

Grant County Labor Area Summary March 2024



Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Kittitas County WorkSource, 510 N. Pine Street, Ellensburg, WA 98926
 Phone: 509-607-3267
 Email: don.meseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

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

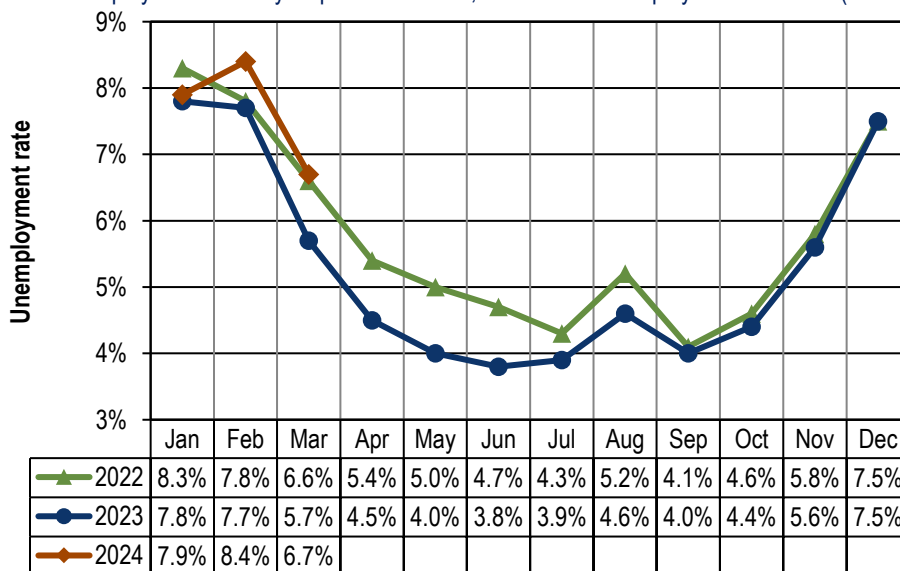
Unemployment rates

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 4.1% in March 2023 to 5.1% in March 2024, an upturn of one percentage point.

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, year over year, in January 2024. The 6.7% unemployment rate in March 2024 was one full percentage point above the 5.7% reading in March 2023 (*Figure 1*).

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

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



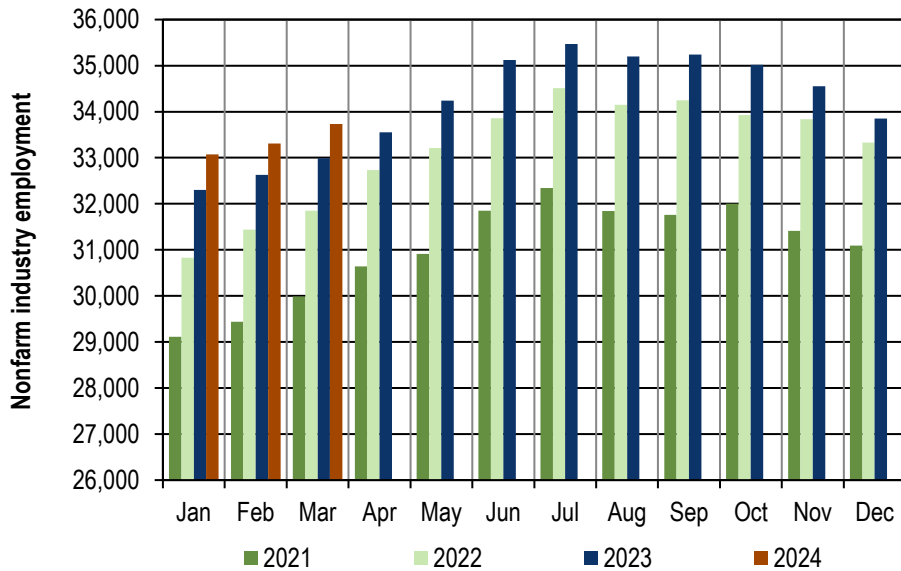
The Grant County unemployment rate increased by one percentage point from March 2023 to March 2024.

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 average annual increase in 2022 was a more robust 4.7%. Year over year, Washington’s nonfarm market has expanded for 36 consecutive months (April 2021 through March 2024). In March 2024, business and government organizations across the state tallied 3,619,200 jobs (not seasonally adjusted) compared with 3,561,400 in March 2023, up by 57,800 jobs and by 1.6% (*Figure 4*).

