

# Wenatchee MSA Economy: 2015 in Review

For: Economic Leadership Roundtable, Port of Douglas  
County

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# Today's presentation

## **Employment and wage trends from 2004-2014 in Chelan and Douglas counties (the Wenatchee MSA)**

- Slides 3-17

## **Civilian Labor Force trends through November 2015**

- Slides 18-20

## **Nonfarm job trends through November 2015**

- Slides 21-22

## **Nonfarm trends through 2015 (2015 data projected)**

- Slides 23-27

## **Summary and Questions**

- Slides 28-29

# Analyzed county-level QCEW data for 22 industries/sectors

## 19 private-industry sectors

**NAICS 11** (Agriculture, forestry and fishing)

**NAICS 21** (Mining)

**NAICS 22** (Utilities)

**NAICS 23** (Construction)

**NAICS 31-33** (Manufacturing)

**NAICS 42** (Wholesale trade)

**NAICS 44-45** (Retail trade)

**NAICS 48-49** (Transportation and warehousing)

**NAICS 51** (Information)

**NAICS 52** (Finance and insurance)

**NAICS 53** (Real estate and rentals)

**NAICS 54** (Professional and business services)

**NAICS 55** (Management of companies)

**NAICS 56** (Administrative and waste services)

**NAICS 61** (Private education services)

**NAICS 62** (Health services)

**NAICS 71** (Arts, entertainment and recreation)

**NAICS 72** (Accommodation and food services)

**NAICS 81** (Other services)

## Three government sectors

Federal government

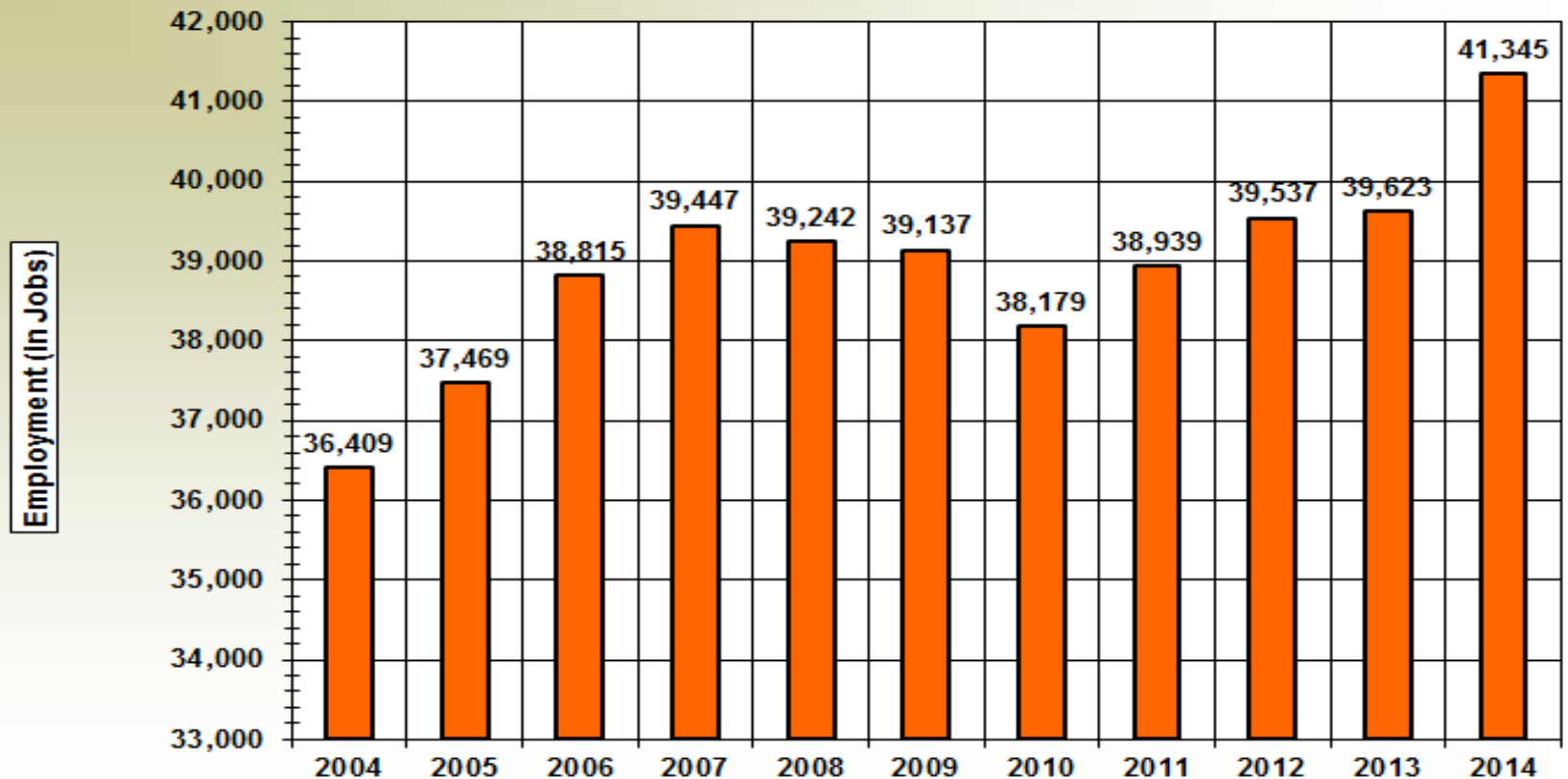
State government

Local government

\* North American Industry Classification System (NAICS)

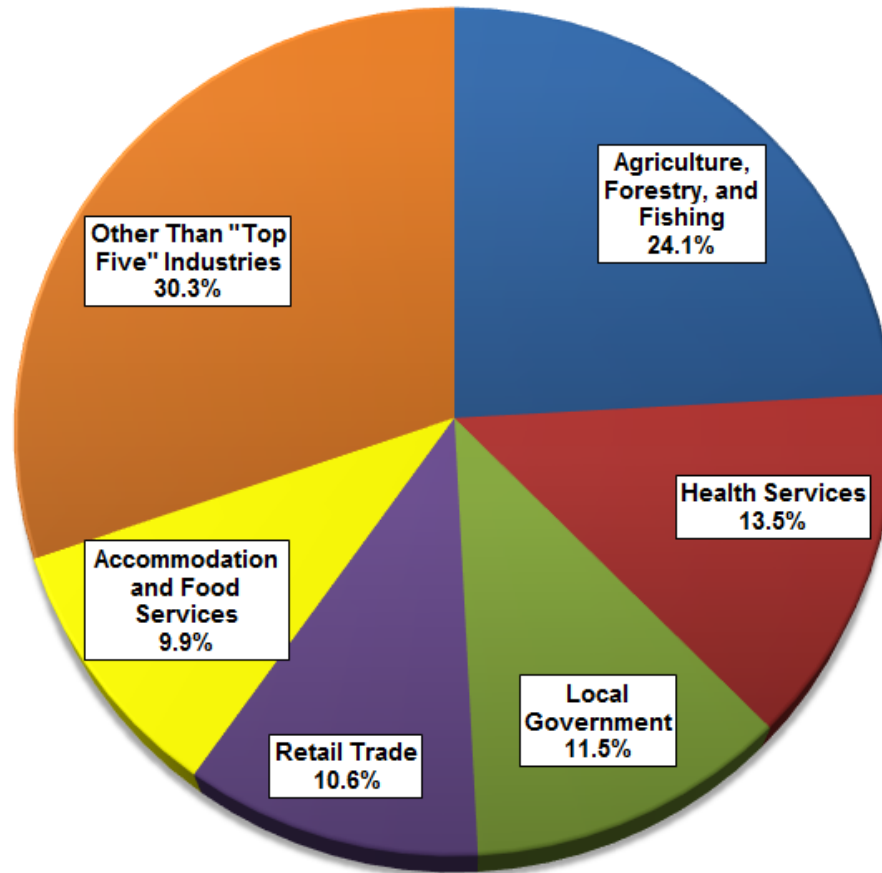
QCEW is the Quarterly Census of Employment and Wages, a  
U.S. Bureau of Labor Statistics data set.

