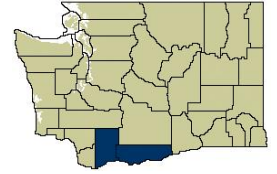


Klickitat and Skamania Counties



Labor Area Summary Volume 2021, Number 1

January, 2021

Scott Bailey, Regional Labor Economist

204 SE Stone Mill Drive, Suite 215, Vancouver WA 98664

Voice: cell 360-810-0048

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

National Outlook

Gross domestic product (GDP) for the last quarter of the year increased by 4.1 percent, according to the second 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.

Despite the increase, GDP was still 1.2 percent below the pre-COVID first quarter. Also in comparison to the first quarter: consumer spending (-0.9 percent), exports (-8.8 percent) and government spending (-0.9 percent) were still lagging, while non-housing investment (+0.5 percent) and housing investment (new structures and remodeling, +9.3 percent) showed an increase. Also, imports were up 3.5 percent.

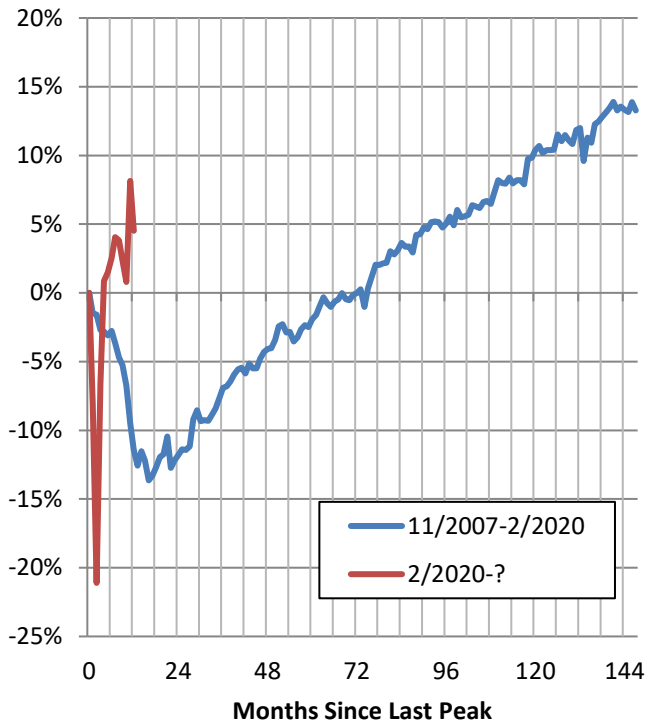
January 2021 Unemployment Rates			
	Jan. 2021	Dec. 2020	Jan. 2020
Seasonally Adjusted:			
U.S.	6.3	6.7	3.5
U.S. U-6**	11.1	11.7	6.9
Washington	6.0	7.1	3.9
Oregon	6.2	6.3	3.6
Portland Metro	6.2	6.1	3.2
Columbia Gorge*	6.1	6.6	4.3
Unadjusted:			
U.S.	6.8	6.5	4.0
Washington	6.8	6.6	4.6
Oregon	7.0	6.2	3.7
Columbia Gorge*	7.1	6.3	5.1
Klickitat	7.2	6.9	7.2
Skamania	8.1	7.9	6.2
Hood River	6.2	5.2	3.4
Sherman	5.4	4.5	5.1
Wasco	7.8	6.7	4.8
Clark	6.3	6.6	4.8
Cowlitz	7.2	7.4	6.3
Wahkiakum	6.3	7.4	7.4
Portland Metro	6.7	6.2	3.4
*Includes Hood River, Klickitat, Sherman, Skamania, and Wasco counties. **Underestimated. See text.			

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	166,000
February	379,000
Net change	-9,475,000
Percent	-6.2%

