



Grant County

Labor Area Summary

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Overview

This report provides an update on the Grant County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between February 2015 and 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

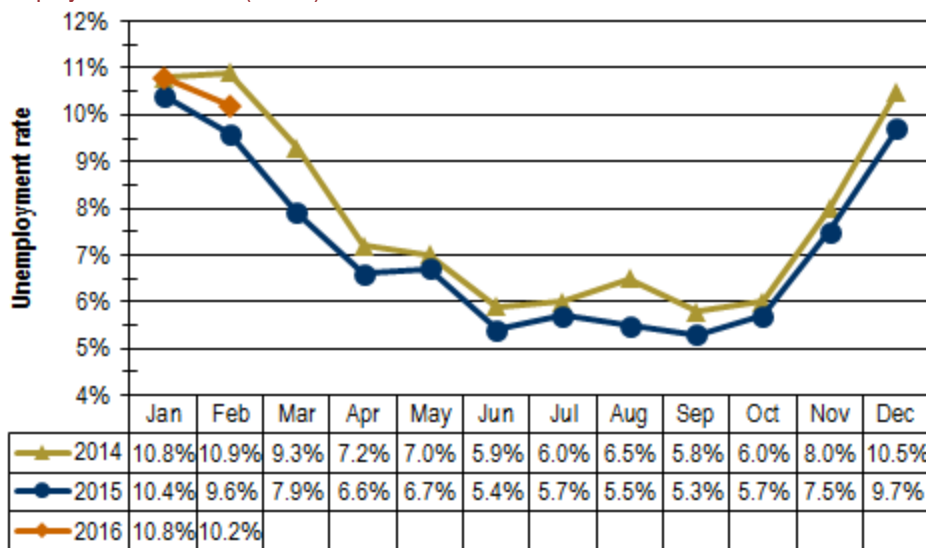
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Februaries of 2015 and 2016 the rate stabilized at 6.3 percent.

In Grant County, the average annual unemployment rate decreased six-tenths of a percentage point between 2014 and 2015, from 7.7 to 7.1 percent. However, the rate rose six-tenths of a point this February to 10.2 percent from the 9.6 percent reading in February 2015 (see *Figure 1*) as the labor force contracted and the number of unemployed expanded during this timeframe (see *Figure 3*) – certainly a cause for concern.

Figure 1. Unemployment rates, not seasonally adjusted

Grant County, January 2014 through February 2016

Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



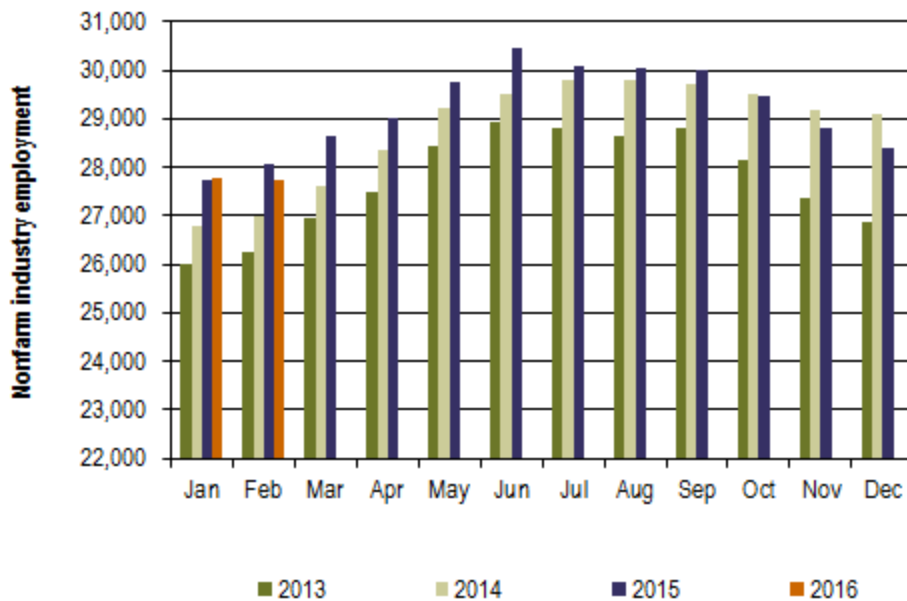
The Grant County unemployment rate increased six-tenths of a point between the Februaries of 2015 and 2016.

Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 88,800 new nonfarm jobs, an annual average increase of 2.9 percent. This February, businesses and government organizations across Washington supplied 3,180,600 nonfarm jobs (not seasonally adjusted), compared to 3,084,400 jobs in February 2015, a 3.1 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 65 consecutive months (October 2010 through February 2016).

Between 2014 and 2015, Grant County's economy provided 410 new nonfarm jobs, an average annual increase of 1.4 percent, less robust than the state's 2.9 percent job growth rate. The County had posted year-over-year increases in nonfarm jobs for 36 months (October 2012 through September 2015), but nonfarm employment has declined in four of the past five months. In fact, only between the Januaries of 2015 and 2016 did local nonfarm employment rise and that was by a marginal 0.2 percent. This February employers provided 27,750 jobs, a 320 job and 1.1 percent decrease from the 28,070 recorded in February 2015.

Figure 2. Nonfarm industry employment
Grant County, January 2013 through February 2016
Source: Employment Security Department/LMPA



Nonfarm employers in Grant County provided 27,750 nonfarm jobs in February 2016, a 1.1 percent downturn from February 2015.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 50,156 residents (a 1.4 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 26 months (January 2014 through February 2016). In February 2016, Washington's CLF tallied 3,616,112 residents versus 3,527,209 in February 2015 equating to 88,903 more Washingtonians in the labor force (up 2.5 percent).

Grant County's CLF averaged a 1.8 percent upturn in 2015 and on a monthly basis it expanded for the 14-month period from May 2014 through June 2015. However, the local CLF has posted year-over-year losses for the past six months (September 2015 through February 2016). The labor force declined from 43,457 in February 2015 to 42,663 in February 2016 (meaning that 794 fewer residents were in the local labor force). The number of unemployed countywide increased from 4,193 in February 2015 to 4,359 this February (see *Figure 3*). The net result: the county's unemployment rate rose by six-tenths of a percentage point between the Februaries of 2015 and 2016, certainly not a good economic indicator.

Figure 3. Labor force and industry employment, not seasonally adjusted
 Grant County, February 2015, January and February 2016
 Source: Employment Security Department/LMPA

Grant County	Preliminary Feb-16	Revised Jan-16	Revised Feb-15	Change		
				Jan-16 Feb-16	Feb-15 Feb-16	Feb-15 Feb-16 %
Labor force and unemployment						
Civilian labor force	42,663	42,629	43,457	34	-794	-1.8%
Resident employment	38,304	38,037	39,264	267	-960	-2.4%
Unemployment	4,359	4,592	4,193	-233	166	4.0%
Unemployment rate	10.2	10.8	9.6	-0.6	0.6	
Industry employment						
Total nonfarm ¹	27,750	27,790	28,070	-40	-320	-1.1%
Total private	19,400	19,520	19,880	-120	-480	-2.4%
Goods producing	5,710	5,740	5,920	-30	-210	-3.5%
Mining, logging and construction	950	930	1,120	20	-170	-15.2%
Manufacturing	4,760	4,810	4,800	-50	-40	-0.8%
Durable goods	2,270	2,270	2,330	0	-60	-2.6%
Nondurable goods	2,490	2,540	2,470	-50	20	0.8%
Service providing	22,040	22,050	22,150	-10	-110	-0.5%
Trade, transportation and utilities	5,940	5,950	5,660	-10	280	4.9%
Wholesale trade	1,750	1,730	1,620	20	130	8.0%
Retail trade	3,200	3,200	3,110	0	90	2.9%
Transportation, warehousing and utilities	990	1,020	930	-30	60	6.5%
Information and financial activities	1,280	1,280	1,180	0	100	8.5%
Professional and business services	1,310	1,410	1,700	-100	-390	-22.9%
Education and health services	2,550	2,570	2,740	-20	-190	-6.9%
Leisure and hospitality	2,060	2,040	2,120	20	-60	-2.8%
Government	8,350	8,270	8,190	80	160	2.0%
Federal government	740	740	730	0	10	1.4%
State and local government	7,610	7,530	7,460	80	150	2.0%
State and local government education	3,740	3,640	3,570	100	170	4.8%
Workers in labor/management disputes	0	0	0	0	0	
¹ Excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. Columns may not add due to rounding.						

