

# Klickitat and Skamania Counties



## Labor Area Summary

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### National Outlook

Gross domestic product (GDP) growth for the last quarter of the year was revised upward by two tenths of a point to 4.3 percent, according to the third (and final) preliminary estimate. Each of the elements of GDP—consumer spending, investment (spending on physical items like buildings, machinery, equipment and software), exports and government spending—have risen over the past two quarters. The first estimate of 2020 Q4 will come the end of the month. Despite the increase, GDP was 1.1 percent below the pre-COVID first quarter. Also in comparison to the first quarter (and all with small revisions from previous estimates): consumer spending (-0.9 percent), exports (-8.7 percent) and government spending (-0.8 percent) were still lagging, while non-housing investment (+0.3 percent) and housing investment (new structures and remodeling, +9.4 percent) showed an increase. Also, imports were up 3.6 percent.

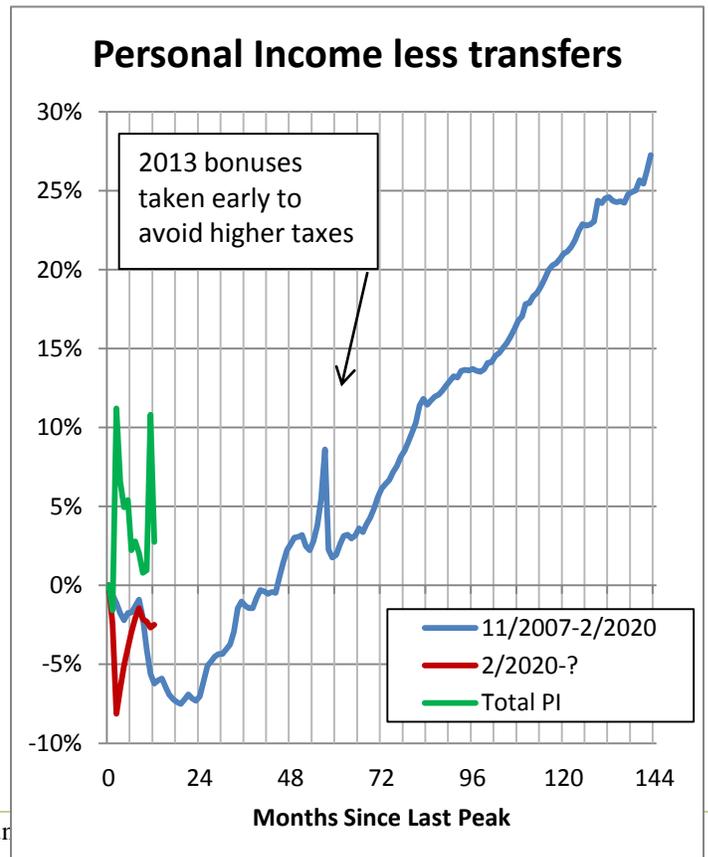
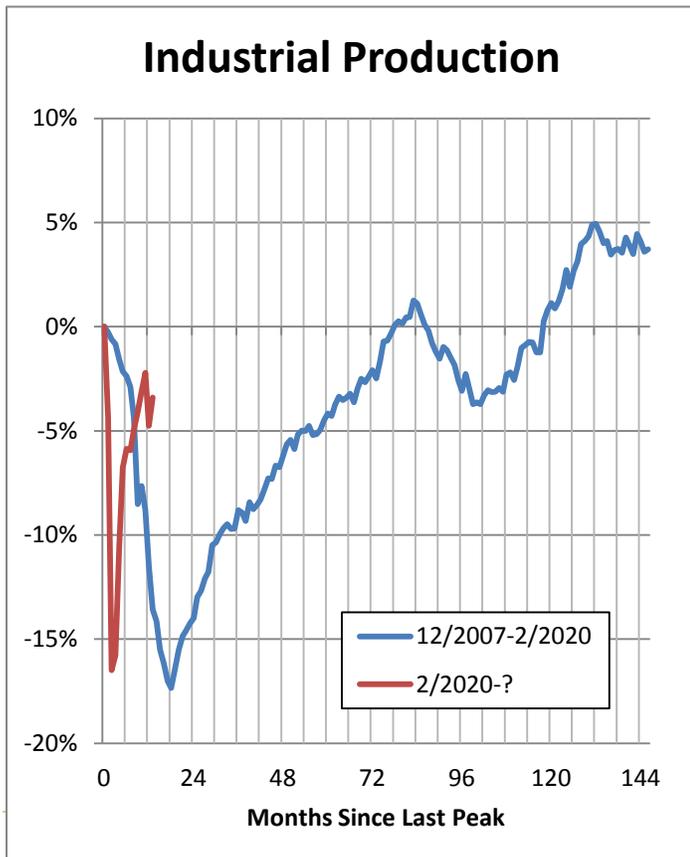
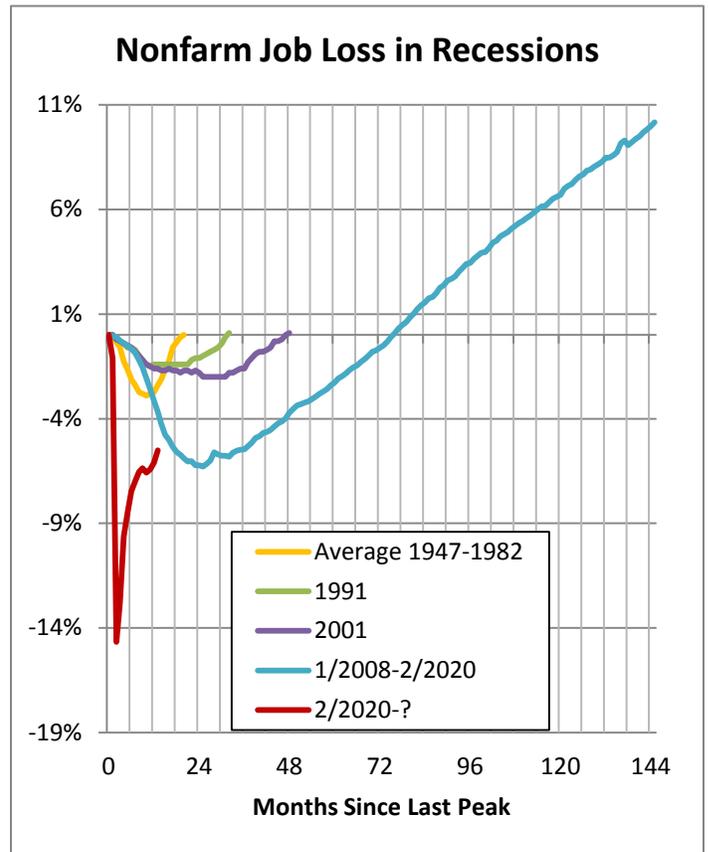
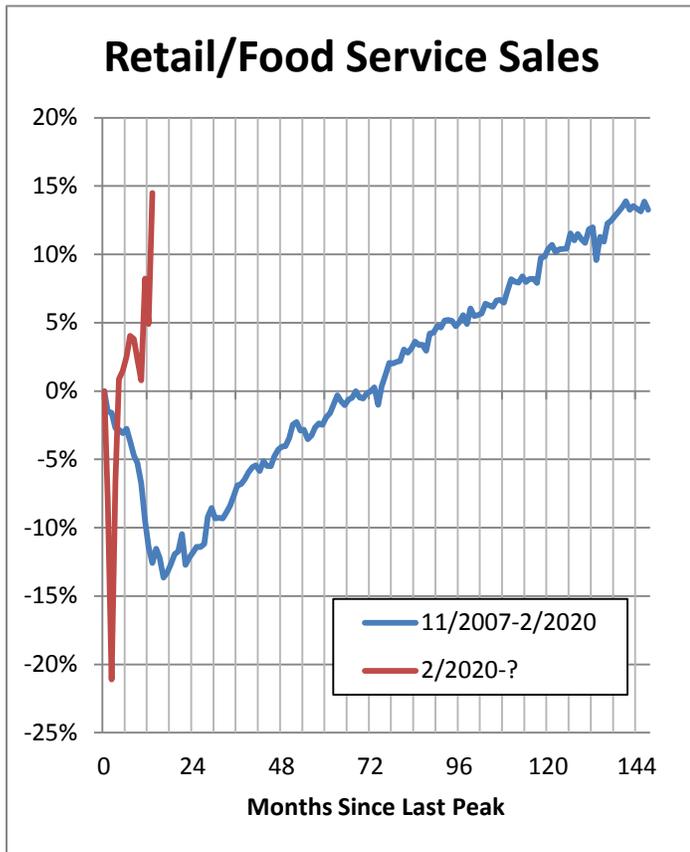
Month	Job Change
March	-1,683,000
April	-20,679,000
May	2,833,000
June	4,846,000
July	1,726,000
August	1,583,000
September	716,000
October	680,000
November	264,000
December	-306,000
January	233,000
February	468,000
March	916,000
Net change	-8,403,000
Percent	-5.5%

Nonfarm employment increased by a sizable 916,000 jobs in March, the biggest gain since last August. No, surprise, leisure & hospitality had large gains (+280,000), but so did construction (+110,000) and education & health services (+101,000). The nation has lost more than 8 million jobs since February 2020. Leisure & hospitality was still -3.1 million/-18 percent dating back to the beginning of the recession. Other private sector industries varied from -1.0 percent (finance) to -8.3 percent (information services, which includes movie production and movie theaters). Government was down 5.4 percent, with K-12 education at -7.4 percent.