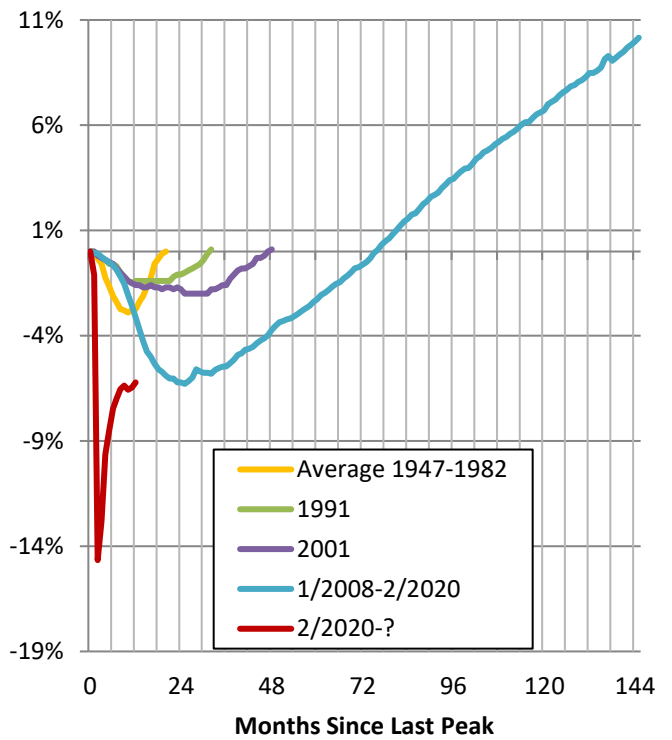
Nonfarm employment expanded for the second month in a row, following January's 166,000 job gain with a bigger 379,000 hiring surge. Employment has grown by an average of 126,000 over the past four months. Optimists can point to a strong February, pessimists can focus on the low four-month average, take your pick! The bottom line: employment was still almost 9.5 million jobs—6.2 percent—over the year, comparable to the worst of the 2008 recession (-6.3 percent).

Employers have added just over half a million jobs over the past four months. Over half of the net new jobs (256,300) have come at temp agencies. The next biggest gain was in professional services (+118,000). A lot of the monthly volatility since October has come in leisure & hospitality, primarily in restaurants as

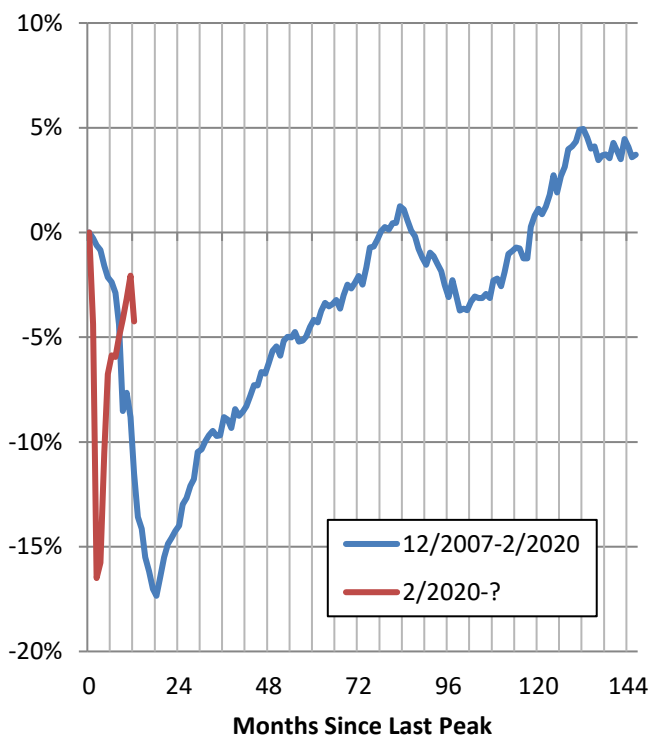
Retail/Food Service Sales



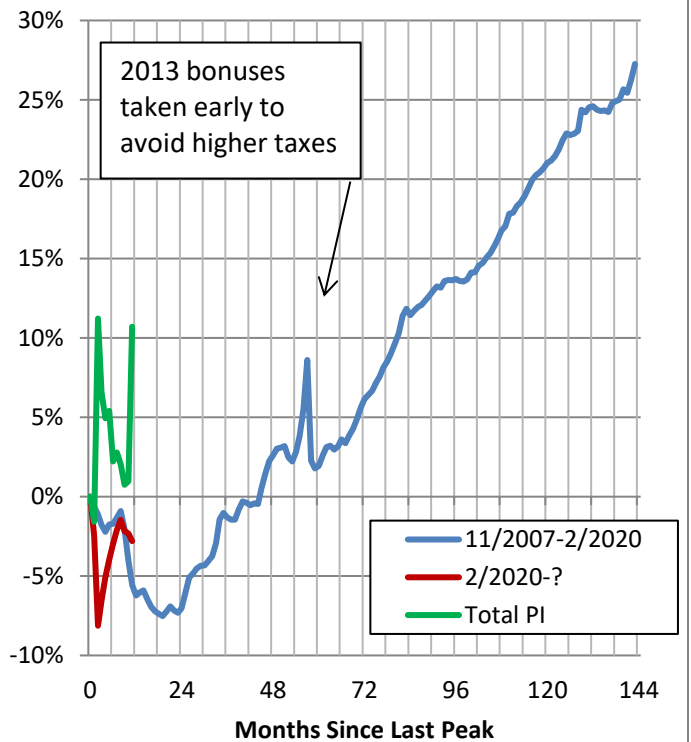
Nonfarm Job Loss in Recessions



Industrial Production



Personal Income less transfers



states have oscillated between closing down and reopening. On a net basis, that sector has lost 158,000 jobs over the past four months, including 19,000 in hotel/motel and 87,000 in restaurants.

