

Klickitat and Skamania Counties



Labor Area Summary

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Monthly Review

Superbug coming up
Feels like he'll never stop
Shoulda used phages
Instead you took ages
Superbug gave a shrug
And ate all your prescription drugs
And never, ever, ever stopped
Deadly contagious
And inter-generational
Never ever ever stops

Superbug, King Gizzard and the Lizard Wizard

The Big Picture

That's right, they're back for an encore, with a song written in 2019. The fact that I'm still stuck on heavy metal probably should be viewed as a pathetic plea for help...

COVID. What else is there to say? What looked to be a promising economic recovery is now at risk—along with the lives of children and adults across the planet. Three notes: Pfizer and Moderna have increased the price of the vaccines because, well, they can, because we refuse to regulate oligopolies and pharmaceutical prices in this country. Their already sizable profits will undoubtedly go up. Second, they both have refused to waive intellectual property rights (and the U.S. and the rest of the developed world have gone along with them) and so generic manufacturers will not be able to produce the vaccines. As a result of lower production and hoarding by first-world countries, poor countries have little access to vaccines, increasing the odds of more variants evolving. Once again, property rights have trumped human well-being.

Climate change. The International Panel on Climate Change (IPCC) came out with its latest [report](#), which was widely covered in major media. An improvement in this version is that it gives more of a range of possible outcomes, with descriptors such as “high confidence”, “medium confidence”, “likely” or “very unlikely”. Even so, it's

July 2021 Unemployment Rates			
	July 2021	June 2021	July 2020
Seasonally Adjusted:			
U.S.	5.4	5.9	10.2
U.S. U-6**	9.2	9.8	16.5
Washington	5.1	5.2	10.8
Oregon	5.2	5.6	10.3
Portland Metro	5.3	5.7	10.5
Columbia Gorge*	4.5	4.7	8.9
Unadjusted:			
U.S.	5.7	6.1	10.5
Washington	5.0	5.2	10.7
Oregon	4.8	5.2	10.0
Columbia Gorge*	4.3	4.8	8.4
Klickitat	5.1	5.3	10.5
Skamania	5.0	5.7	12.5
Hood River	4.3	5.0	7.6
Sherman	4.0	4.2	6.6
Wasco	3.6	4.1	6.7
Clark	4.6	4.9	12.0
Cowlitz	5.3	5.6	12.0
Wahkiakum	6.0	5.6	12.0
Portland Metro	4.6	5.0	10.8
*Includes Hood River, Klickitat, Sherman, Skamania, and Wasco counties. **See text for definition.			

important to remember that this is a scientific document, and the findings are limited to areas where there is currently strong evidence and developed modeling. The findings are conservative. This is why every update has found that current conditions have exceeded previous model predictions. The science is careful, as it should be; knowing that, policymakers need to plan for worse conditions than predicted.

For example, the [huge fires in Siberia](#) have burned a record 40 million acres this year. Some perspective—the entire state of Washington is 46 million acres (!). Scientists say that there is [not enough data yet](#) to estimate the impact on carbon released into the atmosphere. Similarly, the first-ever-in-recorded-history [rainfall on Greenland’s ice sheet](#) will set off a chain of events that hasn’t been modeled. Some positive developments—like the rapid fall in price for renewable energy—have also not been modeled well, so it’s not a one-way street.

The Nation—current business cycle

Nonfarm employment had another strong month, adding 943,000 jobs, while June’s job growth was revised from 850,000 up to 938,000. The same two industries as last month did the most hiring: leisure & hospitality (+380,000) and K-12 public education (+220,700).

The nation closed to within 5.7 million jobs of the February 2020 pre-COVID peak, a 3.7 percent gap. Again, that’s not counting the jobs that would be needed just to keep up with population growth over the past 17 months (in the neighborhood of 1.5 million). Leisure & hospitality improved to -1.7 million/-10.3 percent. Other major sectors varied from -0.5 percent (finance) to -5.9 percent (information services, which includes movie production and movie theaters). K-12 education was lagging by only -2.6 percent.

