

Grant County Labor Area Summary October 2023



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Overview

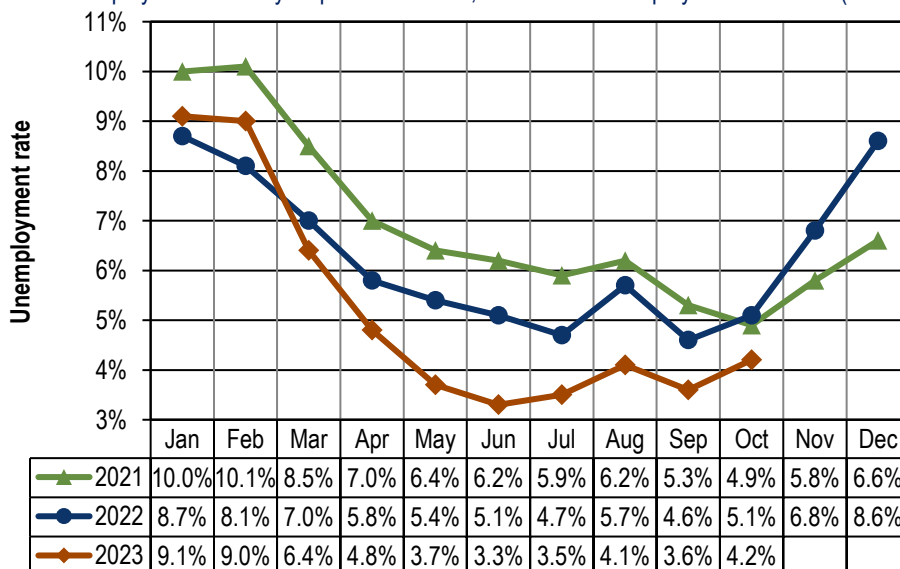
This report provides an update on the Grant County economy incorporating not seasonally adjusted nonfarm employment and Civilian Labor Force (CLF) data. Analysis focuses on year over year (October 2022 through October 2023) and average annual labor market data changes (between 2021 and 2022).

Unemployment rates

Washington’s not seasonally adjusted average annual unemployment rate fell one full point, from 5.2% in 2021 to 4.2% in 2022. The monthly unemployment rate dipped two-tenths of a percentage point between October 2022 (4.2%) and October 2023 (4.0%).

In Grant County, the average annual unemployment rate declined from 6.8% to 6.3% between 2021 and 2022. Year over year, monthly rates have declined from March through October 2023 (*Figure 1*). The 4.2% unemployment rate this October is the lowest reading for the month of October in Grant County since county-level unemployment data began to be recorded electronically in 1990.

Figure 1. Grant County unemployment rates, not seasonally adjusted
 Washington state, January 2021 through October 2023
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



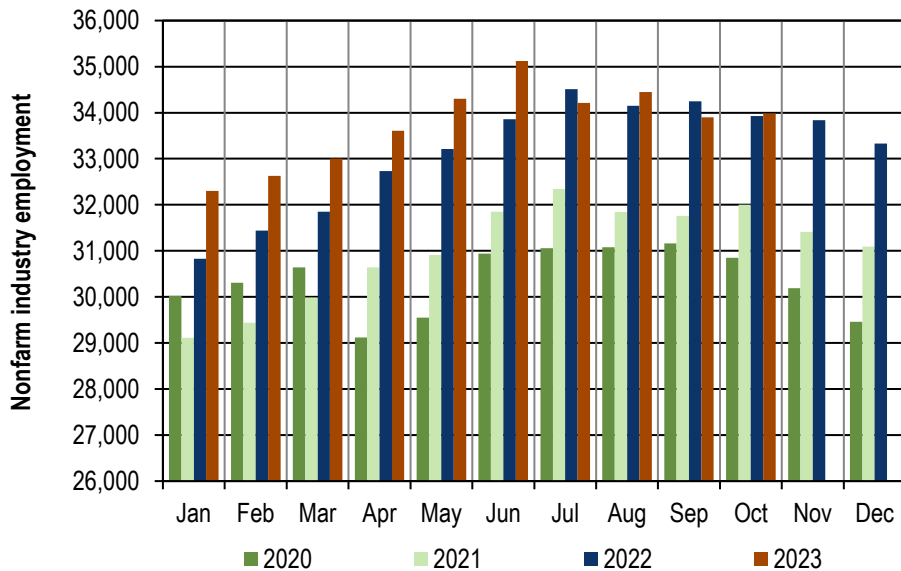
The Grant County unemployment rate decreased by nine-tenths of a percentage point from October 2022 to October 2023.