Unemployment dropped, but not by much, from 6.3 percent to 6.2 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, was unchanged at 11.1 percent. The labor force participation rate was also unchanged at 61.4 percent, still well below the 63.3 percent from February 2020. If participation hadn't changed, another 5.0 million people would have been in the labor market this February.

Change in Unemployment Rate, Participation Rate, Employment Since February 2020			
All workers	+2.7	-1.9	-5.4%
Women	+2.8	-2.0	-5.7%
Men	+2.8	-1.8	-5.0%
White	+2.6	-1.8	-5.1%
African American	+3.9	-3.0	-7.8%
Latinx	+4.1	-2.6	-6.2%
Asian American	+2.6	-1.9	-4.7%
Less than HS Diploma	+4.3	-1.8	-12.0%
HS/GED only	+3.7	-3.6	-8.7%
Some College	+2.9	-1.9	-7.6%
Bachelor's or more	+1.9	-1.4	-0.7%
African American women	+3.8	-3.9	-9.5%
African American men	+4.1	-1.8	-6.0%
Asian American women	+3.0	-1.7	-5.1%
Asian American men	+2.2	-2.0	-3.8%
Latinx women	+3.4	-3.6	-7.9%
Latinx men	+4.7	-1.4	-5.1%
White women	+2.4	-1.8	-5.2%
White men	+2.6	-1.9	-5.0%

The table at left shows that different types of workers have been affected differently by and responded differently to employment loss. Some who have lost their job have remained in the labor market, while others have dropped out of the labor market and are not included in the calculation of the unemployment rate.

The table shows three statistics. Looking at the top line, the official unemployment rate has risen by 2.7 points, and the labor force participation rate has fallen by 1.9 percentage points; overall, the number of employed individuals has fallen by 5.4 percent. Several demographic groups have had higher than average job loss: African Americans, and especially 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.

When looking at the statistics for Asian Americans its important to note that this group of workers is very diverse. A look at more detailed annualized data (comparing 2019 and 2020) reveals, for example, that employment loss among Vietnamese, Filipino, Japanese, and Chinese Americans has been greater than average.

A closer look at race and gender reveals some interesting differences. Black and Latinx men have, relatively speaking, stayed in the labor force (their participation has dropped less than

the average for all workers), while their unemployment rate has increased much more than average. Meanwhile Latinas and African-American women have had large declines in labor force participation rates AND sizable increases in the unemployment rate (data were not available for other racial groups).

Conclusion: this has not been a “she-cession”, it's been disproportionately a women of color—specifically Black and Latina (and perhaps Indigenous and Pacific Islander as well)—recession, along with African American men and those of any race with less than a bachelor's degree in formal education.

- Industrial production rose by 1.1 percent in January, before falling by 2.2 percent in February, mostly due to the severe weather in the South The upshot: production remains 4.2 percent below year-ago levels. Breaking production into its three components: factory production fell by 3.1 percent but was off 3.8 percent from February. Mining (mostly petroleum production and fracking) dropped 5.4 percent over the month (weather again), leaving it 15 percent below February levels (due to the collapse of fracking). Energy production was up 7.4 percent in February (again weather) and up 10 percent from February 2020.
- Total personal income rose by a whopping 9.7 percent in January (February data won't be available until the end of the month). When transfer payments like Social Security, Medicare and unemployment benefits were

excluded (in order to focus on income directly related to economic activity) income fell by 0.5 percent. What this means is that income generated by economic activity (like wages and earnings from self-employment) declined, while an increase in unemployment insurance benefits and similar transfers again helped support households. Compared with February, total income was higher by 1.3 percent; if transfer payments were excluded, income was lower by 1.9 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).

- After a huge 7.3 percent increase in January (related to the big jump in personal income, no doubt) retail and food service sales declined in February by 3.4 percent. Despite the drop, sales were still 4.5 percent higher than a year ago. Food service sales followed the same pattern, with an 8.7 percent jump in January followed by a -2.8 relapse in February. Sales were 18 percent below last February.

Also of interest:

- Inflation remained low, with the various measures each reading around 1.5 percent over the year.

So how long will recovery take? (updated)

The good news: COVID cases in the U.S. have dropped precipitously, and vaccinations are accelerating, clearly a cause for optimism. Cases per capita in Washington (14th) and Oregon (2nd) remain low compared with other states. Vaccination appears to be effective against at least some of the new variants (knock on wood). The American Rescue Plan Act will be a huge help economically, another cause for optimism.