March 2021 Unemployment Rates			
	Mar. 2021	Feb. 2021	Mar. 2020
<b>Seasonally Adjusted:</b>			
U.S.	6.0	6.2	4.4
U.S. U-6**	10.7	11.1	8.8
Washington	5.4	5.6	5.3
Oregon	6.0	6.1	3.6
Portland Metro	6.1	6.2	3.2
Columbia Gorge*	5.5	5.6	4.1
<b>Unadjusted:</b>			
U.S.	6.2	6.6	4.5
Washington	6.1	6.4	5.8
Oregon	6.5	6.7	4.3
Columbia Gorge*	6.4	7.0	4.9
Klickitat	6.4	7.1	6.3
Skamania	7.2	7.9	5.7
Hood River	5.8	6.4	3.3
Sherman	5.3	4.9	5.6
Wasco	7.0	7.4	5.2
Clark	6.2	6.5	5.2
Cowlitz	7.0	7.5	6.8
Wahkiakum	7.4	7.4	8.0
Portland Metro	6.3	6.4	4.0
*Includes Hood River, Klickitat, Sherman, Skamania, and Wasco counties. **See text for definition.			

So, again, better, but still a long way to go. Unemployment declined slightly to 6.0 percent. The more inclusive U-6 rate, which includes part-time workers who can't find a full-time job, and discouraged workers, fell four tenths of a

point to 10.7 percent. The number of long-term (6 months or more) unemployed continued to climb, reaching 4.2 million, compared with 1.1 million before the recession. The labor force participation rate inched up to 61.5 percent (still down 1.8 percentage points from pre-COVID).



- Industrial production rose by 1.4 percent in March, but still lagged output before the recession by 3.4 percent. Breaking production into its three components: factory production increased by 2.8 percent but was off 1.7 percent from February 2021. Mining (mostly petroleum production) was up 5.7 percent over the month, leaving it 10 percent below pre-COVID levels. Energy production dropped 11.4 percent over the month (no snowstorms!) was down 3 percent over the business cycle.
- Retail and food service sales had a gynomous month, as consumers turned those stimulus checks into cars, clothes, home remodeling projects and, yes, dining out. Sales rose 9 percent over the month, with restaurant & bar sales up 13 percent.
- Total personal income rose by a whopping 9.7 percent in January due to COVID-related stimulus payments, and then dropped in February by 7.3 percent. When transfer payments like Social Security, Medicare and unemployment benefits were excluded (in order to focus on income directly related to economic activity) income rose by 0.2 percent. What this means is that income generated by economic activity (like wages and earnings from self-employment) increased over the month. Compared with February 2020, total income was higher by 2.7 percent; if transfer payments were excluded, income was lower by 2.5 percent. These data underline the importance of the recent CARES Act extension in keeping incomes afloat (as well as the American Rescue Plan Act going forward). March data will not be released until the end of the month.

Also of interest:

Inflation perked up. The CPI chained index rose at annualized rate of 8.8 percent in March, but that was only up 2.5 percent over the year. With widely reported supply shortages, and rising consumer spending, are at play here. In a recent meeting of Portland-area manufacturers, every one of them reported supply shortages, leading some to turn down orders. For those who worry about inflation, an analysis from our friends at Goldman Sachs shows that historically, wars have led to strong bouts of inflation, while epidemics have not.

## State of the States—and PDX

Like the U.S., both states had big job gains in March. Washington added 23,100 jobs, on top of a 33,200 job increase in February. Almost half of those jobs were in leisure & hospitality—which was still 25 percent below the pre-COVID level. A number of industries were fully recovered or close to it, including construction, wholesale trade, retail trade, information services, finance & insurance, and professional services. Loss leaders: manufacturing (-32,400 in the hole, more than half of those in aerospace, but most segments down); other services (-15,100 jobs, over half in personal services [still haven't gotten my hair cut]); and government (-41,400 jobs, half in K-12 education, a quarter at other local government agencies like county and city governments). Seattle was similar: two big monthly gains, led by leisure & hospitality, but with that industry in a deeper hole; better job growth in construction, retail trade and information services, but deeper losses in manufacturing and personal services.

Oregon added 20,100 jobs in March, following a 15,300 job gain in February. Again, well over half the new jobs were in leisure & hospitality; like Washington, that sector was still off by 25 percent. Finance & insurance and professional services have recovered from COVID, while most other industries still have a ways to go.

Portland and Seattle have both had good employment gains in 2021, and both were lagging their state averages, large part due to heavier impacts on leisure & hospitality—hotel/motels and restaurants in particular—than in less urbanized areas.