Total nonfarm employment

Between 2021 and 2022, Washington’s labor market provided 157,900 more nonfarm jobs, an average annual increase of 4.7%. Year over year, Washington’s nonfarm market has expanded in each of the past 31 months (April 2021 through October 2023). This October, business and government organizations statewide tallied 3,635,100 jobs (not seasonally adjusted) compared with 3,576,000 in October 2022, up by 59,100 jobs and by 1.7%. Although this 1.7% year-over-year growth rate in October 2023 is good news for Washington’s labor market, it should be noted that job growth rates have generally been decelerating during the past 12 months (*Figure 4*).

Grant County’s nonfarm economy gained 2,130 jobs in 2022, a 6.9% upturn, more robust than Washington’s 4.7% job growth rate during 2022. Year over year, nonfarm employment in Grant County contracted by -0.9% this July and by -1.0% in September but expanded by 0.9% this August and by 0.1% in October, as illustrated in *Figures 2* and *4*. Recent estimates indicate that nonfarm employment countywide edged upwards 50 jobs, a modest 0.1% increase between October 2022 (33,930 jobs) and October 2023 (33,980 jobs) as shown in *Figures 2, 3, and 4*.

Figure 2. Grant County nonfarm industry employment, not seasonally adjusted
Washington state, January 2020 through October 2023
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Nonfarm employment in Grant County rose by 50 jobs between October 2022 and October 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 91,636 residents (a 2.4% upturn) between 2021 and 2022. Year over year, the state’s CLF has expanded for the past 26 months (September 2021 through October 2023). Washington’s labor force grew modestly by 19,151 residents (up 0.5%), from 4,032,756 residents in October 2022 to 4,051,907 in October 2023.

Grant County averaged 45,877 residents in the labor force in 2021 and 47,261 in 2022, a 3.0% average annual expansion. Year over year, the local CLF had grown for 21 months (October 2021 through June 2023). But the labor force vacillated from July through October 2023. In October 2023 there were 626 fewer residents in the CLF than in October 2022, a -1.3% downturn (*Figure 3*). Fortunately, the number of unemployed dropped dramatically, from 2,499 in October 2022 to 2,009 in October 2023 (-19.6%) as shown in *Figure 3*. This large year-over-year decline in the number of unemployed more than countered the

shrinkage of -1.3% in the local labor force and pushed the unemployment rate down to 4.2% in October 2023 from the 5.1% reading in October 2022.

Figure 3. Grant County labor force and industry employment, not seasonally adjusted
Washington state, October 2023

Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS), Current Employment Statistics (CES)

