S E A T T L E EXECUTIVES A S S O C I A T I O N

WASHINGTON STATE UNIVERSITY
World Class. Face to Face.

IMPACT

August 9, 2010

Greater Seattle Economic Outlook Survey—2nd Quarter 2010

The Greater Seattle Economic Outlook Survey, begun in July 2008, gathers information on general business conditions specific to Greater Seattle, and how national and international events and policies affect those conditions. The survey covers:

- Current Business Conditions & Outlook
  - Sales
  - Employment
  - Financing
  - Inventory
- Current Economic Issues

Each quarterly questionnaire repeats the same questions from the previous quarter in the Current Business Conditions & Outlook section for comparisons over time. The Current Economic Issues section introduces new questions each quarter on current events and policies. In addition, the second quarter questionnaire asks about firm characteristics and the fourth quarter survey asks about expectations for the upcoming year.

Survey results provide local businesses, government officials, and the media with information about current and potential future business issues. Results and archives are posted to http://impact.wsu.edu/survey/EconomicOutlook.html.

The Greater Seattle Economic Outlook Survey is the result of a cooperative effort between the School of Economic Sciences at Washington State University, the IMPACT Center in the School of Economic Sciences, and the Seattle Executives Association (SEA). This edition of the survey is the ninth, and covers the second quarter of 2010. The survey was distributed in July.

The authors of this edition of the survey and report are:

Andrew J. Cassey,	Assistant Professor, WSU School of Economic Sciences
Dan Friesner	Associate Professor, North Dakota State University and Adjunct Professor, WSU School of Economic Sciences

Thanks to Glenna Thomas and Jack Goldberg of SEA for administering the survey and Justin Taylor for survey implementation. Also thanks to Ron Mittelhammer of the School of Economic Sciences and Tom Marsh of the IMPACT Center. Finally, thanks to the members of the SEA for their willingness to participate in the survey.

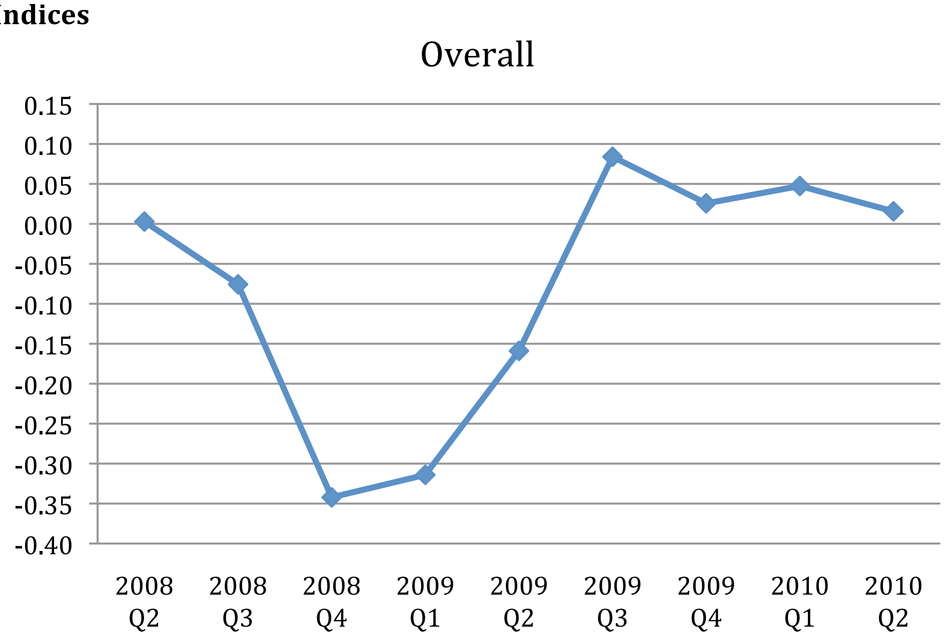
Executive Summary

Business conditions in the Greater Seattle economy during the second quarter of 2010 continue to be mixed. The overall outlook decreased slightly compared to the first quarter. Though the number of employees increased, financing for capital expenditures continues to be difficult for some establishments. These results continue to be related to the uncertainty of the economy. In addition to economic uncertainty, other major concerns are healthcare expenses, domestic competition, and government regulation.

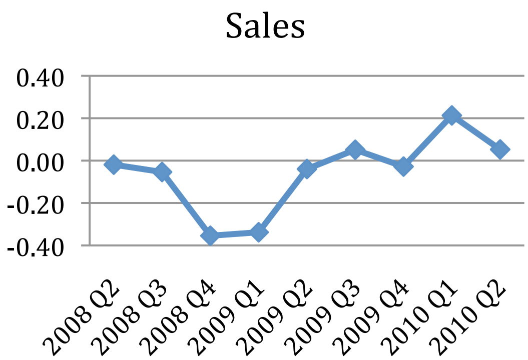
Respondents said they expect the National Export Initiative will slightly increase exports from the Greater Seattle Area. They also thought the announced devaluation of the Chinese currency against the U.S. dollar could slightly increase exports. But respondents do not expect the devaluation of the euro to change Seattle Area exports.

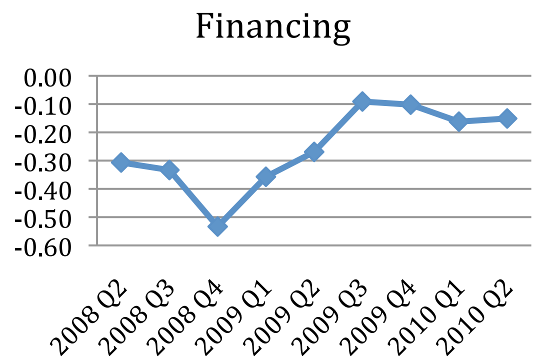
The once-per-year questions on business characteristics indicate that most of the respondents are corporations located in the city limits of Seattle and in the service industry.

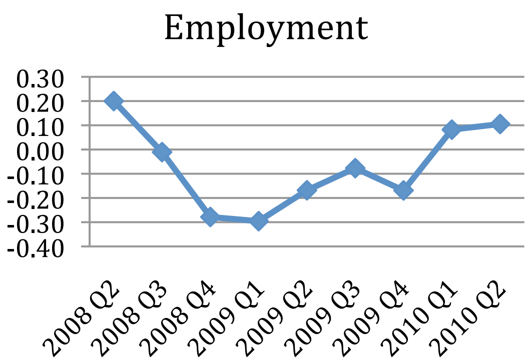
Optimism Indices

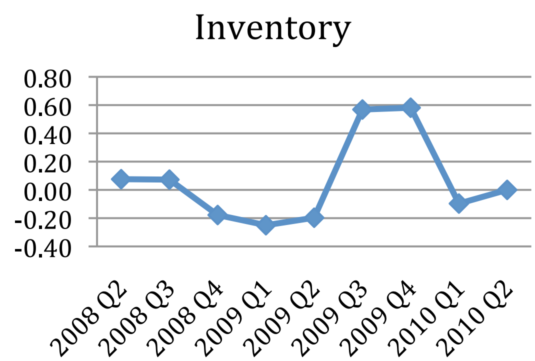


Optimism Indices (cont.)









Note: These graphs show the *net* response of participants. For example, if 20% submitted a positive response, 5% a negative response, and 75% no change, then the index is .20 – .05 = 0.15.