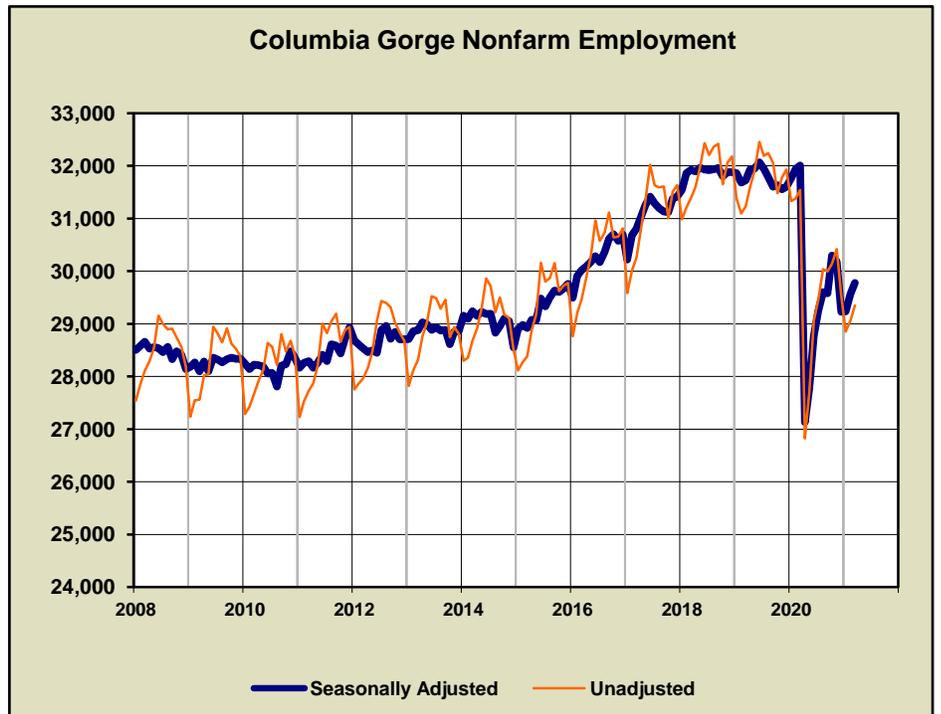
Unemployment in Oregon and Portland was comparable to the U.S., while the state of Washington was about half a point lower. There is likely considerable underemployment (workers working part-time due to having their hours cut), so the broader U-6 labor utilization rate was probably significantly higher, close to the U.S. rate of 10.7 percent.

Month	Washington	Seattle Metro	Oregon	Portland Metro
March	-22,300	-15,200	-14,600	-12,200
April	-387,800	-192,600	-270,900	-164,700
May	-11,400	-10,100	17,000	7,000
June	83,800	35,100	52,300	27,700
July	38,200	12,500	38,300	9,000
August	35,500	13,400	16,100	7,700
September	12,000	12,700	6,500	3,600
October	600	-1,200	2,400	7,600
November	12,000	4,900	5,400	2,700
December	-5,400	2,000	-27,500	-16,000
January	5,100	6,100	7,000	24,700
February	33,200	15,100	15,300	10,300
March	23,100	10,500	20,100	7,500
Net change	-188,400	-106,800	-132,400	-85,100
Percent	-5.4%	-6.0%	-6.7%	-6.9%

## The Gorge

The very uneven recovery in the Gorge continued in March, with nonfarm employment rising by 210 jobs on a seasonally-adjusted basis. Unadjusted employment rose by 290 jobs. Local government added 110 jobs (mostly in K-12 education) while leisure & hospitality was up 70 jobs.

Partially revised unadjusted and seasonally-adjusted (SA) nonfarm employment since the recession began show that the Gorge was roughly in line with the states and nation:



Gorge Nonfarm Employment		
Month	Monthly Change	
	Not adjusted	SA
March	160	65
April	-4,720	-4,875
May	890	650
June	1,350	985
July	390	480
August	590	355
September	-45	-25
October	145	720
November	275	-115
December	-865	-955
January	-700	5
February	210	335
March	290	210
Net change		-2,165
Percent		-6.8%

Over the year, employment declined by 2,190 jobs, or 6.9 percent.

Almost every sector lost ground. The details:

- Mining, logging & construction employed 1,430, with a loss of 80 jobs (-5.3 percent) over the year.
- Manufacturing employed 3,860, which was 260 jobs below last March, a 6.3 percent decline.
- Trade, transportation & utilities gained 95 jobs over the year, reaching 5,345, a 1.8 percent gain.
- Professional & business services employed 1,960, which was 210 jobs fewer over the year (-9.7 percent).
- Education & health services lost 70 jobs over the year (-1.4 percent), falling to 4,800 jobs.
- Leisure & hospitality again had the biggest loss. March employment was estimated at 3,585, down 1,190 jobs, a 24.9 percent decline.
- All other service industries—including information services, finance and real estate and other services—employed lost 115 jobs over the year (-4.3 percent), falling to 2,555 jobs.
- Government declined by 360 jobs to 5,815, -5.8 percent over the

