

Klickitat and Skamania Counties

Labor Area Summary

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Monthly Review

National Business Cycle

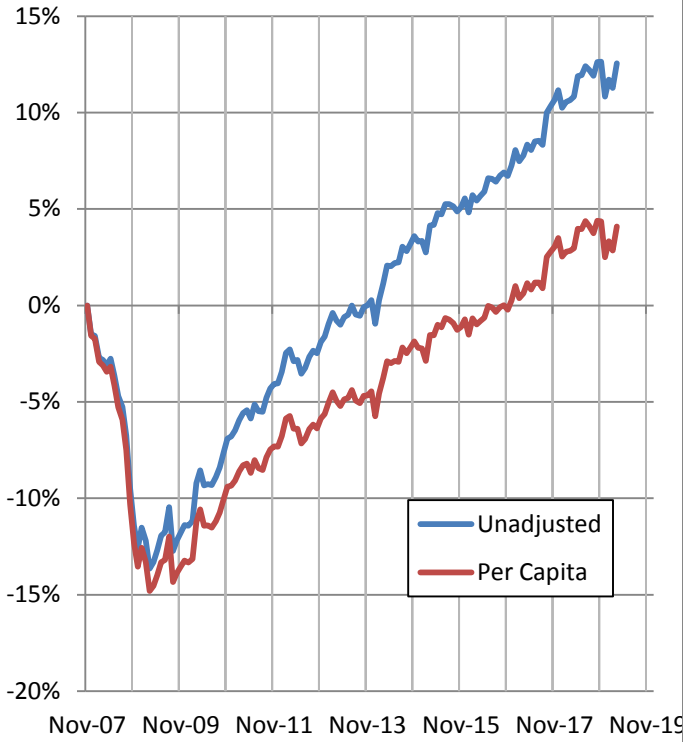
A few months ago, a number of national forecasters were fretting about a recession in the near future. Now, not so much—which, considering their forecasting records, shouldn't be a source of comfort. In January, I co-presented with two national forecasters, both of whom saw no recession in sight for 2019, one of whom thought 2020 looked like clear sailing as well.

The most recent U.S. economic news continues to be (mostly) positive:

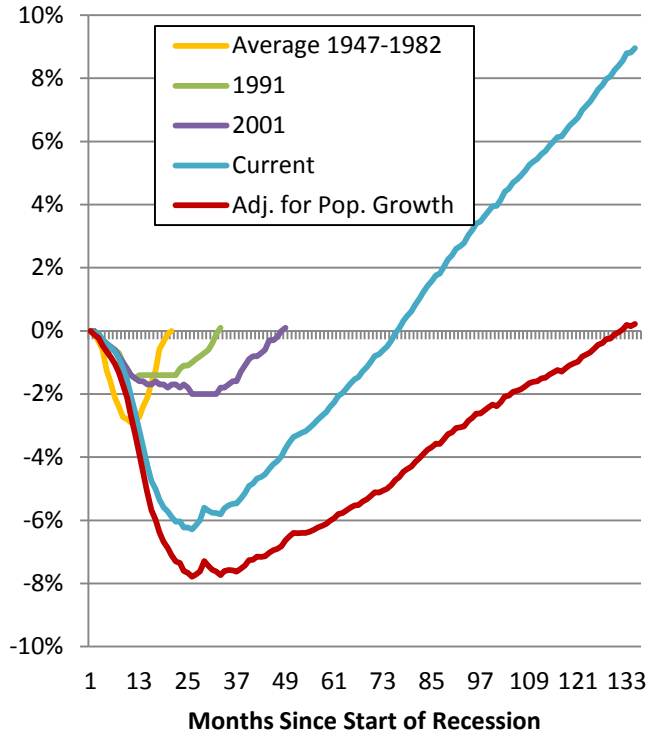
- Fourth quarter 2018 GDP growth was revised downward to a still-decent 2.2 percent.
- Industrial production has had a slow first quarter and declined slightly in March but was still up 2.8 percent over the year.
- Retail and food service sales have ridden a roller coaster the past few months. In March they swung back upward with a 1.2 percent gain, bringing the over-the-year increase to 1.7 percent.
- Personal income was only available through January, a lagging impact from the Federal shutdown. Those latest data show a decline over the month of 0.6 percent but an over-the-year gain of 2.5 percent.
- After an abysmal February (+33,000 jobs), hiring snapped back in March with a 196,000 job gain. Employment growth has averaged 211,000 over the last twelve months, a slight improvement over the 193,000 average for the previous twelve months. Unemployment remained low at 3.8 percent.
- Inflation remained low. The chained CPI has risen only 1.7 percent in the past year.
- According to the Atlanta Fed's Wage Growth Tracker, the median wage increase for full-time workers over the past year was 3.5 percent. Subtracting out inflation, that means real wage increases for incumbent workers averaged around 1.8 percent.