Some perspective, however: infection rates in Washington and Oregon last week were almost twice as high than they were six months ago. And some caution: infection rates look to have plateaued nationally—will we see another roller coaster increase in COVID cases? Twenty-three states have had recent rate increases. Especially concerning: the increase in infections in Europe and Brazil. So: cautious optimism.

State of the States—and PDX

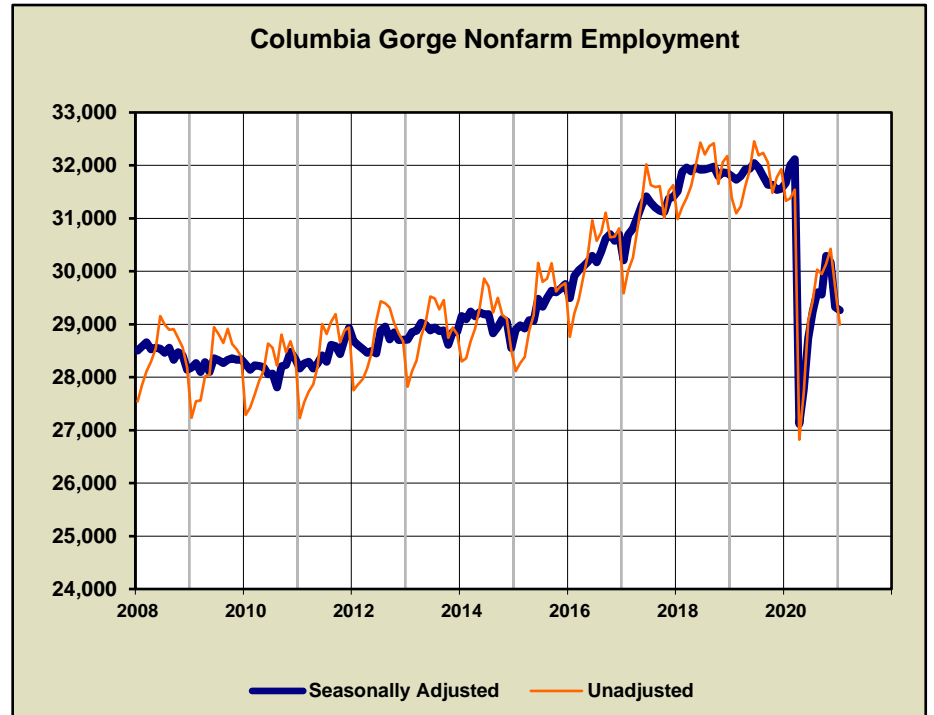
Last month’s recap of the states and metro areas ended with, “These numbers are all preliminary and will be revised next month, we’ll see how this picture changes.” The picture did change, quite a bit for the state of Washington, where preliminary data showed the state doing quite a bit better than the nation, and revised data showed it (and Seattle) doing worse. Oregon’s numbers were revised upwards, but the state also remained in a deeper hole than the U.S. as a whole (where employment has fallen by 6.2 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	30,500	13,400	16,300	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	4,400	4,400	8,300	25,500
Net change	-245,400	-134,100	-166,500	-102,100
Percent	-7.0%	-7.5%	-8.4%	-8.3%

The Gorge: Not as bad as we thought... but still deep in a hole

The good news: nonfarm employment in the Gorge was revised upward by 1,200 jobs. Revised unadjusted and seasonally-adjusted (SA) nonfarm employment since the recession began:

Month	Monthly Change	
	Not adjusted	SA
March	160	110
April	-4,720	-5,000
May	890	650
June	1,350	970
July	380	500
August	590	360
September	-85	-40
October	195	730
November	285	-120
December	-725	-840
January	-710	-60
Net change	-2,340	
Percent	-7.5%	



Still not a pretty picture, and more than a percentage point worse than

the nation. On a seasonally-adjusted basis, 43 percent of the April job loss has been recovered. October through January are preliminary estimates, which will be revised in another three months, hopefully upward.

In January, Gorge employment declined by 60 jobs on a seasonally-adjusted basis. Unadjusted employment declined by 710 jobs. The bulk of the loss came in trade, transportation & utilities (-450 jobs, due largely to post-holiday layoffs in retail sales). Construction & natural resources dropped by 100 jobs (in line with typically seasonal trends), while local government trimmed payrolls by 85 jobs, mostly in K-12 education.