The debate continues on the role of unemployment benefits in the current labor shortage, but the data continues to show minimal impacts. A new [analysis](#) looked at states that ended federal unemployment insurance programs early. Researchers found a modest improvement in employment—about 1 in 8 of those cut off from extra benefits joined the workforce. However, the cuts in spending from lower benefits had a larger, negative impact on those states’ economies. In other words, those states shot themselves in the foot. It appears, again, that issues like childcare and

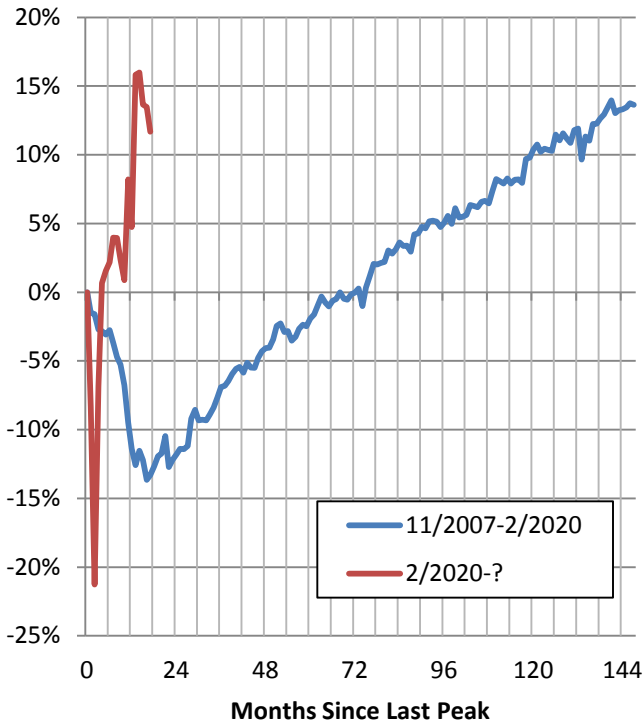
health concerns remain important factors in workers’ decision-making—along with low wages and poor working conditions.

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	536,000
March	785,000
April	269,000
May	614,000
June	938,000
July	943,000
Net change	-5,702,000
Percent	-3.7%

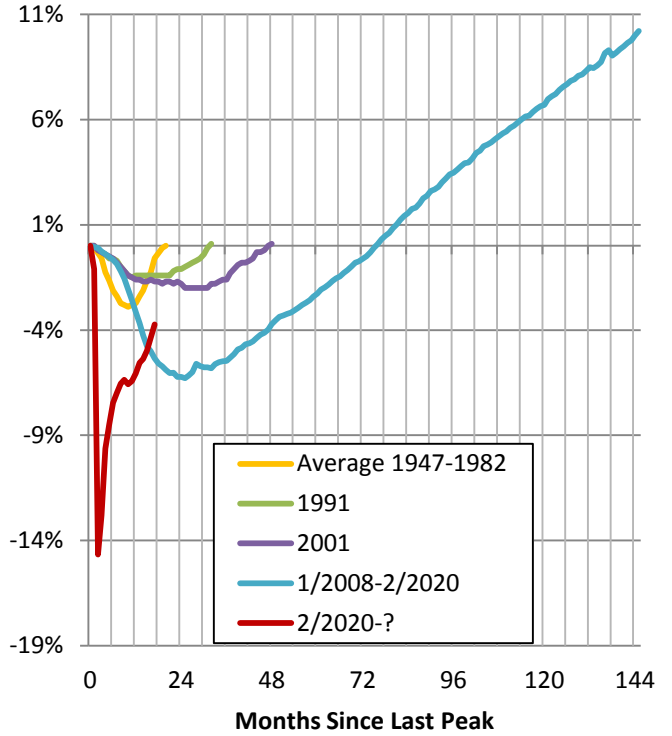
The unemployment rate fell half a point, from 5.9 percent to 5.4 percent. The more inclusive U-6 rate, which includes part-time workers who can’t find a full-time job, and discouraged workers who dropped out of the labor market, dropped by six tenths of a point to 9.2 percent, still more than two points above the pre-COVID 7.0. The labor force participation rate inched up a tenth to 61.7 percent, well below the 63.3 percent from February 2020.

The table on the next page shows three statistics going back to just before COVID hit the economy. Looking at the top line, the official unemployment rate has risen by 1.9 points, and the labor force participation rate has fallen by 1.6 percentage points; overall, the number of employed individuals has fallen by 3.8 percent. Employment (the third column) is the bottom line, and as the table shows, only two groups have higher employment now than before: those with a bachelor’s or higher in formal education, and teenagers. As has been consistent through most of the recession, several demographic groups have had higher than average job loss: African American women, Latinas; and those with less than a bachelor’s degree in education. Note that the impact on white women has been slightly more than on white men but well below the job loss experienced by Black and Latinx women.

