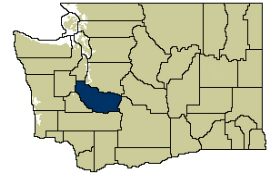




Tacoma MD (Pierce County)

Labor Area Summary

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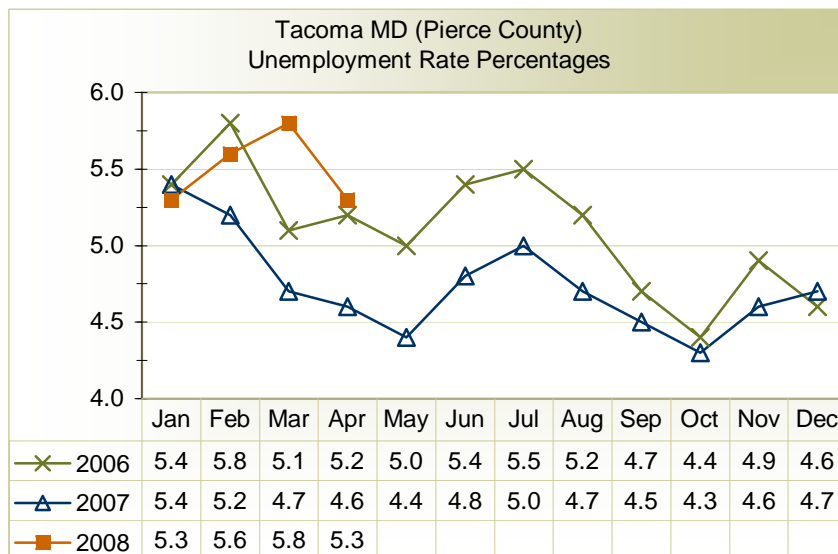
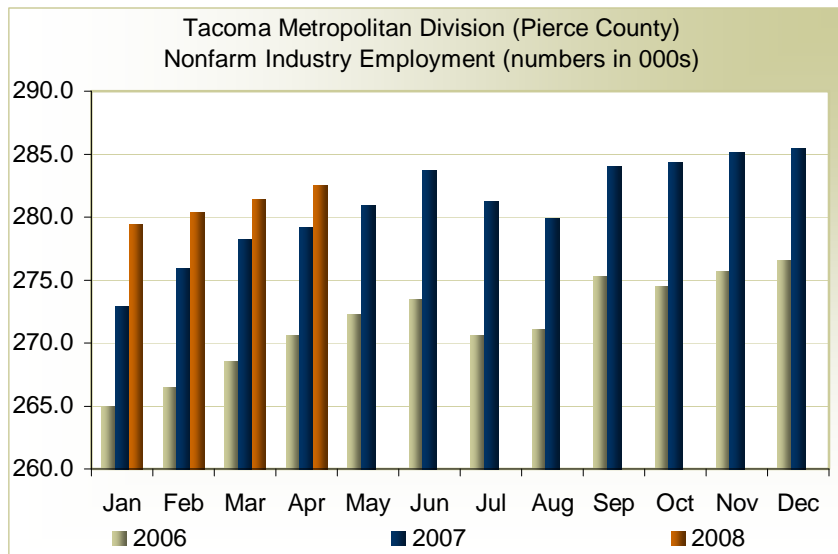
Summary

Employment conditions improved modestly in April within the Tacoma Metropolitan Division (MD) compared with last month. The local area added 1,100 jobs for the month to essentially mirror the pace of job creation that occurred in April of last year. The overall job growth picture continues to track at a cautiously measured pace. The seasonally adjusted figure shows the area losing 700 jobs for the month, a sign that firms are becoming more disciplined with their hiring plans. The latest revisions added this month to the local employment data also show that job growth weakened by 2,700 over the past two quarters. Lurking behind the cautious hiring is the carryover from the same two culprits that were eroding job growth at this time last year: the housing market slowdown and rising gasoline prices. Both are weighing upon the consumer and causing them to pullback. Consequently, sales have been weakening, particularly for motor vehicles, but also for other retailers ranging from home improvement centers to high-end department stores. The effects are also being felt outside the greater Tacoma area and around the state. State employment, when adjusted for seasonal effects, decreased by 1,800 from March to April, marking the second consecutive month of negative job growth. The declines were mostly shared throughout the reporting areas, with the Seattle economy showing resiliency and bucking the trend.

Still, slow growth beats no growth. The private sector accounted for 900 of the 1,100 jobs added in the Tacoma MD this month, with the remaining 200 jobs being added in the government sector. Most of the private sector jobs gained were in leisure and hospitality services, which added 700 new jobs. Trade, transportation and utilities added another 200 jobs, while the remaining private industry employment was little changed.

The slow growth employment scenario can be observed most clearly in the over-the-year changes throughout 2008. So far this year, the county has added 3,300 jobs since last April. Roughly 60.0 percent of those jobs were created by the public sector, and indicates some of the struggle the private sector has had recently to drive employment gains. The construction industry, as expected, has struggled the most during the economic downturn, with employment in this category 1,100 jobs less than it was one year ago. Education and health services, which tends to be less sensitive to business cycle changes, has added 1,500 jobs over the course of the year.

