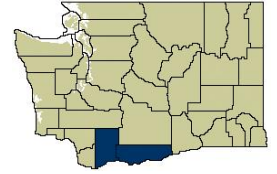


Klickitat and Skamania Counties



Labor Area Summary

Volume 2021, Number 2

February, 2021

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The Big Picture

COVID has dominated our world this past year, and let's not forget there are a few other issues out there.

1) International trade agreements have enshrined patent rights (“intellectual property rights”) for pharmaceutical companies, which preserve huge profits and prevent other manufacturers from producing drugs until they are past the seven-year mark (differs by nation). One would think, in a global pandemic, that the rules would be relaxed, to allow generic manufacturing of vaccines. One would be wrong. As a result, “at least 85 poor countries will not have significant access to coronavirus vaccines before 2023. Unfortunately, a year’s delay will cause an estimated 2.5 million avoidable deaths in low and lower-middle income countries... The EU, US, UK, Switzerland, Canada and their allies continue to block the developing country proposal to temporarily suspend the World Trade Organization (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement to enable greatly increased, affordable supplies of COVID-19 vaccines, drugs, tests and equipment... Thirty two European and other rich countries also have options to order more, while Australia and Canada have already secured supplies enough for five times their populations. Poor countries, often charged higher prices, simply cannot compete... Big Pharma has also refused to join the voluntary knowledge sharing and patent pooling COVID-19 Technology Access Pool (C-TAP) initiative under WHO auspices... US negotiated bulk prices, for Moderna and Pfizer-BioNTech vaccines, are... at US\$15.25–19.50 per dose in several contracts, yielding 60–80% profit margins! Moderna will charge the rest of the world US\$25–37 per dose.”

February 2021 Unemployment Rates			
	Feb. 2021	Jan. 2021	Feb. 2020
Seasonally Adjusted:			
U.S.	6.2	6.3	3.5
U.S. U-6**	11.1	11.1	7.0
Washington	5.6	6.0	4.1
Oregon	6.1	6.2	3.6
Portland Metro	6.2	6.3	3.2
Columbia Gorge*	5.7	6.1	3.8
Unadjusted:			
U.S.	6.6	6.8	3.8
Washington	6.4	6.8	4.5
Oregon	6.7	7.1	3.6
Columbia Gorge*	7.1	7.1	4.8
Klickitat	7.0	6.9	7.2
Skamania	8.0	8.2	5.9
Hood River	6.4	6.3	2.9
Sherman	5.0	5.3	4.7
Wasco	7.5	7.9	4.5
Clark	6.5	6.4	4.9
Cowlitz	7.5	7.3	6.4
Wahkiakum	7.1	6.6	7.3
Portland Metro	6.4	6.7	3.4
*Includes Hood River, Klickitat, Sherman, Skamania, and Wasco counties.			
**Underestimated. See text.			

2) Income inequality has increased during the pandemic (and research from the influenza pandemic a century ago suggests this change will be permanent), while new research shows that income in the U.S. is even more unequal than previously thought. According to an analysis of IRS tax data and audits by [Gabriel Zucman et al](#), “unreported income as a fraction of true income rises from 7% in the bottom 50% to more than 20% in the top 1%, of which 6 percentage points correspond to undetected sophisticated evasion. Accounting for tax evasion increases the

top 1% fiscal income share significantly.” The authors found that “random [IRS] audits do not capture most tax evasion through offshore accounts and pass-through businesses, both of which are quantitatively important at the top” of the income distribution. Note: tax avoidance is legal, tax evasion is not.

3) For a look at how climate change will play out in the coming decades/centuries, and how humans will respond, check out author Kim Stanley Robinson. Robinson is optimistic about our resilience and realistic about what we will be facing. In *New York, 2140* Manhattan resembles Venice, after not one but two flooding events (“pulses”) that raised sea levels, first by 10 feet than by another 20 feet. People get around by boat and by skybridges. His latest book, *The Ministry for the Future*, starts with a long heat wave in India that eventually leads to a breakdown in the power grid (think Texas), air conditioning fails, water runs out and overnight 20 million people die (see [this](#) for the 2018 heat wave in Japan that killed 1,000 people). The year: sometime shortly after 2025. Like I said, he’s an optimist, and a realist.