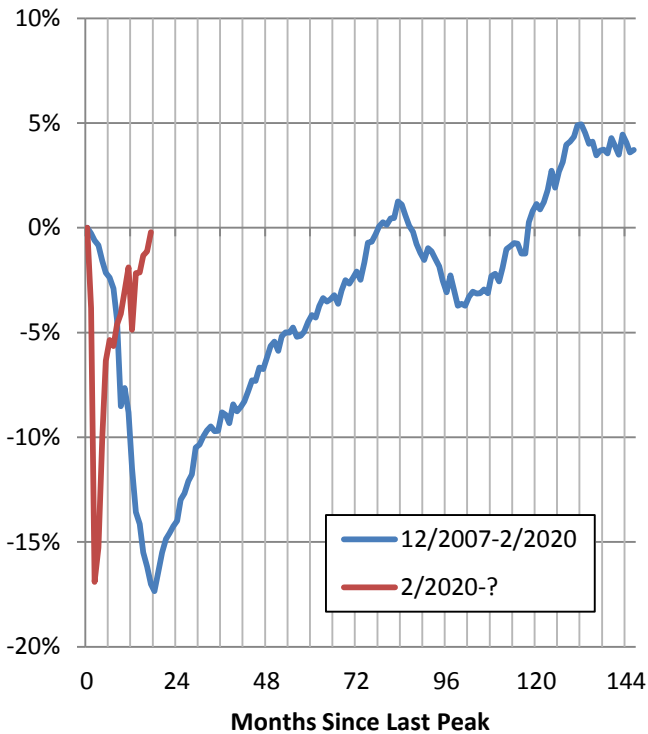
Retail/Food Service Sales



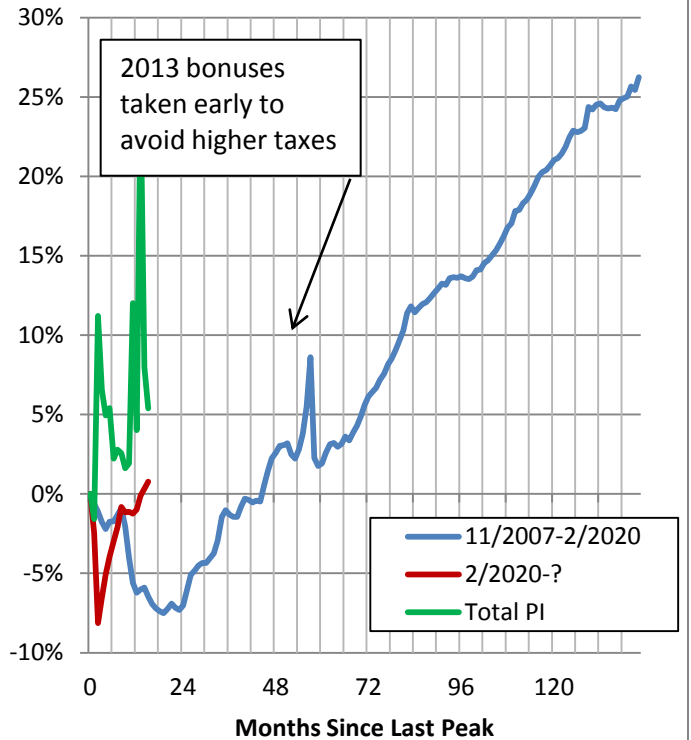
Nonfarm Job Loss in Recessions



Industrial Production



Personal Income less transfers



A reminder that it's important to note that Asian American workers are very diverse. A look at more detailed annualized data (comparing annualized 2019 and 2020 data not available on a monthly basis) reveals, for example, that employment loss among Vietnamese, Filipino, Japanese, and Chinese Americans has been greater than average.

