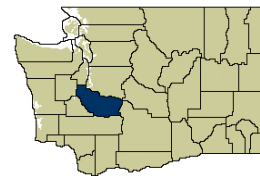




Tacoma MD (Pierce County)

Labor Area Summary

Volume 2008, Number 3



Paul Turek, Regional Labor Economist

1305 Tacoma Avenue South #201, Tacoma, WA 98402

Voice: (253) 593-7336; FAX: (253) 593-7377

pturek@esd.wa.gov; www.workforceexplorer.com

Summary

The Tacoma Metropolitan Division (MD) labor market weakened this month but still moved forward. Jobs added last month were revised downward by roughly one-half to 1,000. The Tacoma MD added 900 more jobs this month, but the figure is substantially less than what had been added over the last several years of robust job growth. The local area has averaged a March gain of almost 2,500 jobs over the last three years, including 2,300 jobs added last March. The 900 jobs gained locally, while subject to revision, can also be juxtaposed against the 1,200 jobs gained in March 2002, when the local economy was in the throes of a recession.

The 900 jobs added this month confirm that slowing economic conditions are impacting the local job market, the regional labor market, and the national labor market. Adjusting for seasonal variation, the Tacoma MD shed 500 jobs for the month to put the labor market slowdown into greater perspective. The Seattle-Bellevue-Everett area lost 1,500 seasonally-adjusted jobs. Washington state, overall, saw its total level of nonfarm seasonally-adjusted employment decrease by 3,200 in March, marking the first such month-to-month decline since September 2007. On a national level, seasonally-adjusted employment has declined for three straight months. Payroll employment increased in 22 states last month and declined in 27 states. The largest over-the-month gains were recorded in Texas, Minnesota, Colorado and Utah, while the largest over-the-month decreases occurred in Michigan, Florida, Missouri and Nevada.

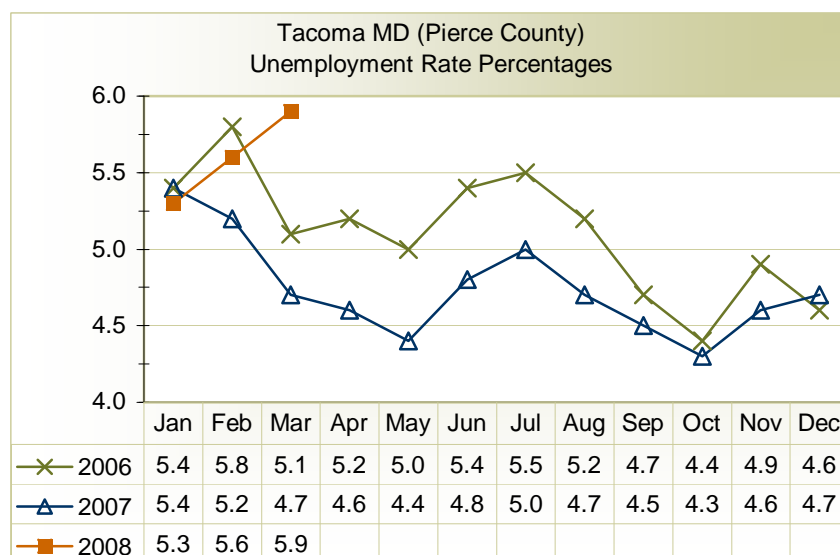
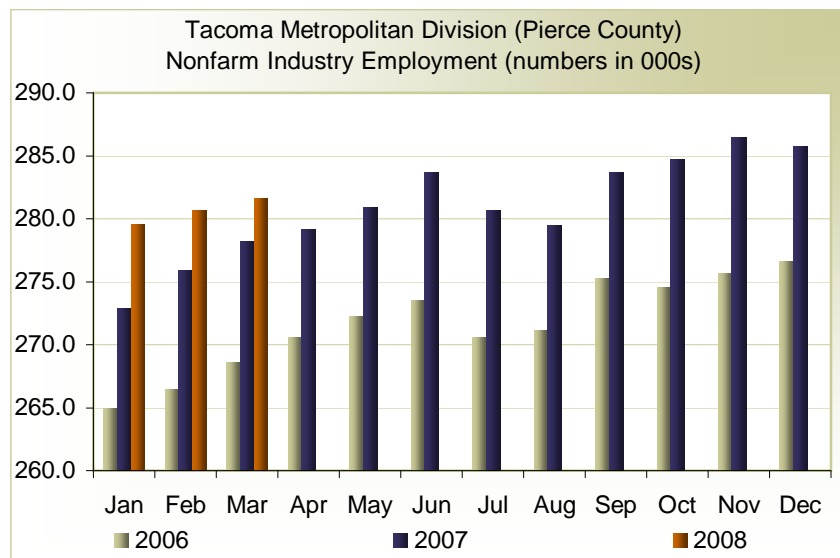
The private sector contributed 500 of the total new jobs added this month locally, while the remaining 400 jobs were added in the public sector in terms of government employment. Among private industries, professional and business services, trade, transportation and utilities, and food services slowed the most in terms of over-the-month job gains compared to last year. Together, these industries lost 300 jobs over the month. Financial activities, and education and healthcare together contributed 300 private sector jobs to counteract the jobs lost. The tipping balance was provided by leisure and hospitality, which added 500 jobs for the month. This industry appears to be finding support from the downtown revitalization effort that has led a number of hotels to upgrade and modernize their facilities and services.