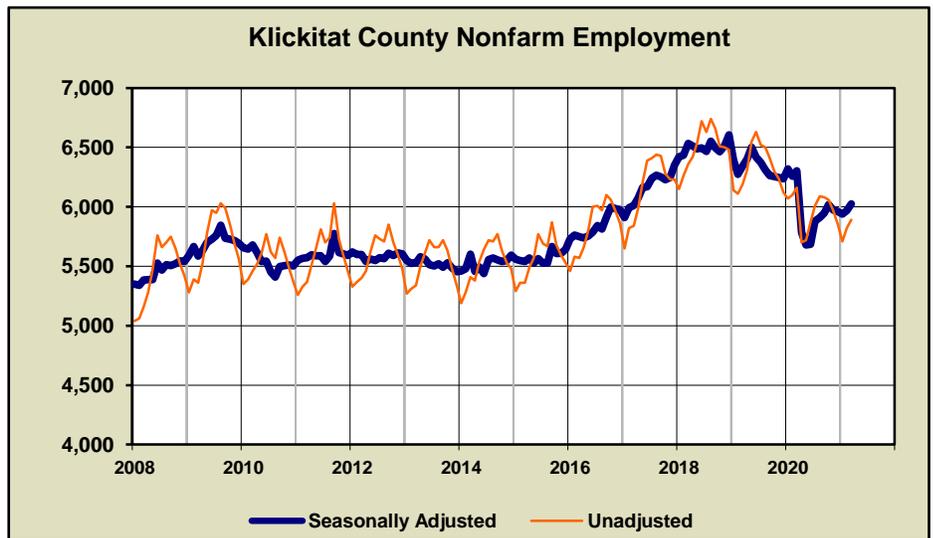
year. The loss was concentrated in K-12 education.

The unemployment rate for the Gorge was estimated at 6.4 percent. That was 1.5 points higher than the 4.9 percent from last March. The very unofficial seasonally-adjusted rate inched down a tenth of a point to 5.5 percent.

## A Note on This Month's Unemployment Rates

For both Klickitat and Skamania counties, the official estimate of the number of unemployed residents in each county was roughly equal to the number of unemployment claimants. In Klickitat, in March there were around 600 claimants, very close to the number of estimated unemployed (660). In Skamania, there were about 450 claimants vs. 380 unemployed. It's very possible that the official estimate has underestimated

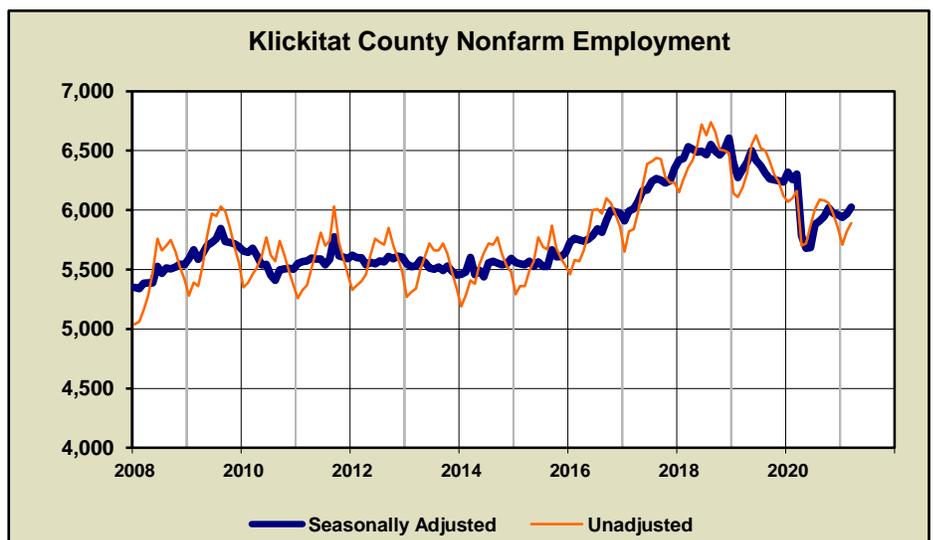
unemployment. Some back-of-the-envelope calculations: about 15 percent of claimants did some work during the week they filed a claim (and so were paid only a partial benefit, or none at all if they earned enough), so only about 510 of the Klickitat claimants were truly unemployed, along with ~380 in Skamania. Nationally, in March, at least 36 percent of the unemployed were not receiving benefits because they were 1) new entrants to the labor market, or 2) re-entrants who weren't in the labor market in February and so likely weren't filing a claim, or 3) were "job leavers" who likely wouldn't be eligible for benefits. There were probably others who lost their job who also didn't file a claim for whatever reason. If we assume that along those lines, 36 percent of the local unemployed weren't claimants, that would mean there would be about 100 more unemployed in Klickitat than the official estimate, and 200 more in Skamania. That would bump Klickitat's rate upward by about a percentage point, and Skamania's rate by about four points. A broader measure of labor market utilization, the U-6 rate, which factors in discouraged workers and those working part-time who can't find full-time work, would likely be close to 12 percent in Klickitat and 16 percent in Skamania.



