

Economic Panel Discussion



CARL F. ADRIAN

Carl Adrian assumed the duties as President of the Tri-City Development Council (TRIDEC) on September 1, 2003.

Carl comes to TRIDEC from the Waterloo/Cedar Falls area of Iowa, where he served as President of the Cedar Valley Economic Development Corporation since 1994.

Prior to accepting the position with Cedar Valley EDC, Carl served as the President of the Casper Area Economic Development Alliance, Inc. based in Casper, Wyoming and before that was Vice President of the Quad-City Development Group in the Quad-City area of Iowa and Illinois.



Ajša Suljić

Regional Labor Economist with Washington Employment Security Department. I am responsible for economic analysis of the local area as well as state. I provide economic information and analysis to the local economic planners, administrators, local businesses and residents, and all other information seekers.

Previously, I worked for Idaho Department of Labor as Senior Research Analyst where I provided economic analysis on employment and business cycles, along with all other labor market information.

Discussion Questions & Topics:

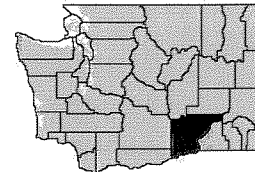
1. Will the new State Minimum Wage dramatically affect our local economy?
2. As a point of interest, can either of you shed any light on why Washington has the highest minimum wage in the country?
3. Can we expect business growth in the Tri-Cities to continue?
4. With all the continued building, are we still in a housing bubble?
5. Is it time to open a new business?
6. Wine industry certainly has increased its importance to the county in the past few years. Why is tourism not listed as a major industry in Benton County on the County Profile web page – did I just miss it?
7. We just had a big payoff at Hanford, yet building seems to be continuing. Are we finally past Hanford employment being the controlling factor for our local economy?

TRI-CITIES, WASHINGTON ACCOLADES

- **Safest Mid-Size City (150,000–500,000 residents)**
-Eighth Annual Farmers Insurance Study, December 2011 *"Secure Places to Live 2011"*
- **No. 10 "Best Performing Cities 2011: Where Jobs are Created and Sustained"**
-The Milken Institute, December 2011
Note: Tri-Cities moved up 19 spots from 2008 ranking, 58 spots from 2007.
- **State of Washington Ranked No. 7 Forbes "Best States for Business and Careers"**
-Forbes.com, December 2011 (moved down from # 5 in 2010)
- **11th Geekiest City in the U.S. (Kennewick, Richland, Pasco MSA)**
-Forbes 2011 *"Top 20 Geekiest Cities"* based on the percentage of workers with jobs in science, technology, engineering and mathematics.
- **No. 17 "2011 Best Small Cities for Job Growth"**
-New Geography All Cities Rankings, July 2011
- **Ranked as one of the Top 50 Leading Locations for 2011**
-Area Development Site & Facility Planning, *"100 Leading Locations for 2011"*, Spring 2011
www.areadevelopment.com
- **No. 35 "U.S. Best Cities for Economic Growth"**
- Policom 2011 Economic Strength Rankings, May 2011 (up from 268 in 2004)
- **Washington Ranked No. 4 in Clean Energy Leadership Index**
-Cleanedge.com, December 2010
- **Ranked No. 1 for Job Growth**
-Garner Economics Reports on Year-Over-Year Job Growth, November 2010
- **State of Washington No. 1 in Patents per Employee**
-Patent Counts by Country/State and Year, U.S. Patent and Trademark Office, 2010
- **Ranked No. 1 in the Nation for Housing**
-Smartmoney.com, March 2010
- **2nd Best City for Employment in the U.S. "10 Best and Worst Cities for Employment"**
-HR Morning, Manpower, October 2009
- **89th in the U.S. in 2009 Milken Tech-Pole Index***
-The Milken Tech-Pole Index is a measure of high-tech industry performance based on the output of an area's high-tech industries compared with the total national output.
- **2nd Best City for New Jobs**
-Forbes.com, Spring 2009 (Net Employment Outlook: +19%)
- **Tri-Cities, WA is the Fastest Growing Metropolitan Statistical Area (MSA) in WA State**
-Census Bureau Note: approx 20% since 2000