Over the year, total nonfarm employment declined by 2,340 jobs, a 7.5 percent slide. Almost every sector lost ground. The details:

- Mining, logging & construction employed 1,400, the same as last January.
- Manufacturing, with 3,860 jobs, lost 180 jobs over the year, a 4 percent decline.
- Trade, transportation & utilities employment, at 5,295 jobs, was up a slender 10 jobs over the year.
- Professional & business services employed 1,930 in January, 210 jobs fewer over the year (-10 percent).
- Education & health services lost 150 jobs over the year (-3 percent), falling to 4,720 jobs.
- Leisure & hospitality again had the biggest loss. January employment was estimated at 3,555, down 1,305 jobs, a 27 percent decline.
- All other service industries—including information services, finance and real estate and other services—employed lost 120 jobs over the year (4 percent), falling to 2,550 jobs.
- Government declined by 385 jobs to 5,680, -6 percent over the year. The loss was concentrated in K-12 education.

The unemployment rate for the Gorge was estimated at 7.1 percent, two points above last January's 5.1 percent. The very unofficial seasonally-adjusted rate fell half a point to 6.1 percent.

Klickitat Summary

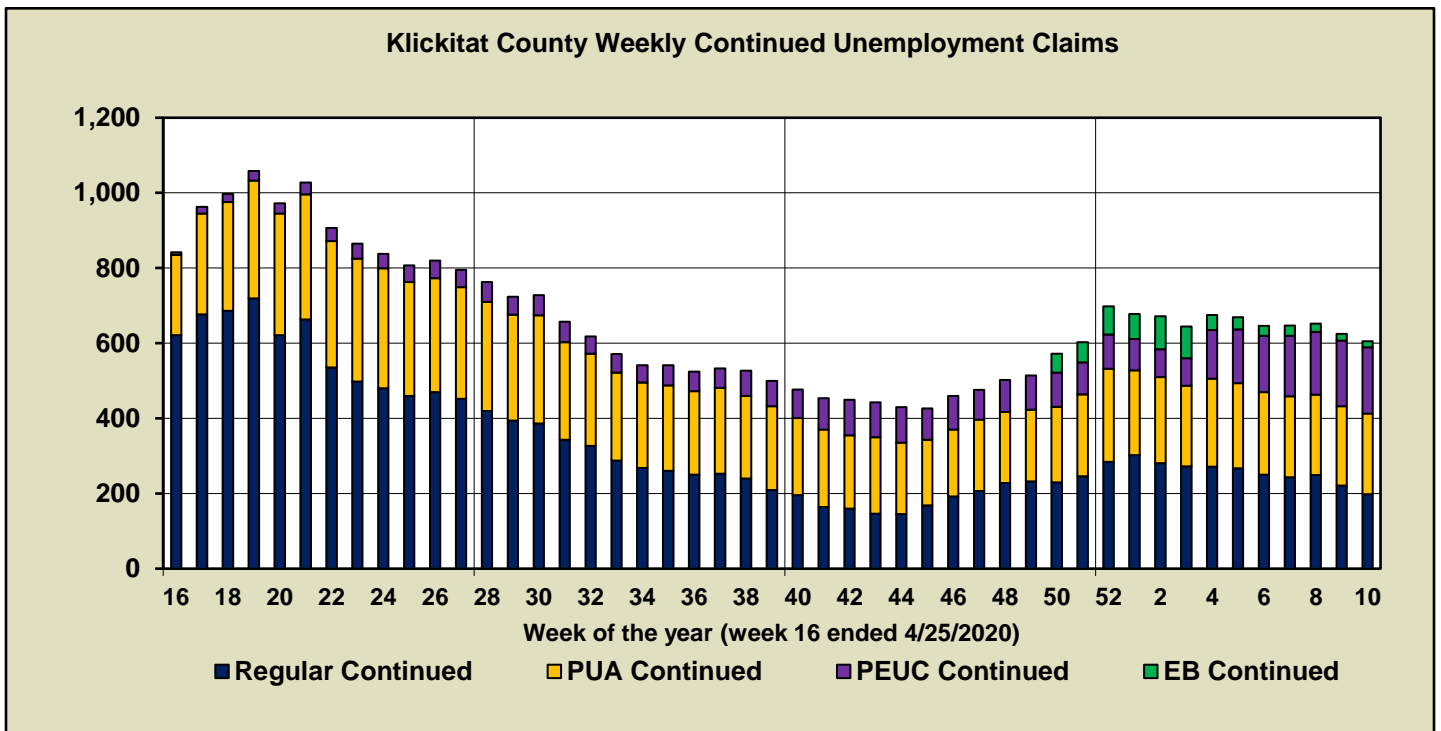
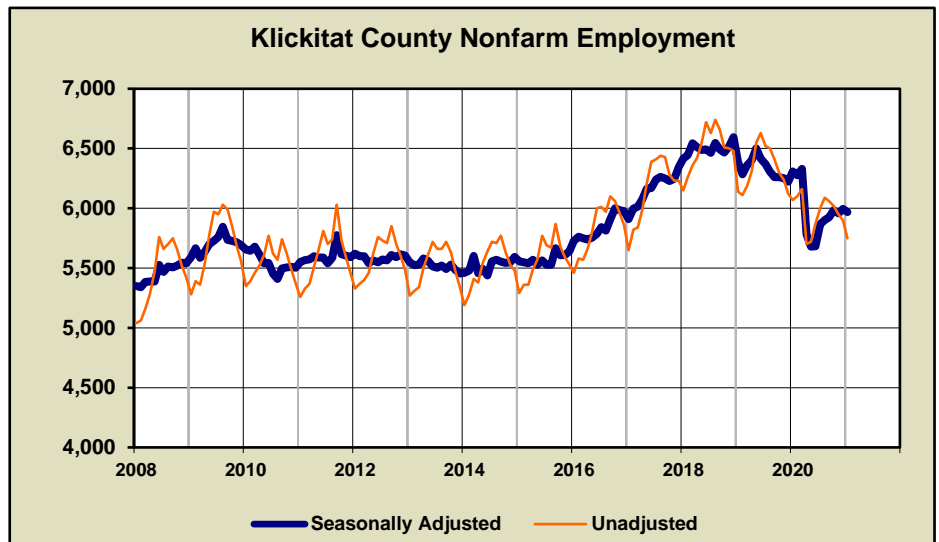
Good news: Klickitat County nonfarm employment for December 2020 was revised upward by 140 jobs. Employment was still well below last February, however.