Grant County’s nonfarm economy gained 1,020 jobs in 2023, a 3.1% increase. This is more robust than Washington’s 2.0% job growth rate in 2023, yet more subdued than the County’s 6.9% growth pace in 2022. Year over year, nonfarm employment in Grant County has grown for the past 36 months (April 2021 through March 2024). Recently, total nonfarm employment countywide rose by 740 jobs, a 2.2% advance between March 2023 (32,990 jobs) and March 2024 (33,730 jobs), as shown in *Figures 2 and 3*.

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



Nonfarm employment in Grant County rose by 740 jobs between March 2023 and March 2024.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. Year over year, Washington’s labor force expanded for 32 consecutive months (June 2021 through January 2024), before stagnating in February 2024, and retrenching in March 2024. Specifically, this March there were only 4,003,685 Washington residents in the CLF versus 4,025,445 in March 2023, a -0.5% contraction.

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 year over year (i.e., generally posting CLF gains in the first half of 2023 while showing year-over-year CLF losses in the second half of the year). However, the local labor force expanded in each month of the first quarter of 2024. This March there were 814 more residents in Grant County’s labor force than in March 2023, a 1.7% increase (*Figure 3*). On the downside, the number of unemployed residents climbed from 2,706 in March 2023 to 3,211 this March, an appreciable 18.7% 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 6.7% in March 2024, over the 5.7% reading in March 2023.

Figure 3. Grant County labor force and industry employment, not seasonally adjusted
Washington state, March 2024

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

Grant County	Preliminary Mar-24	Revised Feb-24	Revised Mar-23	Change (in #)		Change (in %)
				Feb-24	Mar-23	Mar-23
				Mar-24	Mar-24	Mar-24
Labor force and unemployment						
Civilian labor force	48,007	47,430	47,193	577	814	1.7%
Resident employment	44,796	43,467	44,487	1,329	309	0.7%
Unemployment	3,211	3,963	2,706	-752	505	18.7%
Unemployment rate	6.7	8.4	5.7	-1.7	1.0	
Industry employment						
Total nonfarm ¹	33,730	33,310	32,990	420	740	2.2%
Total private	24,710	24,460	24,260	250	450	1.9%
Goods producing	6,300	6,130	6,280	170	20	0.3%
Mining, logging and construction	2,050	1,890	2,040	160	10	0.5%
Manufacturing	4,250	4,240	4,240	10	10	0.2%
Durable goods	1,410	1,400	1,540	10	-130	-8.4%
Nondurable goods	2,840	2,840	2,700	0	140	5.2%
Service providing	27,430	27,180	26,710	250	720	2.7%
Trade, transportation and utilities	6,840	6,860	6,700	-20	140	2.1%
Wholesale trade	2,180	2,160	2,090	20	90	4.3%
Retail trade	3,510	3,480	3,470	30	40	1.2%
Transportation, warehousing and utilities	1,150	1,220	1,140	-70	10	0.9%
Information and financial activities	1,560	1,540	1,540	20	20	1.3%
Professional and business services	3,180	3,180	3,020	0	160	5.3%
Education and health services	3,300	3,240	3,280	60	20	0.6%
Leisure and hospitality	2,940	2,900	2,840	40	100	3.5%
Government	9,020	8,850	8,730	170	290	3.3%
Federal government	720	710	710	10	10	1.4%
State and local government	8,300	8,140	8,020	160	280	3.5%
State and local government education	4,130	3,980	3,890	150	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 33,730 jobs in March 2024, a 2.2% expansion since March 2023.