TRI-CITIES
WASHINGTON



Kennewick-Pasco-Richland MSA

(Benton and Franklin Counties)

Labor Area Summary

Volume 2011, Number 11

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Summary

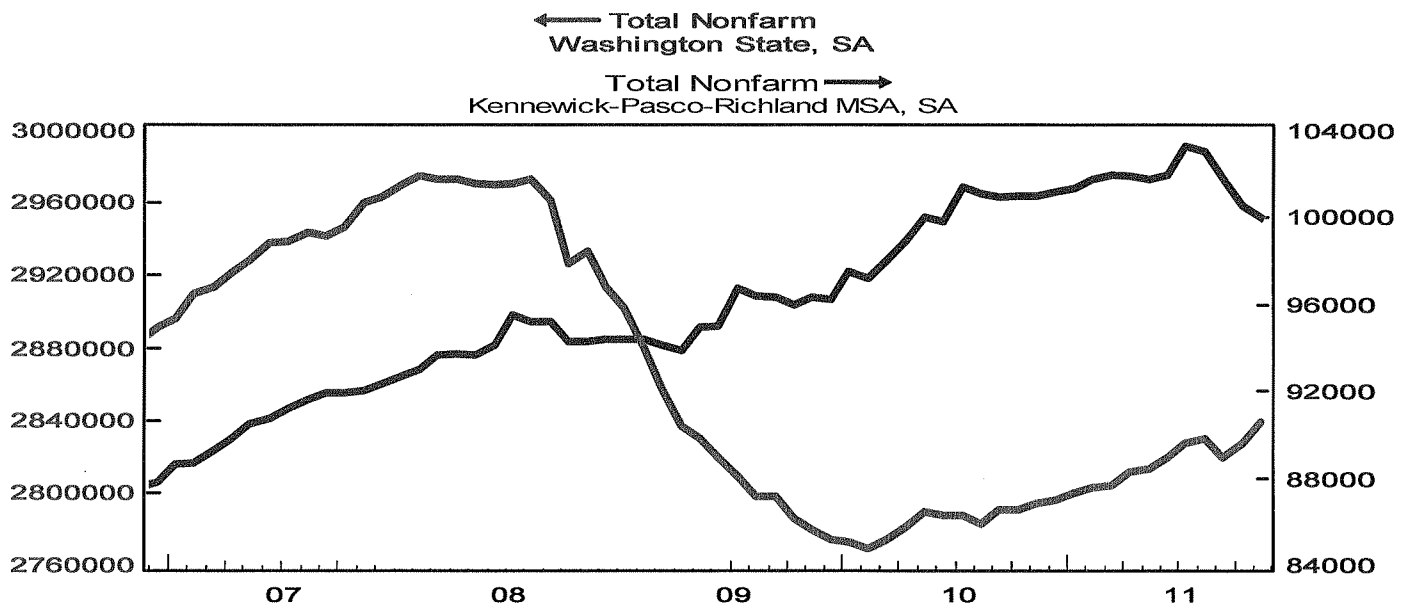
The November 2011 preliminary unemployment rate of 8.4 percent (not seasonally adjusted) in the Kennewick-Pasco-Richland Metropolitan Statistical Area (MSA) increased by eight-tenths of a percent from upward revised rate of 7.6 percent in October 2011. November 2011, unemployment rate was one and two-tenths of a percent higher than November 2010 rate of 7.2. Franklin County unemployment rate of 8.9 increased by one and five-tenths of a percent from downward revised October rate of 7.4 percent, which was followed by Benton County unemployment rate, increased an estimated five-tenths of a percent to 8.2 from downward revised October rate of 7.7 percent.

Nationally, the unemployment rate was 8.6 percent in November, which is down from 9.0 percent in October, and Washington's preliminary seasonally adjusted unemployment rate fell to 8.7 percent from 9.0 percent in October.

Preliminary estimates from the Bureau of Labor Statistics (BLS) show that Kennewick-Pasco-Richland MSA lost 1,500 jobs on not seasonally adjusted basis from October 2011 to November 2011. The private sector lost 1,600 jobs over the month, while the government gained 100 jobs.

