

## **Northwest WDA Labor Area Summary, October 2008**

Based on data provided by the Washington Employment Security Department, the unemployment rate for the four county area in October was approximately 5.6 percent (not seasonally adjusted).<sup>1</sup> Skagit County and Island County both had the highest unemployment rate (6.1 percent), followed Whatcom County (5.2 percent) and San Juan County (4.0 percent). The October jobless rate was about four-tenths of a percentage point above the September rate for the area. The state unemployment rate was 5.8 percent (not seasonally adjusted). The increases in the area jobless rates were expected as the economy continues to be sluggish as we head into the holiday season. As further evidence that there are more difficult times ahead, consumer spending fell 1.0 percent in October, the largest decrease since September 2001. In addition, GDP grew at a rate of -0.3 percent in the third quarter of 2008, the biggest decline since 2001. These are both indicators of a possible recession and, as a result, one should expect area (and national) unemployment rates to rise in the next six to nine months.

The October 2008 Northwest Washington unemployment rate was approximately one and seven-tenths percentage points above the October 2007 rate of 3.9 percent.<sup>1</sup> All four counties in the region experienced similar increases in their jobless rates over the past year. The regional jobless rate increase mirrored that of the state. The state jobless rate increased by one and eight-tenths percentage points in the past year.

Job growth in the region was positive in October, due mainly to the beginning of the new school year. The over the month gains were far less than a year ago at this time. Whatcom County gained 1,400 paychecks last month (2,700 a year ago) while Skagit County lost 100. In addition, San Juan County lost 500 jobs as the nature of the island's seasonal economy continued to reveal itself last month. Statewide, 21,300 jobs were lost in October.

Over the year, about 360 jobs were lost to the economy in the four county region, a 0.4 percent decrease.<sup>1</sup> Over the same period one year prior, more than 3,600 jobs were added to the regional economy. Island County was the only county which experienced positive over the year job growth (+150, 0.9 percent) while Whatcom County (-400) and Skagit County (-100) experienced negative job growth in the past year. Total employment statewide decreased at a rate of 0.7 percent.

<sup>1</sup>Regional (WDA 3) data are based on individual county data and should be taken as a rough approximation to actual regional figures.