Year-over-year employment growth slowed to a rate of 1.2 percent in March. This marked the second straight month that the over-the-year increase was less than 2.0 percent. Not since early 2004 has this phenomenon occurred locally. This tended to fall in line with over-the-year seasonally-adjusted job growth at the state level, which reported very similar circumstances. Private sector job growth has slowed to the extent that it is now being outpaced by the public sector. Since March 2007, 1,800 public sector jobs have been added compared with 1,600 private sector jobs. Among private industries, construction employment has, not surprisingly, taken the biggest hit, losing 800 jobs over the same period. The fallout from the housing industry has been the chief culprit behind this, and it is being fueled to some degree, by a growing number of local foreclosures. Local housing values have continued to weaken compared to last year. Washington state now ranks 16th in the nation in terms of foreclosure rates, with the greatest concentration of these located locally in Pierce County.

Education and healthcare, which tends to have a low degree of sensitivity with respect to cyclical downturns, has managed to grow and has contributed 1,200 of the 1,600 total private sector jobs added since last year.

The lower rate of job growth is no longer sufficient to keep the unemployment rate from rising. This month, the local unemployment rate edged up three-tenths of a percentage point to 5.9 percent. The weaker hiring month contributed to this event, but the unemployment rate has risen quite steadily since last December, when the area registered a 4.7 rate of unemployment. This was also where the unemployment rate stood one year before in March. So far for 2008, the local unemployment rate has averaged 5.6 percent and will finish the year at a higher rate than 2007.

Tougher times look to be here for now and will last at least through mid-year. Conditions may not be so bad, but they are not as good as they were just recently. This expectation is bolstered by rising jobless claims at the state and local level through March. Consumer confidence is also being shaken by another rise in energy prices that is compounding the effects of the housing market. The economic stimulus package that begins arriving to consumers in May should help, but the key will also depend upon local businesses willingness to reinforce the firmness of their hiring plans in light of some economically uncertain conditions. That would go a long way towards keeping this economic storm to a Northwest rain shower rather than a downpour.



Summary Table

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

(Employment statistics in whole numbers)	Prelim	Revised	Revised	Change		
				Feb-08	Mar-07	Mar-07
Employment by Place of Residence	Mar-08	Feb-08	Mar-07	Mar-08	Mar-08	Mar-08%
Civilian Labor Force	399,310	395,860	384,690	3,450	14,620	3.8%
Resident Employment	375,840	373,780	366,790	2,060	9,050	2.5%
Unemployment	23,480	22,080	17,900	1,400	5,580	31.2%
Unemployment Rate	5.9	5.6	4.7	0.3	1.2	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm 1/	281.6	280.7	278.2	0.9	3.4	1.2%
Total Private	224.4	223.9	222.8	0.5	1.6	0.7%
Goods Producing	44.1	44.2	45.0	-0.1	-0.9	-2.0%
Natural Resources and Mining	0.4	0.4	0.4	0.0	0.0	0.0%
Construction	23.7	23.7	24.5	0.0	-0.8	-3.3%
Specialty Trade Contractors	15.3	15.2	15.2	0.1	0.1	0.7%
Manufacturing	20.0	20.1	20.1	-0.1	-0.1	-0.5%
Services Providing	237.5	236.5	233.2	1.0	4.3	1.8%
Trade, Transportation, and Utilities	55.9	56.1	55.4	-0.2	0.5	0.9%
Wholesale Trade	11.4	11.4	11.2	0.0	0.2	1.8%
Retail Trade	32.8	32.8	32.8	0.0	0.0	0.0%
Food and Beverage Stores	5.5	5.5	5.3	0.0	0.2	3.8%
General Merchandise Stores	7.3	7.2	7.4	0.1	-0.1	-1.4%
Transportation, Warehousing, and Utilities	11.7	11.9	11.4	-0.2	0.3	2.6%
Information	3.7	3.7	3.7	0.0	0.0	0.0%
Financial Activities	13.7	13.6	13.7	0.1	0.0	0.0%
Professional and Business Services	25.3	25.4	25.4	-0.1	-0.1	-0.4%
Admin, Support, Waste Mgmt., & Remediation	15.0	15.0	15.0	0.0	0.0	0.0%
Administrative and Support Services	13.9	13.6	13.6	0.3	0.3	2.2%
Educational and Health Services	41.7	41.5	40.5	0.2	1.2	3.0%
Ambulatory Health Care Services	14.1	14.1	13.1	0.0	1.0	7.6%
Hospitals	9.2	9.3	8.9	-0.1	0.3	3.4%
Leisure and Hospitality	26.8	26.3	26.5	0.5	0.3	1.1%
Food Services and Drinking Places	22.1	22.1	21.6	0.0	0.5	2.3%
Other Services	13.2	13.1	12.6	0.1	0.6	4.8%
Government	57.2	56.8	55.4	0.4	1.8	3.2%
Federal Government	10.4	10.3	10.2	0.1	0.2	2.0%
State Government	12.0	12.0	11.6	0.0	0.4	3.4%
State Government Educational Services	4.1	4.0	3.9	0.1	0.2	5.1%
Local Government	34.8	34.5	33.6	0.3	1.2	3.6%
Local Government Educational Services	18.7	18.5	18.7	0.2	0.0	0.0%
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 3rd quarter 2007) and estimates employment from that point to present.

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