Air pollution led to [higher COVID death rates](#). And for the record: air pollution, largely from fossil fuels, killed an estimated [8.7 million people](#) in 2018, vs. the current estimate of 2.8 million deaths due to COVID.

4) Robert Frost, in his classic poem *Fire and Ice*, sided with those who thought the world would end in fire, but that “if it had to perish twice... ice... would suffice.” He didn’t say anything about plastics. [Erin Brockovich](#), on the other hand, has a lot to say about plastics, and their affect on human reproduction, citing research showing that sperm counts in men have dropped 60 percent since 1973. Women’s fertility has dropped as well. Among the culprits are the so-called “forever” chemicals—per- and polyfluoroalkyl substances, also known as PFAs—which do not easily break down.

National Outlook

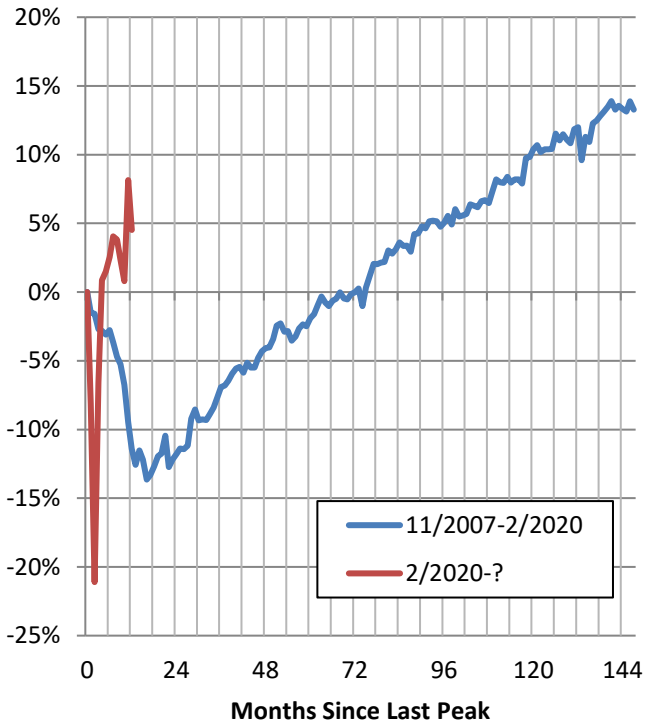
Gross domestic product (GDP) growth for the last quarter of the year was revised upward by two tenths of a point to 4.3 percent, according to the third (and final) preliminary estimate. Each of the elements of GDP—consumer spending, investment (spending on physical items like buildings, machinery, equipment and software), exports and government spending—have risen over the past two quarters.

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.

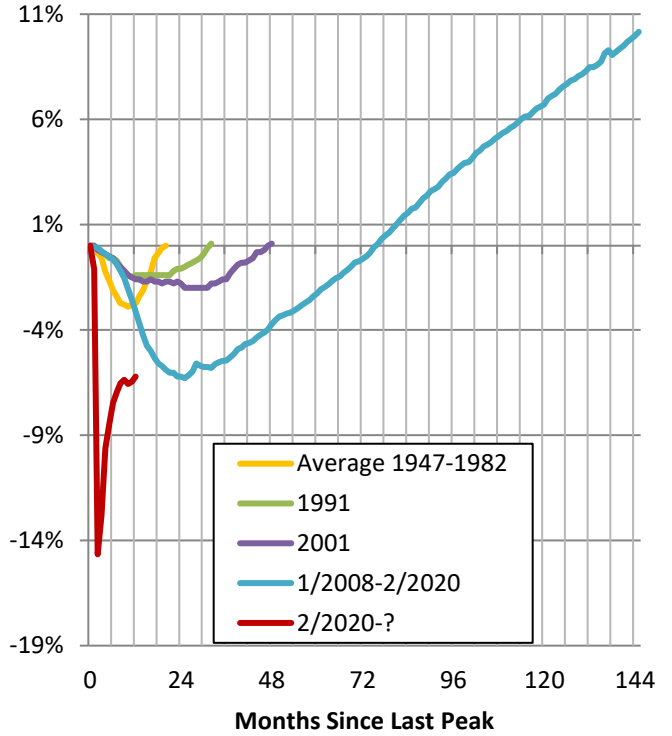
Nonfarm employment had a monster month, adding 916,000 jobs. Job counts were 8.4 million below pre-COVID levels (5.5 percent). Nine or ten more months at that growth rate will bring us back to “normal.” Accommodations & food services recovered 280,000 of its lost jobs, but remained over 3 million jobs below pre-COVID levels (-19 percent).

