

Grant County Labor Area Summary February 2024



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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 (February 2023 through February 2024) and average annual labor market data changes (between 2022 and 2023).

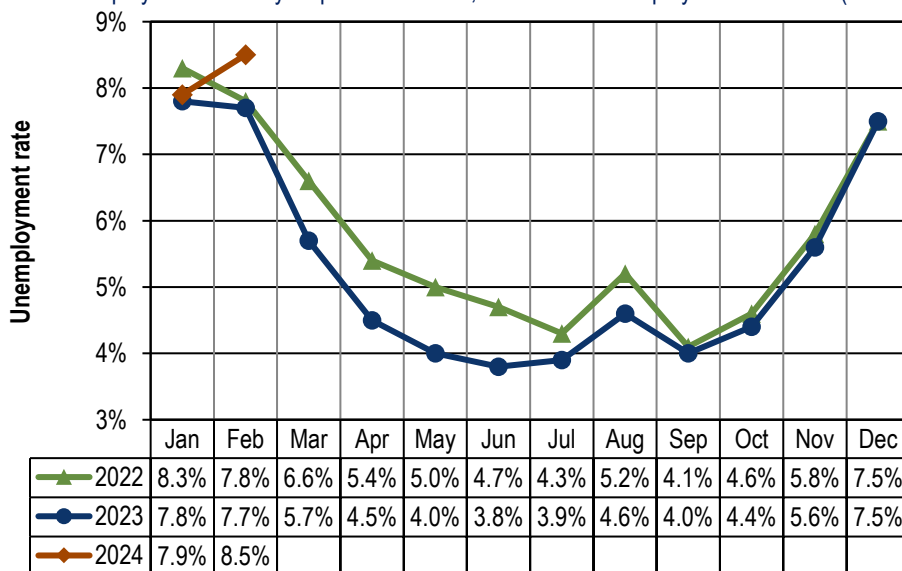
Unemployment rates

Preliminary estimates indicate that Washington’s not seasonally adjusted average annual unemployment rate stabilized at 4.1% in 2022 and 2023. However, the monthly unemployment rate rose from 4.5% in February 2023 to 5.7% in February 2024, an increase of one and two-tenths percentage points.

In Grant County, the average annual unemployment rate declined from 5.7% to 5.2% between 2022 and 2023. This 5.2% unemployment rate in 2023 was the lowest average annual unemployment rate since county-level data began to be recorded electronically in 1990. However, monthly rates started to climb in January of this year and the 8.5% unemployment rate in February 2024 was eight-tenths of a point above the 7.7% reading in February 2023 (*Figure 1*).

Figure 1. Grant County unemployment rates, not seasonally adjusted
 Washington state, January 2022 through February 2024

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



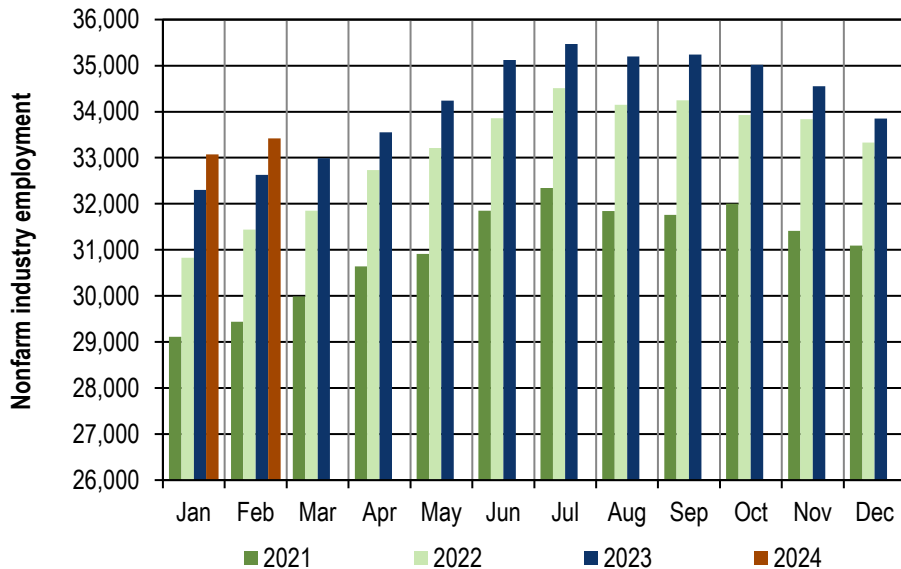
The Grant County unemployment rate increased by eight-tenths of a percentage point from February 2023 to February 2024.

