



WIRED Region

Labor Market News

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WIRED Region Update

In summary

Slow.

Unemployment

Unemployment, as officially measured, was unchanged in the WIRED region.

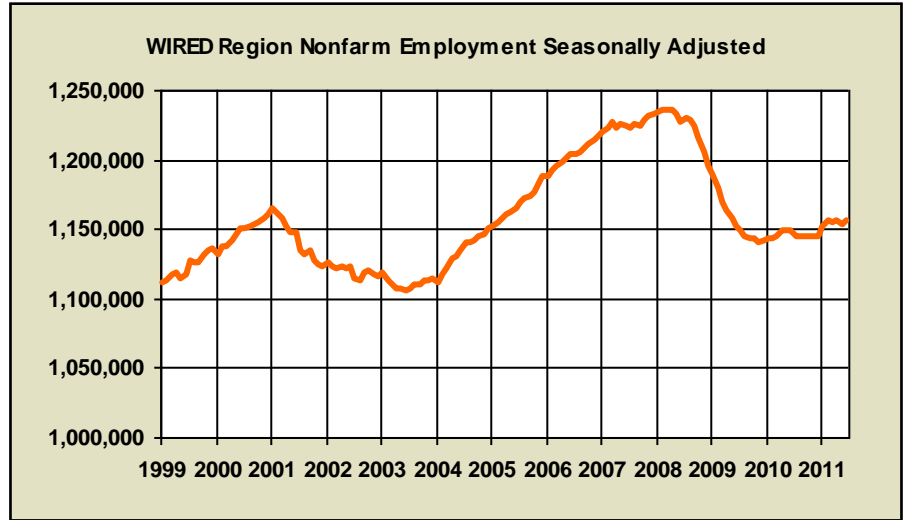
- Note: the preliminary unemployment rate in Portland (and by extension, the WIRED region) has been revised upward a few tenths of a point every month the past few months. May's rate was bumped up two tenths of a point.
- As a result, the May WIRED rate was revised up to 9.3 percent. The June rate was up a tenth of a point, following the state and national trend. If the pattern continues, it will be revised upward to about 9.5 percent, about a point lower than a year ago. Salem and Portland were both up a tenth of a point.
- The disconnect between the estimate of employed individuals and the number of nonfarm jobs continues. The former is up 1.7 percent over the year, the latter only 0.6 percent.
- On an unadjusted basis, rates were generally lower than a year ago by one percentage point or less.

June 2011 Unemployment Rates			
	June 2011	May 2011	June 2010
Seasonally Adjusted:			
U.S.	9.2	9.1	9.5
Washington	9.2	9.1	9.5
Oregon	9.4	9.3	10.8
WIRED Region	9.4	9.3	10.5
Portland Metro (PDX)	9.0	9.0	10.5
Salem Metro	9.7	9.6	10.8
Unadjusted:			
U.S.	9.3	8.7	9.6
Washington	9.3	9.0	9.4
Oregon	9.7	9.0	10.7
WIRED Region	9.4	9.1	10.6
PDX	9.2	8.9	10.5
Clark	9.9*	12.7	13.1
Cowlitz	12.2	11.8	12.5
Wahkiakum	12.4	12.2	12.9
Clackamas	9.3	8.3	10.2
Columbia	11.1	9.8	12.2
Multnomah	9.2	8.2	10.1
Washington	8.3	7.3	9.1
Yamhill	9.7	8.9	10.9
Salem MSA	10.0	9.5	10.6
*Likely to be revised substantially upward.			

Nonfarm employment—seasonally-adjusted

After strong growth in January and February, WIRED region nonfarm employment has flat-lined.

