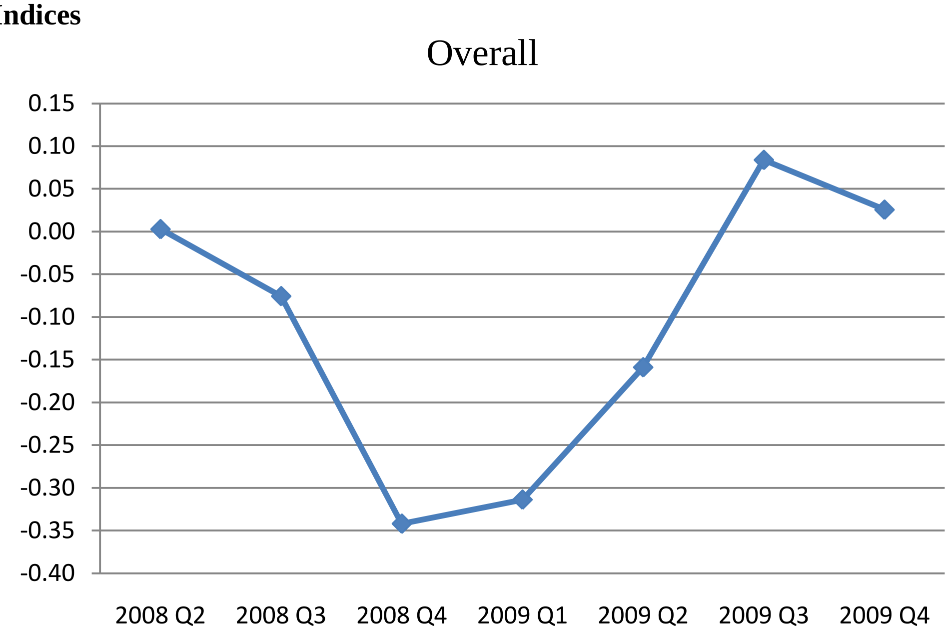
February 3, 2010

Greater Seattle Area Survey of Current Business Conditions - Fourth Quarter

Executive Summary

Perceptions of current business conditions in the Seattle economy during the fourth quarter of 2009 were mixed. The overall outlook was relatively optimistic. For the second quarter in a row more respondents were positive about key economic indicators than negative. However, conditions appear to have deteriorated slightly compared to the previous quarter. This past quarter brought declines in employment and inventory along with stagnant to declining sales and financing, on average. These results continue to be driven primarily by uncertainty within the economy, with healthcare expenses and domestic competition as secondary drivers of pessimism. Issues of profitability and efficiency have also become a priority, as 50 percent of business leaders say that they have had to price goods and services below cost to stay in business and 70 percent believe their competitors have done the same. On the national level, local business leaders gave President Obama a below average rating after his first year in office. His worst marks came on domestic issues and he fared only slightly better on foreign affairs.

Optimism Indices



Optimism Indices (cont.)