Total nonfarm employment

Between 2022 and 2023, Washington’s labor market netted 71,300 new nonfarm jobs, an average annual increase of 2.0%. Although this 2.0% growth rate in 2023 is good news for Washington’s labor market, it should be noted that the employment increase in 2022 was a more robust 4.7%. On a monthly basis, Washington’s nonfarm market has expanded, year over year, for 35 consecutive months (April 2021 through February 2024). In February 2024, business and government organizations across the state tallied 3,596,900 jobs (not seasonally adjusted) compared with 3,544,900 in February 2023, up by 52,000 jobs and by 1.5% (Figure 4).

Grant County’s nonfarm economy gained 1,020 jobs in 2023, a 3.1% increase, more robust than Washington’s 2.0% job growth rate in 2023, yet more subdued than the County’s 5.4% growth pace in 2022. Recent estimates indicate that total nonfarm employment countywide rose by 790 jobs, a 2.4% advance between February 2023 (32,630 jobs) and February 2024 (33,420 jobs) as shown in Figures 2 and 3.

Figure 2. Grant County nonfarm industry employment, not seasonally adjusted
Washington state, January 2021 through February 2024
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Nonfarm employment in Grant County rose by 790 jobs between February 2023 and February 2024.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. On a monthly basis, Washington’s labor force has been posting year-over-year growth for 33 months (June 2021 through February 2024). However, growth rates have been slowing. In February 2024 Washington’s CLF inched upwards to 4,027,517 residents, a 4,026-resident and marginal 0.1% upturn above the 4,023,491 residents in the labor force back in February 2023.

Grant County’s CLF virtually stagnated between 2022 and 2023, averaging 48,736 residents in the labor force in 2022 and 48,712 in 2023. During the twelve months from January through December 2023, the size of Grant County’s labor force vacillated (i.e., it registered year-over-year gains in six months but incurred year-over-year losses in the other six). But year over year, the CLF grew modestly in January and February 2024. This February there were 566 more residents in Grant County’s labor force than in February 2023, a 1.2% increase (Figure 3). On the downside, the number of unemployed residents climbed from 3,607 in February 2023 to 4,045 this February, an appreciable 12.1% upturn (Figure 3). This large year-over-year

increase in the number of unemployed overpowered the modest expansion in the labor force and pushed the County's unemployment rate up to 8.5% in February 2024 over the 7.7% reading in February 2023.

Figure 3. Grant County labor force and industry employment, not seasonally adjusted

Washington state, February 2024

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

Grant County	Preliminary Feb-24	Revised Jan-24	Revised Feb-23	Change (in #)		Change (in %)
				Jan-24	Feb-23	Feb-23
				Feb-24	Feb-24	Feb-24
Labor force and unemployment						
Civilian labor force	47,645	46,803	47,079	842	566	1.2%
Resident employment	43,600	43,093	43,472	507	128	0.3%
Unemployment	4,045	3,710	3,607	335	438	12.1%
Unemployment rate	8.5	7.9	7.7	0.6	0.8	
Industry employment						
Total nonfarm ¹	33,420	33,070	32,630	350	790	2.4%
Total private	24,430	24,260	23,920	170	510	2.1%
Goods producing	6,090	6,010	6,140	80	-50	-0.8%
Mining, logging and construction	1,880	1,810	1,930	70	-50	-2.6%
Manufacturing	4,210	4,200	4,210	10	0	0.0%
Durable goods	1,400	1,410	1,510	-10	-110	-7.3%
Nondurable goods	2,810	2,790	2,700	20	110	4.1%
Service providing	27,330	27,060	26,490	270	840	3.2%
Trade, transportation and utilities	6,860	6,910	6,620	-50	240	3.6%
Wholesale trade	2,160	2,170	2,050	-10	110	5.4%
Retail trade	3,480	3,510	3,450	-30	30	0.9%
Transportation, warehousing and utilities	1,220	1,230	1,120	-10	100	8.9%
Information and financial activities	1,570	1,570	1,520	0	50	3.3%
Professional and business services	3,180	3,150	3,000	30	180	6.0%
Education and health services	3,240	3,170	3,230	70	10	0.3%
Leisure and hospitality	2,900	2,850	2,820	50	80	2.8%
Government	8,990	8,810	8,710	180	280	3.2%
Federal government	720	720	710	0	10	1.4%
State and local government	8,270	8,090	8,000	180	270	3.4%
State and local government education	4,130	3,920	3,890	210	240	6.2%
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 33,420 jobs in February 2024, a 2.4% expansion since February 2023.