Compared to 2007, job growth has been averaging 1.6 percent, which includes the 1.2 percent growth in employment between April this year and April last year. Generally, when the rate of job growth falls below 2.0 percent, the labor market is unable to accommodate all the job seekers and unemployment tends to rise. The local unemployment rate is averaging 5.5 percent this year compared to 4.7 percent all of last year. The Tacoma MD rate of unemployment took a noticeable dip this month, falling to 5.3 percent off of last month's reading of 5.8 percent. Much of the movement can be traced to a contraction of the labor force this month, a sign that job seekers may be having more trouble finding work and are dropping out of the labor market. The state unemployment rate, not seasonally adjusted, also fell comparably from 5.2 percent to 4.6 percent.



Slow job growth, both locally and statewide, will almost certainly continue in the coming months. Nationally, the employment picture darkens more when the fortunes of states struggling with high foreclosure rates and sagging economies are added to the mix. Whether this period gets recorded as a recession by the National Bureau of Economic Research, or is seen as a time of slow growth is probably not particularly relevant to anyone but economists or policymakers. Either way, these can be trying times for the average U.S. household. Wage growth tends to be much slower during testy economic times, household net worth is falling, and real purchasing power is being eroded by rising food and energy prices. The negative overhang from housing weighing down growth is still working itself out, although the liquidity injections the economy has been receiving should begin to restore its health. The run up in energy prices presents the biggest risk factor to growth and for inflation at the moment, and will open up more debate as to how this should be addressed within the broader economic context.

Summary Table

Labor Market Information for
the Tacoma Metropolitan Division (Pierce County)
Not Seasonally Adjusted/*Updated with ***QCEW Data: December 2007

(Employment statistics in whole numbers)	Prelim Apr-08	Revised Mar-08	Revised Apr-07	Change		
				Mar-08 Apr-08	Apr-07 Apr-08	Apr-07 Apr-08 %
Employment by Place of Residence						
Civilian Labor Force	395,750	399,550	381,810	-3,800	13,940	3.7%
Resident Employment	374,750	376,350	364,070	-1,600	10,680	2.9%
Unemployment	21,000	23,200	17,740	-2,200	3,260	18.4%
Unemployment Rate	5.3	5.8	4.6	-0.5	0.7	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm 1/	282.5	281.4	279.2	1.1	3.3	1.2%
Total Private	225.3	224.4	223.9	0.9	1.4	0.6%
Goods Producing	44.2	44.2	45.4	0.0	-1.2	-2.6%
Natural Resources and Mining	0.4	0.4	0.5	0.0	-0.1	-20.0%
Construction	23.7	23.7	24.8	0.0	-1.1	-4.4%
Specialty Trade Contractors	15.3	15.3	15.4	0.0	-0.1	-0.6%
Manufacturing	20.1	20.1	20.1	0.0	0.0	0.0%
Services Providing	238.3	237.2	233.8	1.1	4.5	1.9%
Trade, Transportation, and Utilities	55.5	55.3	55.7	0.2	-0.2	-0.4%
Wholesale Trade	11.4	11.3	11.2	0.1	0.2	1.8%
Retail Trade	32.5	32.4	32.8	0.1	-0.3	-0.9%
Food and Beverage Stores	5.4	5.4	5.3	0.0	0.1	1.9%
General Merchandise Stores	7.5	7.6	7.3	-0.1	0.2	2.7%
Transportation, Warehousing, and Utilities	11.6	11.6	11.7	0.0	-0.1	-0.9%
Information	3.6	3.6	3.7	0.0	-0.1	-2.7%
Financial Activities	13.4	13.4	13.7	0.0	-0.3	-2.2%
Professional and Business Services	25.2	25.1	24.9	0.1	0.3	1.2%
Admin, Support, Waste Mgmt., & Remediation	15.0	14.4	14.5	0.6	0.5	3.4%
Administrative and Support Services	13.0	12.4	13.1	0.6	-0.1	-0.8%
Educational and Health Services	42.2	42.3	40.7	-0.1	1.5	3.7%
Ambulatory Health Care Services	14.1	14.0	13.2	0.1	0.9	6.8%
Hospitals	9.4	9.3	9.0	0.1	0.4	4.4%
Leisure and Hospitality	28.1	27.4	27.2	0.7	0.9	3.3%
Food Services and Drinking Places	22.1	21.8	21.9	0.3	0.2	0.9%
Other Services	13.1	13.1	12.6	0.0	0.5	4.0%
Government	57.2	57.0	55.3	0.2	1.9	3.4%
Federal Government	10.6	10.4	10.2	0.2	0.4	3.9%
State Government	11.8	11.9	11.4	-0.1	0.4	3.5%
State Government Educational Services	3.9	4.0	3.8	-0.1	0.1	2.6%
Local Government	34.8	34.7	33.7	0.1	1.1	3.3%
Local Government Educational Services	19.0	18.9	18.7	0.1	0.3	1.6%
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 4th quarter 2007) and estimates employment from that point to present.

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