## Klickitat Summary

Quarterly benchmarking led to little change in preliminary estimates for Klickitat County nonfarm employment.

In March, employment rose by 70 jobs (60 jobs after adjusting for seasonal trends). There were small gains in construction, wholesale trade and leisure & hospitality. Public sector staffing rose by 40 jobs, mostly in K-12 education.

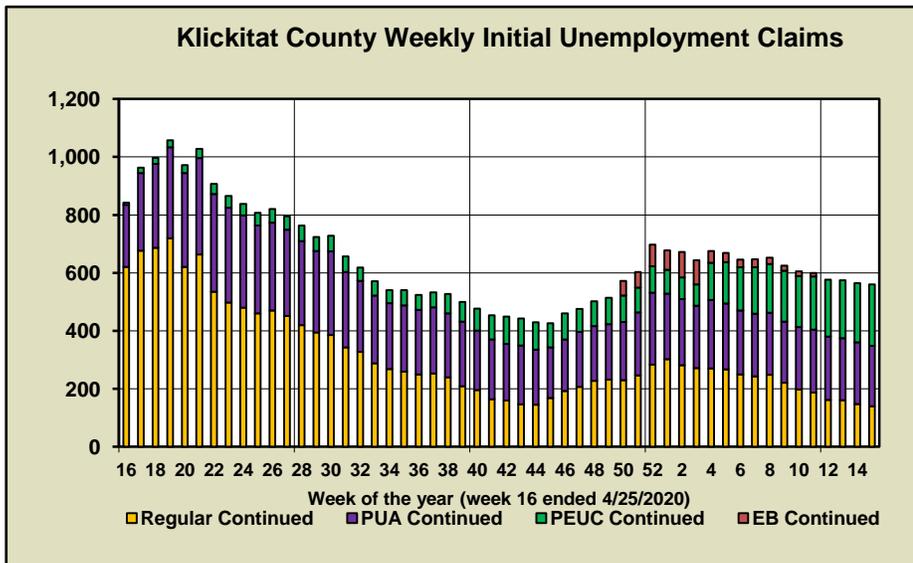


The total job count of 5,890 jobs was 270 jobs—4.4 percent—below last March. Again, three industries accounted for most of the over-the-year loss: manufacturing (-60 jobs, mostly in beverage manufacturing), leisure & hospitality (-80 jobs) and K-12 education (-120 jobs). Other industries showed little change over the year.

Preliminary firm-level data is available through December 2020. A look at manufacturing and leisure & hospitality revealed that while many employers had signs of stress (fewer employees and lower payroll), very few had zero payroll in the fourth quarter of the year (a sign of closure).

The county unemployment rate fell to 6.4 percent, not significantly different from the 6.3 percent posted last March. About 660 county residents were jobless and looking for work, almost 60 more than a year ago.

Unemployment claims counts continued to trend downward through March and into April. In the latest week (ending April 17), out of 560 continued claims, manufacturing had the highest number of claimants (47) followed by construction (33) and leisure & hospitality (33). Almost half of the claims weren't associated with an industry, either because they were PUA claimants with no wage history, or were for jobs out of state. By occupation, management occupations were most impacted (67 claims), followed by construction trades (63), food service workers (58), and transportation & material moving occupations (47). Over half of the claimants (52 percent) were female (vs. women making up 44 percent of the labor force). A disproportionately high percentage (38 percent) had only a high school diploma, while 23 percent had taken some college courses but did not have a degree and 10 percent had an AA (both roughly matching the general population). While 29 percent of the general population had a bachelor's or higher degree, only 18 percent of claimants were in that category. About 14 percent identified as persons of color (primarily Latinx, 8.6 percent, multi-racial, 3.8 percent, Indigenous, 1.6 percent.), somewhat below the adult population (15 percent), except that Indigenous workers were over-represented. Thirty-seven of the claimants (7 percent) were veterans; 22 (5 percent) had some kind of disability.



Of the 27 regular initial claims filed in the latest week, only 8 were new (first-time) claims. The others were “add” claims, meaning that the claimant had been receiving benefits, had a period where they weren't claiming (probably due to working for a spell), and then became unemployed again.