In January, employment fell by 150 jobs, about 30 jobs more than the usual trend. Small losses (30 or less) occurred in a number of industries.

That brought the total job count down to 5,750 jobs, 320 fewer than a year earlier. Two industries accounted for the majority of the over-the-year loss: leisure & hospitality (-100 jobs) and K-12 education (-160 jobs).

The county unemployment rate rose a bit from December to 7.2 percent, matching the rate from last January. About 690 county residents were jobless and looking for work, the same as a year ago.

Unemployment claims counts declined steadily through most of 2020 but trended higher since mid-November before levelling off in 2021 and then declining the past two weeks. Regular continued claims have been declining, PUA claims have been fairly stable, while federal extended benefit claims (PEUC) have been rising and state extended claims (EB) have been dropping, as this program is being phased out. Aside from a jump in the first week of this year, initial claims have been declining—until the most recent week ending March 13, when both PUA and PEUC initial claims rose.

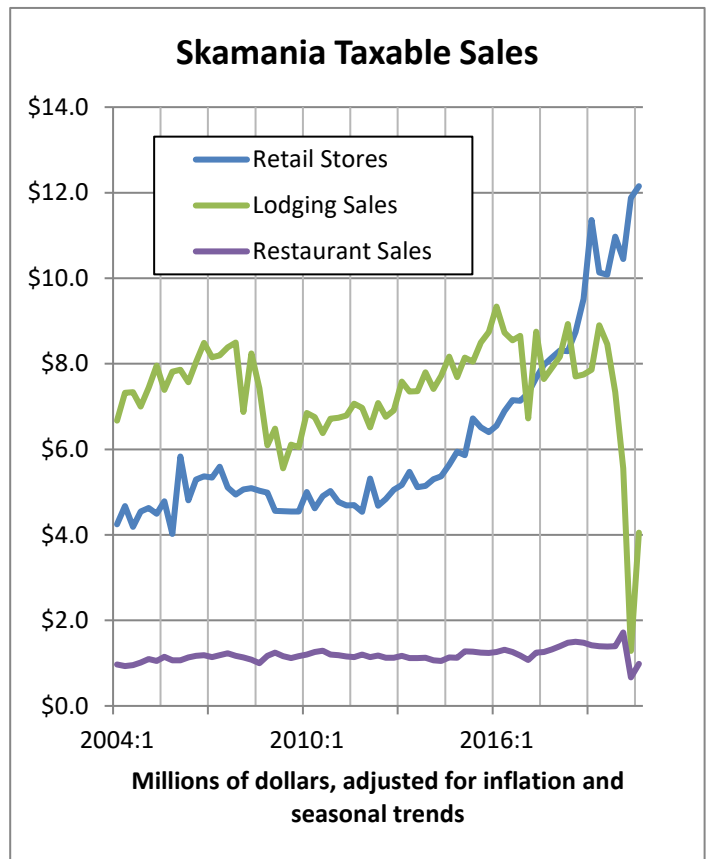
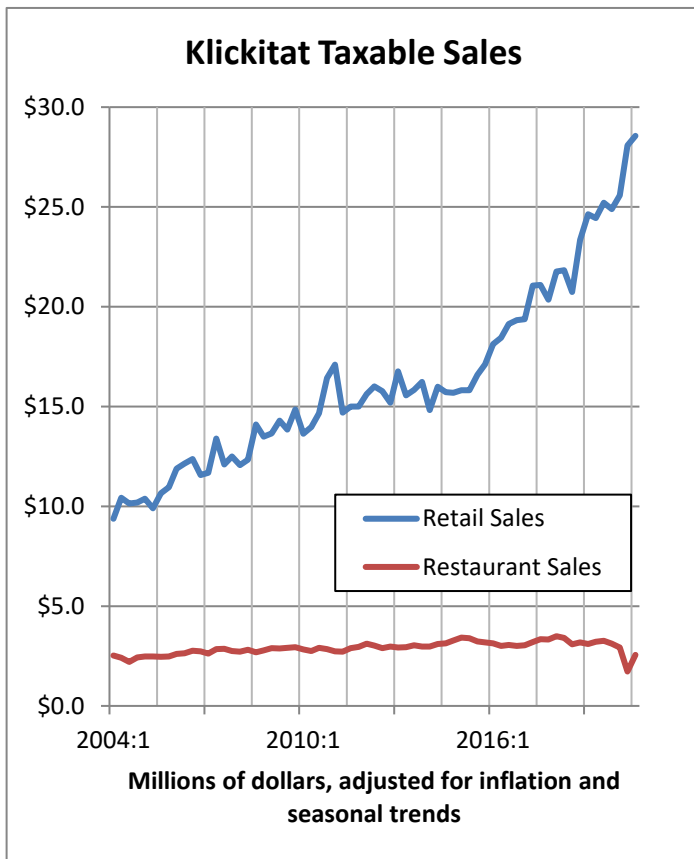


