

OVERVIEW OF BUSINESS ACTIVITY

Calendar Year 2011 (January - December 2011)

State gross business income increased \$31.4 billion, or 5.4 percent, in calendar year 2011 compared to calendar year 2010. Most major industries experienced increases in gross business income during calendar year 2011, although Retail Trade was down three of the four quarters of the calendar year when compared to 2010.

Increases in Manufacturing, Wholesale, Construction and Services reflect the slowly strengthening economy in Washington. Manufacturing was up 14.9 percent, and Construction was up 2.2 percent in calendar year 2011 compared to calendar year 2010. Wholesale Trade was \$127 billion, up 7.1 percent compared to calendar year 2010. Business and Personal Services were up 3.5 percent, and Information increased 4.6 percent year over year. Industry specific increases include New and Used Auto Dealers, up 10.6 percent or \$1.4 billion over last year. Petroleum Products Manufacturing was up 40.7 percent, Grocery and Convenience Stores was up 5.9 percent, and Restaurants and Food Service was up 10.5 percent compared to calendar year 2010.

Not all industries experienced increases. Finance, Insurance and Real Estate was down 0.7 percent. Although Construction as a whole was up, Nonresidential Building Construction was down 0.9 percent compared to calendar year 2010.

Most areas saw gains in Taxable Retail Sales year over year. King and Snohomish Counties were both up at 4.2 percent and 0.1 percent, respectively. Spokane County also increased 2.2 percent over calendar year 2010. Clark County was up 4.0 percent, Whatcom County was up 4.1 percent, Kitsap County was up 0.3 percent and Yakima County increased 2.0 percent over calendar year 2010. The city of Seattle was up 6.6 percent, and Bellevue was up 2.7 percent. Vancouver saw a 5.7 percent increase over 2010, Redmond was up 2.2 percent, Bellingham was up 5.3 percent, and Kennewick was up 5.4 percent.

Taxable Retail Sales were down in some areas. Pierce County experienced a decline of 1.0 percent, while Thurston dropped 1.2 percent. Cowlitz County was down 9.5 percent and Chelan County was down 0.8 percent. This trend carried through to the incorporated areas as well. Tacoma was down 0.6 percent, Spokane was down 1.2 percent, and Everett experienced a decline of 0.2 percent. Olympia had a decline of 2.4 percent as compared to 2010, and Puyallup was down 4.4 percent.