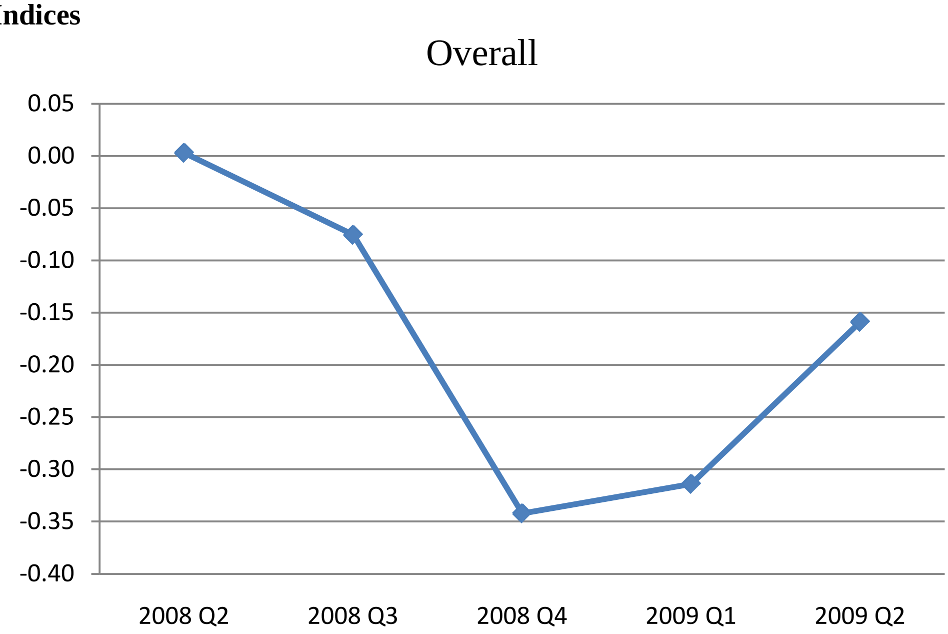
August 10, 2009

Greater Seattle Area Survey of Current Business Conditions - Second Quarter

Executive Summary

Current business conditions in the Seattle economy during the second quarter of 2009 have not markedly improved compared to the previous quarter. The continued downturn is evidenced by stagnant sales, inventory, and employment. Much of these results were driven by uncertainty within the economy. Financing and interest rates as well as employee healthcare expenses were also frequently cited problems. Despite the negative economic reports, business leaders are less pessimistic than they have been for the last two quarters. The upturn in overall market optimism from the first quarter of 2009 accelerated through the second quarter. This rise was lead by improvements in business' gross sales during the quarter. Lastly, almost 80 percent of respondents do not think the federal government should pursue an additional stimulus package and less than half support the proposed national healthcare plan.

Optimism Indices



Optimism Indices (cont.)