| Grant County | Preliminary Oct-23 | Revised Sep-23 | Revised Oct-22 | Change (in #) | | Change (in %) |
|---|-----------------------|-------------------|-------------------|---------------|--------|---------------|
| | | | | Sep-23 | Oct-22 | Oct-22 |
| | | | | Oct-23 | Oct-23 | Oct-23 |
| Labor force and unemployment | | | | | | |
| Civilian labor force | 48,216 | 49,511 | 48,842 | -1,295 | -626 | -1.3% |
| Resident employment | 46,207 | 47,721 | 46,343 | -1,514 | -136 | -0.3% |
| Unemployment | 2,009 | 1,790 | 2,499 | 219 | -490 | -19.6% |
| Unemployment rate | 4.2 | 3.6 | 5.1 | 0.6 | -0.9 | |
| Industry employment | | | | | | |
| Total nonfarm ¹ | 33,980 | 33,900 | 33,930 | 80 | 50 | 0.1% |
| Total private | 25,150 | 25,400 | 25,320 | -250 | -170 | -0.7% |
| Goods producing | 6,430 | 6,620 | 6,540 | -190 | -110 | -1.7% |
| Mining, logging and construction | 2,000 | 2,000 | 2,140 | 0 | -140 | -6.5% |
| Manufacturing | 4,430 | 4,620 | 4,400 | -190 | 30 | 0.7% |
| Durable goods | 1,400 | 1,400 | 1,380 | 0 | 20 | 1.4% |
| Nondurable goods | 3,030 | 3,220 | 3,020 | -190 | 10 | 0.3% |
| Service providing | 27,550 | 27,280 | 27,390 | 270 | 160 | 0.6% |
| Trade, transportation and utilities | 6,770 | 6,810 | 6,900 | -40 | -130 | -1.9% |
| Wholesale trade | 1,760 | 1,820 | 1,920 | -60 | -160 | -8.3% |
| Retail trade | 3,670 | 3,620 | 3,660 | 50 | 10 | 0.3% |
| Transportation, warehousing and utilities | 1,340 | 1,370 | 1,320 | -30 | 20 | 1.5% |
| Information and financial activities | 1,550 | 1,560 | 1,610 | -10 | -60 | -3.7% |
| Professional and business services | 3,430 | 3,330 | 3,350 | 100 | 80 | 2.4% |
| Education and health services | 3,300 | 3,330 | 3,320 | -30 | -20 | -0.6% |
| Leisure and hospitality | 3,070 | 3,140 | 3,010 | -70 | 60 | 2.0% |
| Government | 8,830 | 8,500 | 8,610 | 330 | 220 | 2.6% |
| Federal government | 710 | 720 | 710 | -10 | 0 | 0.0% |
| State and local government | 8,120 | 7,780 | 7,900 | 340 | 220 | 2.8% |
| State and local government education | 4,040 | 3,600 | 3,740 | 440 | 300 | 8.0% |
| Workers in labor/management disputes | 0 | 0 | 0 | 0 | 0 | |

¹ Excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. Columns may not add due to rounding.

The Grant County nonfarm market provided 33,980 jobs in October 2023, a 0.1% expansion since October 2022.

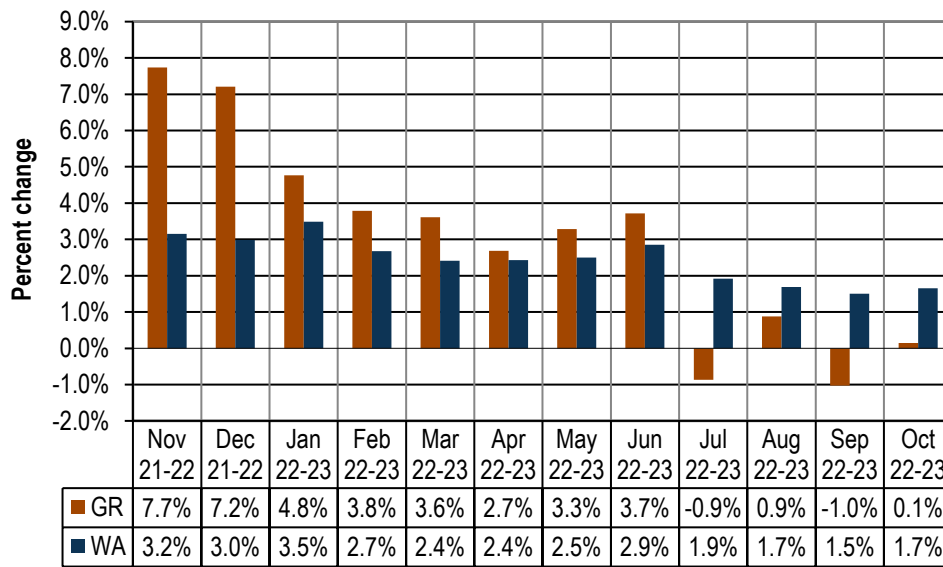
In addition to this labor force contraction between the Octobers of 2022 and 2023 (*Figure 3*), there is another concerning local labor force trend. In three of the last five months (from June through October 2023) Grant County's CLF has shrunk below these pre-COVID months of June through October 2019. Specifically, the labor force decreased by -1.3% and by -3.0% in June and July 2023 and -2.5% in October