Mar. 2019 Unemployment Rates			
	Mar. 2019	Feb. 2019	Mar. 2018
Seasonally Adjusted:			
U.S.	3.8	3.8	4.0
U.S. U-6	7.3	7.3	7.9
Washington	4.6	4.5	4.6
Oregon	4.4	4.4	4.1
Portland Metro	3.8	3.8	3.7
Columbia Gorge*	5.0	5.2	4.5
Not Seasonally Adjusted:			
U.S.	3.9	4.1	4.1
Washington	5.2	5.2	4.8
Oregon	4.6	4.7	4.5
Columbia Gorge*	5.7	6.3	5.0
Klickitat	7.5	7.9	6.6
Skamania	6.2	6.8	6.1
Hood River	4.2	5.1	3.5
Sherman	4.6	4.5	4.5
Wasco	5.7	6.3	5.1
Clark	5.3	5.1	5.2
Cowlitz	6.7	6.6	6.6
Wahkiakum	8.2	7.4	6.8
Portland Metro	4.2	4.1	4.2
*Includes Hood River, Klickitat, Sherman, Skamania, and Wasco counties.			

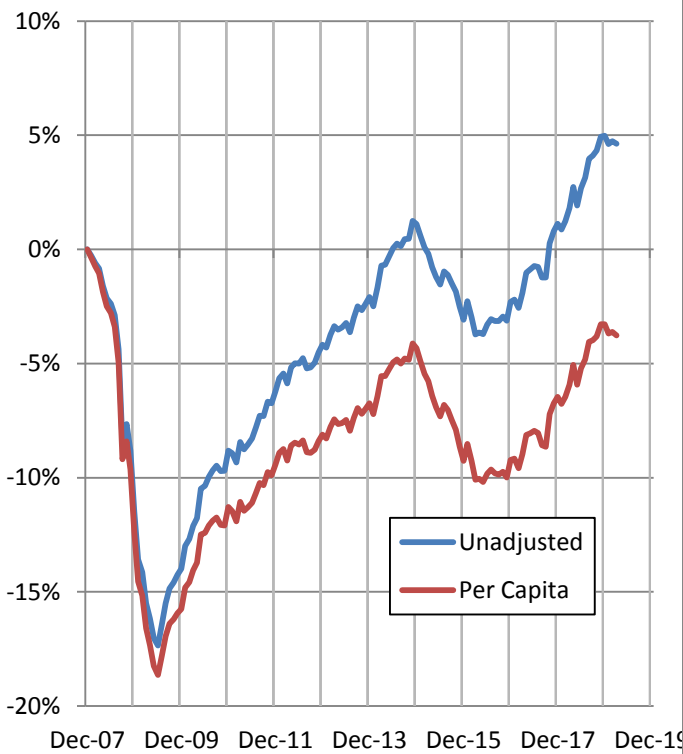
Retail/Food Service Sales



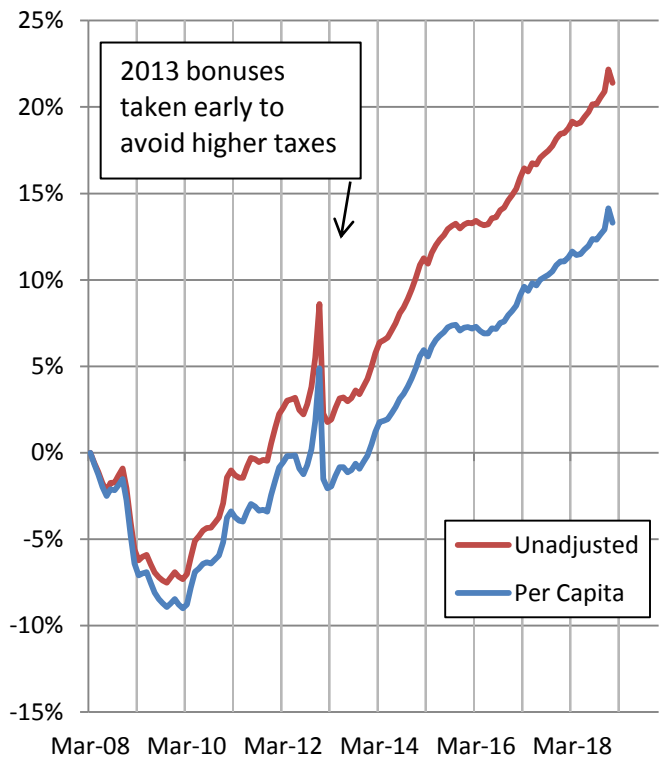
Nonfarm Job Loss in Recessions



Industrial Production



Personal Income less transfers



What this means is that the Federal Reserve Bank is back between a rock and a hard spot. Most Fed governors want to raise interest rates back to a more normal level and sell off the assets they bought ten years ago to stabilize the economy, but with wage growth and inflation still low, they don't want to risk slowing the economy down. In the meantime, low interest rates will continue to subsidize speculative borrowing that puts the economy at risk.

Things look better here: IMF projected growth rates for 2019—U.S., 2.3 percent; Germany, 0.8 percent, France, 1.3 percent, Italy 0.1 percent, Spain, 2.1 percent; Japan, 1.0 percent; UK, 1.2 percent, Canada, 1.5 percent.