# Chelan County 2004-2014: Covered employment trends



Source: QCEW Data

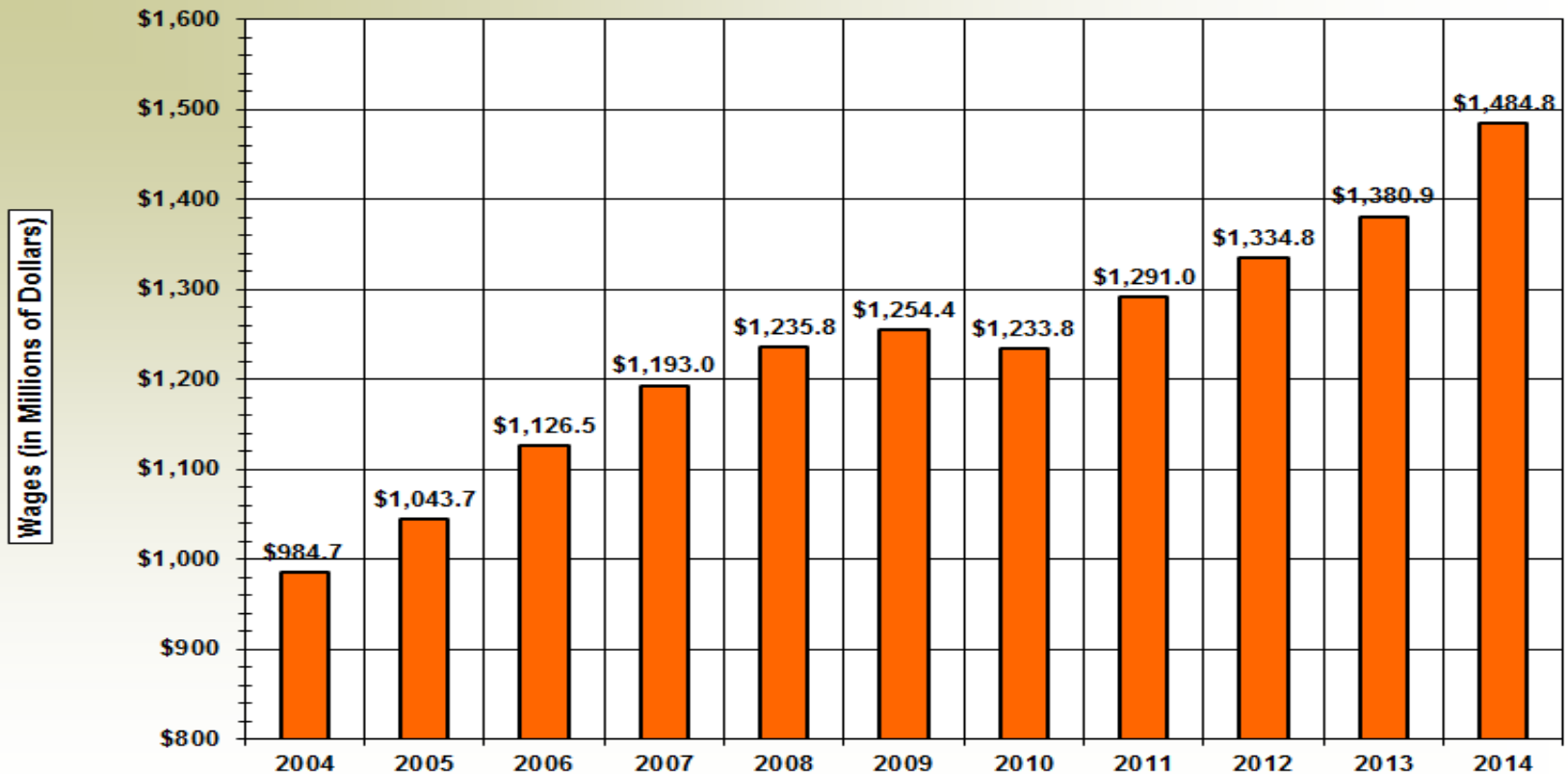
# Chelan County: Top 5 industries by employment in 2014



