



Grant County Labor Area Summary January 2016

Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Yakima WorkSource, 306 Division Street, Yakima, WA 98902
 Phone: (509) 573-4564; E-mail: dmeseck@esd.wa.gov
 Website: <https://fortress.wa.gov/esd/employmentdata/>

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 January 2015 and 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

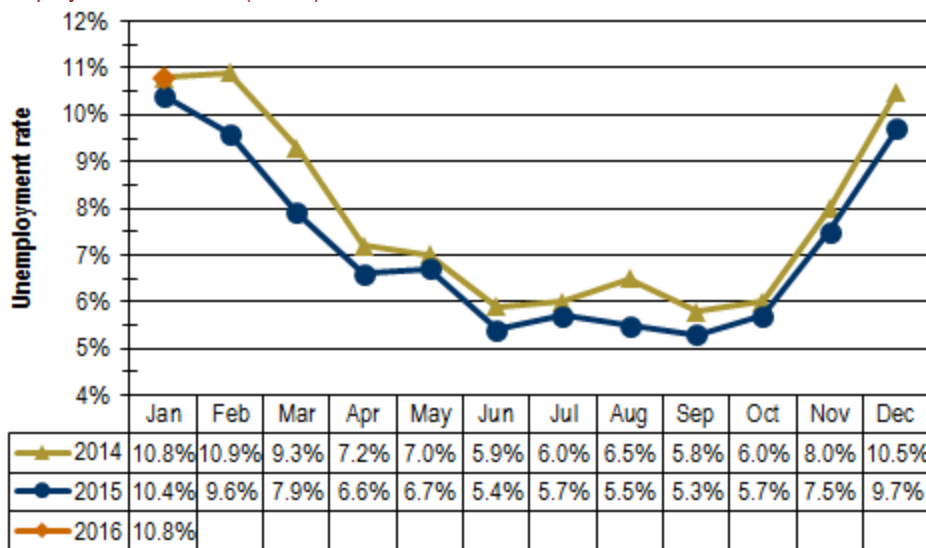
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Januarys of 2015 and 2016 the rate stabilized at 6.5 percent.

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 four-tenths of a point this January to 10.8 percent from the 10.4 percent reading in January 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 January 2016

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



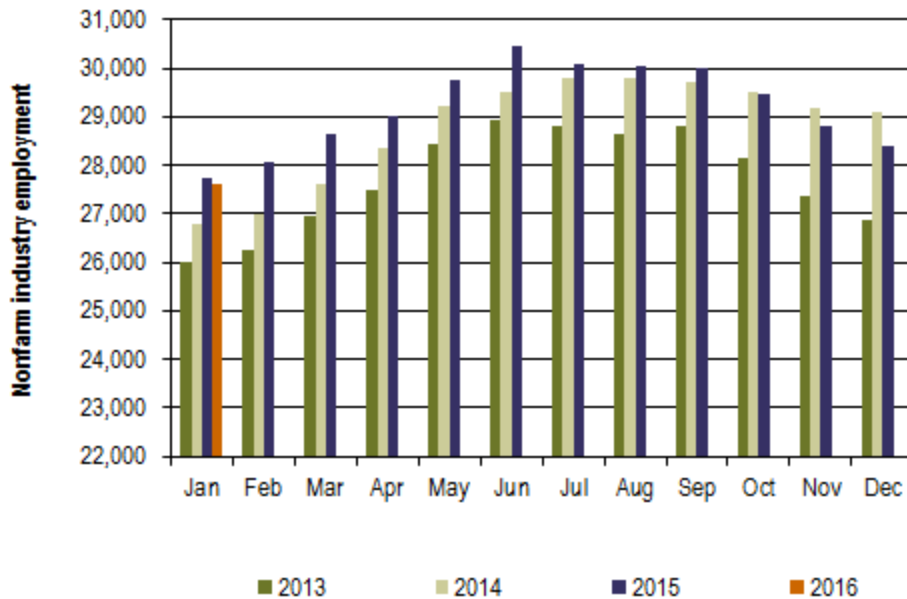
The Grant County unemployment rate increased four-tenths of a point between the Januarys of 2015 and 2016.