State of the States—and PDX

State of Washington

- Okay, last year the state average a gain of 6,700 jobs a month. So starting of this year with +10,400 in January, -14,400 in February, and +27,900 (!) in March was a bit erratic, to say the least. In any case, that's how the preliminary numbers came out.
- Over the year, job growth slower at +81,600 jobs, +2.4 percent, fourth best in the nation. More states have slowed in job growth over the past year than have accelerated, by a 3 to 2 margin.
- Unemployment remained low at 4.6 percent, up a tenth over the month.
- Over-the-year growth rates for some key industries: construction 6.1 percent, manufacturing +3.8 percent (with aerospace at 5.2 percent), "other retail trade" (which includes electronic shopping) +3.0 percent, software publishing +7.1 percent, computer systems design, +2.1 percent, corporate offices, 0.2 percent, employment services, -1.3 percent.
- Only two labor market areas have grown rapidly (4.0 percent or higher, 3-month moving average) in the past year: Asotin at 4.8 percent and Lincoln at 4.1 percent.
- Twelve areas have grown slowly (with less than 1 percent job growth): Walla Walla and Yakima (0.9 percent), Wenatchee (0.6 percent), Clallam (0.5 percent), Kittitas (0.3 percent), Grays Harbor (0.1 percent), Adams, Garfield and Skamania (no change), Ferry (-0.6 percent), Lewis (-1.2 percent) and Mason (-1.5 percent).

