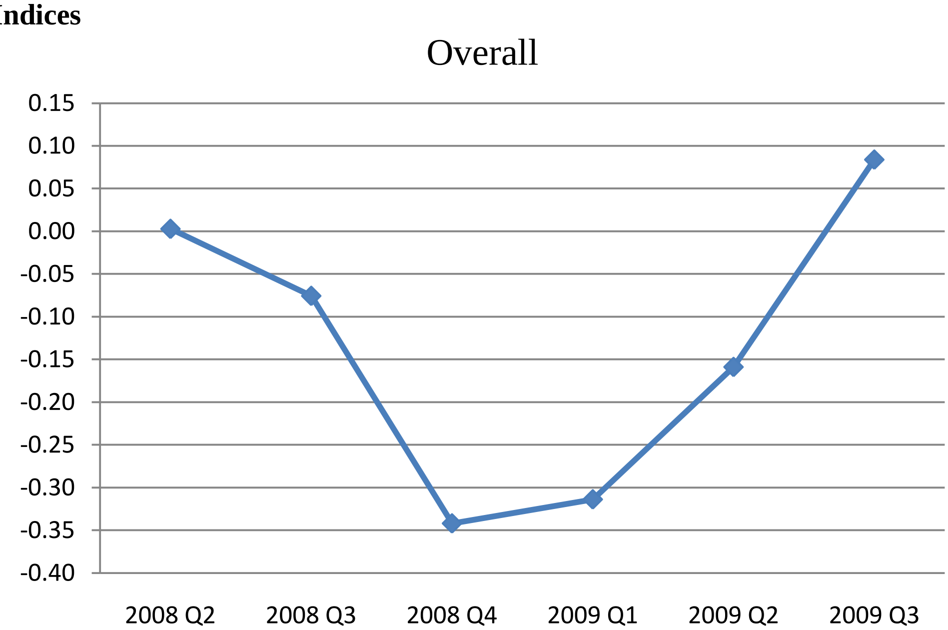
October 23, 2009

Greater Seattle Area Survey of Current Business Conditions - Third Quarter

Executive Summary

Seattle area business conditions have not noticeably changed compared to the second quarter. On average, businesses reported that sales, inventory, financing, and employment were all stagnant to declining. Uncertainty within the economy continues to drive many of these results. Employee healthcare expenses and domestic competition were also frequently cited problems. Despite the lackluster aggregate reports, the key indices show more optimism than they have been for over a year. The upturn in overall market optimism, beginning in the first quarter of 2009, accelerated through the third quarter. These results are further cemented by business leaders' belief that worker morale and productivity have not significantly declined due to the recession. Lastly, three-quarters of the respondents said they have a business continuity plan capable of handling an influenza pandemic.

Optimism Indices



Optimism Indices (cont.)