



Grant County

Labor Area Summary

May 2016

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Overview

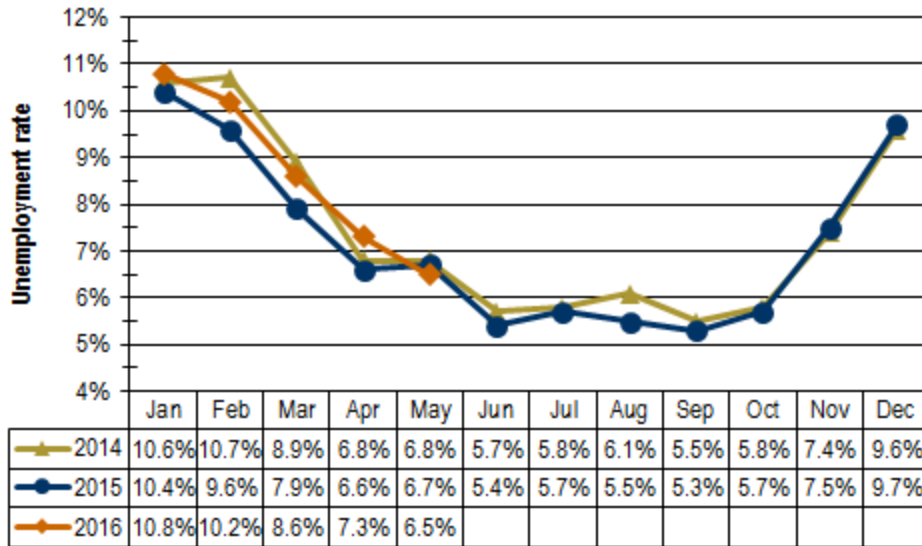
This report provides an update on the Grant County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between May 2015 and May 2016) and average annual (between 2014 and 2015) changes in the labor market.

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 Mays of 2015 and 2016 the rate dipped from 5.6 to 5.5 percent, down one-tenth 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. The rate decreased from the 6.7 percent reading in May 2015 to 6.5 percent this May, a two-tenths point drop (see *Figure 1*). Although the civilian labor force contracted between the Mays of 2015 and 2016, the number of unemployed fell more rapidly (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Grant County, January 2014 through May 2016
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



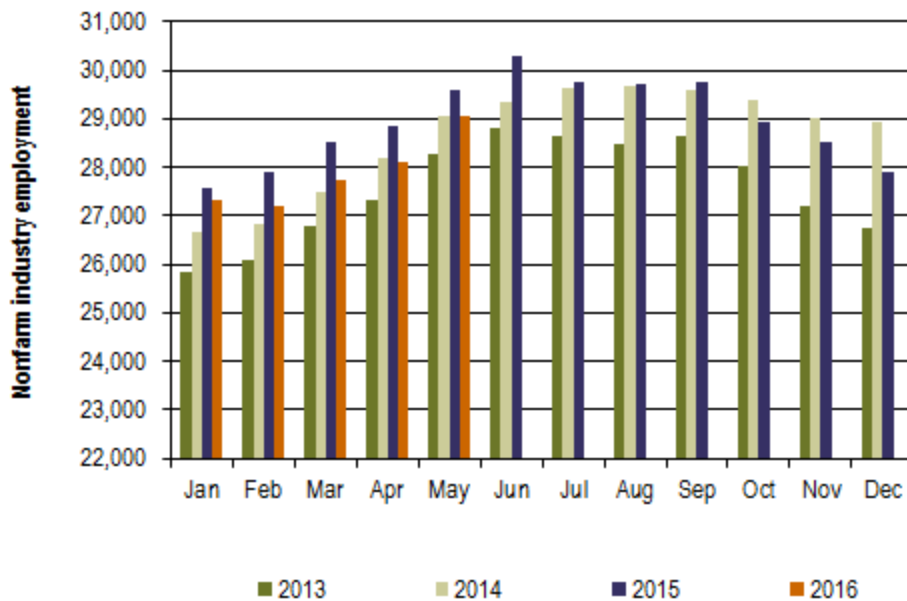
The Grant County unemployment rate decreased two-tenths of a point between the Mays of 2015 and 2016.

Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 85,100 new nonfarm jobs, an annual average increase of 2.8 percent. This May, businesses and government organizations across Washington supplied 3,248,000 nonfarm jobs (not seasonally adjusted), compared to 3,146,300 jobs in May 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 68 consecutive months (October 2010 through May 2016).

Between 2014 and 2015, Grant County's economy provided 300 new nonfarm jobs, an average annual increase of 1.0 percent, considerably less robust than the 3.9 percent growth rate and the 1,080 new jobs generated in 2014. More concerning news for the local economy: nonfarm employment has declined, year over year, for the past eight months (October 2015 through May 2016). This May employers in Grant County provided 29,040 jobs, a 570 job and 1.9 percent decrease from the 29,610 recorded in May 2015.

