

Southwest Washington Labor Market News

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Monthly Review

“Now that you’ve found yourself losing your mind
Are you here, again...”

Neil Young, “I Believe in You”

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State of the Nation

The April labor market report had us losing our minds. Which to believe, the household survey or the employer survey?

The former showed a drop in employment along with decline in the number of unemployed. Together that pushed the unemployment rate down four tenths of a point to 6.3 percent—another case of a lower unemployment rate due to a worsening labor market. The labor force participation rate also fell by four tenths of a point to 62.8 percent.

The latter showed robust job growth: an increase of 288,000 jobs, well above the 190,000 job average of the past year. Estimates for February and March were revised upward.

Adding to our bewilderment, the initial estimate for gross domestic product (GDP) in the first quarter of the year showed weak growth of only 0.1 percent. That may be revised downward. Growth generally needs to be above 2.5 percent to lower unemployment.

So which to believe? Robust growth or headed for the dumpster? Neither. Yet. Wait for a trend to emerge, and beware of data revisions a year or more after the fact. The preliminary picture—and this was the view of every state forecaster (Alaska, Idaho, Montana, Oregon, Washington, Wyoming) at the Pacific NW Regional Economics Conference a few weeks ago—was that the U.S. economy would continue to muddle along at a decent rate, with slow but steady improvement in the labor market, for the foreseeable future.

I’m melting, melting!

You, my little pretties, me and now Antarctica. There has been lots of news on global warming in the past month or two, little of it positive. The International Panel on Climate Change ([IPCC](#)) has been updating its monitoring of the planet, and the upshot is that things are worse than initially projected. The only silver lining: the price of solar energy has been dropping dramatically, so a cost-competitive alternative to fossil fuels has arrived. A [national climate assessment](#) was published by a team of experts for the U.S., and it showed that the effects of global warming are already being felt across most of the country in terms of heat waves, drought, floods, hurricanes and increased torrential rainfall.

April 2014 Unemployment Rates			
	Apr. 2014	Mar. 2014	Apr. 2013
Seasonally Adjusted:			
U.S.	6.3	6.7	7.5
U.S. U-6	12.3	12.7	13.9
Washington	6.1	6.3	7.1
Oregon	6.9	6.8	8.0
Portland Metro	6.4	6.4	7.5
Unadjusted:			
U.S.	5.9	6.8	7.1
Washington	5.6	6.9	6.7
Oregon	6.9	7.8	7.7
Clark	6.3*	8.2	9.6
Cowlitz	7.8	9.4	10.0
Wahkiakum	7.8	10.3	12.1
Portland Metro	6.1	7.0	7.2
*See text. Data will likely be revised upward.			

And to top it all, there's the [news](#) that the west Antarctic ice sheet is disintegrating and may have reached a point of no return. The result, if simulations are correct, would be a modest rise in sea levels this century but a dramatic increase (10 feet or more!) in the next century. Thus the IPCC report being released is already out of date.

All of which make recent global geopolitical moves, as recounted [here](#), more alarming and depressing. In a nutshell: as China and Russia, and newly-developing countries like Brazil, jockey for political power, much of their dealing is based on accelerated burning of fossil fuels. Russia's economy is largely based on oil and natural gas. China is partnering with Russia on a number of large pipelines crisscrossing Asia and Europe. Energy is power in the short run, but with potentially disastrous long-term consequences for the planet.

In case you want to lose any sleep at night, watch this [TED talk](#) on global warming, hydrogen sulfide and mass extinctions.

State of the States—and PDX

- Washington's labor market has been picking up steam. The 7,700 jobs added in April mark six months in a row of solid hiring. Over-the-year growth has crept upwards to 2.6 percent. Most industries were on a growth trajectory. One of the exceptions: aerospace has been shedding jobs since last June. As a result, Snohomish County has had no job growth over the past year. Clark County was the fastest-growing metro county in the state (3.9 percent year-over-year) followed closely by King (3.8 percent), and then Tacoma (2.9 percent) and Wenatchee (2.3 percent). The unemployment rate dropped two tenths of a point to 6.1 percent. Over the past year the state's labor force has shown little change (it should have grown due to population), but there has been a shift from less unemployment to more employment, so this is somewhat good news.
- Oregon has also seen improvement. The state added 6,100 jobs in April, following an 8,900 gain in March, marking the best one-two punch in over eight years. Over-the-year job growth came to 43,100 jobs, or 2.6 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 had a good April, adding 4,200 jobs on a seasonally-adjusted basis. Jobs have grown at a snappy 2.9 percent rate in the past year, with construction red hot (+12 percent) and decent to very good rates in manufacturing, retail trade, professional & business services, health care, and leisure & hospitality. PDX now has more jobs than ever before, 16,300 more than before the recession (+1.5 percent).

