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Tacoma MD
(Pierce County)
Labor Area Summary
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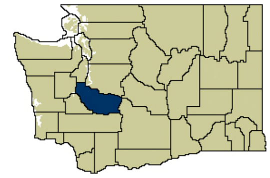

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Summary

"Breathe deep the gathering gloom…."
The Moody Blues, Knights in White Satin.

There is not much that can be conjured up to put a positive spin on this month's employment report. The Tacoma Metropolitan Division (MD) labor market economy retreated further in February with a loss of 2,400 local jobs. This month marks the third consecutive month of job losses. Since November, local nonfarm payroll employment has declined by 10,400, or 3.7 percent. While it would be comforting to think that the labor market is bottoming out, it would appear there is more bad news for the area on the horizon. Leading job market indicators, in particular surging unemployment benefit claims, point to further job losses in the next few months.

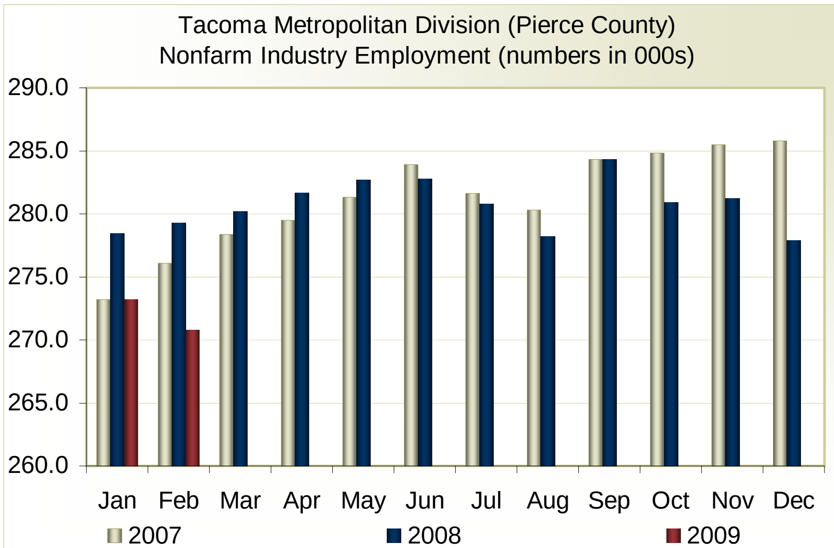
Across industries, payroll declines characterized most parts of the local economy. The government sector managed to add 600 jobs for the month. Private sector employment fell by 3,000, with 2,100 of those losses occurring in the private services area and 900 occurring in the goods-production sector. Job losses were particularly pronounced in retail trade, where 1,300 jobs were pared as consumers continue to reign in spending, and in manufacturing, where another 700 jobs were lost.

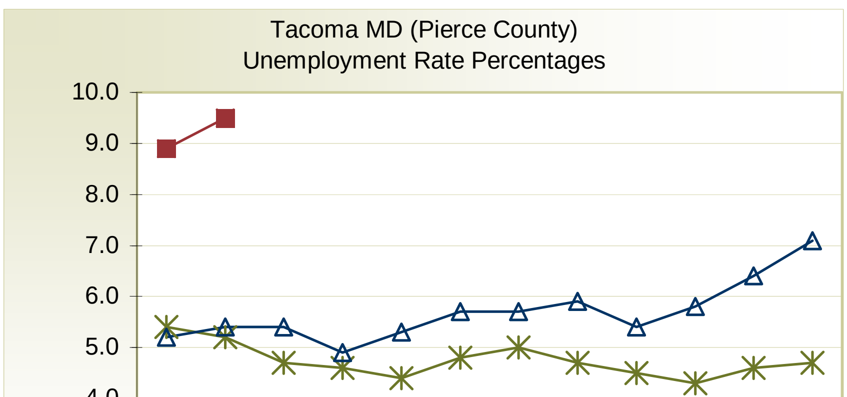
The sinking jobs market continues to contribute to rising local unemployment rates. The February unemployment rate for the Tacoma MD rose by six-tenths of one percentage point to 9.5 percent. The increase was more in line this month with what the payroll employment numbers would suggest. Last month's revised increase of 1.8 percentage points was quite dramatic and perhaps somewhat overstated. This can point to the concern of placing too much emphasis on one month's results. However, when placed within the context of the last three months, the 9.5 percent unemployment rate can be considered a fairly accurate indication of the local labor market condition. It has been roughly 22 years since the unemployment rate has been this high, and prompts comparisons to the unemployment rates that occurred during the 1981 recession when the nation was forced to bite the bullet in order to reign in runaway inflation. Meanwhile, the economic outlook continues to erode. Second quarter conditions are not expected to be significantly brighter from the first quarter. The local unemployment rate will continue to climb, and could exceed 11.0 percent by the summer of 2010.