When compared to November of 2010 local nonfarm employment in November 2011 decreased by 1,100 jobs. Private sector lost 1,600 jobs over-the-year and the public sector gained 400 jobs over-the-year.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision.

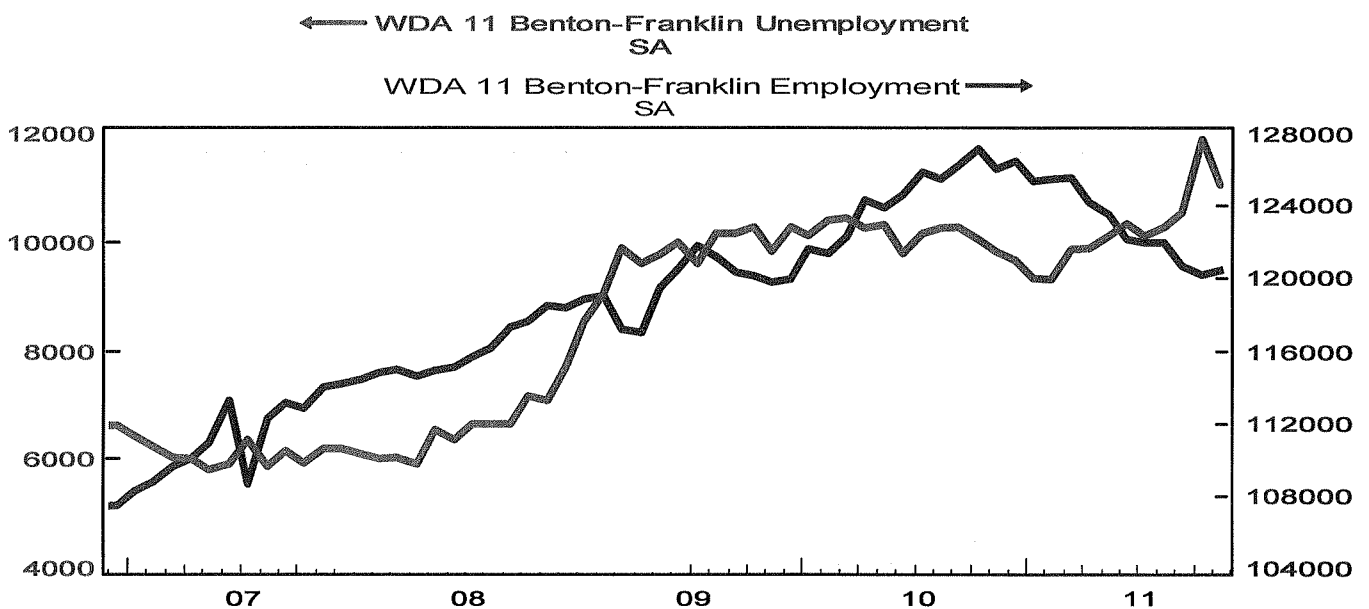


Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch

Resident civilian labor force and unemployment, not seasonally adjusted

According to the estimates the number of people in labor force decreased by 3,610 to 129,810, which includes all workers who were employed, unemployed and actively seeking work during the month of November. Employment decreased by 4,330 to 118,950, while at the same time the number of unemployed increased by 720 to 10,860 in November, 2011. Increase in number of unemployed workers in the area reflects both seasonal industry declines and layoffs from Hanford industries.

Kennewick-Pasco-Richland MSA not seasonally adjusted unemployment rate for November is 8.4 percent. The October revised unemployment rate was 7.6 percent.



Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch

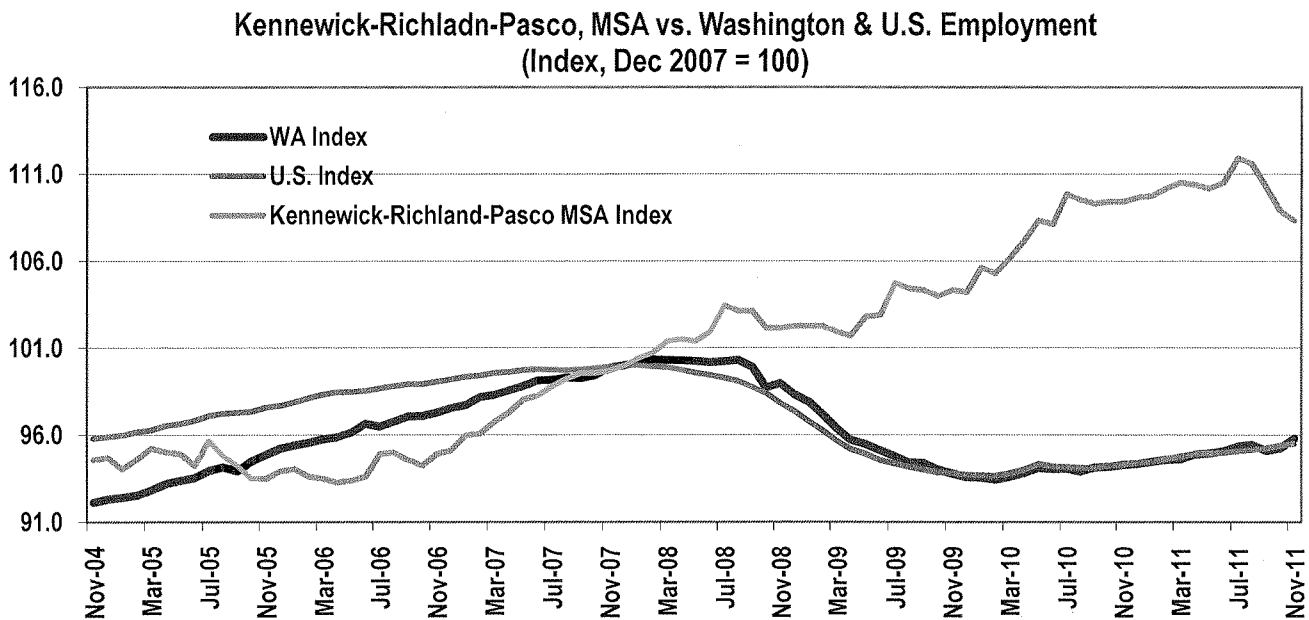
In November 2011, Kennewick-Pasco-Richland MSA had a total of 7,554 unemployed workers collecting benefits from state and federal funds in total of 9.5 million. Also, during the same month there were 1,057 unemployed workers who exhausted all benefit entitlements, while 3,385 unemployed workers initiated their applications for unemployment benefits.

Construction workers made up 22 percent of those collecting regular benefits, while production occupations followed with 11 percent and agricultural occupations with 9.6 percent.

The resident civilian labor force is the total number of people in the work force, employed and unemployed, ages 16 and up. The number of unemployed is the estimated number of people who currently do not have a job, are available for work and have actively looked for work in the last four weeks. The unemployment rate is the ratio of the estimated number of unemployed divided by the civilian labor force.