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 January, businesses and government organizations across Washington supplied 3,165,900 nonfarm jobs (not seasonally adjusted), compared to 3,072,200 jobs in January 2015, a 3.0 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 64 consecutive months (October 2010 through January 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). However, nonfarm employment decreased during each of the past four months (October 2015 through January 2016). This January employers provided 27,610 jobs, a 130 job and 0.5 percent decrease from the 27,740 recorded in January 2015. Whether this is just a "lull" in the local nonfarm market or a "trend" remains to be seen.

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



Nonfarm employers in Grant County provided 27,610 nonfarm jobs in January 2016, a 0.5 percent downturn from January 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 25 months (January 2014 through January 2016). In January 2016, Washington's CLF tallied 3,588,722 residents versus 3,514,022 in January 2015 equating to 74,700 more Washingtonians in the labor force (up 2.1 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, year over year growth rates were negative in six of the past seven months - only between the Augusts of 2014 and 2015 did the CLF rise and that was by a modest 0.4 percent. The CLF declined from 42,946 in January 2015 to 42,454 in January 2016 (meaning that 492 fewer residents were in the local labor force). The number of unemployed countywide increased from 4,483 in January 2015 to 4,574 this January. The net result: the county's unemployment rate rose by four-tenths of a percentage point between the Januaries of 2015 and 2016 (see *Figure 3*).

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

Grant County	Preliminary Jan-16	Revised Dec-15	Revised Jan-15	Change		
				Dec-15	Jan-15	Jan-15
				Jan-16	Jan-16	Jan-16 %
Labor force and unemployment						
Civilian labor force	42,454	42,059	42,946	395	-492	-1.1%
Resident employment	37,880	37,967	38,463	-87	-583	-1.5%
Unemployment	4,574	4,092	4,483	482	91	2.0%
Unemployment rate	10.8	9.7	10.4	1.1	0.4	
Industry employment						
Total nonfarm ¹	27,610	28,410	27,740	-800	-130	-0.5%
Total private	19,370	20,150	19,600	-780	-230	-1.2%
Goods producing	5,720	5,900	5,850	-180	-130	-2.2%
Mining, logging and construction	930	1,020	1,090	-90	-160	-14.7%
Manufacturing	4,790	4,880	4,760	-90	30	0.6%
Durable goods	2,270	2,350	2,310	-80	-40	-1.7%
Nondurable goods	2,520	2,530	2,450	-10	70	2.9%
Service providing	21,890	22,510	21,890	-620	0	0.0%
Trade, transportation and utilities	5,950	6,150	5,650	-200	300	5.3%
Wholesale trade	1,730	1,730	1,600	0	130	8.1%
Retail trade	3,200	3,280	3,090	-80	110	3.6%
Transportation, warehousing and utilities	1,020	1,140	960	-120	60	6.3%
Information and financial activities	1,280	1,280	1,150	0	130	11.3%
Professional and business services	1,280	1,500	1,570	-220	-290	-18.5%
Education and health services	2,570	2,650	2,740	-80	-170	-6.2%
Leisure and hospitality	2,040	2,120	2,110	-80	-70	-3.3%
Government	8,240	8,260	8,140	-20	100	1.2%
Federal government	740	740	740	0	0	0.0%
State and local government	7,500	7,520	7,400	-20	100	1.4%
State and local government education	3,620	3,580	3,510	40	110	3.1%
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 0.5 percent, a loss of 130 jobs, between January 2015 and January 2016.

Nonfarm industry employment

Preliminary estimates indicate that Grant County’s nonfarm employers provided 130 fewer jobs in January 2016 than in January 2015, a 0.5 percent downturn. Conversely, Washington’s nonfarm market expanded at a clip of 3.0 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 nine months (May 2015 through January 2016). Between the Januarys of 2015 and 2016 construction employment fell from 1,190 to 930, a 160 job and 14.7 percent contraction. Statewide, construction has been adding workers for the past 47 consecutive months (from March 2012 through January 2016).

- The number of jobs in Grant County's durable goods manufacturing industry increased for 24 months (between January 2014 and December 2015) before decreasing 1.7 percent, from 2,310 to 2,270 jobs, between the Januarys of 2015 and 2016. 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 three months following 13 consecutive months of growth (October 2015 through October 2015). Between the Januarys of 2015 and 2016 this industry lost 290 jobs, an 18.5 percent downturn, as employment fell from 1,570 jobs to 1,280, 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.