The only other update from the previous newsletter: 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. 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).

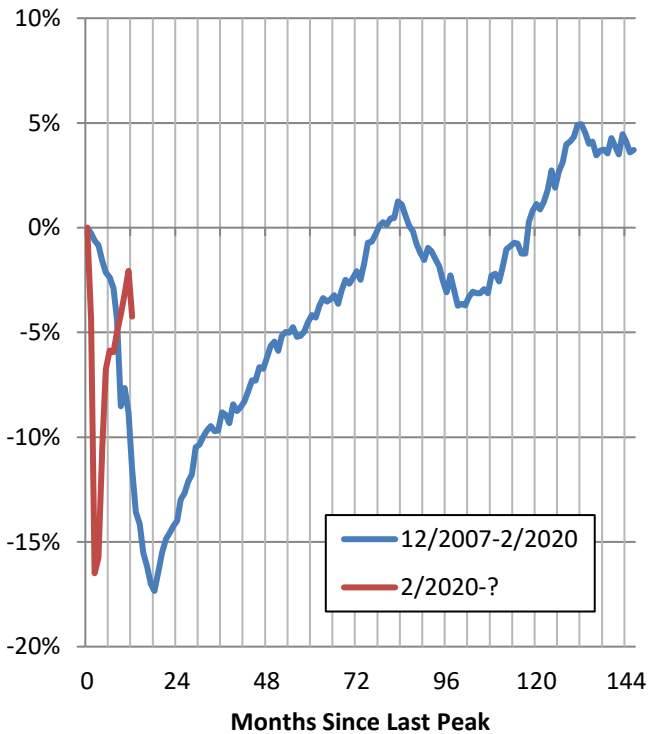
Retail/Food Service Sales



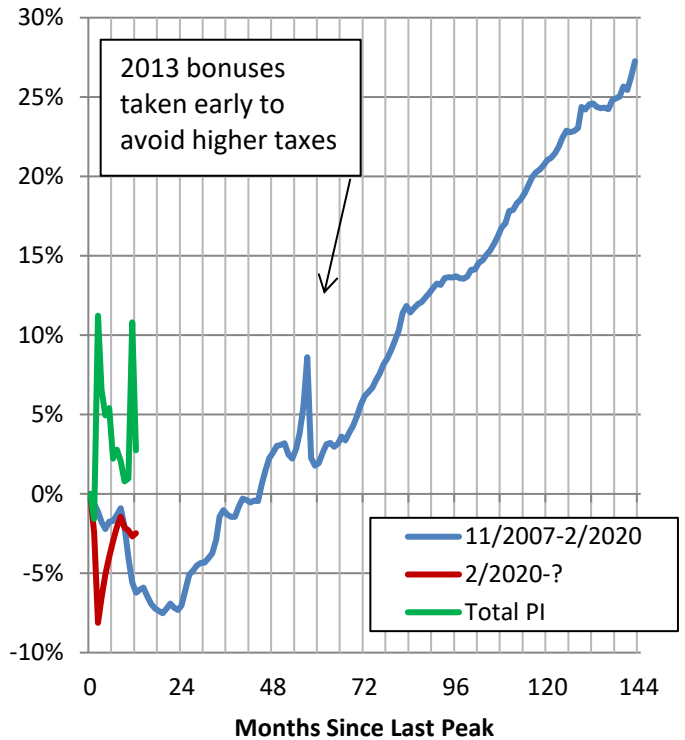
Nonfarm Job Loss in Recessions



Industrial Production



Personal Income less transfers



State of the States—and PDX

Compared with the U.S., the state of Washington was in about the same hole, Seattle was slightly deeper, and Oregon and the Portland Metro area were even moreso. As the table on the next page shows, all four areas had strong employment gains in February. Half of Washington’s over the month gain came in restaurants (+12,900), with smaller gains in health care and staffing services (both +2,500). In Seattle, restaurants (+6,000) also played a big role in the job surge, along with retail trade (+2,400) and construction (+1,900). Oregon, meanwhile, had a huge drop in restaurant employment in December, only partially recovering over the past two months. Two-thirds of the February gain was in restaurants. doing worse. That level of detail wasn’t available for Portland Metro, but it’s likely restaurants played an important role there as well this past month.

