



Grant County

Labor Area Summary

March 2016

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

Unemployment rates

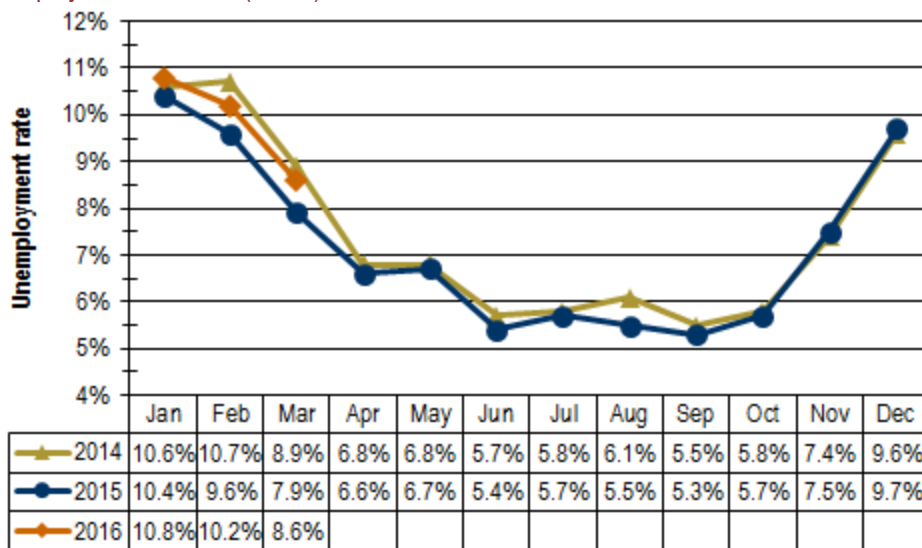
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Marches of 2015 and 2016 the rate increased from 5.8 to 6.0 percent, up two-tenths of a point.

In Grant County, the average annual unemployment rate decreased three-tenths of a percentage point between 2014 and 2015, from 7.4 to 7.1 percent. However, the rate rose seven-tenths of a point this March to 8.6 percent from the 7.9 percent reading in March 2015 as the labor force contracted and the number of unemployed expanded during this timeframe (see *Figure 3*) – certainly not a good local economic indicator.

Figure 1. Unemployment rates, not seasonally adjusted

Grant County, January 2014 through March 2016

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



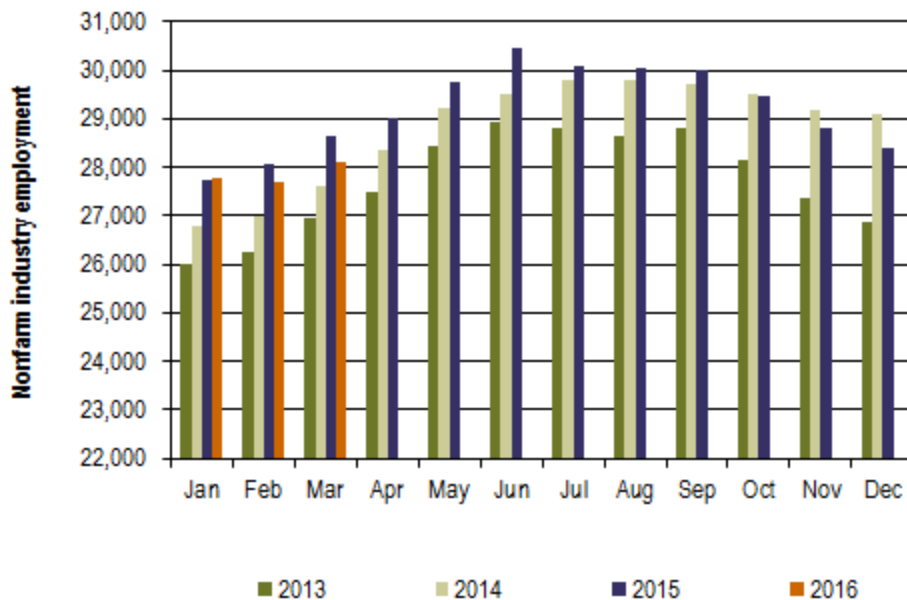
The Grant County unemployment rate increased seven-tenths of a point between the Marches of 2015 and 2016.

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 March, businesses and government organizations across Washington supplied 3,204,300 nonfarm jobs (not seasonally adjusted), compared to 3,106,100 jobs in March 2015, a 3.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 66 consecutive months (October 2010 through March 2016).

Between 2014 and 2015, Grant County's economy provided 410 new nonfarm jobs, an average annual increase of 1.4 percent, considerably less robust than the 3.9 percent growth rate and the 1,080 new jobs generated in 2014. Although the local labor market had posted year-over-year increases in nonfarm jobs for 36 months (October 2012 through September 2015), employment has declined year over year in five of the past six months. Only between the Januarys of 2015 and 2016 did local nonfarm employment rise and that was by a marginal 0.2 percent. This March employers provided 28,120 jobs, a 540 job and 1.9 percent decrease from the 28,660 recorded in March 2015.