**Klickitat County Unemployment Claims**

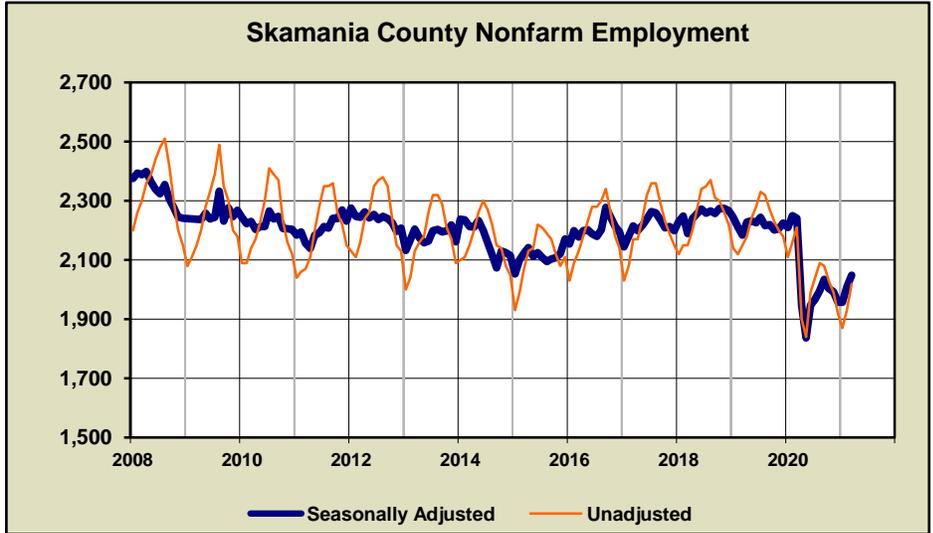
Week Ending	Initial Claims (not additive)				Continued Claims				Total
	Regular	PUA	PEUC	EB*	Regular	PUA	PEUC	EB*	
7/4	47	14	13		470	303	47		820
7/11	72	8	15		452	297	46		795
7/18	37	11	8		420	290	53		763
7/25	37	7	5		394	282	48		724
8/1	37	6	9		386	288	54		728
8/8	31	4	7		343	260	54		657
8/15	31	4	3		327	245	46		618
8/22	33	8	12		288	234	49		571
8/29	41	9	8		268	227	46		541
9/5	27	10	9		260	228	53		541
9/12	30	15	14		250	222	52		524
9/19	42	9	14		253	228	52		533
9/26	17	9	10		240	220	67		527
10/3	21	5	10		209	223	68		500
10/10	29	4	7		196	205	76		477
10/17	19	5	12		164	206	84		454
10/24	19	5	6		160	195	94		449
10/31	21	4	7		146	204	93		443
11/7	59	4	7		145	190	95		430
11/14	34	4	7		168	175	83		426
11/21	64	6	10		192	178	90		460
11/28	36	5	9		207	190	79		476
12/5	47	9	8		228	189	85		502
12/12	40	11	7		232	191	91		514
12/19	36	5	7	10	230	201	91	50	572
12/26	48	7	9	9	246	218	85	54	603
1/2	76	7	9	44	284	248	91	75	698
1/9	58	8	10	4	302	226	83	67	678
1/16	38	10	9	5	281	229	74	88	672
1/23	27	6	10	2	272	215	73	84	644
1/30	36	8	5	2	271	235	129	40	675
2/6	38	7	4	0	267	227	143	32	669
2/13	22	1	7	0	250	220	150	26	646
2/20	22	1	6	0	243	216	161	27	647
2/27	28	1	2	0	249	214	167	22	652
3/6	24	3	6	0	221	211	175	18	625
3/13	21	12	15	0	198	215	176	16	605
3/20	21	2	7	0	187	217	184	12	600
3/27	23	4	3	0	162	218	197	0	577
4/3	28	5	5	0	161	214	199	0	574
4/10	33	0	2	0	147	214	204	0	565
4/17	27	5	4	0	140	208	212	0	560