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	10,100	6,100	7,000	24,700
February	24,500	14,100	13,900	8,400
Net change	-215,200	-118,300	-153,900	-94,500
Percent	-6.1%	-6.6%	-7.8%	-7.7%

Unemployment in Oregon and Portland was comparable to the U.S., while the state of Washington was 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 11.1 percent.

Month	Monthly Change	
	Not adjusted	SA
March	160	120
April	-4,720	-5,000
May	890	650
June	1,350	970
July	380	490
August	590	360
September	-85	-40
October	195	750
November	285	-110
December	-725	-850
January	-710	-20
February	130	250
Net change	-2,260	
Percent	-7.5%	

The Gorge

Gorge nonfarm employment increased by 250 jobs in February. Note in the table on the left that employment has been quite volatile the last few months, due in part to COVID and changing public health regulations.

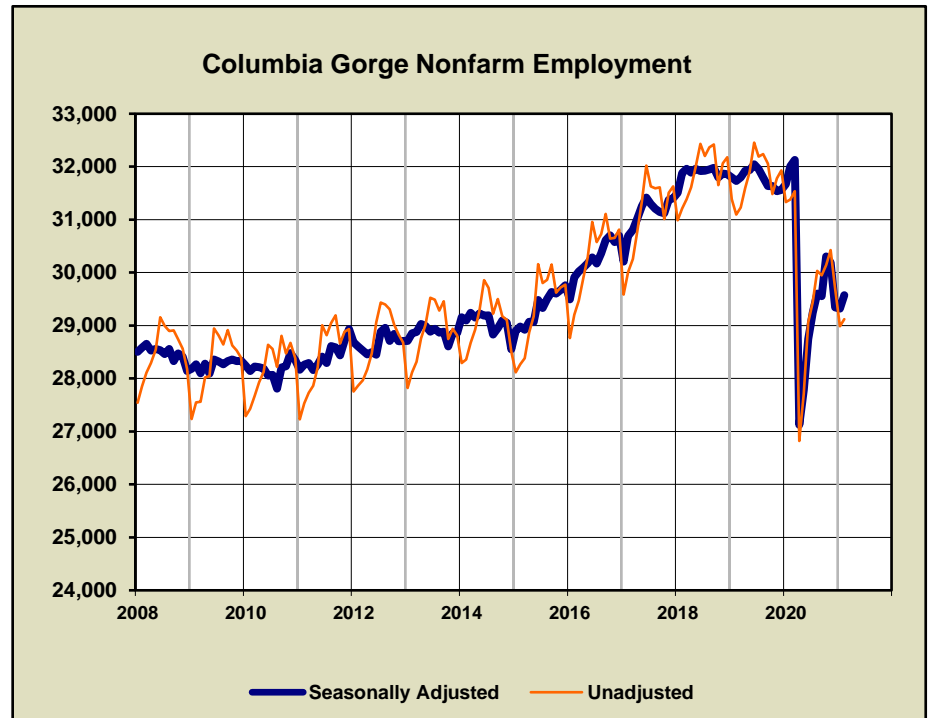
Over the month, unadjusted employment rose by 130 jobs. Two-thirds of the gain was in local government, mostly in K-12 education.

Over the year, total nonfarm employment declined by 2,260 jobs, a loss of 7.5 percent. Percentagewise this was a bit better than Oregon, a bit worse than Washington. The details:

- Mining, logging & construction employed 1,400, slightly lower than last February’s 1,430.
- Manufacturing, with 3,880 jobs, trailed the year-ago figure by 200 jobs, a 5 percent decline.