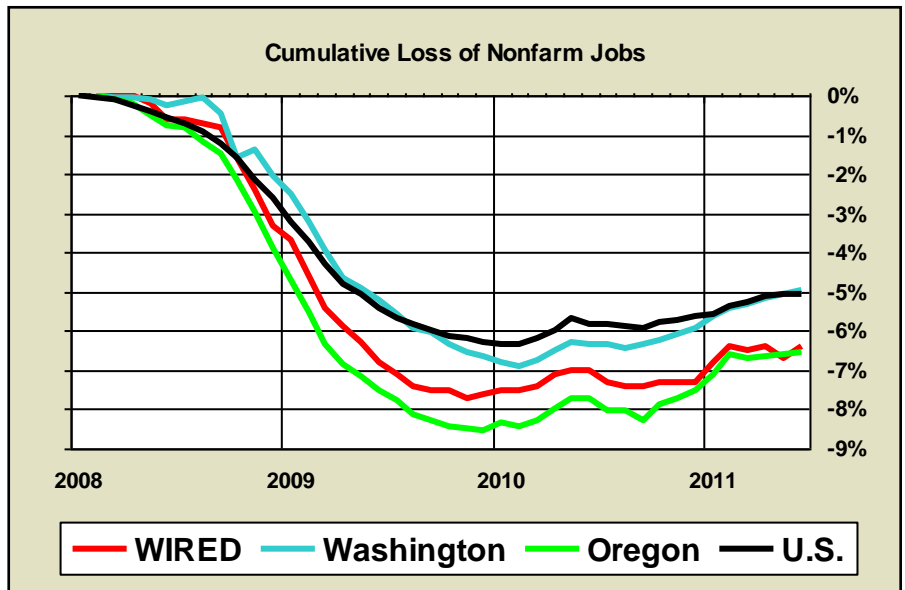
The preliminary May estimate was revised downward to -3,200 jobs, but June (if the preliminary estimates hold, see below) saw most of the loss made up. Seasonally-adjusted employment was about 200 jobs above February. In the past year, the region has gained 6,900 jobs, a 0.6 percent increase. However, there were about 2,600 temporary Census jobs last June; adjusting those out puts the over-the-year numbers at 9,500 jobs, or 0.8 percent growth. Going back to the beginning of the meltdown, the region is still **79,500 jobs in the hole—a 6.4 percent loss.**



In comparison:

- The U.S. was down 6.9 million jobs (-5.0 percent) from its peak.
- Oregon has declined by 113,700 (-6.5 percent).
- Washington has dropped by 146,800 jobs (-4.9 percent).

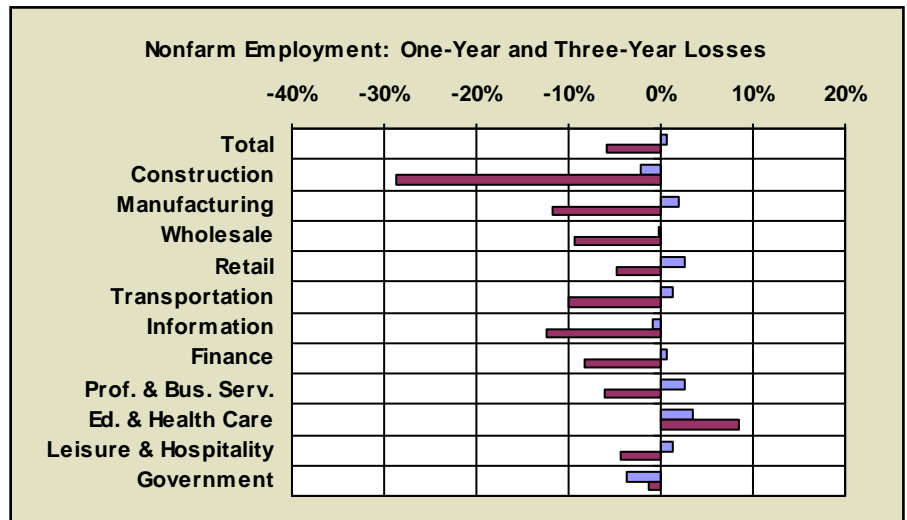
Of course, these deficits do not take into account population growth over the past three years. At a roughly one percent increase per year, add three percentage points to get an approximate measure of the population-adjusted jobs deficit.