Industry	Number of Jobs
Agriculture, Forestry, and Fishing	9,962
Health Services	5,602
Local Government	4,766
Retail Trade	4,379
Accommodation and Food Services	4,097
Other Than "Top Five" Industries	12,539
<b>Total Covered Employment</b>	<b>41,345</b>

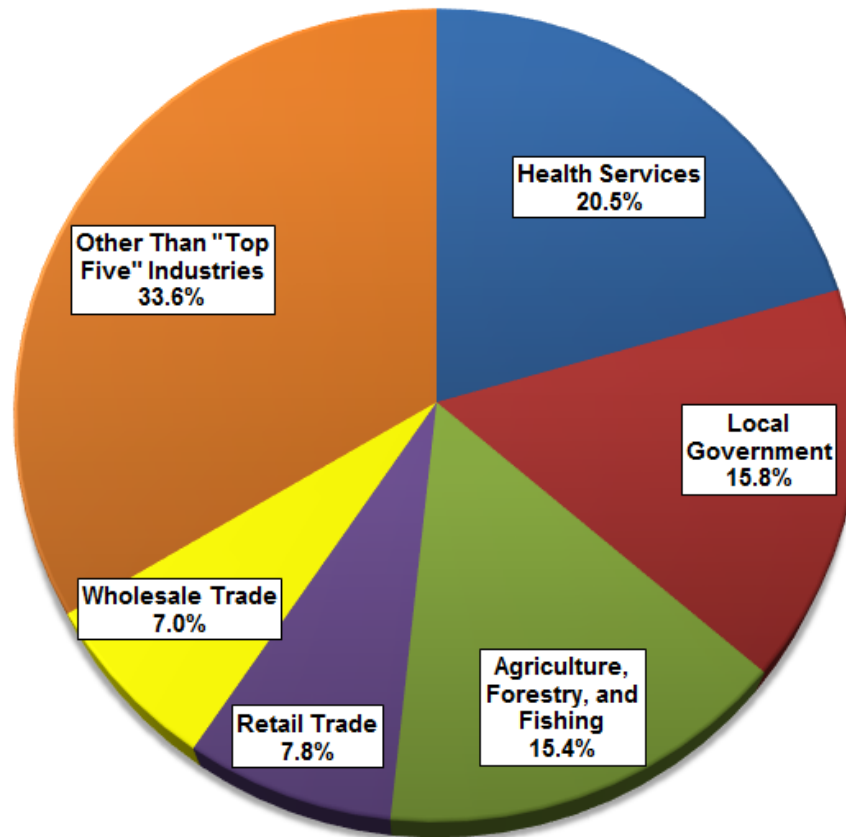
Source: QCEW Data

# Chelan County 2004-2014: Covered wage/payroll trends



Source: QCEW Data

# Chelan County: Top 5 industries by wages in 2014



Industry	Wages (in \$)
Health Services	\$304,232,620
Local Government	\$234,376,378
Agriculture, Forestry, and Fishing	\$228,904,393
Retail Trade	\$115,390,841
Wholesale Trade	\$103,679,515
Other Than "Top Five" Industries	\$498,177,888
<b>Total Covered Wages</b>	<b>\$1,484,761,635</b>