Nonfarm industry employment

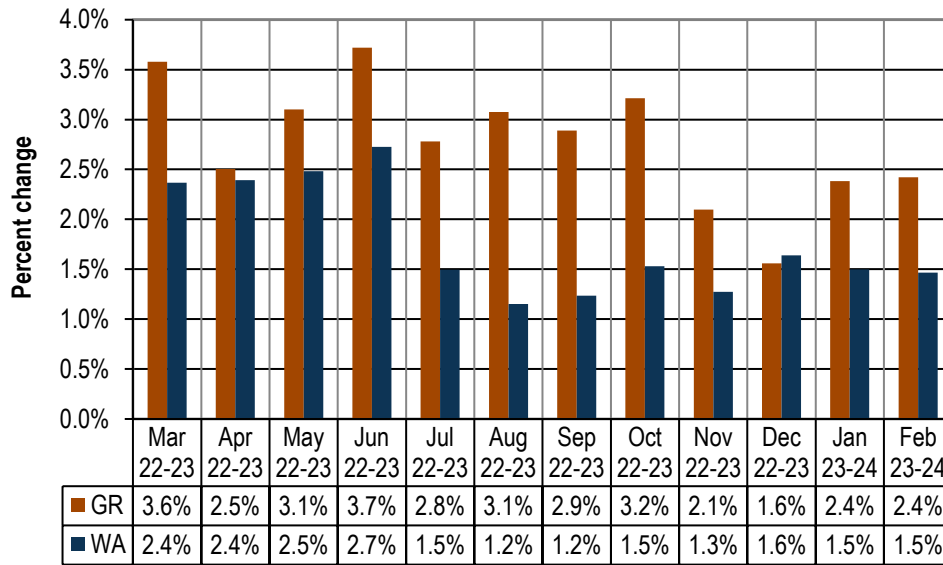
Preliminary February 2024 Current Employment Statistics (CES) estimates for the Grant County economy are upbeat. These estimates indicate job losses between the Februaries of 2023 and 2024 in construction and in durable goods manufacturing, but the losses were more than countered by hiring in wholesale trade;

retain trade; transportation, warehousing and utilities; information and financial activities; professional and business services; leisure and hospitality; and state and local government (Figure 3). The result was a 790-job and 2.4% upturn in total nonfarm employment. Washington’s job growth pace between the Februarys of 2023 and 2024 was 1.5%. In fact, in 11 of the past 12 months (March 2023 through February 2024), year-over-year job growth rates have been more robust in Grant County than in Washington state (Figure 4).

Figure 4. Grant County and Washington total nonfarm employment changes

Washington state, March 2023 through February 2024

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



Year over year, nonfarm employment in Grant County has grown for the past 35 months (April 2021 through February 2024). Washington’s nonfarm job market has also expanded for 35 consecutive months.

Comments reference employment trends between the Februarys of 2023 and 2024 for three local industries: durable goods manufacturing, professional and business services, and state and local government education as explored in more detail in the following paragraphs:

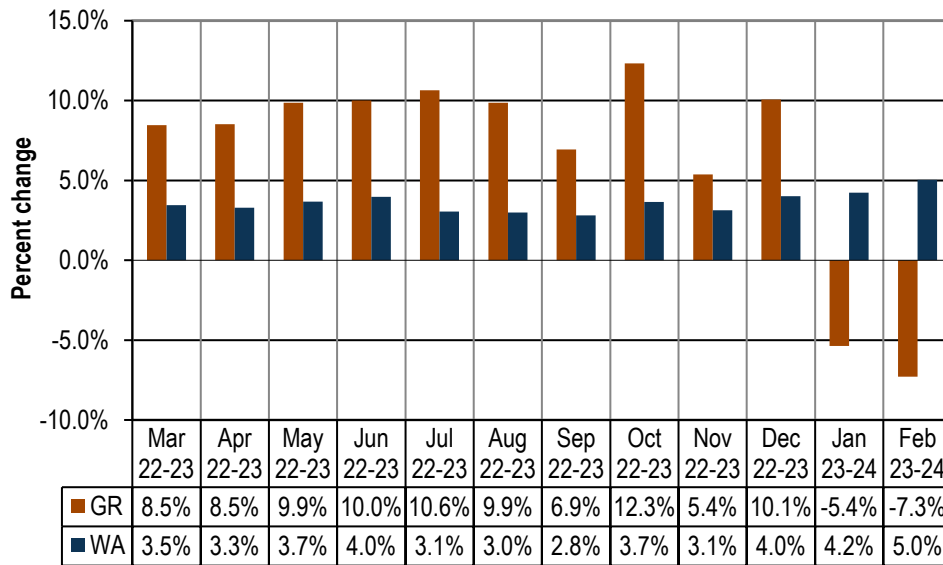
- There have been some “bumps in the road” for Grant County’s *durable goods* manufacturers (i.e., chemical manufacturing, nonmetallic mineral product manufacturing, fabricated metal product manufacturing, etc.) over the last several years. In 2017 this industry averaged 2,020 jobs, but:
 - In 2018 this number dropped to 1,870 in 2018, a 150-job and -7.4% abatement.
 - In 2019 durable goods manufacturing decreased to 1,760, a 110-job and -5.9% decline.
 - In 2020 this industry averaged only 1,460 jobs, an appreciable 300-job and -17.0% loss.
 - In 2021 durable goods manufacturing ebbed to 1,390, a 70-job and -4.8% contraction.

Fortunately, this four-year employment “slump” in Grant County’s *durable goods* manufacturing sector may have ended. In 2022 durable goods manufacturers tallied 1,420 jobs, a modest 30-job and 2.2% upturn. Last year (in 2023) durable goods manufacturers provided 1,550 jobs, a strong 130-job and 9.2% expansion. However, preliminary estimates indicate that local durable goods manufacturers tallied 1,400 jobs this February versus 1,510 in February 2023, a loss of 110 jobs and a -7.3% downturn (Figure 3). In fact, estimates indicate that Grant County’s durable goods manufacturers saw employment retrench in both January and February of 2024 (Figure 5) - following

14 months of expansion (November 2022 through December 2023). This will be an interesting employment trend to watch in forthcoming months.

Employment with Washington's durable goods manufacturers has expanded, year over year, for 26 months (January 2022 through February 2024). Between February 2023 and February 2024, the number of durable goods manufacturing jobs statewide increased by 5.0% (Figure 5) and by 9,300 jobs, advancing from 184,600 jobs to 193,900. Growth in this sector was due primarily to hiring in Washington's aerospace product and parts manufacturing industry, in which employment jumped from 74,400 jobs in February 2023 to 82,400 jobs this February, a robust 8,000-job and 10.8 percent upturn.

Figure 5. Grant County and Washington, durable goods manufacturing job changes Washington state, March 2023 through February 2024
Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, nondurable goods manufacturing employment in Grant County sank in November and December 2023. Washington's nondurable goods manufacturing employment has retrenched from July through December 2023.

- Employment growth in Grant County's professional and business services industry has been remarkable (Figure 6). Professional and business services is a diverse category including firms which provide legal services, accounting and bookkeeping services, architectural and engineering services, computer systems design, management of companies and organizations, employment services, etc. Of course, one of the preeminent employers in the local professional and business services industry is Boeing. According to a 13 April 2023 *Columbia Basin Herald* article entitled *Boeing at home in Grant County*, “Boeing employs around 850 in Moses Lake.” The article also states: “According to data from the Grant County Economic Development Council, that makes Boeing the largest private employer in Grant County and the county’s second-largest employer overall.” In 2019 this industry averaged 2,330 jobs countywide, but:
 - In 2020 this number rose to 2,490, a 160-job and 6.9% increase.
 - In 2021 professional and business services increased to 2,520, a 30-job and 1.2% upturn.
 - In 2022 employment in this industry jumped to 2,970 jobs, an appreciable 450-job and 17.9% increase.