Change in Unemployment Rate, Participation Rate, Employment Since February 2020			
All workers, aged 16+	+1.9	-1.6	-3.8%
African American	+2.2	-2.3	-4.8%
Latinx	+2.2	-2.3	-3.2%
Asian American	+3.0	+0.4	-1.7%
White	+1.8	-1.6	-3.8%
Workers aged 20+:			
Women	+1.9	-1.7	-4.1%
Men	+2.2	-1.8	-3.9%
African American women	+3.7	-3.4	-6.9%
African American men	+4.0	-1.6	-3.4%
Latinx women	+3.0	-3.5	-5.0%
Latinx men	+3.4	-1.1	-1.9%
White women	+2.2	-1.6	-4.0%
White men	+2.4	-1.7	-3.9%
Workers aged 25+:			
Less than HS Diploma	+4.4	-1.0	-8.2%
HS/GED only	+3.5	-3.0	-6.6%
Some College	+2.8	-1.6	-5.5%
Bachelor's or more	+1.6	-0.8	+0.4%
Teenagers (16 to 19)	-1.9	+1.2	+0.8%

- Industrial production jumped by 0.9 percent in July, the largest gain in six months. Production was only 0.2 percent below pre-COVID levels. Breaking production into its three components: factory production rose by 1.4 percent over the month and was 1.2 percent higher than pre-COVID—despite supply chain. Mining (mostly petroleum production and fracking) increased 1.1 percent over the month, but was a big 8.5 percent lower than before the pandemic. Energy production was down 2.0 percent over the month and 0.3 percent from February 2020.
- Total personal income fell by 0.4 percent in June (July data not yet released), but when transfer payments like Social Security, Medicare and unemployment insurance benefits are factored out, 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 3.4 percent; if transfer payments were excluded, incomes were 0.4 percent lower.
- Retail and food service sales declined again, falling 0.2 percent in July. Despite the drop, sales were still 11.7 percent higher than pre-pandemic. Food service sales were up 1.7 percent over the month, and 4.5 percent since the pandemic began. Anecdotally, the high quit rate in restaurants has been linked to staff being overworked due to ~~the labor shortage~~ wages being too

low.

Inflation continued to increase, but at a slower pace. The CPI chained index rose at an annualized rate of 5.7 percent in July, a higher rate than we're used to but lower than the 10.9 percent in June. A lot of that was still catching up with low inflation or even price declines due to COVID; comparing this July with July 2019, and inflation has averaged 2.6 percent a year. [The Columbian](#) did a nice job of showing examples how supply shortages have affected prices across a number of industries in Clark County.

State of the States—and PDX

Like the U.S., both Washington and Oregon had huge job gains in July. Washington added 22,700 jobs, following an even larger 25,600 gain in June, bringing the state in line with the national recovery. More than half (11,800) the new hires were in leisure & hospitality, which still has a lot of catching up to do, at 15.4 percent below the pre-COVID level. Losses within this sector: arts, entertainment & recreation, -12,600 jobs (-22.7 percent), accommodations (hotel/motel), -11,700 jobs (-30.9 percent), food services, -29,500 jobs (-11.5 percent). Industries that were fully recovered or within a percentage point included construction, wholesale trade, retail trade, information services, finance & insurance, professional services, private educational services, health care & social assistance (except for nursing homes), and the federal government. Manufacturing was revised downward in the quarterly benchmarking process, and with a further loss of 400 jobs in July, fell -38,100 jobs (-13.0 percent) over this cycle. Aerospace has lost 22,800 jobs during COVID.

Monthly and cumulative employment change for the COVID recession by area					
Month	Washington	Seattle Metro	Oregon	Portland Metro	US
March	-22,200	-15,900	-14,600	-13,000	-1,683,000
April	-388,000	-192,300	-270,800	-166,700	-20,679,000
May	-11,000	-9,300	16,600	5,900	2,833,000
June	83,400	35,300	53,100	28,400	4,846,000
July	38,900	12,500	38,500	22,700	1,726,000
August	30,100	13,200	17,500	10,200	1,583,000
September	12,400	13,100	6,700	2,000	716,000
October	6,200	1,100	9,400	6,200	680,000
November	7,600	900	600	300	264,000
December	-9,100	-7,500	-17,900	-9,700	-306,000
January	8,100	1,700	900	3,000	233,000
February	20,200	12,300	14,700	6,900	536,000
March	23,900	9,600	24,900	12,300	785,000
April	13,200	2,700	3,700	4,000	269,000
May	9,100	2,500	4,700	6,400	614,000
June	25,600	12,800	5,600	8,100	938,000
July	22,700	11,800	20,000	5,700	943,000
Net change	-128,900	-95,500	-86,400	-67,300	-5,702,000
Percent	-3.7%	-5.3%	-4.4%	-6.0%	-3.7%

Oregon added 20,000 jobs in July, but: 12,800 of that came in local government. This was a statistical anomaly of seasonal adjustment, where an adjustment factor is mechanically applied (as mandated by the federal government). Because actual layoffs were much lower than usual in K-12 education (with many staff already laid off), applying the adjustment factor made it look like jobs were added. Regardless, the other 7,200 jobs were the real deal, and almost all of them were in accommodations & food services. That industry was still 34,600 jobs (18.6 percent) short of recovery. Industries which have recovered (or were close to it): retail trade, transportation & utilities, finance & insurance, professional services and the federal government.