2023 below these corresponding months in 2019. This indicates that, on a monthly basis, Grant County’s labor force has been struggling to grow back to pre-pandemic levels.

Nonfarm industry employment

Year over year, nonfarm employment in Grant County contracted by -0.9% this July and by -1.0% in September but expanded by 0.9% this August and by 0.1% in October (Figures 2 and 4). Total nonfarm employment countywide improved modestly from 33,930 in October 2022 to 33,980 in October 2023, a gain of 50 jobs and a 0.1% expansion (Figures 3 and 4). Conversely Washington’s job growth pace between the Octobers of 2022 and 2023 was 1.7% (Figure 4).

Figure 4. Grant County and Washington total nonfarm employment changes
Washington state, November 2022 through October 2023
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Year over year, nonfarm employment in Grant County contracted by -0.9% this July and by -1.0% in September but expanded by 0.9% this August and by 0.1% in October. Washington's nonfarm job market has expanded during the past 31 months (April 2021 through October 2023).

Preliminary, October 2023 Current Employment Statistics (CES) estimates for the Grant County economy are marginally upbeat. Estimates indicate year-over-year job losses in construction, wholesale trade, information and financial activities, and private education and health services (Figure 3). However, these year-over-year job losses were countered by gains in manufacturing, retail trade, transportation, warehousing and utilities, professional and business services, leisure and hospitality, and state and local government education; hence the 50-job upturn in total nonfarm employment between the Octobers of 2022 and 2023. Comments reference employment trends between the Octobers of 2022 and 2023 for three local industries: construction, leisure and hospitality, and state and local government education follow:

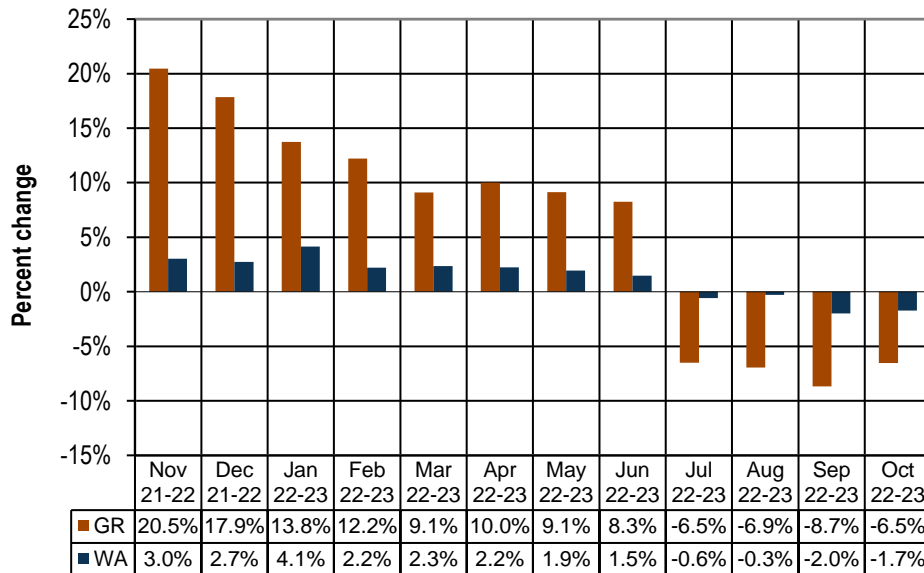
- Year over year employment in Grant County's construction industry has decreased in the past four months (July through October 2023), as shown in Figure 5 Current Employment Statistics (CES) estimates indicate that the local construction industry tallied 2,000 jobs this October versus 2,140 in October 2022, a loss of 140 jobs and a -6.5% downturn (Figure 3).