Monthly recap

The region added 3,100 jobs in June, 3,000 jobs above the usual seasonal trend. However, two industries—health care and leisure & hospitality—had gains that were well out of line with recent history, raising questions about the accuracy of the preliminary estimates.

- Construction added 800 jobs, well below seasonal trend.
- Manufacturing added 2,100 jobs. While some were seasonal hires, this was the second-best June of the past decade for the region.
- Wholesale trade had a weak month, losing 300 jobs.
- Retail trade added a mediocre 600 jobs.
- Transportation services slipped by 100 jobs.
- Information services was off by 200 jobs.
- Banking, insurance and real estate was up 500 jobs, a bit above average.
- Professional services rose by 500, a good month.
- Business services followed the seasonal trend by adding 1,500 jobs.
- Private education dropped by 3,100 jobs (close to typical layoffs heading into summer).
- Health care added 1,100, well above the usual for the month, and likely to be revised downward.
- The same looked to be true for leisure & hospitality, where 4,300 was well beyond the high for June for the past decade.
- Finally, government payrolls fell by 3,900, due to seasonal layoffs in education.

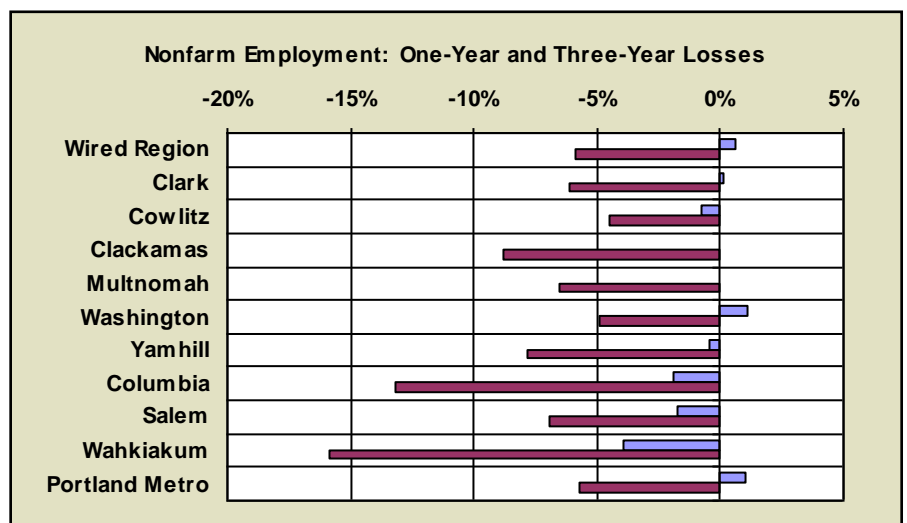


County-level employment—not seasonally-adjusted

The chart to the above right shows employment losses by county over the past year and three years (June 2010 to June 2011, and June 2008 to June 2011).

Portland Metro, particularly Washington County, is driving job growth in the WIRED region.

The region as a whole has lost almost 6 percent of its employment base over the past three years. Most of the counties are close to this average, with Wahkiakum and Columbia as the outliers.



Industry trends—not seasonally adjusted

Industry trends over the last three years remain much the same. Construction was still at -29 percent compared with three years ago. Manufacturing was up 2,400 jobs compared with a year ago (almost evenly split between Washington and Multnomah counties), and was 12 percent in the hole over the three-year stretch. Most other sectors are close to -10 percent. Health care was still in the plus column, but government now employs fewer than three years ago. Over the past year, more industries have moved into the plus column. The strongest are health care, professional & business services, retail, transportation, and manufacturing; the weakest, government and construction.

Housing

Housing permits for the first six months of the year are running slightly below last year's pace. Housing prices, as measured by the Case-Shiller index, showed little change nationally after seasonal adjustment, and fell slightly in Portland. Prices have fallen by 9 percent in Portland and 7 percent in Seattle over the past year.