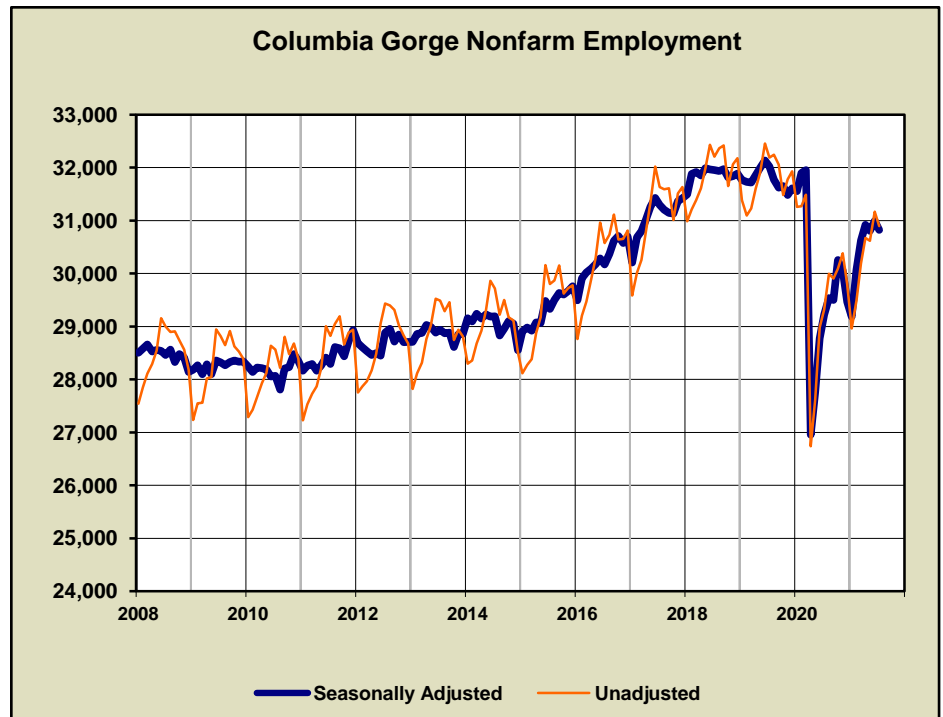
Same as last month: Portland and Seattle both improved but continue to trail their state averages, in large part due to heavier impacts on leisure & hospitality—hotel/motels and restaurants in particular—than in less urbanized areas. In addition, the bulk of the aerospace losses in Washington have been in the Seattle metro area.

Unemployment in Washington (5.1 percent), Seattle Metro (5.1 percent), Oregon (5.2) and Portland (4.6) were all a bit lower than the national rate in July (5.4). There continues to be considerable underemployment (workers working part-time due to having their hours cut), so the broader U-6 labor utilization rate (which also includes “marginally attached” workers who have been in the labor force in the past year but not in the current was probably significantly higher, close to the U.S. rate of 9.2 percent.

The Gorge

Quarterly benchmarking led to a small upward revision in the Gorge, with June’s preliminary estimate boosted by 60 jobs. That one step forward was followed by one step back, as July employment fell by 170 jobs on a seasonally-adjusted basis.

Unadjusted employment fell by 270 jobs over the month, due mainly to normal seasonal layoffs in education (-495 jobs). Private sector employment rose by 235 jobs, almost entirely in leisure & hospitality (+225). Professional & business services added 30 jobs, and construction was up 20.



