkiakum (-20).

Clark County

Clark County's nonfarm employment was unchanged in November at 136,300, when a loss of 600 jobs due to seasonal layoffs would have been expected. Hiring was above the seasonal trend in construction, retail trade, business services, and K-12 education. Compared with November 2006, employment is up by 4,400 jobs or 3.3 percent.

- **Construction** employment fell by 300 jobs, 100 few than the seasonal trend for November. The total of 13,400 was up 700 from a year ago (6 percent).
- **Manufacturing** fell by 300 jobs over the month, due to seasonal layoffs in food processing. Factory employment now totals 14,500, an increase of 500 over the year (4 percent), including 300 in electronics and 200 in machinery.
- **Trade, transportation and utilities** added 400 jobs in November, all in retail trade—300 in general merchandise stores and an additional 100 in specialty stores. Merchants typically add about half as many jobs this time of year. Total sector employment was 25,400, 700 jobs above year-ago levels (3 percent). Retail trade is up 500 jobs, including 300 at general merchandise stores, and wholesale trade is 200 ahead of a year ago, while transportation is unchanged.
- Employment in the **information** industry inched up to 3,000 jobs, the same as a year ago.



- **Financial services** held steady at 6,800 jobs, 100 ahead of a year ago.
- **Professional and business services** slipped by 100 jobs in business services; the loss is typically twice as much for this time of year. The total of 14,900 is 500 above last November (4 percent), with 400 new jobs in business services and 200 in professional, technical and scientific services.
- **Education and health services** was unchanged at 17,500 jobs. That's 700 jobs (4 percent) above last year, including 600 in health care and 100 in social services.
- **Leisure and hospitality** payrolls declined by 100 jobs over the month, typical for November. Total employment came to 12,700, 600 more than last year (5 percent), all in limited-service restaurants—fast food chains, caffeine outlets, and their locally-owned competitors.
- **Other services**—personal services, repair services, community organizations—stayed at 4,400 jobs, 100 above last November.
- Public education finished its fall hiring by adding 300 jobs in November—100 above the seasonal trend—pushing **government** employment to 23,600, 500 more than a year ago (2 percent). State education services, which have added 200 jobs over the year, will continue to expand in the near future, provided the state legislature approves Governor Gregoire's expansion plan for Washington State University-Vancouver.

The county's unemployment rate was 4.8 percent in November, a tenth of a point below October and almost a point below the 5.7 from a year ago. The number of unemployed county residents was estimated at 9,800.

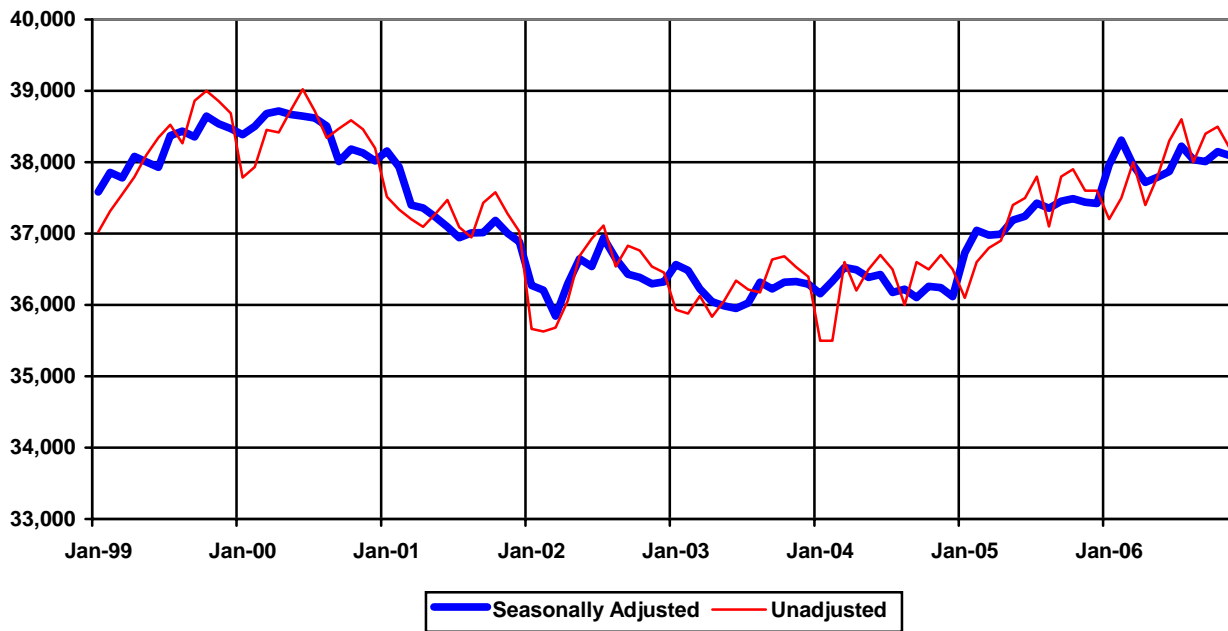
Cowlitz County

Cowlitz County's nonfarm employment fell by 300 jobs to 38,200 in November, slightly more than the normal seasonal pattern. Job growth over the year stood at 600 jobs, or 1.6 percent.

- **Construction** payrolls declined by 100 jobs, half the normal amount for November. The total of 2,900 jobs is 300 above a year ago.
- **Manufacturing** employment was unchanged at 7,400 jobs, 200 above year-ago levels.
- **Trade, transportation and utilities** was unchanged from both last month and last November at 7,600 jobs. Retail trade is down 100 over the year, due to the decline in grocery store employment, while transportation is up 100.
- **Financial activities** remained at 1,500 jobs, 100 above last November.
- **Professional and business services** employment fell by 200 jobs, due to normal seasonal layoffs at temp agencies. The total of 1,700 jobs matched last year's count.
- **Education and health services** slipped by 100 jobs in private educational services to reach 4,900 jobs, 100 more than a year ago. Health care employs 200 more than last November.
- **Leisure and hospitality** payrolls stood pat at 3,600 jobs, identical to a year ago.
- **Government** employment rose by 100 jobs in K-12 education, and is off 100 from a year ago at an even 6,000 jobs.

Cowlitz County's unemployment rate was estimated at 6.5 percent in November, a seven tenths of a point above October's 5.8 percent, but six tenths of a point below last November. The number of unemployed residents was estimated at 2,910.

Cowlitz County Nonfarm Employment, Seasonally Adjusted



Klickitat County

In Klickitat County, there were normal seasonal layoffs across the private sector in November. Total nonfarm employment declined by 110 to 5,260 jobs, but was 150 jobs (3 percent) more than last November. Most of the increase has been in the “all other services” category (information, finance, professional services). Local government has also expanded, but construction is running at lower levels this year. The unemployment rate was estimated at 6.6 percent, up from October’s 4.7 percent due to seasonal layoffs in agriculture. The rate was about the same as a year ago. Around 610 county residents were unemployed.

Skamania County

Skamania County nonfarm employment fell by 60 jobs in November, including 40 seasonal layoffs in the hospitality industry. The total of 2,200 jobs was still 100 more than a year ago. The unemployment rate was estimated at 5.8 percent, up almost a point from October’s 4.9 percent, but well below the 7.1 percent from last November. Around 300 county residents were unemployed.

Wahkiakum County

Wahkiakum County nonfarm employment was estimated at 890 jobs in November, 30 below October’s total due to seasonal layoffs, but 20 above a year ago. The jobless rate typically rises by about a point in November, and this year was no exception, with November’s 6.5 rate exactly a point higher than October, but seven tenths of a point below last year. About 110 county residents were unemployed.