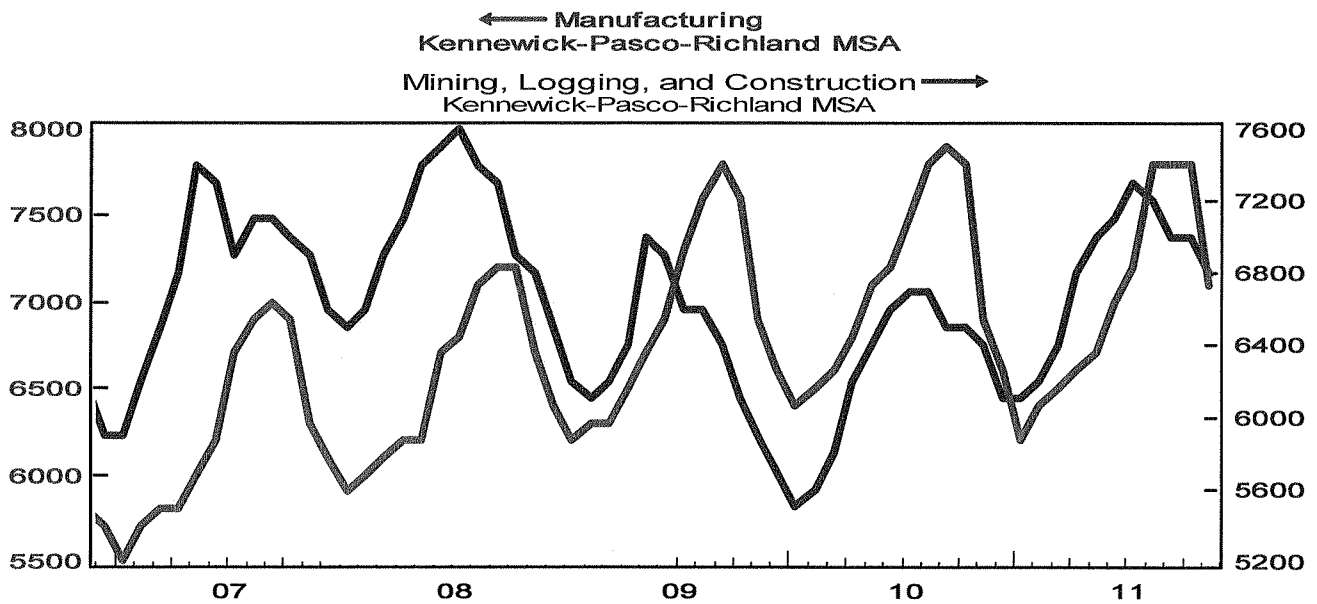
Employment Changes

Preliminary estimates from BLS show that Kennewick-Pasco-Richland MSA nonfarm jobs decreased by 1,500 over the month in November, which contributed to over the year decline of 1,100 jobs.



Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch

Most of the losses in past two months reflected Hanford layoffs that started in March of this year and will continue through October 2012, or federal fiscal year. Construction and manufacturing due to seasonal decline in employment decreased over the month by 200 and 700 jobs, respectively. Local food manufacturers decline reflects shifts in their peak third quarter employment as the work with last season's agricultural harvest winds down. Both construction and manufacturing increased in employment over the year, which is showing good signs of expansion.



Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch

Wholesale trade, transportation, warehousing and utilities increased in employment over the month by 600 jobs, due to seasonal completions of agricultural harvest along with increased retail trade activities in the area. Over the year this industry is showing signs of growth by adding 1,000 jobs in comparison to November 2010.

Employment in retail trade industry picked up in November by adding 300 jobs over the month in preparation for the holiday shopping season. Also, over the year retail trade increased by 200 jobs bringing total retail trade employment to 12,000 in the local area. Few other industries were expending little bit and some didn't see any changes in regards of employment numbers.

Government sector growth over the month was estimated to be 100 jobs over all, with local governments adding the jobs in November.

Down on the Farm

Weather conditions were wetter and warmer than normal during the reporting period. Total agricultural employment in South Eastern Area (Benton, Franklin and Walla Walla Counties) was estimated to be at 14,900, which reflects decrease over the month by 17.2 percent and increase over the year of 7.4 percent. An estimated 22.3 percent of total employment in the area was seasonal in November 2011.

Seasonal employment decreased the most by 18.5 percent over the month and decreased by 0.9 percent over the year. Seasonally agricultural wages for the area were \$9.10 per hour in non-adjusted dollars. Main activities were around apple and grape harvesting round up, along with other field crop and orchard activities. A freeze in November of last year damaged vineyards throughout the Columbia Valley and hit the Horse Heaven Hills in south Benton County especially hard. This has caused the projected crop to be down about 20 percent this year. An estimated 75 percent of total employment in South Eastern Area is in Benton and Franklin Counties.

Total nonfarm employment, not seasonally adjusted, in
Kennewick-Pasco-Richland MSA (Benton and Franklin counties*)

