

OVERVIEW OF BUSINESS ACTIVITY

**3rd Quarter, 2009
(July, August, September 2009)**

State gross business income declined \$19.3 billion to \$139.2 billion in the third quarter of 2009, a 12.2 percent decrease over the third quarter of 2008.

Most industry groups experienced declines. Manufacturing was down 18.7 percent compared to the third quarter of 2008. Construction was down 27 percent and Wholesale Trade realized a decrease of 15.8 percent. The gross income of New and Used Auto Dealers dropped 6.6 percent to \$3.1 billion. Other significant industry declines were in Agriculture, Forestry and Fishing, dropping 24.1 percent to \$573.7 million, and Gas Stations with Convenience Stores at \$2.5 billion, down 24.2 percent.

Gross income increased in some industry groups, despite the ongoing economic slowdown. Again, almost all industry groups under Health Services were up. The industry as a whole increased 7.9 percent over the third quarter of 2008. In the Manufacturing sector, Bakery Products were up 20.6 percent to 362.5 million. E-Commerce and Mail Order Retail Trade was up again year over year, increasing 28 percent to \$2.9 billion. Insurance Agents & Brokers were up \$93.6 million, a 6.8 percent increase over third quarter 2008. Software Publishing also increased compared to third quarter 2008, up \$48.9 million or 15.8 percent.

Statewide, taxable retail sales were down 11.6 percent compared to the third quarter of 2008. However some counties showed an increase in taxable retail sales; Asotin County was up 7.8 percent compared to third quarter of 2008, Klickitat County was up 19.1 percent and Cowlitz County showed a 5.8 percent increase year over year. Most counties experienced declines in taxable retail sales with King County down 13.4 percent, Snohomish County down 10.8 percent, Spokane County down 7.1 percent, and Clark County down 15.7 percent.

The incorporated areas of Fife and Kent had taxable retail sales decreases of 13.4 percent and 18.9 percent, respectively. Seattle was down 13.1 percent compared to third quarter of 2008. Bellevue was down 15.2 percent and Spokane dropped 6.7 percent to 959 million as compared to third quarter of 2008.