Nonfarm industry employment

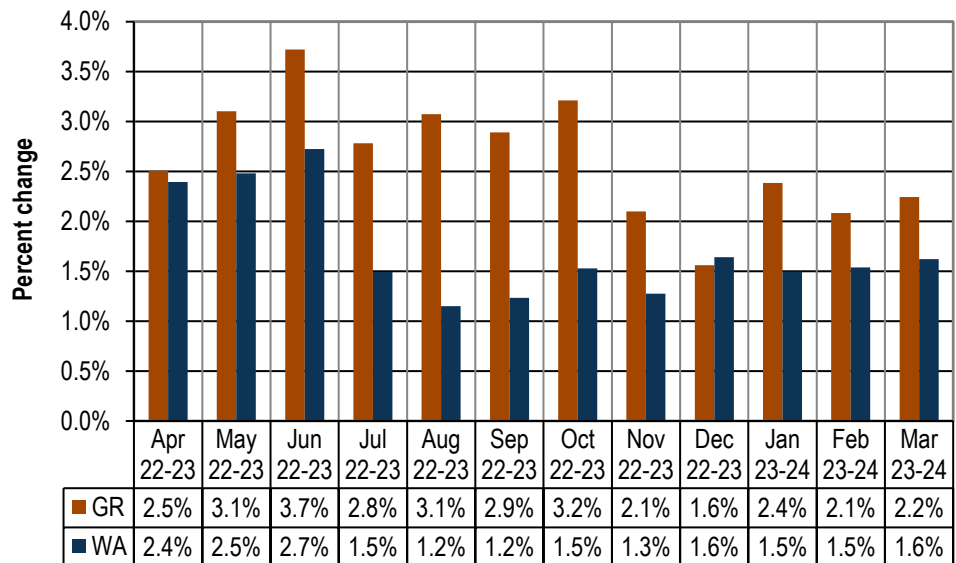
Preliminary March 2024 Current Employment Statistics (CES) estimates for the Grant County economy are upbeat. Although these estimates indicated a 130-job loss between the Marches of 2023 and 2024 in

durable goods manufacturing (Figure 3), all other major industries added jobs during this time. Hence this backsliding in the local durable goods manufacturing sector was more than countered by hiring in wholesale and retail trade; transportation, warehousing and utilities; information and financial activities; professional and business services; leisure and hospitality; and state and local government education (Figure 3). The result was a 740-job and 2.2% upturn in total nonfarm employment in Grant County. Washington’s job growth pace between the Marches of 2023 and 2024 was 1.6%. In fact, in each of the past 12 months (April 2023 through March 2024), year-over-year job growth rates in Grant County have been equal to, or greater than, growth rates across Washington state, as shown in Figure 4.

Figure 4. Grant County and Washington total nonfarm employment changes

Washington state, March 2023 through March 2024

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



Year over year, nonfarm employment in Grant County has grown for the past 36 months (April 2021 through March 2024). Washington’s nonfarm job market has also expanded for 36 consecutive months - at more modest growth rates.

Comments reference employment trends between March 2023 and March 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:

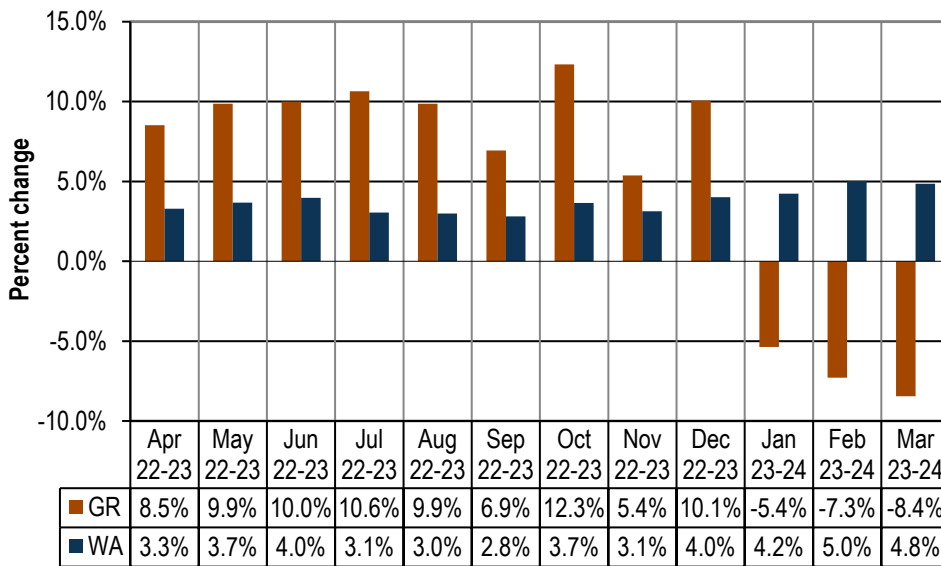
- There have been some “bumps in the road” for Grant County’s durable goods manufacturers (i.e., chemical manufacturing, nonmetallic mineral product manufacturing, fabricated metal product manufacturing, etc.) over the last several years. In 2017 this industry averaged 2,020 jobs, but:
 - In 2018 this 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, Current Employment Statistics (CES) estimates indicate that Grant

County's durable goods manufacturers saw employment retrench in the past three months (January through March 2024, as shown in *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 27 months (January 2022 through March 2024). Between March 2023 and March 2024, the number of durable goods manufacturing jobs statewide increased by 4.8% (*Figure 5*) and by 9,000 jobs, advancing from 185,600 jobs to 194,600. Growth in this sector was due primarily to hiring in Washington's aerospace product and parts manufacturing industry, in which employment jumped from 74,900 jobs in March 2023 to 82,900 jobs this March, a strong 8,000-job and 10.7 percent upturn.