Gorge Nonfarm Employment		
Month	Monthly Change	
	Not adjusted	SA
March	220	55
April	-4,750	-5,000
May	880	805
June	1,360	1,020
July	340	445
August	675	315
September	-90	-40
October	185	760
November	290	-200
December	-585	-590
January	-835	-275
February	525	885
March	705	550
April	480	300
May	-55	-115
June	550	185
July	-270	-175
Net change		-1,075
Percent		-3.4%

The over the year comparison (+1,535 jobs) is yet again a bit misleading, so let’s cut to the seasonally-adjusted comparison of this July with February 2020:

- Total nonfarm employment declined by 1,075 jobs, or 3.4 percent. This was slightly less than the nation and the states.
- Mining, logging & construction employed 1,650, which was a seasonally-adjusted increase of 35 jobs over February 2020 (+2.2 percent).
- Manufacturing employed 4,140, which a drop of 45 jobs, a 1.1 percent decline.
- Trade, transportation & utilities gained 85 jobs over the past 16 months, reaching 5,555, a 1.6 percent gain.
- Professional & business services employed 2,170, which was 10 jobs more (0.5 percent) than before the recession began.
- Education & health services has added 115 jobs (+2.4 percent), rising to 4,790 jobs.
- Leisure & hospitality employment was estimated at 4,435 jobs, down 605 jobs from last February, a 12.3 percent decline.
- All other service industries—including information services, finance and real estate and other services—employed 2,535, a loss of 220 jobs (-8.0 percent) over the course of the recession.
- Government declined by 220 jobs to 5,620, -3.6 percent decline. The loss remained concentrated in K-12 education.

The unemployment rate for the Gorge was estimated at 4.9 percent. That was 3.9 points lower than the 8.8 percent from last June. The very unofficial seasonally-adjusted rate dropped three tenths of a point to 4.8 percent. The rate was 3.8 percent in February 2020.

Klickitat Summary

Quarterly benchmarking led to an upward revision of 60 jobs for Klickitat County. In July, nonfarm employment followed normal seasonal trends with a 90 job decline. Normal summer layoffs in K-12 education led to a loss of 90 jobs, and smaller gains and losses were scattered across other industries.

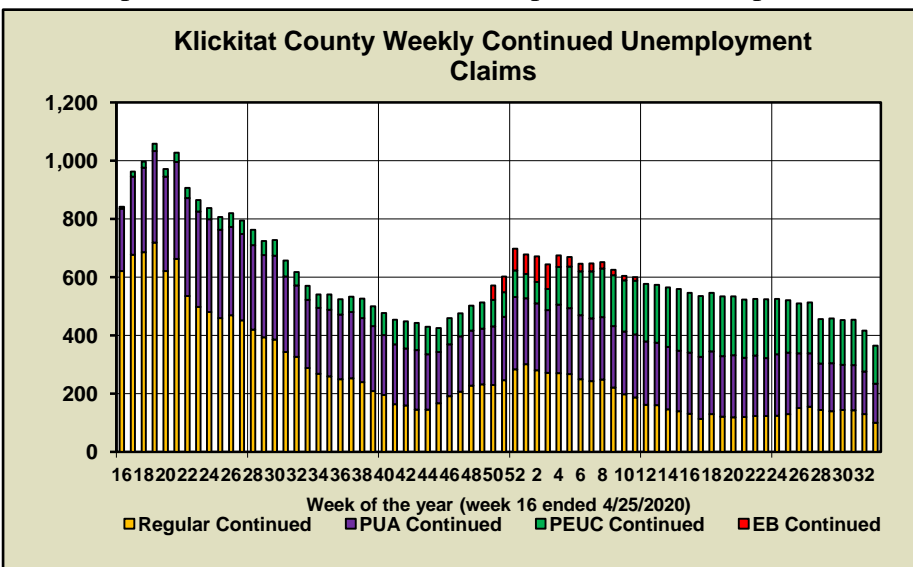
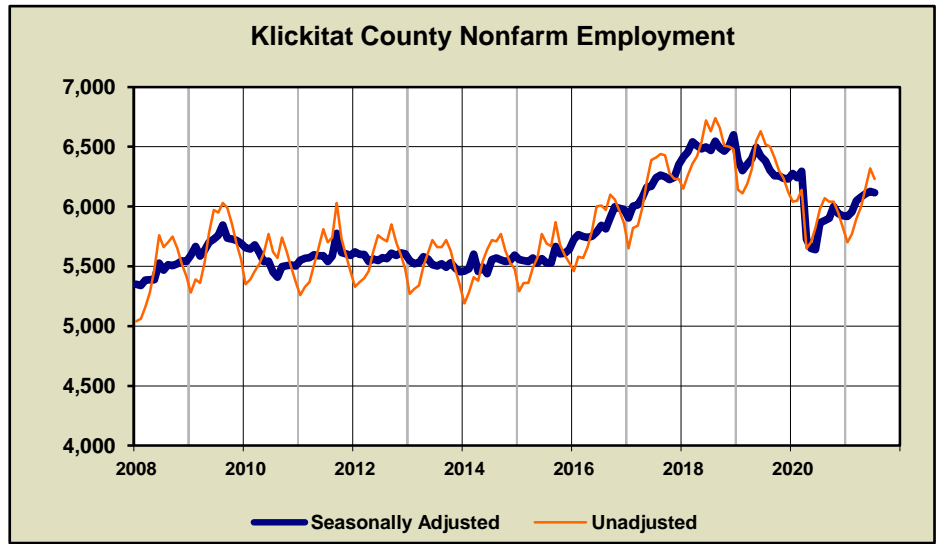
The county had 6,230 jobs—250 more than last June, when the economy was still early in its recovery. A better comparison: seasonally-adjusted employment was 130 jobs (-2.0 percent) below February of 2020. Klickitat with a lower percentage job loss than the comparables (see table next page). Over that same time period, three industries accounted for most of the loss: manufacturing (-50 jobs, mostly in beverage manufacturing), leisure & hospitality (-80 jobs) and K-12 education (-70 jobs). On the plus side: construction, +20; wholesale trade, +20; retail trade, +40; transportation services, +20; professional & business services, +60; and education & health services, +60.