NAICS industry title (place of work)	Preliminary Nov-11	Revised Oct-11	Revised Nov- 10	Change		
				Oct-11 Nov-11	Nov-10 Nov-11	Nov-10 Nov-11 %
Total Nonfarm	100,300	101,800	101,400	-1,500	-1,100	-1.1%
Total Private	81,600	83,200	83,100	-1,600	-1,500	-1.8%
Goods Producing	13,900	14,800	13,300	-900	600	4.5%
Natural resources and mining	6,800	7,000	6,400	-200	400	6.3%
Manufacturing	7,100	7,800	6,900	-700	200	2.9%
Service-Providing	86,400	87,000	88,100	-600	-1,700	-1.9%
Private Service Providing	67,700	68,400	69,800	-700	-2,100	-3.0%
Trade, Transportation, and Utilities	17,800	17,200	16,800	600	1,000	6.0%
Retail Trade	12,000	11,700	11,800	300	200	1.7%
Financial Activities	3,600	3,600	3,600	0	0	
Professional and Business Services	23,700	23,500	25,100	200	-1,400	-5.6%
Administrative and waste services	10,600	10,700	12,400	-100	-1,800	-14.5%
Education and Health Services	11,500	11,600	11,100	-100	400	3.6%
Leisure and Hospitality	9,300	9,300	9,000	0	300	3.3%
Food services and drinking places	6,800	6,900	6,600	-100	200	3.0%
Government	18,700	18,600	18,300	100	400	2.2%
Federal	1,300	1,300	1,300	0	0	
State government	3,000	3,000	3,000	0	0	
Local government	14,400	14,300	14,000	100	400	2.9%
Workers in Labor Management Disputes	0	0	0	0	0	

Unemployment rates, not seasonally adjusted, in
Kennewick-Pasco-Richland MSA (Benton and Franklin counties)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	8.5%	8.5%	8.5%	7.4%	7.1%	7.0%	6.7%	7.1%	6.5%	6.6%	7.6%	8.8%
2010	9.6%	9.5%	8.7%	7.4%	7.3%	6.7%	6.8%	7.0%	6.3%	6.1%	7.2%	7.9%
2011	8.6%	8.3%	8.1%	7.2%	7.3%	7.2%	7.0%	7.2%	6.7%	7.6%	8.4%	

Employment and unemployment, not seasonally adjusted, in
Kennewick-Pasco-Richland MSA (Benton and Franklin counties*)

Labor force classification (place of residence)	Preliminary Nov-11	Revised Oct-11	Revised Nov-10	Change		
				Oct-11 Nov-11	Nov-10 Nov-11	Nov-10 Nov-11 %
Civilian Labor Force	129,810	133,420	134,300	-3,610	-4,490	-3.3%
Employment	118,950	123,280	124,590	-4,330	-5,640	-4.5%
Unemployment	10,860	10,140	9,710	720	1,150	11.8%
Unemployment Rate %	8.4%	7.6%	7.2%	0.8%	1.2%	16.7%

Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch

Access Labor Market Information

Labor Market Information (LMI) is systematic collections, analysis, reporting, and publishing of a broad range of data that describes current economic conditions within a given area. LMI provides information to the public on the overall structure and condition of the labor market, covering a wide variety of subject areas to make informed decisions. It is also referred to as workforce information.

On the Time Information for Every Decision

What jobs pay the most? Who is hiring in my area? Where can I find qualified workers? Where can I find local industry information and employers?

Washington State Employment Security Department is the best source for information that's critical for decision making and future planning on business expansions, relocation, recruitment, career planning and development, community economic development and many others. Visit our Web site, **esd.wa.gov** for the most current information on:

- **Wages/benefits**
Wages by Area, Industry, and Occupations
- **Unemployment and Employment Numbers**
Numbers on monthly, quarterly and annual basis for total labor force, employed, and unemployed
- **Occupations**
Occupational information on skills, abilities and knowledge for over 850 occupations
- **Career information**
Information on career planning through educational or on the job trainings
- **Industry trends**
Monthly, quarterly and annual statistics on industry developments and changes
- **Demand and growth (Projections)**
Current statistic and projections on demand occupations and growth industries
- **Demographics**

Statistics on population, demographics, and vital information on the local, regional, state and national levels
And other information like; Geography, Company downsizing and expansion, Job opportunities, county profiles...

Contact the nearest Washington State Employment Security Department office for more information. We have 12 regional economists serving local labor markets in Washington. Regional economists can help you find and use labor-market data, fulfill special data requests, analysis, studies, and answer questions about the labor market in your area. They serve professionals and organizations in their area including WorkSource offices, Workforce Development Councils, non-profit organizations, higher education, businesses and the news media.

esd.wa.gov

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