State of Oregon

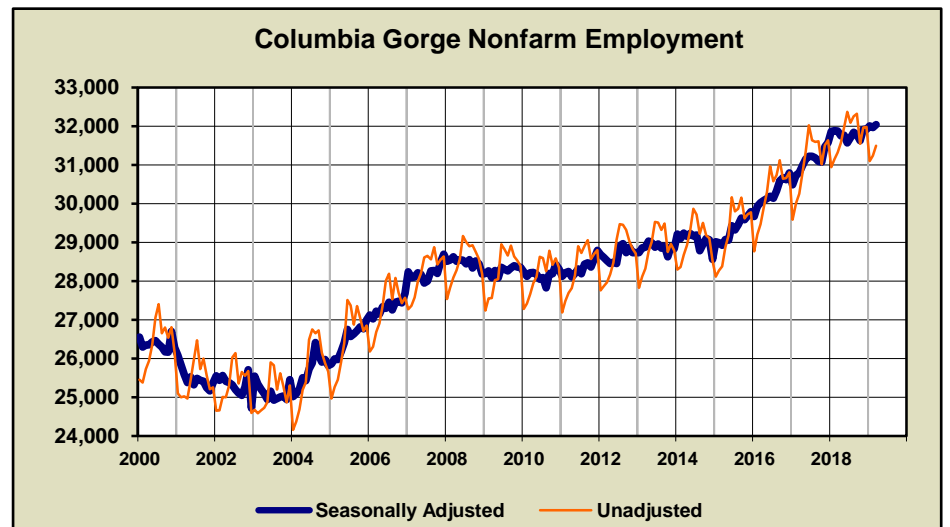
- March brought 5,700 net new jobs to the state on a seasonally-adjusted basis. This follows a downwardly-revised loss of 1,200 jobs in February.
- The unemployment rate stayed at a low 4.4 percent.
- Over the year job growth remained moderate at 30,000 jobs/1.6 percent, 17th fastest among states and colonies.
- Key industry growth rates: construction +3.1 percent, manufacturing +3.0 percent (with electronics at 4.8 percent), software +0.9 percent, professional services 0.4 percent, corporate offices, +3.3 percent, employment services, -3.3 percent.

Portland Metro area

- Unemployment stayed at an ultra-low 3.8 percent.
- February, initially estimated at -1,700 jobs, was revised to a +1,000, and March more than doubled that at +2,200.
- Over-the-year growth dropped a bit to 21,800 jobs, or 1.8 percent.
- Construction employment grew at 4.0 percent over the past 12 months. Manufacturing remained very good at 3.6 percent; within manufacturing, electronics was +5.5 percent. Software rose by 4.8 percent, while computer systems design was slower at 1.3 percent. Employment services (a.k.a. temp agencies) dropped by 2,100 jobs over the year (-7.4 percent). It will be interesting to see if this often leading indicator is revised next month.

The Gorge

Springtime brought 255 nonfarm jobs to the Gorge in March. After seasonal adjustment, that worked out to 70 more jobs than usual for this time of year. Local government added 90 jobs, and the public sector as a whole was up 115 jobs. Trade, transportation & utilities led the private sector with a gain of 60 jobs. Construction added 40 jobs and education & health services pitched in 30 jobs



Job growth in the Gorge over the year increased to 170 jobs or 0.5 percent.

- For the first time in years, manufacturing was not the leader in job creation, but still rose by 100 jobs, a 2.9 percent growth rate.
- The new #1: education & health services, which added 140 jobs (+3.1 percent).
- Trade, transportation & utilities increased by 35 jobs/0.7 percent.
- Mining, logging & construction was slightly underwater at -10 jobs/-0.7 percent;
- Professional & business services lost 50 jobs/-2.1 percent.
- Leisure & hospitality also lost 50 jobs/-1.0 percent.
- Government had the biggest decline at -55 jobs/-0.9 percent. Both federal and state government were up 10 jobs over the year, while local government dropped by -75 jobs (-1.5 percent).
- All other service industries—including information services, finance and real estate and other services—gained 60 jobs/2.4 percent.

