



Southwest Washington

Labor Market News

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Scott Bailey, Regional Economist

5411E. Mill Plain Boulevard, Suite 15, Vancouver WA 98661-7046

Voice: (360) 735-4995

scott.bailey@esd.wa.gov, <https://fortress.wa.gov/esd/employmentdata>

Monthly Review

As stated in the last mailer, this will be the final issue of the Southwest Washington Labor Market News to be published by the Employment Security Department. If you're interested, there is a new, free, non-commercial alternative. Send me an email and I'll connect you. And no, I'm not going anywhere.

Another PNREC plug

The 48th Annual Pacific Northwest Regional Economics Conference (PNREC) will be held at the Downtown Waterfront Marriott in Portland this year on May 7-9. Keynote speakers include Dick Conway (well-known economist from Seattle), Elliot Mainzer (CEO of BPA), and David Wyss (former chief economist for Standard and Poor's, now with Brown University). The popular Outlook Panel will feature the forecasts of state economists from six states and two Canadian provinces, including Steve Lerch from the state of Washington. Many leading economists from around the Northwest (along with yours truly) will be making presentations on a wide variety of topics.

This is a great conference and a great opportunity because it's so close to us. You can find out more and register for the conference [here](#). CPE credit is available.

State of the States—and PDX

- Washington state's labor market was looking a little better with the release of December data. First, November's preliminary loss of 6,000 jobs was reduced to only 1,500. Second, December came in at +4,800 jobs, the first positive number in several months. That put the state within 1.2 percent of its pre-recession peak. The unemployment rate dropped two tenths of a point to 6.6 percent, due mostly to a drop in the labor force.
- Oregon closed out the year on a positive note. The state gained 4,400 jobs, the fifth straight month of solid job creation. Over-the-year job growth came to 37,700 jobs, or 2.3 percent. Oregon was 2.9 percent short of its pre-recession peak, not adjusted for population growth. The official unemployment rate fell to 7.0 percent.
- The Portland Metro area snapped out of a three-month swoon, adding 1,800 jobs over the month. Employment has grown by 1.5 percent over the year; construction was the only industry showing much expansion. Payrolls

February 2014 Unemployment Rates			
	Feb. 2014	Jan. 2013	Feb. 2013
Seasonally Adjusted:			
U.S.	6.7	6.6	7.7
U.S. U-6	12.6	12.7	14.3
Washington	6.4	6.4	7.2
Oregon	6.9	7.0	8.1
Portland Metro	6.4	6.4	7.9
Unadjusted:			
U.S.	7.0	7.0	8.1
Washington	7.3	6.9	8.0
Oregon	7.8	7.7	9.0
Clark	7.6*	8.3	11.1
Cowlitz	10.2	9.1	11.8
Wahkiakum	10.8	10.1	13.9
Portland Metro	7.0	6.9	8.3
*See text. Data will likely be revised upward.			

were 1.3 percent below the pre-recession peak, not adjusted for population growth. Unemployment continued its steady decline, falling two tenths of a point to 6.6 percent.

Regional Roundup

Beginning this January, home health care service providers paid by the Department of Social and Health Services (DSHS) have been moved from the private household employer industry (NAICS 814) which is not part of nonfarm employment to the social assistance industry (NAICS 624). These jobs are largely held by people taking care of a family member. As a result, nonfarm employment has been revised upward by about 3,500 jobs in Clark County, 800 in Cowlitz County, and 10 in Wahkiakum County. The same revision occurred in a number of states, to bring consistency across the country. Oregon already took this step several years ago.

Clark County

After solid job gains in November and December, the county labor market lost employment for the second month in a row in February, but only by 100 jobs on a seasonally-adjusted basis after a 300-job dip in January. Unadjusted employment rose by 600 jobs over the month: retail trade finished its post-holiday layoffs (-300 jobs), while three sectors added 300 jobs: professional & business services, education & health care, and government (all in K-12).

Over the year:

- Job growth over the year was 4,700, or 3.5 percent, a very solid number.

On the plus side, there are the big four sectors:

- Transportation, trade and utilities has added 800 jobs over the year for a total of 25,300, including 300 in wholesale trade, and 400 in retail trade. This sector's growth rate of 3.3 percent was right around the average for all industries.
- Professional & business services has grown by 800 jobs, including 400 jobs in professional services and 200 in business services. The total of 16,700 jobs was 5.0 percent above last February.
- Education & health services gained an even 1,000 jobs, to reach 23,800 jobs. After a brief slowdown, health care has been hiring again (+800). Growth came to 4.4 percent.
- Government employment was up 600, all (and then some) in K-12 education (+700). That pushed public sector payrolls to 24,500, up 2.5 percent over the year.

The next tier:

- Construction, mining & logging expanded by 600 jobs, and at 9,200 was 7.0 percent above last year.
- Manufacturing alone was in the red, with a small decline over the year of 100 jobs. Total employment: 12,600.
- Financial services has grown at a 6.1 percent clip, with both finance & insurance and real estate, rental & leasing services adding 200 jobs over the year. This sector employed 7,000 in February.
- Leisure & hospitality expanded by 400 jobs, reaching a total of 12,900, and was close to average with a 3.2 percent growth rate.

Not to be left out:

- Information services, with 2,700 jobs, was up 100 over the year.
- Other services, at 5,100 jobs, was also up 100.