Source: QCEW Data

# Chelan County in 2014: Summary of “Top 5” industries

**Total covered wages = \$1.48 billion**

**Average annual employment = 41,345**

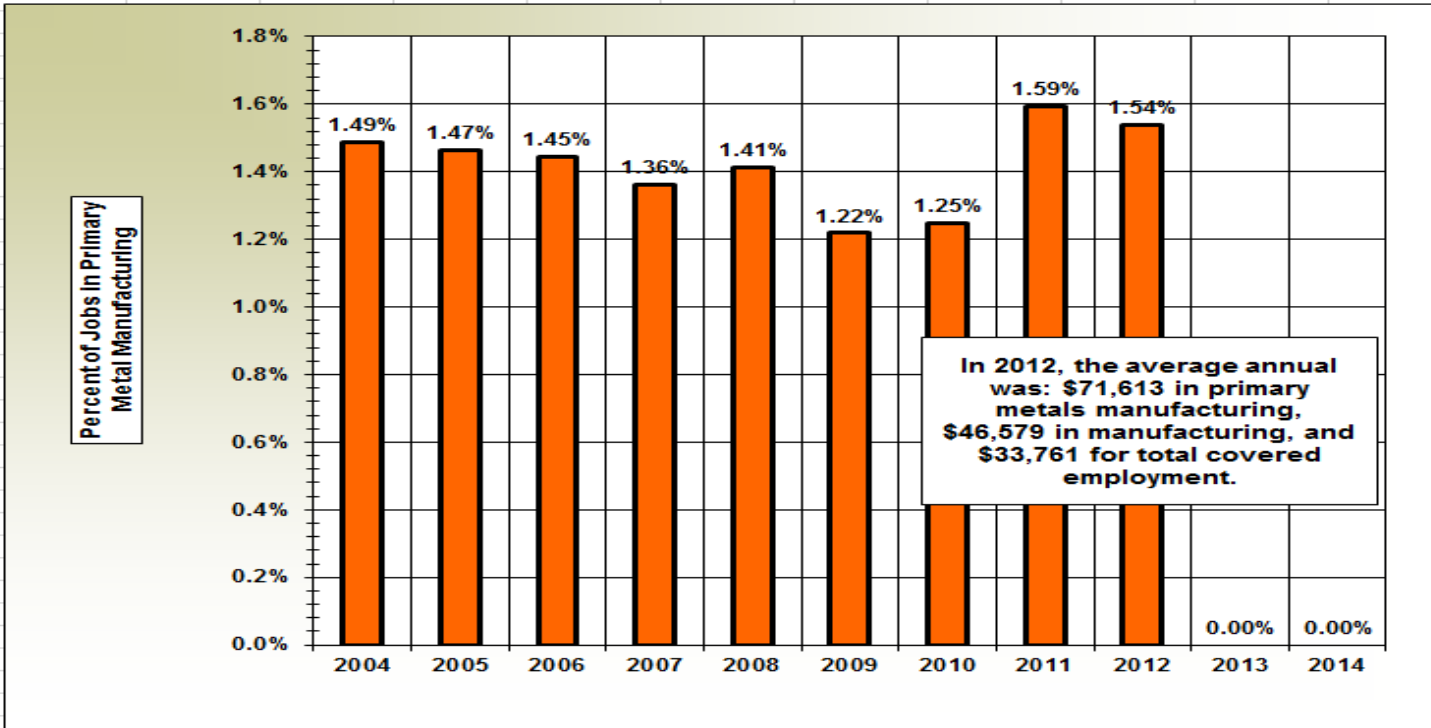
**Average annual wage = \$35,912 (WA = \$55,003)**

Industry	Percent of jobs	Percent of wages
Agriculture	24.1	15.4
Health services	13.6	20.5
Local government	11.5	15.8
Retail trade	10.6	7.8
Accommodation and food services	9.9	4.8
Wholesale Trade	6.0	7.0