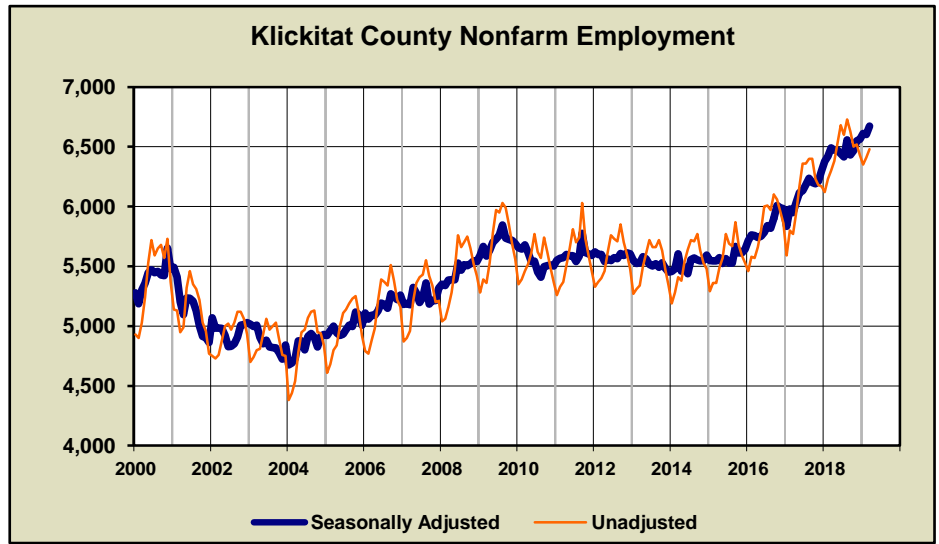
The unemployment rate for the Gorge was estimated at 5.7 percent, seven tenths of a point higher than last March. The unofficial seasonally-adjusted rate declined by two tenths of a point to 5.0 percent.

Klickitat Summary

Klickitat County gained 70 jobs in March. The private sector declined by 10 jobs, thanks in large part to a dip in manufacturing (-40 jobs). The public sector added 80 jobs, half of which were in K-12 education.

Total employment rose to 6,480 jobs. The year-over-year increase remained at 180 jobs/2.9 percent. As has been the case, most of the new jobs were in manufacturing (+120). Retail trade was up 40 jobs, while both education & health services and government were at +30 jobs.

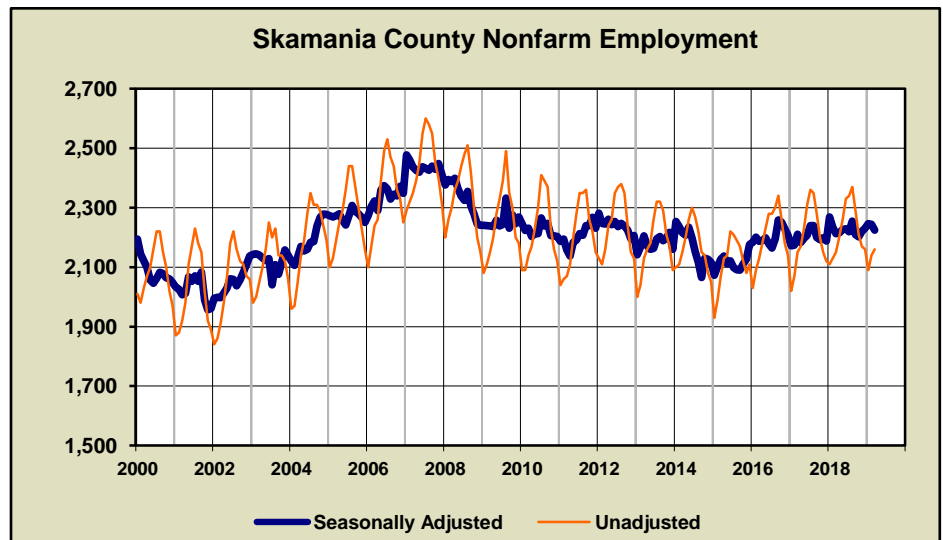
The county unemployment rate was estimated at 7.5 percent, an increase of almost a full point over last March's 6.6 percent. About 740 county residents were looking for work, 90 more than a year ago.



Skamania Summary

Skamania County employers added 20 jobs to payrolls in March. Leisure & hospitality rose by 20 jobs, and all other services was up 10 jobs. Construction slipped by 10 jobs.

Total employment reached 2,160 jobs, 10 more than a year earlier. Both trade, transportation & utilities and leisure & hospitality gained 10 jobs over the year, while “all other services”—a mix of industries—declined by 10 jobs.



The county's unemployment rate was estimated at 6.2 percent, a tenth of a point higher than a year earlier. About 340 county residents were jobless and seeking work, up almost 20 from a year ago.