

OVERVIEW OF BUSINESS ACTIVITY

Calendar Year 2010 (January - December 2010)

State gross business income increased \$16.8 billion, or 3.0 percent, in calendar year 2010 compared to calendar year 2009. Most major industries experienced increases in gross business income during calendar year 2010, although Construction was down three of the four quarters of the calendar year when compared to 2009.

Increases in Manufacturing, Wholesale and Retail Trade, and Services reflect the slowly strengthening economy in Washington. Manufacturing was up 6.2 percent, and Retail Trade was up 8.5 percent in calendar year 2010 compared to calendar year 2009. Business and Personal Services were up 4.7 percent, and Information increased 4.1 percent year over year. Industry specific increases include New and Used Auto Dealers, up 11.3 percent or \$1.3 billion over last year. Durable Goods Manufacturing was up 3.7 percent, Grocery and Convenience Stores was up 3.5 percent, and Restaurants and Food Service was up 3.5 percent compared to calendar year 2009.

Not all industries experienced increases. Construction continued to decline, down 8.8 percent year over year. Finance, Insurance and Real Estate was also down 1.2 percent. Although Manufacturing as a whole was up, Computer Hardware Manufacturing was down 56.6 percent compared to calendar year 2009. Other industries that experienced declines were Arts and Entertainment, down 0.1 percent, and Utilities, down 1.0 percent.

Taxable Retail Sales were down in many counties. King County experienced a decline of 1.3 percent, while Spokane dropped 1.4 percent. Kitsap County was down 1.7 percent. This trend carried through to the incorporated areas as well. Seattle was down 2.5 percent, Bellevue was down 3.8 percent, and Spokane experienced a decline of 1.4 percent. Redmond had a decline of 1.2 percent as compared to 2009, and Kent was down 0.8 percent.

Many areas did see gains in Taxable Retail Sales year over year. Snohomish and Pierce Counties were both up at 0.9 percent and 1.4 percent, respectively. Clark County also increased 3.3 percent over calendar year 2009. The city of Tacoma was up 0.9 percent, and Vancouver was up 0.5 percent. Everett saw a 2.6 percent increase over 2009, Bellingham was up 4.1 percent, and Olympia was up 4.8 percent.