The county unemployment rate was estimated at 5.1 percent, down two tenths from June, and more than half better than the 10.5 percent from last July. About 510 county residents were jobless and looking for work, 570 fewer than a year ago.

Over the past month, continued unemployment claims continued their long downward trend. In the week ending August 21, claims had a big 12 percent decline, falling from 417 to 365. That week, manufacturing had the highest number of claimants (32) followed by agriculture (29), construction (26) health care & social assistance (24), and leisure & hospitality (16). Over 40 percent (154) of the claims weren't associated with an industry, either because they were PUA claimants (135) with no wage history, or were for jobs out of state. By occupation, managers were most impacted (45 claims), followed by construction trades (44), building & grounds cleaning & maintenance (28), food service workers (27), transportation & material moving occupations (26) and production workers (24). The top individual occupations were maids/housekeeping cleaners (11),

construction laborers (11), carpenters (9), teaching assistants (9), general managers (8), food service managers (8), and childcare workers (8).

Demographics of claimants were little changed over last month. Over half of the claimants (55 percent) were female (vs. women making up 44 percent of the labor force). A disproportionately high percentage (36 percent) had only a high school diploma, while 24 percent had taken some college courses but did not have a degree and 11 percent had an AA (both roughly matching the



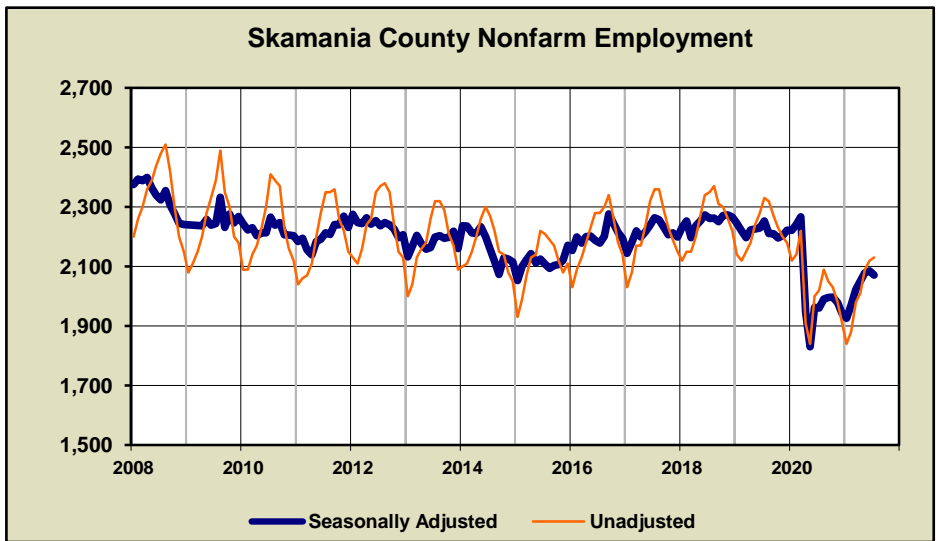
Job Loss Since February 2020	
Klickitat	-2.0 percent
Skamania	-7.6 percent
The Gorge	-3.4 percent
U.S.	-3.7 percent
Washington	-3.7 percent
Oregon	-4.4 percent
Portland Metro	-6.0 percent

general population). While 29 percent of the general population had a bachelor’s or higher degree, only 17 percent of claimants were in that category.