Klickitat County Unemployment Claims									
Week Ending	Initial Claims (not additive)				Continued Claims				
	Regular	PUA	PEUC	EB*	Regular	PUA	PEUC	EB*	Total
7/4	47	14	13		470	303	47		820
7/11	72	8	15		452	297	46		795
7/18	37	11	8		420	290	53		763
7/25	37	7	5		394	282	48		724
8/1	37	6	9		386	288	54		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

In the latest week, manufacturing had the highest number of claimants (48) followed by accommodations & food services (40) and construction (36). The industry was not identifiable for a large number (269) of claimants either because they were self-employed or were employed out of state (and so had no earnings history in our databases). By occupation, manager occupations were the most impacted (75), followed by food service workers (74) construction trades (66), building grounds cleaning & maintenance (39) and office workers (39). Over half of the claimants (54 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 22 percent had taken

some college courses but did not have a degree and 9 percent had an AA (both roughly matching the general population) and 21 percent had a bachelor’s or higher degree (vs. 29 percent of the general population). Just over 13 percent identified as persons of color (primarily Latinx, 8.4 percent, multi-racial, 2.6 percent, Indigenous, 1.3 percent,), somewhat below the adult population (15 percent), except that Indigenous workers over-represented.

Finally: a look back at the third quarter of 2020. Taxable retail sales data was just published for the July-September period. After a splurge of spending in the second quarter, taxable sales at retail outlets increased by a smaller but still very positive inflation-adjusted \$0.5 million (+8 percent annualized gain). Restaurant sales crashed from \$2.9 million in the first quarter to \$1.7 million in the second before mostly recovering to \$2.6 million. Spending in the recreation industry, which had plummeted in the second quarter, came in at just under \$800,000 in the third, about 20 percent below the same quarter in 2019.

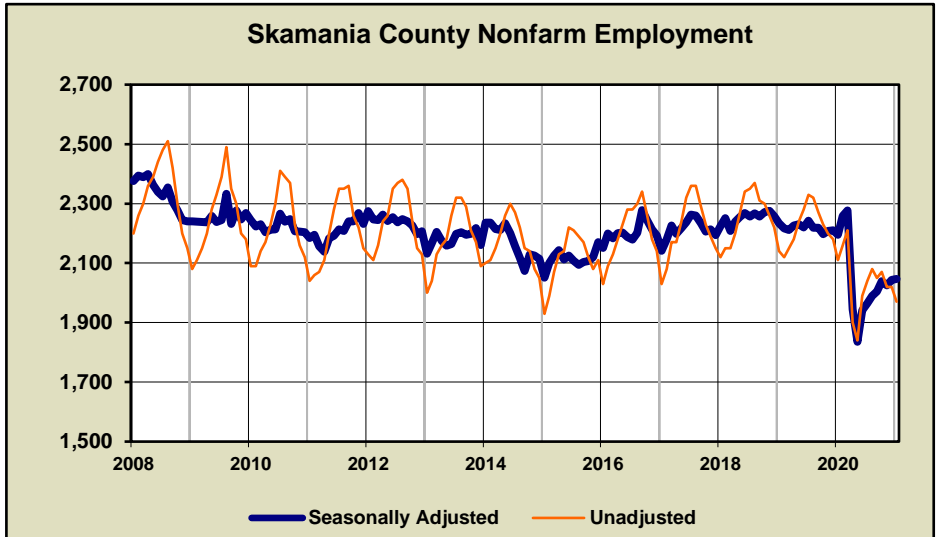


Skamania Summary

First, the good news: preliminary estimates were too low—quarterly benchmarking led to an upward revision in Skamania’s nonfarm employment, by about 100 jobs.

