

## **OVERVIEW OF BUSINESS ACTIVITY**

**3rd Quarter, 2008  
(July, August, September 2008)**

State gross business income increased \$6.9 billion in the third quarter of 2008. This is a 4.6 percent increase over third quarter of 2007.

While overall gross business income was higher, some industries experienced large declines. Some of the largest decreases were in Other Extraction and Support Activities (down 66.9 percent) Natural Gas Distribution (31.2 percent decrease) and Telephone and Communications Equipment Manufacturing (off 30.5 percent). Real Estate Agents and Brokers was down 23.7 percent while the Finance, Insurance, Real Estate industry dropped 10.4 percent.

Some industries experienced increased growth over the third quarter of 2007. Meat products and Petroleum & Coal Products grew 38.7 percent and 41.1 percent respectively. In the Retailing sector Household Appliances increase 134.8 percent while Audio and Video Equipment increased 58.4 percent over third quarter 2007.

Other increases were in Other Health Facilities and Services (36.9 percent), Electronic Markets, Agents, Brokers (68.7 percent) and Lessors of Nonfinancial Intangibles (132.9 percent).

Overall, Taxable Retail Sales in all counties were down 4.2 percent compared to the third quarter of 2007. However Douglas County saw an increase of 74.0 percent due to a large increase of construction activity in the county.

The incorporated areas of Fife and Kent saw decreases of 28.4 percent and 26.6 percent, respectively, while Ellensburg recorded an increase of 12.9 percent.

Overall, specific economic indicators show the State's economy is slowing but some industries are experiencing small growth. Manufacturing saw an overall increase of 5.7 percent while Retail Trade saw an increase of 1.8 percent. Construction continues to decrease with this quarter seeing a 0.7 percent drop in gross over third quarter of 2007 and Auto sales continue to decline recording a 22.8 percent decrease.