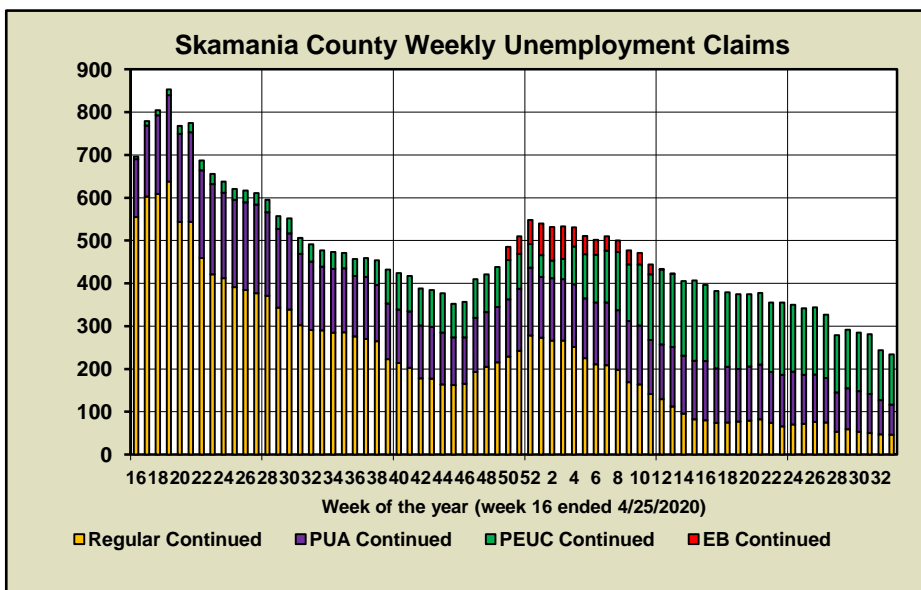
About 16 percent identified as persons of color (primarily Latinx, 8.2 percent, multi-racial, 3.8 percent, Indigenous, 2.5 percent,), a bit above the adult population (15 percent), with Indigenous workers over-represented. Claimants who were veterans dropped to 27 (7 percent), while 15 claimants (4 percent) had some kind of disability.

Skamania Summary

Quarterly benchmarking led to a downward revision in Skamania County nonfarm employment by 60 jobs. In July employment inched up by 10 jobs to a total of 2,180 jobs, close to normal hiring for the month. The county had 110 more jobs than in July 2020, with most of the change in leisure & hospitality. A more meaningful comparison: seasonally-adjusted job counts were 170 jobs (-7.6 percent) below February 2020, on the eve of the recession. Losses continue to be concentrated in accommodations & food services.



The county’s estimated unemployment rate of 5.0 percent was seven and a half points below last July’s 12.5 percent. About 275 county residents were jobless and seeking work, 410 less than a year ago.



The number of continued unemployment claims filed by county residents continued to drop steadily over the past month. In the week ending August 21, 234 claims were filed.

Accommodations & food services again had the highest number of claimants (34) followed by manufacturing (26) and educational services (20). Another 84 claimants did not have an industry assigned to them because they had worked out of state or were self-employed (71). By occupation, food service workers were the most impacted (28 claims)

followed by construction trades (24), educators (21), managers (19), transportation & material moving (19) and

production workers (18). The top individual occupations were teaching assistants (15), waiters/waitresses (11), carpenters (7) and massage therapists (7).

Similar to Klickitat, females were disproportionately represented among claimants (55 percent of claimants vs. 47 percent of the workforce). A disproportionately high percentage (38 percent) had only a high school diploma, while 25 percent had some college courses under their belt but no degree, 7 percent had an AA degree and 17 percent had a bachelor's or higher degree (vs. 24 percent of the total population). Almost 14 percent identified themselves as a person of color, mostly Latinx (7.3 percent), multi-racial (3.4 percent) and Indigenous (2.6 percent). Four percent were veterans, and 2 percent had some sort of disability.