- Trade, transportation & utilities employment, at 5,290 jobs, was 35 jobs better than last February.
- Professional & business services, which employed 1,940 this month, was 190 jobs/9 percent below last February.
- Education & health services lost 140 jobs over the year (-3 percent), falling to 4,730 jobs.
- Leisure & hospitality employed 3,535, suffered an over-the-year loss of 1,325 jobs, a 27 percent decline.
- All other service industries—including information services, finance and real estate and other services—employed lost 125 jobs over the year (4 percent), falling to 2,560 jobs.
- The improvement this month moved government to 5,785 jobs, which still lagged the year-ago mark by 285 jobs or 5 percent. The loss was concentrated in K-12 education.

The unemployment rate for the Gorge was estimated at 7.1 percent, the same as February and well above the 4.8 percent from a year ago. The very unofficial seasonally-adjusted rate fell half another four tenths of a point to 5.7 percent.



Klickitat Summary

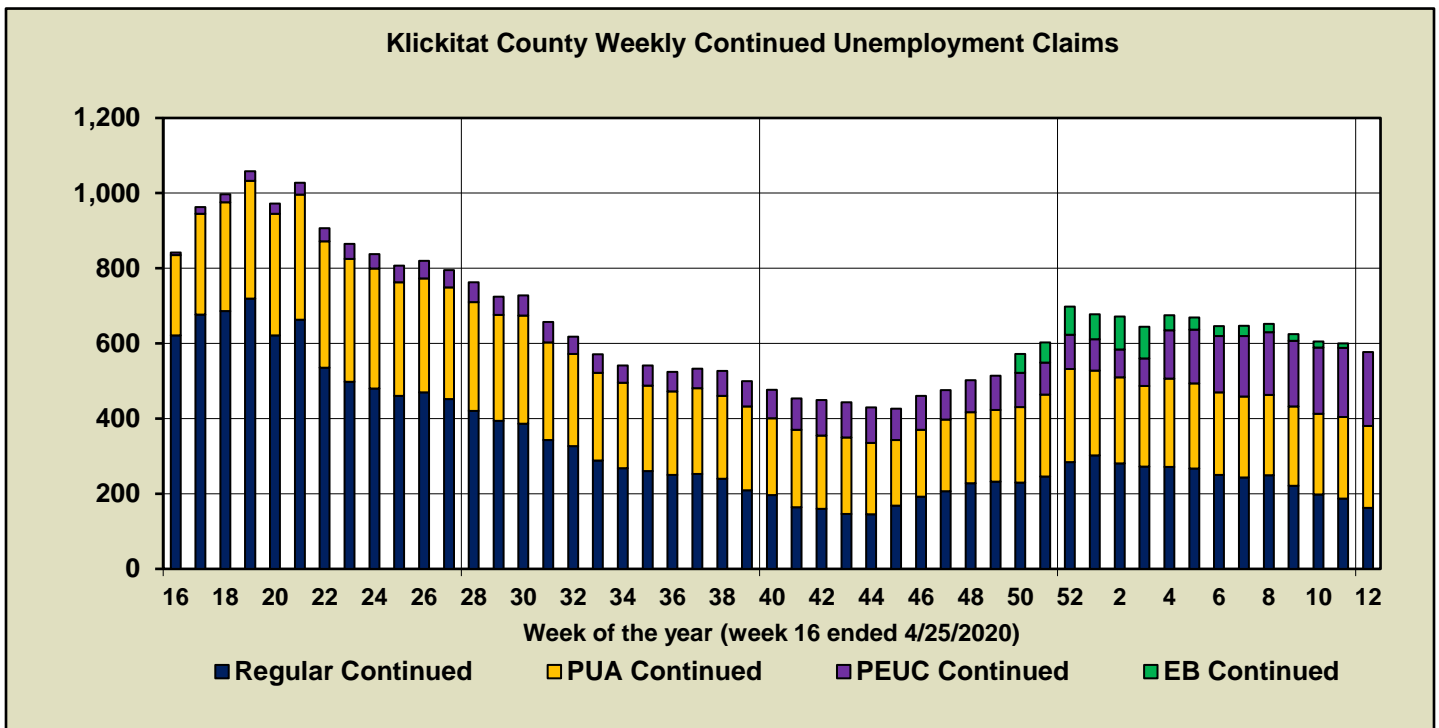
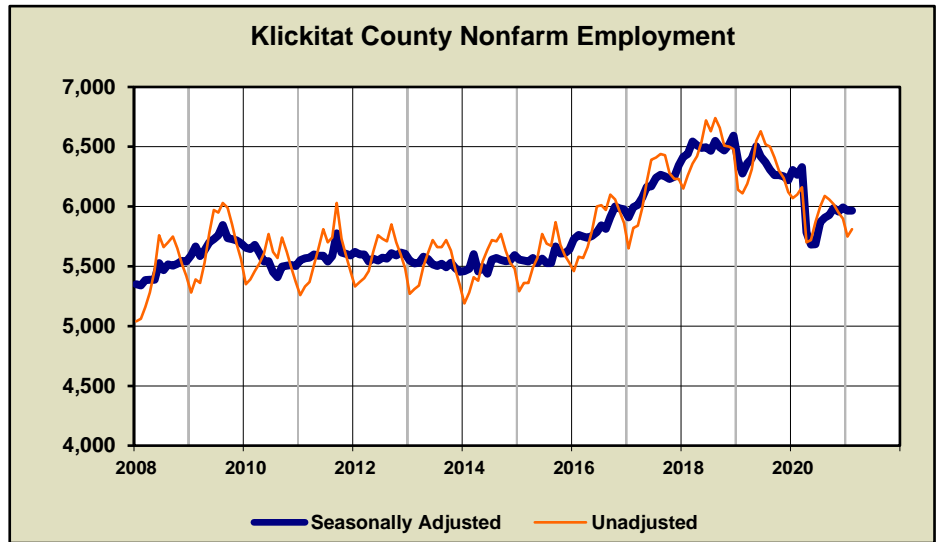
February brought little change to Klickitat County’s labor market outside of normal seasonal trends.

