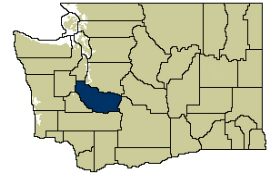




Tacoma MD (Pierce County)

Labor Area Summary

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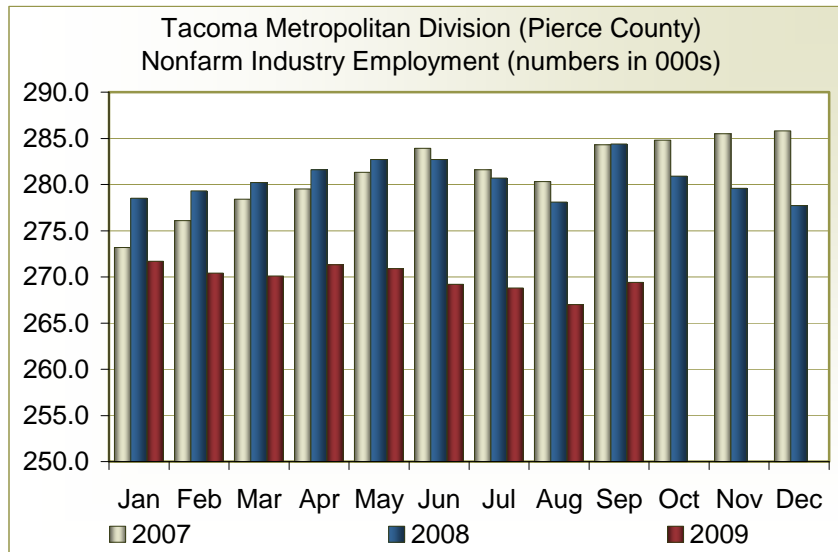
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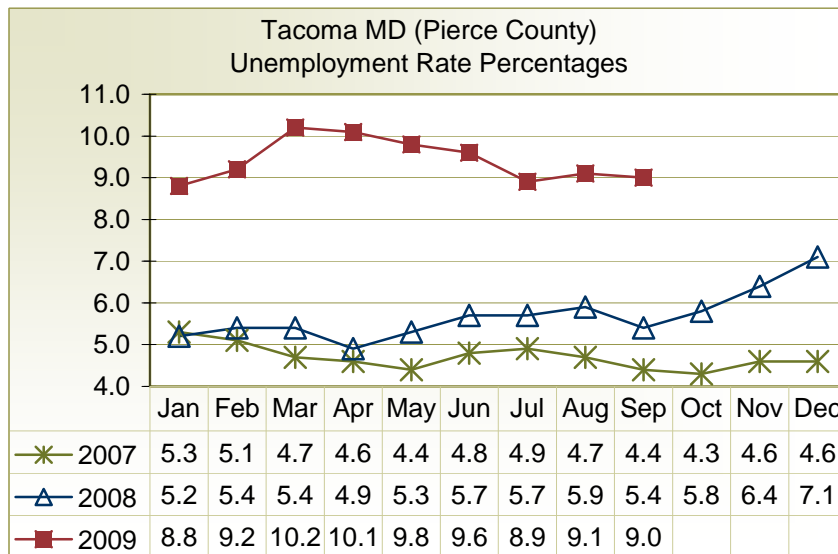
Summary

September continued to act as a bounce-back month for employment in the Tacoma Metropolitan Division (MD) labor market, although the bounce proved to be a bit lower than historical numbers would suggest. The local area gained 2,400 jobs for the month, well below the 4,000 mark that typically occurs this time of year. Much of the deficit in job creation can be attributed to irregularities occurring with the reporting of government educational services jobs that usually begin to come back at the beginning of the school year. Information received thus far shows there to be a short fall in expected employment within this category. Subsequent revisions to the data next month should bring this total higher and toward the historical number of employment. For now, however, employment gains in this category helped to increase employment in the total government sector by 600 jobs this month.

The monthly breakdown also shows that the private sector added 1,800 jobs in September, 1,000 less than what was added last year at this time. Most of the differential shows up as weakness in the leisure and hospitality industries, which added 900 fewer jobs in September this year. This industry group is a good proxy for tourist-related activities since it takes into account employment owing to entertainment, hotel accommodations, and food services. The impact of the recession can be seen most evidently through this category this month. Without the impact of the Western Washington or Puyallup Fair, which typically adds in excess of 2,000 jobs to the local economy each September, jobs in this category would most likely have been shed. Elsewhere in the private sector, employment in retail trade was up by 300 jobs, a positive development, given the ongoing weakness in consumer spending resulting from the recession. Professional and business services employment also grew by 400 jobs. Together with the 1,500 jobs added in leisure and hospitality, the industry growth sectors were able to counteract the 500 jobs lost in the goods-producing industries in order to post the overall net gain.



The positive employment growth this month helped in part to stabilize the local unemployment rate for Pierce County. The rate this month retreated ever so slightly, declining by one-tenth of a percentage point from last month to 9.0 percent. The decline masks some of the underbelly of the labor market, as approximately 2,600 discouraged job seekers exited the labor force this month. Still, since the first quarter of this year, the local unemployment rate has been moderating and stabilizing around 9.0 percent where it currently stands. The stabilization of the unemployment rate suggests that the recent difficult times seen in the local labor market may be moderating, and could portend a modest but positive gain in employment for the fourth quarter, as industrial production is expected to expand. For now however, total nonfarm employment in the MD at 269,400 in September is still short of the 271,700 mark observed in January this year.