Across Washington, construction employment has contracted in the past four months (July through October 2023). Between October 2022 and October 2023, the number of construction jobs statewide decreased by -1.7% (Figure 5) and by 4,100 jobs, from 239,000 jobs to 234,900. Residential

construction lost 3,000 jobs statewide between October 2022 (40,000 jobs) and October 2023 (37,000 jobs) while *nonresidential* trade contractors gained 500 jobs between October 2022 (23,600 jobs) and October 2023 (24,100 jobs). Rising interest rates are likely “putting the dampers on” hiring in this industry – locally and statewide.

Figure 5. Grant County and Washington, construction employment changes Washington state, November 2022 through October 2023

Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year employment in Grant County's construction industry has decreased in the past four months (July through October 2023). Statewide, construction employment has also contracted during the past four months (July through October 2023).

- Year over year, leisure and hospitality employment (i.e., at hotels, eating and drinking places, and amusement and recreation services businesses) in Grant County had expanded for 28 months (April 2021 through June 2023). But job growth abated this August and September before moving ahead again in October 2023. Specifically, between October 2022 and October 2023, the number of leisure and hospitality jobs in Grant County advanced from 3,010 to 3,070 respectively, a 60 job and 2.0% increase (*Figure 3*).

Statewide, employment in this industry has expanded for 31 months (April 2021 through October 2023). Current Employment Statistics (CES) estimates indicate that Washington's leisure and hospitality employers tallied 330,400 jobs in October 2022 versus 342,000 in October 2023, an 11,600 job and 3.5% upturn. Arts, entertainment, and recreation facilities (i.e., movie theaters, golf courses, fitness centers, etc.), a subsector within Washington's broader leisure and hospitality industry, advanced from 49,400 jobs in October 2022 to 54,500 jobs in October 2023, a robust 5,100 job and 10.3% employment growth rate.

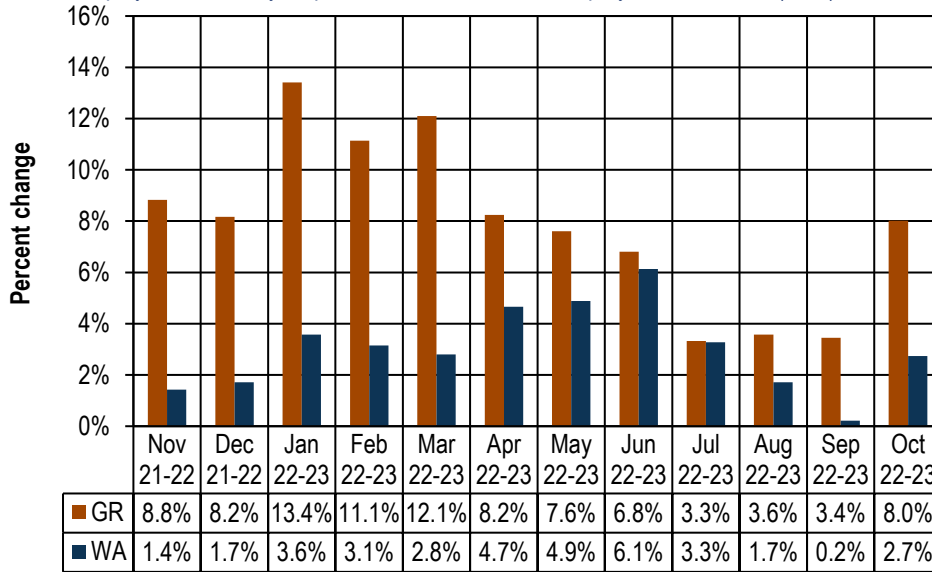
- State and local government education tallies jobs at public elementary, middle, and high schools; school district administrative offices; community colleges, etc. Year over year in Grant County, state and local government education employment has either stabilized or increased for 30 months (May 2021 through October 2023). Current estimates indicate that state and local government education institutions throughout Grant County provided 4,040 jobs in October 2023 compared with 3,740 in October 2022, a robust 300 job and 8.0% increase (*Figures 3 and 6*).

