County job count above 2007 levels

Recovery from Great Recession speeding up, economist says

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Clark County reached a major milestone in its economic progress in October, as revised employment estimates released Tuesday show, finally completing its recovery of all 10,000 jobs it lost to the Great Recession. Meanwhile, the county continues to rev its engine, generating 5,500 jobs in the past 12 months through January — an annualized growth rate of 4.2 percent. That's double Washington's overall annualized growth rate of 2.1 percent. As of January, Clark County had 1,000 more jobs than it did before the start of the recession. Those figures illustrate the sunny sides of the county's economic rehabilitation. However, six years after the global financial collapse paralyzed markets, caused rampant unemployment and cast a planet-size shadow over people's livelihoods, the gloomy corners aren't hard to find.

That's partly because the overall job recovery hasn't matched population growth of roughly 1 percent each of the past six years, which has increased the number of people looking for work, according to an analysis by Scott Bailey, regional labor economist for the state Employment Security Department. Take that annual population growth and couple it with normal labor force participation rates — as Bailey did — and you come up with this sobering conclusion: The county needs at least 5,000 more jobs to approach pre-recession labor market conditions.

Another corner of cheerlessness: Bailey's analysis of hours worked and wage growth in Clark County, which showed the county had in September, recovered all of the jobs it lost in the '08-'09 recession. Bailey said, referring to the county's brisk growth rate, "so that's certainly good news."

County needs at least 5,000 more jobs to return to the labor market conditions before the recession began in 2008, Bailey said. And while the county has
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Trends over the past six years indicate a shift toward more part-time, rather than full-time, jobs in Clark County. It's unclear what's behind the rearrangement. Employers might be cutting hours. Or people could be grabbing part-time work because it's the only thing available.

"We do know that there are more part-time jobs than there were, so that's not as good as we would like," Bailey said in a phone interview Tuesday. "But it's still very positive that we've got that strong job growth."

Meanwhile, the county is seeing fewer jobs in most hourly wage ranges, according to Bailey's analysis, especially at the top of the scale, where jobs pay at least $30 per hour. The increase in top-wage jobs reflects the county's influx of employment in corporate office jobs and in finance, including from the expansion of Fisher Investments. The asset management firm's local campus has grown by more than 150 employees since May, bringing its total Clark workforce to 850 people.

Multiple sectors gain

Overall, Clark County's economy finds itself in an acceleration mode.

"All but one sector showed net job gains" in the 12 months ending in January, according to Bailey. Trade, transportation and utilities payrolls ballooned by 1,100 jobs, professional and business services fatted with 900 jobs, education and health services added 900 jobs, while construction chipped in 700 jobs.

"The manufacturing sector saw no change over the year."

Meanwhile, the county's preliminary unemployment rate in January was 7.5 percent. That's down from an "initially reported" rate of 9.7 percent in January 2013. However, preliminary jobless rates are usually revised upward the following month, to take into account those "unemployed county residents who previously worked in Oregon."

The revised unemployment rate for January 2013 was 9.8 percent.

"The county's initial unemployment rate of 7.4 percent in December has similarly been revised upward to 8.7 percent."

Clark County's jobless rate reached its highest level this past summer in March 2010. The state annual average for 2010 was 15.9 percent.

Good news

A revision of employment estimates based on tax returns from all employers for the third quarter of 2013, showed that growth in the quarter was faster than initially estimated, according to Bailey in his "Clark County Labor Market Update" report issued Tuesday.

"The revised 'estimates showed the county had" in October, recovered all of the jobs it lost in the economic crash. As of January, it exceeded its recessionary losses by about 1,000 jobs.

"We're at 4 percent, year over year," Bailey said, referring to the county's brisk growth rate, "so that's certainly good news."

However, Bailey's analysis based on population growth and normal labor market participation rates shows Clark County needs at least 5,000 more jobs to return to the labor market conditions before the recession began in December 2007. And that's just for people who live and work in the county. Another 2,500 jobs would similarly be needed for county residents who work in Oregon, Bailey said.

And while the county has recovered its losses and then some, according to Bailey, "the composition of jobs by industry has significantly changed."

Since the economic crash, there are 3,300 fewer construction jobs, 1,200 fewer manufacturing jobs, and 2,100 more health care jobs.

"With the construction industry, Bailey said, "we clearly had a bubble."

He added, "We're still working through that to get back to a sustainable level in construction."

In Bailey's wage analysis — conducted on a full-time equivalent basis — he examined trends between the second quarter of 2007 and the same three-month period in 2013. He found that there were fewer jobs in most wage ranges, except at the very top end of the wage scale.

For example, jobs paying an hourly wage of $11.99 or less were down by 790 positions. Jobs paying hourly wages between $12 and $15.99 decreased by 905 positions. Jobs paying hourly wages between $16 and $21.99 and between $22 and $29.99 plummeted by 1,408 and 1,268 positions, respectively.

However, jobs paying an hourly wage of at least $30 were up by 1,312 positions.

About 75 percent of the net new high-wage jobs "were in the corporate office industry," according to Bailey.

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