The rest of the state turned in disappointing news on the job front, losing employment overall for the month that translated into 16,000 seasonal jobs lost. The employment losses maintain a fairly consistent pattern although the magnitude of the losses has diminished over the second and third quarters of the year compared with the two previous quarters. A similar pattern has developed at the national level, although the incidence of monthly job losses has been far more consistent. The nation has been losing jobs each and every month since January 2008. The news was a little more disappointing this month when 263,000 jobs were shed, more than the revised loss of 201,000 jobs last month. This was only the second time this year that job losses rose from the previous

month, as the labor market had shown slow but relatively steady improvement since a loss of 741,000 jobs in January this year. However, markets seldom move in a straight line, and it is much the same for an economy. The volatility suggests that a recovery will come about only grudgingly, and that one should allow for a realm of outcomes in coming months that fluctuate between optimism and pessimism.

One positive element to the outlook is the decelerating pace of layoffs. Weekly first-time unemployment claims fell again last week to a seasonally adjusted 514,000, below the previous week's 524,000. That puts the latest number at the lowest level since the beginning of January. Confirming the trend is the decline in continuing claims. The numbers suggest that the major layoffs are over for businesses, and that probably most are done planning any additional major cuts. Still, sustained job growth in the labor market is far from imminent. A realistic assessment is for nonfarm employment to continue posting declines until the spring of next year. These declines will result in a prolonged recovery period dependent upon consumer spending that will have to come primarily from income generated by job growth.

Summary Table

Labor Market Information for the Tacoma Metropolitan Division (Pierce County) Not Seasonally Adjusted/*Updated with ***QCEW Data: March 2009						
Employment by Place of Residence	Prelim	Revised	Revised	Change		
	Sep-09	Aug-09	Sep-08	Aug-09	Sep-08	Sep-08
				Sep-09	Sep-09	Sep-09 %
Civilian Labor Force	401,660	404,270	395,190	-2,610	6,470	1.6%
Resident Employment	365,710	367,470	373,890	-1,760	-8,180	-2.2%
Unemployment	35,950	36,800	21,300	-850	14,650	68.8%
Unemployment Rate	9.0	9.1	5.4	-0.1	3.6	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm ^{1/}	269.4	267.0	284.4	2.4	-15.0	-5.3%
Total Private	213.5	211.7	228.0	1.8	-14.5	-6.4%
Goods Producing	36.2	36.7	44.3	-0.5	-8.1	-18.3%
Mining and Logging	0.4	0.4	0.4	0.0	0.0	0.0%
Construction	19.8	20.0	23.9	-0.2	-4.1	-17.2%
Specialty Trade Contractors	12.8	13.1	15.2	-0.3	-2.4	-15.8%
Manufacturing	16.0	16.3	20.0	-0.3	-4.0	-20.0%
Service Providing	233.2	230.3	240.1	2.9	-6.9	-2.9%
Trade, Transportation, and Utilities	53.2	52.8	55.8	0.4	-2.6	-4.7%
Wholesale Trade	10.6	10.6	11.4	0.0	-0.8	-7.0%
Retail Trade	31.8	31.5	32.9	0.3	-1.1	-3.3%
Food and Beverage Stores	5.5	5.5	5.6	0.0	-0.1	-1.8%
General Merchandise Stores	7.2	7.1	7.4	0.1	-0.2	-2.7%
Transportation, Warehousing, and Utilities	10.8	10.7	11.5	0.1	-0.7	-6.1%
Information	3.4	3.4	3.6	0.0	-0.2	-5.6%
Financial Activities	12.8	12.9	13.3	-0.1	-0.5	-3.8%
Professional and Business Services	24.5	24.1	25.5	0.4	-1.0	-3.9%
Admin, Support, Waste Mgmt., & Remediation	15.2	13.5	15.0	1.7	0.2	1.3%
Administrative and Support Services	14.2	11.8	13.5	2.4	0.7	5.2%
Educational and Health Services	41.1	41.0	41.7	0.1	-0.6	-1.4%
Ambulatory Health Care Services	14.3	14.3	13.7	0.0	0.6	4.4%
Hospitals	10.2	10.2	9.7	0.0	0.5	5.2%
Leisure and Hospitality	29.4	27.9	30.8	1.5	-1.4	-4.5%
Food Services and Drinking Places	21.1	21.2	23.1	-0.1	-2.0	-8.7%
Other Services	12.9	12.9	13.0	0.0	-0.1	-0.8%
Government	55.9	55.3	56.4	0.6	-0.5	-0.9%
Federal Government	12.0	12.2	10.9	-0.2	1.1	10.1%
State Government	11.3	10.5	11.9	0.8	-0.6	-5.0%
State Government Educational Services	3.5	2.6	3.7	0.9	-0.2	-5.4%
Local Government	32.6	32.6	33.6	0.0	-1.0	-3.0%
Local Government Educational Services	17.7	16.8	17.2	0.9	0.5	2.9%
Workers in Labor/Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

^{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 1st quarter 2009) and estimates employment from that point to present.

North American Industry Classification System. *QCEW = Quarterly Census of Employment and Wages