\*Note: extended benefits (EB) data not yet available before 12/19

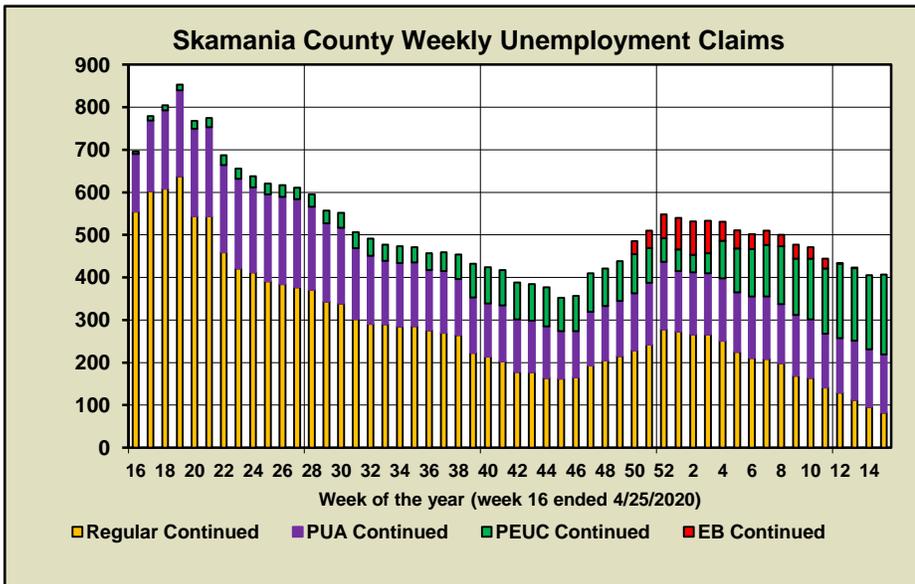
## Skamania Summary

First, the bad news: preliminary estimates for Skamania County employment were too high—quarterly benchmarking led to a downward revision in Skamania’s nonfarm employment, by about 70 jobs.

In March, the county gained 90 jobs, including 40 in leisure & hospitality and 30 in government. Total nonfarm employment reached 2,020 jobs, which was 190 fewer (-8.6 percent) than a year earlier. Almost all of the job loss came in accommodations & food services.



The county’s estimated unemployment rate of 7.2 percent was a point and a half higher than last March’s 5.7 percent. About 380 county residents were jobless and seeking work, 60 more than a year ago.



The number of continued unemployment claims filed by county residents continued to trend downward, averaging about 450 in March and falling to 407 in the latest week available ending April 17.

In that week, accommodations & food services again had the highest number of claimants (65) followed by manufacturing (38) and education services (31). Another 179 claimants did not have an industry assigned to them because they had worked out of state or were self-employed. By occupation, food service workers were the most impacted (65 claims)

followed by construction trades (38), managers (36) and sales workers (30). Similar to Klickitat, females were disproportionately represented among claimants (57 percent of claimants vs. 47 percent of the workforce). A disproportionately high percentage (37 percent) had only a high school diploma, while 24 percent had some college courses under their belt but no degree, 9 percent had an AA degree and 16 percent had a bachelor’s or higher degree (vs. 24 percent of the total population). Almost 12 percent identified themselves as a person of color, mostly Latinx (6.1 percent), multi-racial (2.7 percent) and Indigenous (1.5 percent). Five percent were veterans, and 3 percent had some sort of disability.

Of the 25 initial claims filed during the week, only 8 were new claims. The others signaled a resumption of claiming benefits by those who had stopped claiming for a spell, probably due to working for a period of time.

**Skamania County Unemployment Claims**

Week Ending	Initial Claims (not additive)				Continued Claims				
	Regular	PUA	PEUC	EB	Regular	PUA	PEUC	EB	Total
7/4	43	14	8		384	205	28		617
7/11	56	19	14		377	207	27		611
7/18	36	8	5		371	195	29		595
7/25	33	6	11		343	184	30		557
8/1	20	2	5		339	178	35		552
8/8	20	5	4		302	167	37		506
8/15	27	5	5		291	160	40		491
8/22	50	6	6		290	149	38		477
8/29	38	7	8		285	149	39		473
9/5	34	8	7		286	149	36		471
9/12	32	8	20		276	141	40		457
9/19	35	7	5		270	145	44		459
9/26	23	3	9		265	131	58		454
10/3	11	4	14		223	130	79		432
10/10	27	3	7		214	125	85		424
10/17	15	3	4		203	131	83		417
10/24	14	3	6		178	123	87		388
10/31	21	3	3		177	121	86		384
11/7	29	5	3		164	121	92		377
11/14	18	2	6		162	112	78		352
11/21	75	7	8		165	109	83		357
11/28	30	7	7		193	126	91		410
12/5	49	4	6		205	128	88		421
12/12	25	3	5		215	130	93		438
12/19	38	11	9	10	229	134	92	30	485
12/26	39	9	5	7	242	145	82	41	510
1/2	56	6	7	32	278	159	55	56	548
1/9	44	6	8	3	273	142	51	74	540
1/16	52	2	9	5	266	146	41	79	532
1/23	27	6	5	2	266	144	47	76	533
1/30	18	1	4	4	251	147	88	45	531
2/6	15	4	6	0	225	140	103	43	511
2/13	22	2	3	0	211	144	112	35	502
2/20	20	1	7	0	209	146	121	34	510
2/27	17	1	4	0	198	139	136	27	500
3/6	14	2	10	0	169	143	132	33	477
3/13	15	2	4	0	164	137	143	27	471
3/20	11	4	2	0	141	127	153	23	444
3/27	12	2	2	0	129	128	175	2	434
4/3	15	3	1	0	112	139	171	1	423
4/10	19	2	1	0	96	135	174	0	405
4/17	25	2	0	0	82	137	188	0	407

\*Note: extended benefits (EB) data not yet available before 12/19