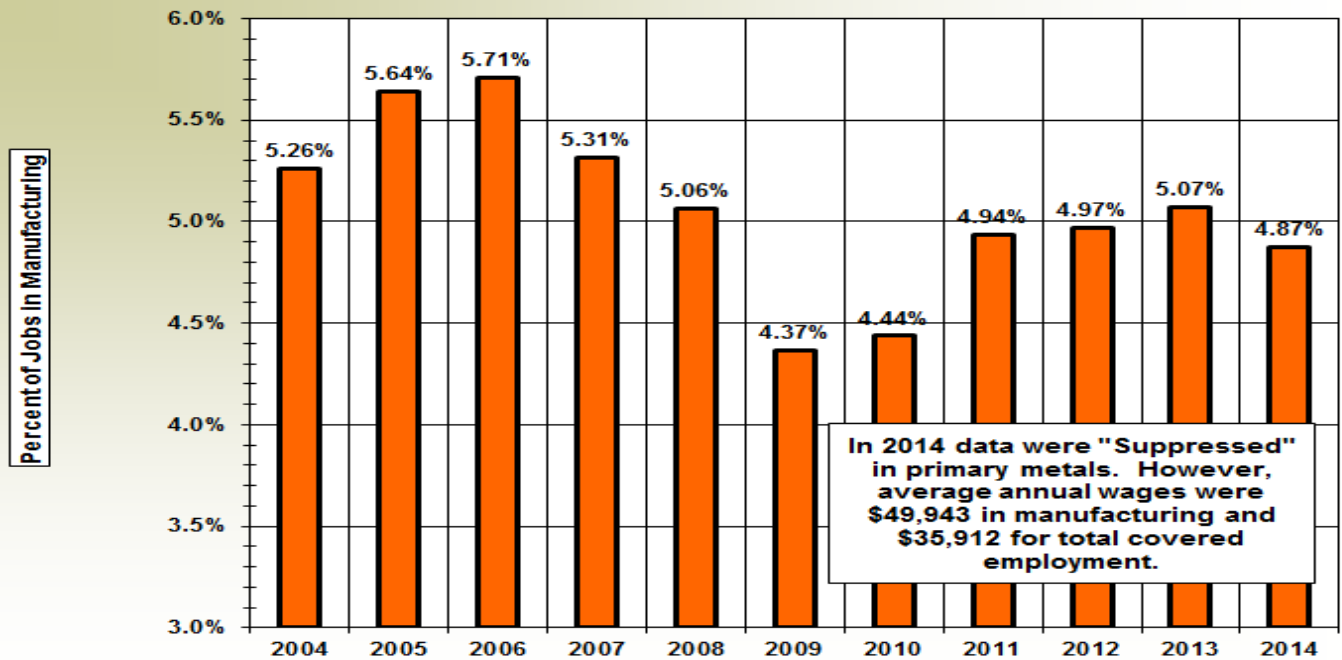
# Chelan County: Primary Metal Manufacturing (NAICS 331) Employment (as a Percentage of Total Covered Employment from 2004 through 2014)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Metal Manufacturing	542	549	561	537	555	477	477	621	609	*	*
Total Covered Employment	36,409	37,469	38,815	39,447	39,242	39,137	38,179	38,939	39,537	39,623	41,345
Percent of Jobs in Primary Metal Manufacturing	1.49%	1.47%	1.45%	1.36%	1.41%	1.22%	1.25%	1.59%	1.54%	#VALUE!	#VALUE!