Regional Roundup

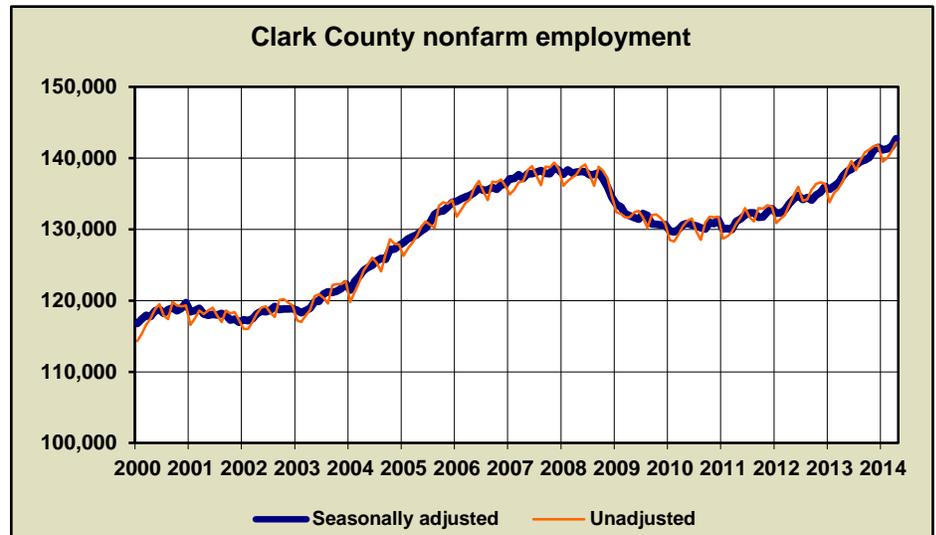
Nonfarm employment has been benchmarked through the end of 2013, with minimal change to previous estimates. All three counties in SW Washington continue to show good job growth over the year, although Cowlitz may have slowed over the past few months. Unemployment was still high, and labor force participation still low due to the many ex-workers who have dropped out of the labor force.

Clark County

April was another good month for the county's labor market. Nonfarm employment rose by 1,100 on a seasonally-adjusted basis, making it one of the best months of the recovery. Industries adding jobs included construction (+300), business services (+200), and health care (+200). Unadjusted employment was up 1,200 jobs. Construction payrolls added 300 jobs, and three industries gained 200 jobs each: business services, health care and recreation services.

Over the year:

- Job growth over the year was 5,400, or 3.9 percent.
- Comparison rates: U.S., 1.7 percent; state of Washington, 2.6 percent; state of Oregon, 2.6 percent, Portland Metro, 2.9 percent.



Where did those 5,400 jobs show up? We can find 3,500 in the four largest sectors:

- Trade, transportation and utilities gained 200 jobs over the month, pushing over-the-year growth to 1,100 jobs (4.5 percent). Much of the action was in wholesale trade (+500 over the year), while retailers have hired an additional 600. Transportation, warehousing & utilities was unchanged.
- Professional & business services rose by 300 in April, with an even 1,000 added in the past year (6.2 percent). Professional services has been red-hot (+600/8.2 percent).
- Education & health services was the leader of the pack: +1,400 jobs, a 6.1 percent growth rate. Most—900—came in health care. Social assistance was up 400, but many of these jobs were family caretakers reimbursed by the Department of Health & Human Services.
- Government employment was unchanged over the month and year. Federal and state governments have both shed jobs, while K-12 education was up 200 jobs and other local governments have added 100 positions.