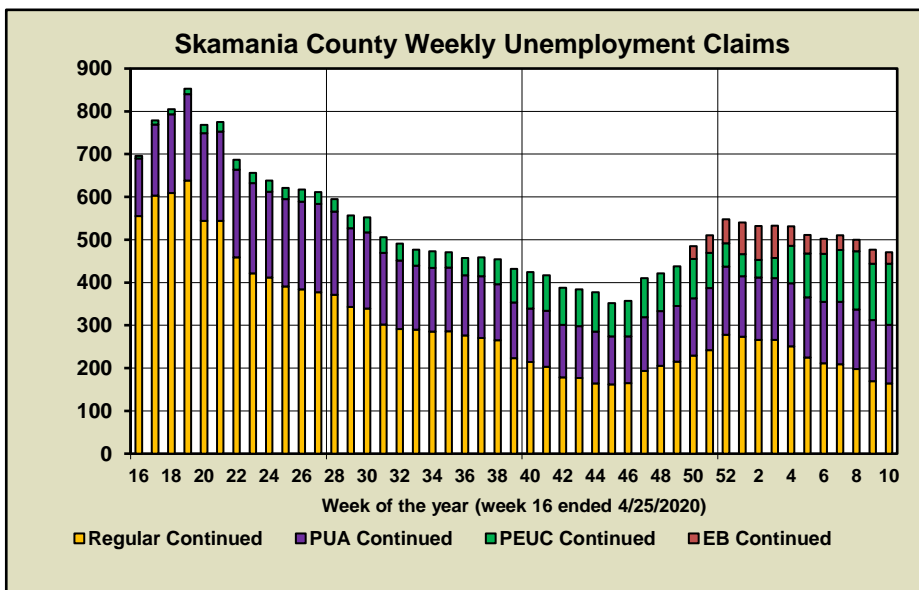
The not-so-good news: the labor market, while improving, was still in pretty grim shape.

In January, employment fell by 50 jobs, in line with the usual seasonal trend. A number of industries lost 10 to 20 jobs, including trade, transportation & utilities (-20) and accommodations & food services (also -20).



Total employment was estimated at 1,920 jobs, 140 jobs below last January. Accommodations & food services continued to be heavily impacted, with employment dropping 180 jobs over the year to 310 (-37 percent). The rest of the service sector gained 30 jobs, and construction, mining & logging was up 20 over the year.

The county’s estimated unemployment rate of 8.1 percent was almost two points higher than last January’s 6.2 percent. About 430 county residents were jobless and seeking work, 80 more than a year ago.



The number of continued unemployment claims filed by county residents has trickled down the first of the year, but remained stubbornly high. There were 471 claims filed in the week ending March 13.

Note that the number of claimants has been higher than the estimated number of unemployed residents. This may be because a) some claimants worked a few hour during the week, and so were technically employed that week while qualifying for a reduced benefit; b) the number of unemployed residents was

underestimated.

In the week ending March 13, accommodations & food services had the highest number of claimants (93) followed by manufacturing (54). The industry was not identifiable for a large number (182) of claimants either because they were self-employed or were employed out of state (and so had no earnings history in our databases). By occupation, food service workers were the most impacted (87 claims) followed by construction

trades (51) and managers (40). Females were disproportionately represented among claimants (56 percent of claimants vs. 47 percent of the workforce). A disproportionately high percentage (40 percent) had only a high school diploma, while 23 percent had some college courses under their belt but no degree, 9 percent had an AA degree and 14 percent had a bachelor's or higher degree (vs. 24 percent of the total population). Almost 12 percent identified as persons of color (primarily Latinx, 5.7 percent, Indigenous, 2.3 percent, multi-racial, 2.3 percent), roughly in line with the adult population demographics, except with Indigenous workers over-represented.

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

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

Finishing up: taxable retail sales in the third quarter of the year (see chart above) increased in the three big sectors, but were still well below normal for tourist-related industries. Sales at retail outlets rose another \$300,000 to \$12.2 million, an all-time high. In the lodging industry, sales rebounded from \$1.3 million in the second quarter to \$4.0 million, which was only about half of normal. Restaurant sales also improved, from \$670,000 to \$980,000, but they were running around \$1.4 million pre-COVID.