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



Nonfarm employers in Grant County provided 28,120 nonfarm jobs in March 2016, a 1.9 percent downturn from March 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 27 months (January 2014 through March 2016). In March 2016, Washington's CLF tallied 3,622,597 residents versus 3,526,657 in March 2015 equating to 95,940 more Washingtonians in the labor force (up 2.7 percent).

Grant County's CLF expanded by 1.4 percent in 2015 and on a monthly basis it had increased for 14 consecutive months between May 2014 and June 2015. However, the CLF has posted year-over-year losses for the past seven months (September 2015 through March 2016). Between the Marches of 2015 and 2016 the labor force shrank from 44,175 residents to 43,249 (meaning that 926 fewer residents were in the labor force). Simultaneously, the number of unemployed residents increased from 3,484 to 3,719 causing the local unemployment rate to rise seven-tenths of a point between the Marches of 2015 and 2016 (see *Figure 3*).

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

Grant County	Preliminary Mar-16	Revised Feb-16	Revised Mar-15	Change		
				Feb-16 Mar-16	Mar-15 Mar-16	Mar-15 Mar-16 %
Labor force and unemployment						
Civilian labor force	43,249	42,544	44,175	705	-926	-2.1%
Resident employment	39,530	38,199	40,691	1,331	-1,161	-2.9%
Unemployment	3,719	4,345	3,484	-626	235	6.7%
Unemployment rate	8.6	10.2	7.9	-1.6	0.7	
Industry employment						
Total nonfarm ¹	28,120	27,680	28,660	440	-540	-1.9%
Total private	19,710	19,320	20,480	390	-770	-3.8%
Goods producing	5,600	5,620	5,980	-20	-380	-6.4%
Mining, logging and construction	1,020	960	1,140	60	-120	-10.5%
Manufacturing	4,580	4,660	4,840	-80	-260	-5.4%
Durable goods	2,160	2,160	2,350	0	-190	-8.1%
Nondurable goods	2,420	2,500	2,490	-80	-70	-2.8%
Service providing	22,520	22,060	22,680	460	-160	-0.7%
Trade, transportation and utilities	6,090	5,970	5,860	120	230	3.9%
Wholesale trade	1,790	1,750	1,650	40	140	8.5%
Retail trade	3,300	3,240	3,220	60	80	2.5%
Transportation, warehousing and utilities	1,000	980	990	20	10	1.0%
Information and financial activities	1,290	1,280	1,210	10	80	6.6%
Professional and business services	1,400	1,310	1,850	90	-450	-24.3%
Education and health services	2,630	2,550	2,790	80	-160	-5.7%
Leisure and hospitality	2,150	2,060	2,240	90	-90	-4.0%
Government	8,410	8,360	8,180	50	230	2.8%
Federal government	750	740	730	10	20	2.7%
State and local government	7,660	7,620	7,450	40	210	2.8%
State and local government education	3,750	3,730	3,570	20	180	5.0%
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 1.9 percent, a loss of 540 jobs, between March 2015 and March 2016.

Nonfarm industry employment

Preliminary estimates indicate that Grant County's nonfarm employers provided 540 fewer jobs in March 2016 than in March 2015, a 1.9 percent downturn. Conversely, Washington's nonfarm market expanded at a 3.2 percent clip 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 eleven months (May 2015 through March 2016). Between the Marches of 2015 and 2016 construction employment fell from 1,140 to 1,020, a 120 job and 10.5 percent contraction.

- The number of jobs in Grant County's durable goods manufacturing industry had increased for 24 months (between January 2014 and December 2015) before registering year-over-year losses in the first three calendar months of 2016. Between the Marches of 2015 and 2016, durable goods manufacturing fell 8.1 percent, from 2,350 to 2,160 jobs. Statewide, durable goods manufacturing employment stagnated in December 2015 before also contracting in the first three months of 2016.
- The local wholesale trade industry has added jobs, year over year, for the past 38 months (from February 2013 through March 2016). However, 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.” On a more encouraging note, a 5 May 2016 *Columbia Basin Herald* article said: “REC Silicon announced this week that it will restart production of solar-grade polysilicon at its Moses Lake plant later this month. . . Gov. Jay Inslee celebrated the news from REC Silicon about the planned restart of production in Moses Lake.” This business is classified under the wholesale trade of durable goods subsector. Statewide, wholesale trade employment has increased for the past 63 months (January 2011 through March 2016).
- Professional and business services consists of a 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 five months following 13 consecutive months of growth (October 2015 through October 2015). Between the Marches of 2015 and 2016 this industry lost 450 jobs, a 24.3 percent downturn, as employment tumbled from 1,850 jobs to 1,400, 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.