Nonfarm employment in Grant County decreased 1.1 percent, a loss of 320 jobs, between February 2015 and February 2016.

Nonfarm industry employment

Preliminary estimates indicate that Grant County’s nonfarm employers provided 320 fewer jobs in February 2016 than in February 2015, a 1.1 percent downturn. Conversely, Washington’s nonfarm market expanded at a clip of 3.1 percent during this period. Highlights of year-over-year changes in major industries follow:

- Most jobs in the combined “mining, logging and construction” category in Grant County are in construction and the local construction industry has been registering year-over-year employment

losses for the past ten months (May 2015 through February 2016). Between the Februarys of 2015 and 2016 construction employment fell from 1,120 to 950, a 170 job and 15.2 percent contraction.

- The number of jobs in Grant County's durable goods manufacturing industry increased for 24 months (between January 2014 and December 2015) before registering year-over-year losses in the first two calendar months of 2016. Between the Februarys of 2015 and 2016, durable goods manufacturing fell 2.6 percent, from 2,330 to 2,270 jobs. According to an 8 February 2016 article in the *Columbia Basin Herald*: "Due to negative effects from an ongoing trade dispute between the U.S. and China, REC Silicon announced Monday (8 February) that it is shutting down its remaining Moses Lake production. No layoffs are expected at the Moses Lake plant according to REC Silicon Community Relations Manager Sharon Palmerton. Current employees will be retained for maintenance and repairs." The article continued: "The Company also mentioned that due to existing inventory levels, it will extend the shutdown of the Silane 3 unit in Moses Lake, which has been out of production since July 2015 and was expected to resume in January. It is now expected to be out of production until there is a resolution to the solar trade disagreement." On a more encouraging note, a 17 March 2016 *Columbia Basin Herald* article said: "REC Silicon is projecting it will have Moses Lake operations back up and running at full capacity in June, according to company officials. The status of the Moses Lake plant will depend on conditions of the polysilicon market and the trade dispute with China."
- Professional and business services consists of a diverse set of niche industries, ranging from computer systems design and accounting/tax preparation services to management services, legal services and temporary employment services. In short, professional and business services is the umbrella industry of businesses that support other businesses. Year over year, Grant County's professional and business services industry has lost jobs in the last four months following 13 consecutive months of growth (October 2015 through October 2015). Between the Februarys of 2015 and 2016 this industry lost 390 jobs, a 22.9 percent downturn, as employment fell from 1,700 jobs to 1,310, respectively.

Agricultural employment/production

The Bureau of Labor Statistics' Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security Department provides agricultural and nonagricultural employment and wages for firms, organizations and individuals whose employees are covered by the Washington State Employment Security Act. Frequently termed "covered" or "QCEW" data, this information provides a reliable data set for comparing employment and wage trends in major industries at the county level. In August 2015 preliminary annual average QCEW data for calendar year 2014 became available. A ten-year analysis (from 2004 through 2014) of these data show that in Grant County:

- Total covered employment rose from 31,807 in 2004 to 38,886 in 2014, a 7,079-job and 22.3 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 7,459 in 2004 to 10,658 in 2014, a 3,199-job and 42.9 percent uptrend. In 2004 Grant County's agricultural industry accounted for 23.5 percent of total covered employment. In 2014 agricultural employment accounted for 27.4 percent of total covered employment countywide. Hence, agricultural employment rose 3.9 percentage points (from 23.5 to 27.4 percent) in Grant County during the past ten years.
- Total covered wages rose from \$821.0 million (in 2004) to \$1.39 billion (in 2014) a \$573.4 million and 69.8 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$134.6 million in 2004 to \$263.0 million in 2014, a \$128.3 million and 95.3 percent uptrend. In 2004 Grant County's agricultural industry accounted for 16.4 percent of total covered wages. In 2014 agricultural wages accounted for 18.9 percent of total covered payroll countywide. Hence, agricultural wages rose 2.5 percentage points (from 16.4 to 18.5 percent) in Grant County during the past ten years.