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



Nonfarm employers in Grant County provided 29,040 nonfarm jobs in May 2016, a 1.9 percent downturn since May 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 29 months (January 2014 through May 2016). In May 2016, Washington's CLF tallied 3,607,404 residents versus 3,545,995 in May 2015 equating to 61,409 more Washingtonians in the labor force (up 1.7 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, this growth occurred primarily during the first half of 2015. In fact, the Grant County CLF has registered year-over-year losses for the past nine months (September 2015 through May 2016). Between the Mays of 2015 and 2016 the CLF shrank from 46,027 residents to 44,225 (meaning that 1,802 fewer residents were in the labor force). Fortunately, the number of unemployed decreased from 3,075 to 2,868 (meaning that 207 fewer Grant County residents were out of work) causing the local unemployment rate to dip two-tenths of a point between the Mays of 2015 and 2016 (see *Figure 3*).

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

| Grant County | Preliminary May-16 | Revised Apr-16 | Revised May-15 | Change | | |
|--|-----------------------|-------------------|-------------------|--------|--------|----------|
| | | | | Apr-16 | May-15 | May-15 |
| | | | | May-16 | May-16 | May-16 % |
| Labor force and unemployment | | | | | | |
| Civilian labor force | 44,225 | 43,642 | 46,027 | 583 | -1,802 | -3.9% |
| Resident employment | 41,357 | 40,475 | 42,952 | 882 | -1,595 | -3.7% |
| Unemployment | 2,868 | 3,167 | 3,075 | -299 | -207 | -6.7% |
| Unemployment rate | 6.5 | 7.3 | 6.7 | -0.8 | -0.2 | |
| Industry employment | | | | | | |
| Total nonfarm ¹ | 29,040 | 28,090 | 29,610 | 950 | -570 | -1.9% |
| Total private | 20,500 | 19,670 | 21,170 | 830 | -670 | -3.2% |
| Goods producing | 6,240 | 5,780 | 6,110 | 460 | 130 | 2.1% |
| Mining, logging and construction | 1,190 | 1,140 | 1,220 | 50 | -30 | -2.5% |
| Manufacturing | 5,050 | 4,640 | 4,890 | 410 | 160 | 3.3% |
| Durable goods | 2,120 | 2,130 | 2,370 | -10 | -250 | -10.5% |
| Nondurable goods | 2,930 | 2,510 | 2,520 | 420 | 410 | 16.3% |
| Service providing | 22,800 | 22,310 | 23,500 | 490 | -700 | -3.0% |
| Trade, transportation and utilities | 6,010 | 5,980 | 6,040 | 30 | -30 | -0.5% |
| Wholesale trade | 1,700 | 1,700 | 1,670 | 0 | 30 | 1.8% |
| Retail trade | 3,450 | 3,400 | 3,350 | 50 | 100 | 3.0% |
| Transportation, warehousing and utilities | 860 | 880 | 1,020 | -20 | -160 | -15.7% |
| Information and financial activities | 1,140 | 1,130 | 1,120 | 10 | 20 | 1.8% |
| Professional and business services | 1,180 | 1,140 | 1,920 | 40 | -740 | -38.5% |
| Education and health services | 2,640 | 2,600 | 2,870 | 40 | -230 | -8.0% |
| Leisure and hospitality | 2,690 | 2,460 | 2,540 | 230 | 150 | 5.9% |
| Government | 8,540 | 8,420 | 8,440 | 120 | 100 | 1.2% |
| Federal government | 780 | 770 | 770 | 10 | 10 | 1.3% |
| State and local government | 7,760 | 7,650 | 7,670 | 110 | 90 | 1.2% |
| State and local government education | 3,700 | 3,720 | 3,540 | -20 | 160 | 4.5% |
| 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 570 jobs, between May 2015 and May 2016.

Nonfarm industry employment

Preliminary estimates indicate that Grant County’s nonfarm employers provided 570 fewer jobs in May 2016 than in May 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 13 months (May 2015 through May 2016). Between the Mays of 2015 and 2016 construction employment fell from 1,220 to 1,190, a 30 job and 2.5 percent contraction. Statewide, construction has expanded for 51 consecutive months (from March 2012 through May 2016).

- The number of jobs in Grant County's durable goods manufacturing industry increased for 22 months (between January 2014 and October 2015) before registering year-over-year losses in the past seven months (November 2015 through May 2016). Between the Mays of 2015 and 2016, durable goods manufacturing fell 10.5 percent, a 250 job downturn (from 2,370 to 2,120 jobs). Statewide, durable goods manufacturing employment has been slipping since October 2015 (for the past eight consecutive months).
- Grant County's non-durable goods manufacturers (primarily food processors) added 410 jobs, a 16.3-percent upturn, between the Mays of 2015 and 2016. Washington's nondurable goods manufacturing employment increased by 1.2 percent between May 2015 and May 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 eight months following twelve consecutive months of growth (October 2014 through September 2015). Statewide, this industry has been adding workers for the past 73 months (from May 2010 through May 2016).

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. An analysis of employment changes from 2004 through 2014 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 this eleven-year (inclusive) period.
- 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 this eleven-year (inclusive) period.