The middle four chipped in 1,700 new jobs:

- Construction, mining & logging expanded by 900 jobs, a 10.0 percent growth rate.
- Manufacturing employment hasn't changed in the past year.
- Financial services contributed 200 new jobs since last April (2.9 percent).
- Leisure & hospitality was 600 jobs (4.7 percent) ahead of a year ago.

The two smallest sectors finished the job:

- Information services, at 2,700 jobs, was up 100 over the year.
- Other services, at 5,200 jobs, was also up 100.

Since nonfarm employment peaked in November, 2007, more than six years ago:

- The county lost 9,000 jobs (1,000 fewer than previously estimated, due to the change in categorization of home health care workers), and has gained back 13,100 jobs, for a net gain of 4,100 jobs.
- While the total job count has increased, there have been substantial changes at the industry level. The county has 2,800 fewer construction jobs, 900 fewer manufacturing jobs, and 3,400 more jobs in health care and social assistance. Of those 3,400, most (2,400) were in health care, and of the 1,000 increased jobs in social assistance, almost all were family caretakers.

The preliminary March unemployment rate of 7.5 percent was revised upward by 0.7 points to 8.2 percent. The April preliminary rate of 6.3 percent was markedly lower than the preliminary March. Statewide, the number of unemployed typically decreases by 10 percent from April to March; this year, the drop was 19 percent. This may reflect that unemployed workers who were cut off from extended benefits at the end of the year have now dropped out of the labor force. Initial and continued unemployment claims showed little change over the month outside of normal seasonal trends.

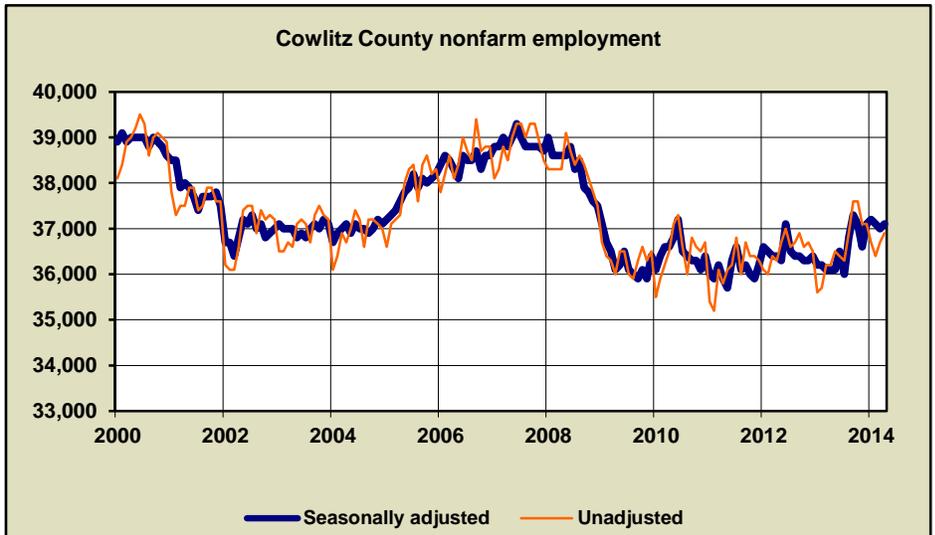
Cowlitz County

According to newly-revised estimates prepared by the federal government, Cowlitz County employment increased by 100 jobs in April on a seasonally-adjusted basis.

Unadjusted employment rose by 200 jobs, mostly in construction. The total of 36,900 jobs was 800 jobs (2.2 percent) higher than last April.

The over the year gain included 200 jobs in construction, 500 jobs in leisure & hospitality, and 200 jobs in trade, transportation & utilities.

The unemployment rate declined by an unusually large amount in April, falling from 9.4 percent to 7.8 percent. Part of the drop was due to a modest employment gain, but most of it was due to fewer unemployed workers. This may reflect that unemployed workers who were cut off from extended benefits at the end of the year have now dropped out of the labor force. Both initial unemployment claims and continued claims remained stable at low levels.



Wahkiakum County

Wahkiakum County nonfarm employment was unchanged over the month at 740 jobs—20 more than last April.

Unemployment was estimated at 9.8 percent, more than three points lower than the 12.9 percent from the previous March. Unemployment claims were little changed over the month on a seasonally-adjusted basis.