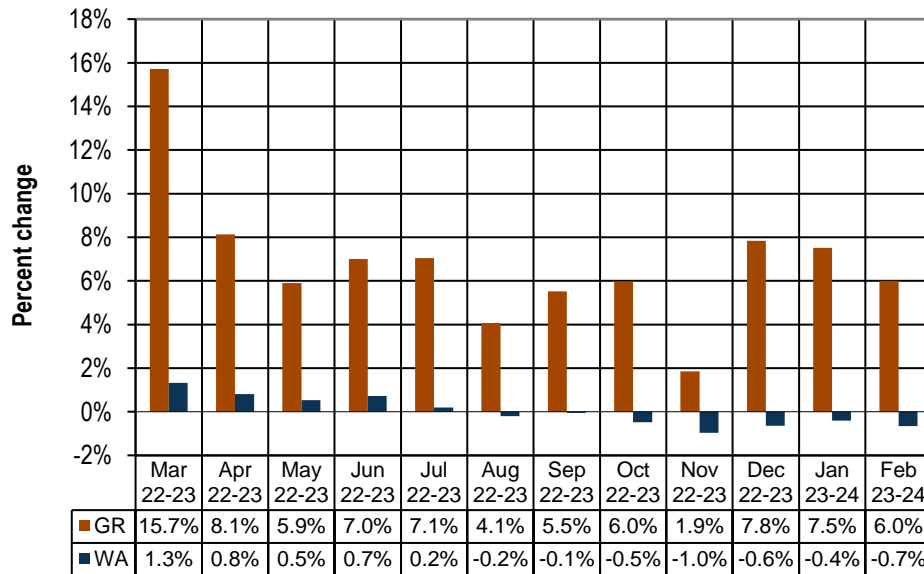
- In 2023 professional and business services averaged 3,210 jobs, a 240-job and 8.1% expansion.

Between February 2023 and February 2024, the number of local professional and business services jobs advanced from 3,000 to 3,180 respectively, a 180-job and 6.0% increase (*Figure 3*).

Washington's professional and business services industry has contracted for seven consecutive months (August 2023 through February 2024). Current estimates indicate that Washington's professional and business services employers tallied 540,100 jobs in February 2024 a -0.7% downturn from the 543,700 jobs tallied in February 2023 (*Figure 6*). On the positive side, architectural and engineering services lengthened payrolls by 2,300 jobs (up 5.9%) between the Februaries of 2023 and 2024, from 39,200 jobs to 41,500, respectively. Conversely, Washington's employment services firms (which includes temporary help agencies) saw employment decline from 54,500 jobs in February 2023 to 50,200 in February 2024, a substantial 4,300-job and -7.9% retrenchment. The U.S. Department of Commerce has stated that "the temporary help services industry tends to be a leading indicator of employment and fluctuates with the business cycle."

Figure 6: Grant County and Washington, professional and business services employment changes Washington state, March 2023 through February 2024

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



Year over year, employment in Grant County's professional and business services industry has expanded for 26 consecutive months (January 2022 through February 2024). Washington's professional and business services industry has contracted for seven consecutive months (August 2023 through February 2024).

- 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 34 months (May 2021 through February 2024). Also, from March 2023 through February 2024, year over year growth rates in state and local government education in Grant County have been greater than growth rates in Washington state. Current estimates indicate that state and local government education institutions throughout Grant County provided 4,130 jobs in February 2024 compared with 3,890 in February 2023, a robust 240-job and 6.2% increase (*Figure 3*).

Across Washington, state and local government education employment has increased in each of the past 34 months (May 2021 through February 2024). State and local government education statewide

elevated from 252,700 jobs in February 2023 to 255,500 in February 2024, a 2,800-job and 1.1% upturn – less rapid than the 6.2% growth pace in Grant County.

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) period, 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 period, 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>