Since nonfarm employment peaked in November, 2007 (this beginning date was again revised this month), more than six years ago:

- The county lost 9,100 jobs (1,000 fewer than previously estimated, due to the change in categorization of home health care workers), and has gained back 11,200 jobs, for a net gain of 2,000 jobs.
- While the total job count has increased, there have been substantial changes at the industry level. The county has 3,400 fewer construction jobs, 1,200 fewer manufacturing jobs, and 3,400 more health care jobs (this last number changed quite a bit, due to the rapid growth in home health care).

The preliminary January unemployment rate of 7.5 percent was revised upward by 0.8 points to 8.3 percent, a smaller revision than the last two months. We'll have to wait and see where February's preliminary rate of 7.6 percent ends up. Initial and continued unemployment claims showed little change over the month.

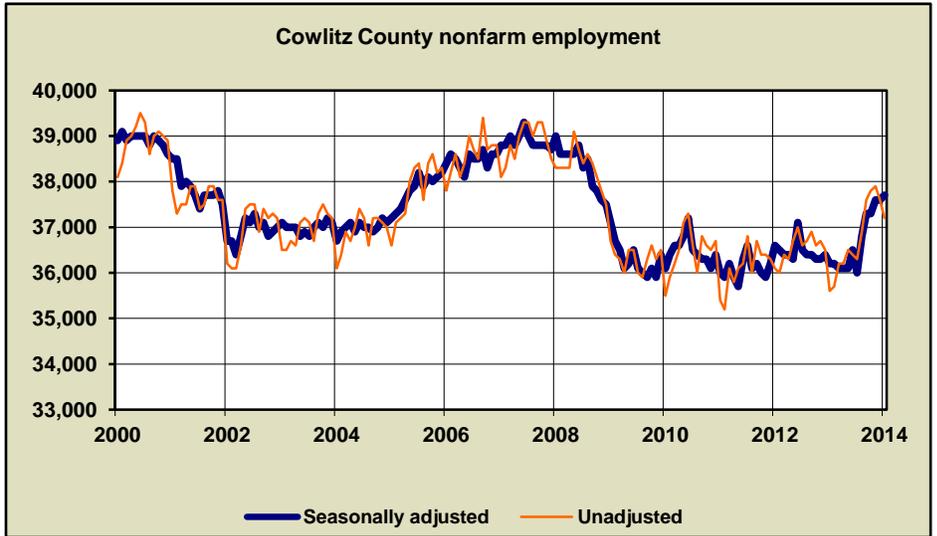
Cowlitz County

According to estimates prepared by the federal government, Cowlitz County employment held steady in February. Seasonally-adjusted nonfarm employment, at 37,600 jobs, has shown little to no change since November.

Unadjusted employment slipped by 300 jobs to 36,900, up 1,400 (3.9 percent) over the year. Small seasonal losses occurred in construction, private sector services, and government.

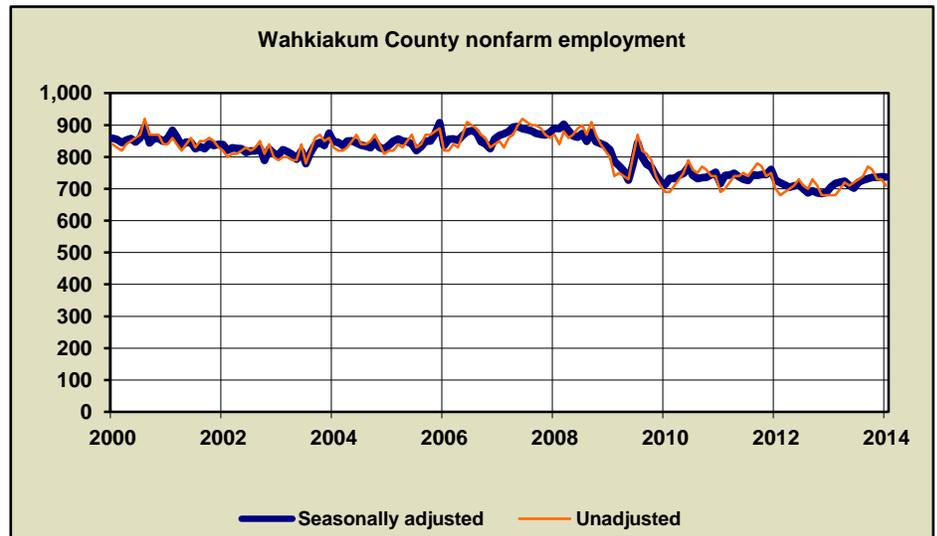
The 1,400 net new jobs over the year came in construction (+300), manufacturing (+100), retail trade (+100), health care (+100), leisure & hospitality (+300) and other services (+500, probably mostly in staffing services, which are part of business services).

While it is not unusual for the Cowlitz unemployment rate to inch up in the month of February, the size of this month's increase, more than a point from 9.1 to 10.2 percent, was nearly unprecedented. Only February 2009—when the world was (almost) coming to an end—had a larger jump. Both initial unemployment claims and continued claims remained stable at low levels.



Wahkiakum County

Wahkiakum County's labor market improved during the middle of 2013. Preliminary estimates show little change in the labor market since October, other than typical seasonal trends. February nonfarm employment was estimated at 700 jobs, little different than January and 20 more than a year earlier.



Unemployment was estimated at 10.8 percent, more than three points lower than the 13.9 percent from the previous February. The rate did jump up from January, but the source of the change—both employment and unemployment up by 10—was so small, it was well within the margin of error. Unemployment claims were stable over the month on a seasonally-adjusted basis.