Even this pessimistic baseline outlook rests upon a reversal of fortunes dependent upon the effectiveness of the federal government stimulus package and the Obama administration's response to the credit crisis. The local support framework in the form of export activity and commercial aerospace production has vanished. The synchronized global downturn and a renewed strength of the U.S. dollar are undermining exports, causing the value of shipments at local ports to decline significantly. The Boeing Company continues to trim its labor force

in response to the global economic environment. Another 900 layoff notices were handed out by the company today (March 20) that will impact 650 Puget Sound workers beginning in May. About 1,100 layoff notices that were handed out in February will take effect in April.

Effective national policy measures are needed to help resurrect the local economy, as well as the national economy. The downturn in the labor market has become increasingly self-reinforcing. Business and consumer confidences are reaching rock-bottoms. Ever since the Conference Board began surveying consumers in the 1960s, confidence has never been lower. Aside from the economic benefits bestowed through policy efforts, the administration, Congress, and the Federal Reserve must be able to convince consumers, businesses, and investors that their efforts will work. Unless everyone believes they will, the measures will fall short no matter how much taxpayer money is spent to combat the situation.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	5.4	5.2	4.7	4.6	4.4	4.8	5.0	4.7	4.5	4.3	4.6	4.7
2008	5.2	5.4	5.4	4.9	5.3	5.7	5.7	5.9	5.4	5.8	6.4	7.1
2009	8.9	9.5										

Summary Table

Labor Market Information for
the Tacoma Metropolitan Division (Pierce County)
Not Seasonally Adjusted/*Updated with ***QCEW Data: September 2008

				Change		
	Prelim	Revised	Revised	Jan-09	Feb-08	Feb-08
Employment by Place of Residence	Feb-09	Jan-09	Feb-08	Feb-09	Feb-09	Feb-09%
Civilian Labor Force	406,180	405,780	393,490	400	12,690	3.2%
Resident Employment	367,580	369,800	372,310	-2,220	-4,730	-1.3%
Unemployment	38,600	35,990	21,180	2,610	17,420	82.2%
Unemployment Rate	9.5	8.9	5.4	0.6	4.1	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm **1/**	270.8	273.2	279.3	-2.4	-8.5	-3.0%
Total Private	211.2	214.2	222.6	-3.0	-11.4	-5.1%
Goods Producing	39.5	40.4	44.4	-0.9	-4.9	-11.0%
Mining and Logging	0.4	0.4	0.4	0.0	0.0	0.0%
Construction	20.5	20.7	23.7	-0.2	-3.2	-13.5%
Specialty Trade Contractors	13.1	13.2	15.2	-0.1	-2.1	-13.8%
Manufacturing	18.6	19.3	20.3	-0.7	-1.7	-8.4%
Services Providing	231.3	232.8	234.9	-1.5	-3.6	-1.5%
Trade, Transportation, and Utilities	51.0	52.9	55.3	-1.9	-4.3	-7.8%
Wholesale Trade	10.8	11.0	11.4	-0.2	-0.6	-5.3%
Retail Trade	30.0	31.3	32.4	-1.3	-2.4	-7.4%
Food and Beverage Stores	5.3	5.5	5.4	-0.2	-0.1	-1.9%
General Merchandise Stores	6.8	7.4	7.2	-0.6	-0.4	-5.6%
Transportation, Warehousing, and Utilities	10.2	10.6	11.5	-0.4	-1.3	-11.3%
Information	3.2	3.2	3.7	0.0	-0.5	-13.5%
Financial Activities	14.5	14.4	13.3	0.1	1.2	9.0%
Professional and Business Services	22.4	22.8	24.6	-0.4	-2.2	-8.9%
Admin, Support, Waste Mgmt., & Remediation	12.5	12.5	13.9	0.0	-1.4	-10.1%
Administrative and Support Services	10.4	10.5	12.5	-0.1	-2.1	-16.8%
Educational and Health Services	40.9	41.0	41.3	-0.1	-0.4	-1.0%
Ambulatory Health Care Services	13.1	13.0	13.4	0.1	-0.3	-2.2%
Hospitals	9.6	9.7	9.3	-0.1	0.3	3.2%
Leisure and Hospitality	26.6	26.6	27.1	0.0	-0.5	-1.8%
Food Services and Drinking Places	21.9	21.9	21.7	0.0	0.2	0.9%
Other Services	13.1	12.9	12.9	0.2	0.2	1.6%
Government	59.6	59.0	56.7	0.6	2.9	5.1%
Federal Government	11.2	11.2	10.4	0.0	0.8	7.7%
State Government	12.9	12.7	12.0	0.2	0.9	7.5%
State Government Educational Services	4.2	4.0	4.0	0.2	0.2	5.0%
Local Government	35.5	35.1	34.3	0.4	1.2	3.5%
Local Government Educational Services	19.2	18.9	18.7	0.3	0.5	2.7%
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 2008) and estimates employment from that point to present. **2/** Workers excluded due to involvement in labor/management dispute. **North American Industry Classification System. ***QCEW = Quarterly Census of Employment and Wages