Across Washington, state and local government education employment has increased in each of the past 30 months (May 2021 through October 2023). State and local government education statewide

elevated from 248,100 jobs in October 2022 to 254,900 this October, a 6,800 job and 2.7% upturn – less robust than the 8.0% growth pace in Grant County (*Figure 6*).

Figure 6: Grant County and Washington, state and local government education employment changes Washington state, November 2022 through October 2023

Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Year over year in Grant County, state and local government education employment has either stabilized or increased for 30 months (May 2021 through October 2023). Across Washington, state and local government education employment has increased in each of the past 30 months (May 2021 through October 2023).

Agricultural employment/production

The Bureau of Labor Statistics’ Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security Department, provides agricultural and nonagricultural employment and wages for firms, organizations and individuals whose employees are covered by the Washington State Employment Security Act. Frequently termed “covered” or “QCEW” data, this information provides a reliable data set for comparing employment and wage trends in major industries at the county level. In September 2023, revised annual average QCEW data for calendar year 2022 became available, and these revised data were incorporated into a 10-year (2012 through 2022) trend analysis of total covered and agricultural employment in Grant County, which showed that:

- Total covered employment rose from 36,715 in 2012 to 41,935 in 2022, a 5,220 job and 14.2% upturn with annualized employment growth between 2012 and 2022 of 1.3%. The number of agricultural jobs (a subset of total covered employment) decreased from 10,156 in 2012 to 9,092 in 2022, a 1,064 job and -10.5% downtrend with annualized employment change between 2012 and 2022 of -1.1%. In 2012, Grant County’s agricultural industry accounted for 27.7% of total covered employment. In 2022, agricultural employment accounted for 21.7% of total covered employment countywide. Hence, the share of agricultural employment (versus total covered employment) dropped six percentage points (from 27.7 to 21.7%) in Grant County during this ten-year period. Hence, one could generalize that during this recent (2012-2022) timeframe, the agricultural industry has become less “influential” in Grant County’s economy, in terms of the agricultural employment to total covered employment ratio.
- Total covered wages rose from \$1.27 billion (in 2012) to \$2.35 billion (in 2022) a \$1.08 billion and 85.2% upturn with annualized payroll growth between 2012 and 2022 of 6.4%. The agricultural payroll (a subset of total covered wages) advanced from \$233.5 million in 2012 to \$323.7 million in 2022, a

\$90.2 million and 38.6% uptrend with annualized payroll growth between 2012 and 2022 of 3.3%. In 2012, Grant County’s agricultural industry accounted for 18.4% of total covered wages, while in 2022, agricultural wages accounted for a lower ratio of 13.8% of total covered wages. Hence, the share of agricultural wages (versus total covered wages) earned in Grant County declined by four and six-tenths percentage points (from 18.4 to 13.8%) during this ten-year period. One could generalize that during this most recent ten-year timeframe, the agricultural industry has become less “influential” in Grant County’s economy (in terms of the agricultural payroll to total covered payroll ratio).

- The agricultural industry is still central to the Grant County economy. But a basic data trend analysis of local employment and wage trends make it clear that this industry has become *relatively less influential* in the local economy over this most recent 10-year period (2012 through 2022). In fact, between 2012 and 2022, the number of agricultural jobs peaked countywide in 2014 at 10,658 jobs (27.4% of total covered employment) and agricultural employment has generally been down-trending ever since. By 2022, average annual agricultural employment countywide equaled 9,092 jobs. Anecdotal evidence suggests at least three possibilities for this agricultural employment decline in Grant County: automation, the gradual conversion of some seasonal agricultural jobs to year-round positions, and the increased use of H-2A agricultural labor.

Web link to Monthly Employment Report (MER) for Washington state

<https://esd.wa.gov/labormarketinfo/monthly-employment-report>