Nonfarm employment rose by 60 jobs, with almost all of the increase in local government (which includes the county, cities, K-12 education and public hospitals).

The total number of jobs stood at 5,810 jobs, 290 fewer than a year earlier (-5 percent). Two industries again accounted for the majority of the over-the-year loss: leisure & hospitality (-100 jobs) and K-12 education (-110 jobs).

The county unemployment rate continued to hover around 7 percent (7.1 percent to be exact), almost the same as the rate from a year earlier. About 710 county residents were jobless and looking for work, only 10 more than last February.

Unemployment claims filed by county residents look to be on a steady downward trend this year. 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) has been effectively phased out. Initial claims have been at relatively low levels the past two weeks—but were still around double what they were last year on the eve of the pandemic.



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

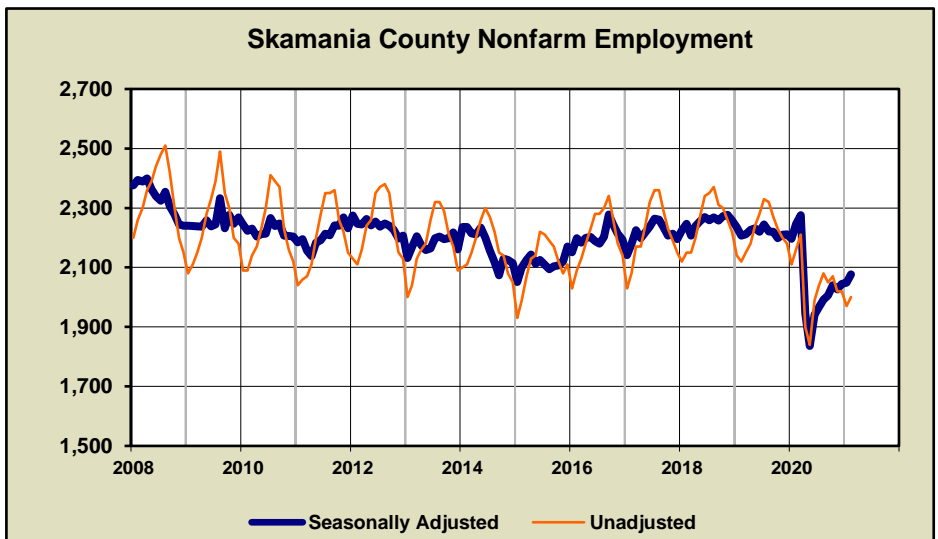
In the latest week, 577 continued claims were filed—still two to three times the normal level from previous years. Manufacturing again had the highest number of claimants (45) followed by accommodations & food services (35) and agriculture (31). The industry was not identifiable for over half (289) of 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 (79), followed by food service workers (69) construction trades (62), transportation and material moving (41), and office workers (39). Again,