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



Year over year, Grant County's durable goods manufacturers lost jobs in the past three months (January through March 2024) following 14 months of growth (November 2022 through December 2023). Employment at Washington's durable goods manufacturers has expanded for 27 months (January 2022 through March 2024).

- 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.

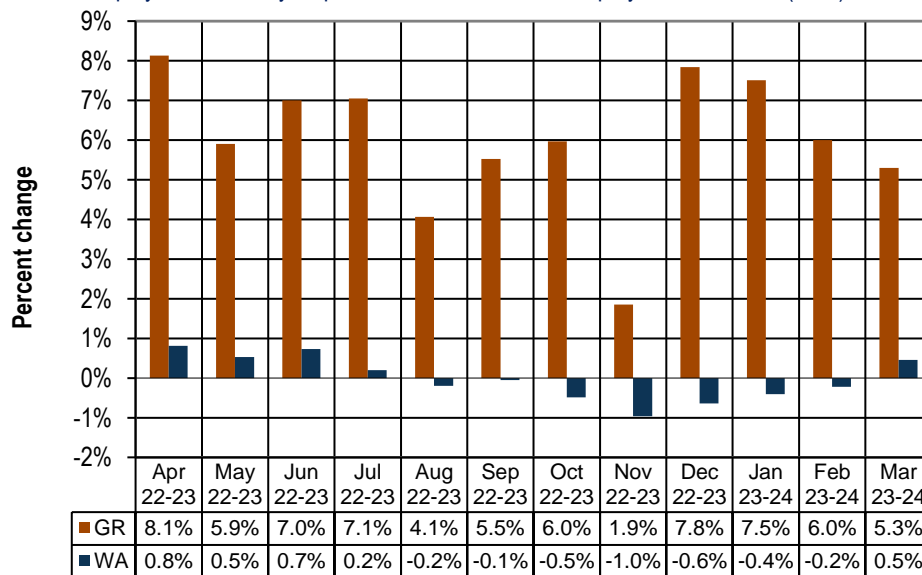
- In 2022 employment in this industry jumped to 2,970 jobs, an appreciable 450-job and 17.9% increase.
- In 2023 professional and business services averaged 3,210 jobs, a 240-job and 8.1% expansion.

Between March 2023 and March 2024, the number of local professional and business services jobs continued to expand, rising from 3,020 to 3,180 respectively, a 160-job and 5.3% increase (*Figure 3*).

Washington's professional and business services employment contracted from August 2023 through February 2024 before rebounding by 0.5% in March 2024. CES estimates indicate that Washington's professional and business services employers tallied 543,800 jobs in March 2023 versus 546,300 March 2024, a 2,500-job and 0.5% upturn (*Figure 6*). Within this professional and business services category, architectural and engineering services lengthened payrolls by 2,700 jobs (up 6.9%) between the Marches of 2023 and 2024, from 39,300 jobs to 42,000. Conversely, Washington's employment services firms (which includes temporary help agencies) saw employment decline from 54,100 jobs in March 2023 to 49,700 this March, a substantial 4,400-job and -8.1% 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, April 2023 through March 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 27 consecutive months (January 2022 through March 2024). Washington's professional and business services employment contracted from August 2023 through February 2024 before bouncing back by 0.5 percent in March 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 increased for 35 months (May 2021 through March 2024). Also, from April 2023 through March 2024 (i.e., in the past 12 months), year over year growth rates in state and local government education in the County have been more rapid than growth rates across Washington state. Current estimates indicate that state and local government education institutions throughout Grant County provided 4,130 jobs in March 2024 compared with 3,890 in March 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 six months (October 2023 through March 2024). State and local government education statewide elevated from 253,400 jobs in March 2023 to 257,200 in March 2024, a 3,800-job and 1.5% 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>