over half of the claimants (54 percent) were female (vs. women making up 44 percent of the labor force). A disproportionately high percentage (37 percent) had only a high school diploma, while 23 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 19 percent had a bachelor's or higher degree (vs. 29 percent of the general population). About 14 percent identified as persons of color (primarily Latinx, 8.3 percent, multi-racial, 2.7 percent, Indigenous, 1.5 percent,) somewhat below the adult population (15 percent), except that Indigenous workers over-represented.

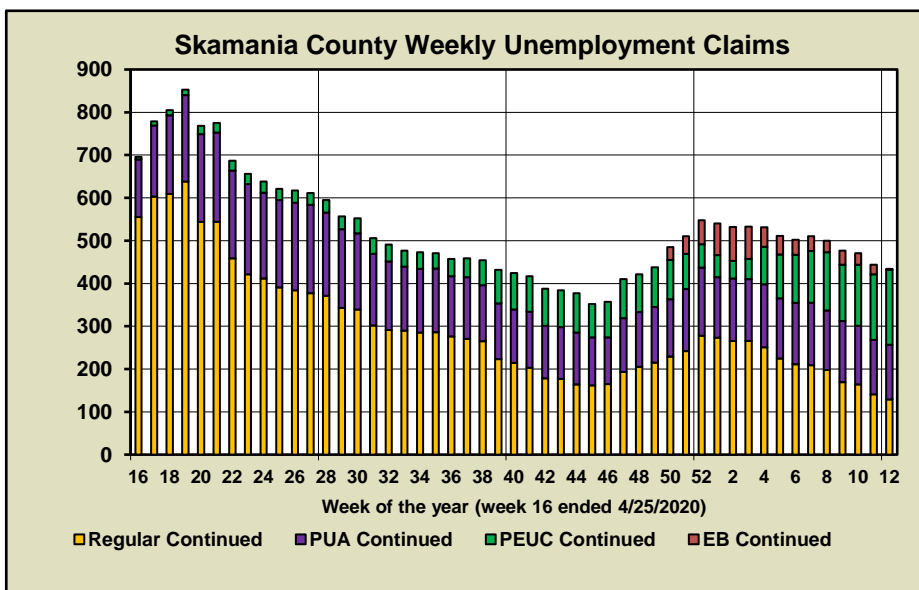
Skamania Summary

February brought a gain of 30 jobs to Skamania County—10 each in construction, manufacturing, accommodations & food services and K-12 education—while other local government agencies employed 10 fewer.

Total employment was estimated at 2,000 jobs, 160 jobs below last February. Accommodations & food services continued to be heavily impacted, with employment dropping 210 jobs over the year to 320 (-40 percent). The rest of the service sector gained 30 jobs, and K-12 education was also at +30. Construction, mining & logging was up 20 over the year, while manufacturing was down 30 jobs.



The county's unemployment rate was estimated at 8.1 percent, a little more than two points higher than last February's 5.9 percent. About 430 county residents were jobless and seeking work, 90 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 at a high level. There were 423 claims filed in the week ending March 27.

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 27, accommodations & food services once again had the highest number of claimants (71) followed by manufacturing (36). The industry was not identifiable for a large number (198) 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 (73 claims) followed by construction trades (41) and managers (34). Females were still disproportionately represented among claimants (56 percent of claimants vs. 47 percent of the workforce). A disproportionately high percentage (38 percent) had only a high

Skamania County Unemployment Claims									
Week Ending	Initial Claims (not additive)				Continued Claims				Total
	Regular	PUA	PEUC	EB	Regular	PUA	PEUC	EB	
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	12	2	2	0	129	128	175	2	434
3/27	15	3	1	0	112	139	171	1	423

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

school diploma, while 25 percent had some college courses under their belt but no degree, 9 percent had an AA degree and 15 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, 6.0 percent, Indigenous, 1.8 percent, multi-racial, 2.8 percent), roughly in line with the adult population demographics, except with Indigenous workers over-represented.