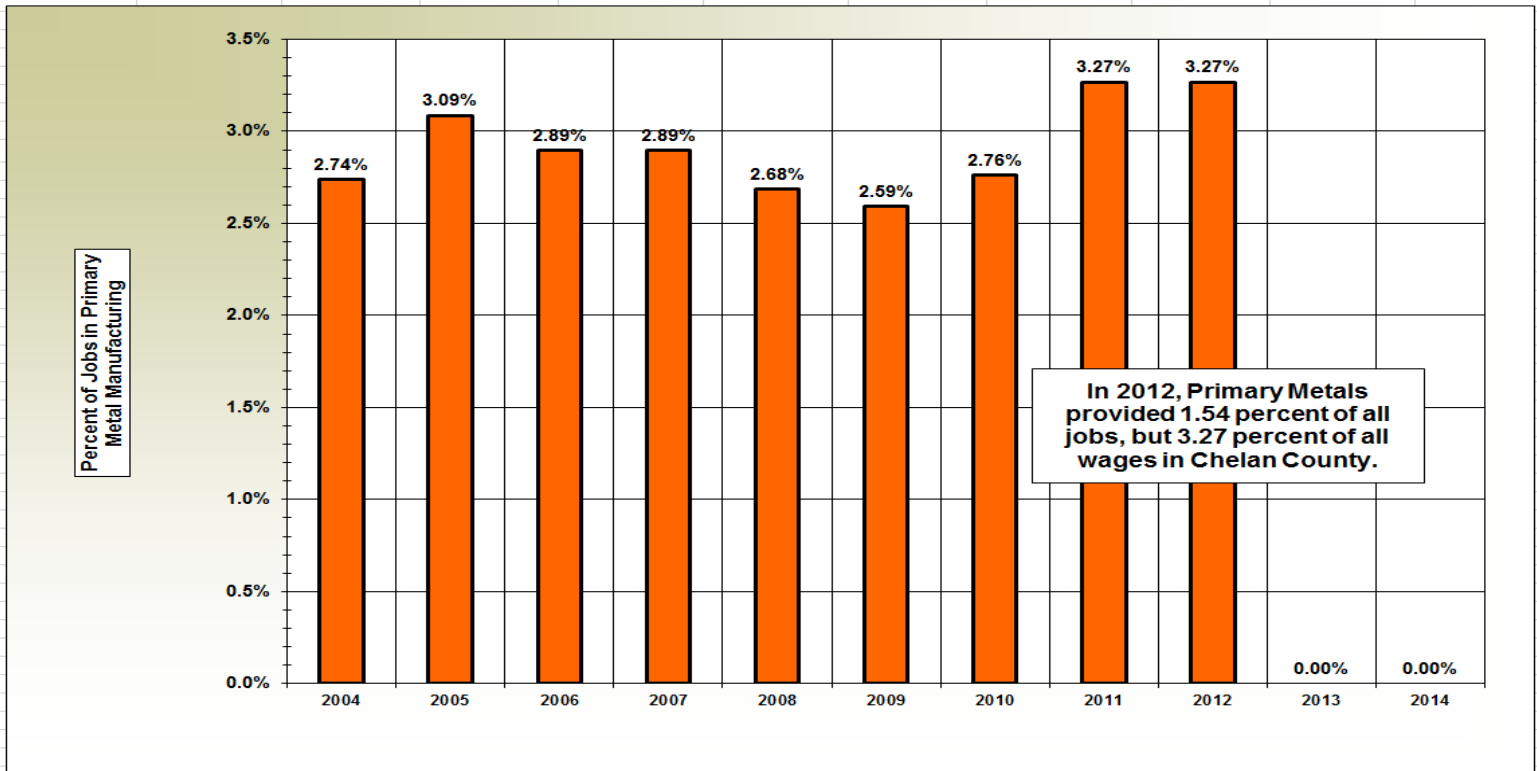
# Chelan County: Manufacturing (NAICS 31-33) Employment (as a Percentage of Total Covered Employment from 2004 through 2014)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Manufacturing Total Covered Employment	1,916	2,113	2,216	2,096	1,987	1,709	1,694	1,923	1,965	2,009	2,015
Percent of Jobs in Manufacturing	5.26%	5.64%	5.71%	5.31%	5.06%	4.37%	4.44%	4.94%	4.97%	5.07%	4.87%



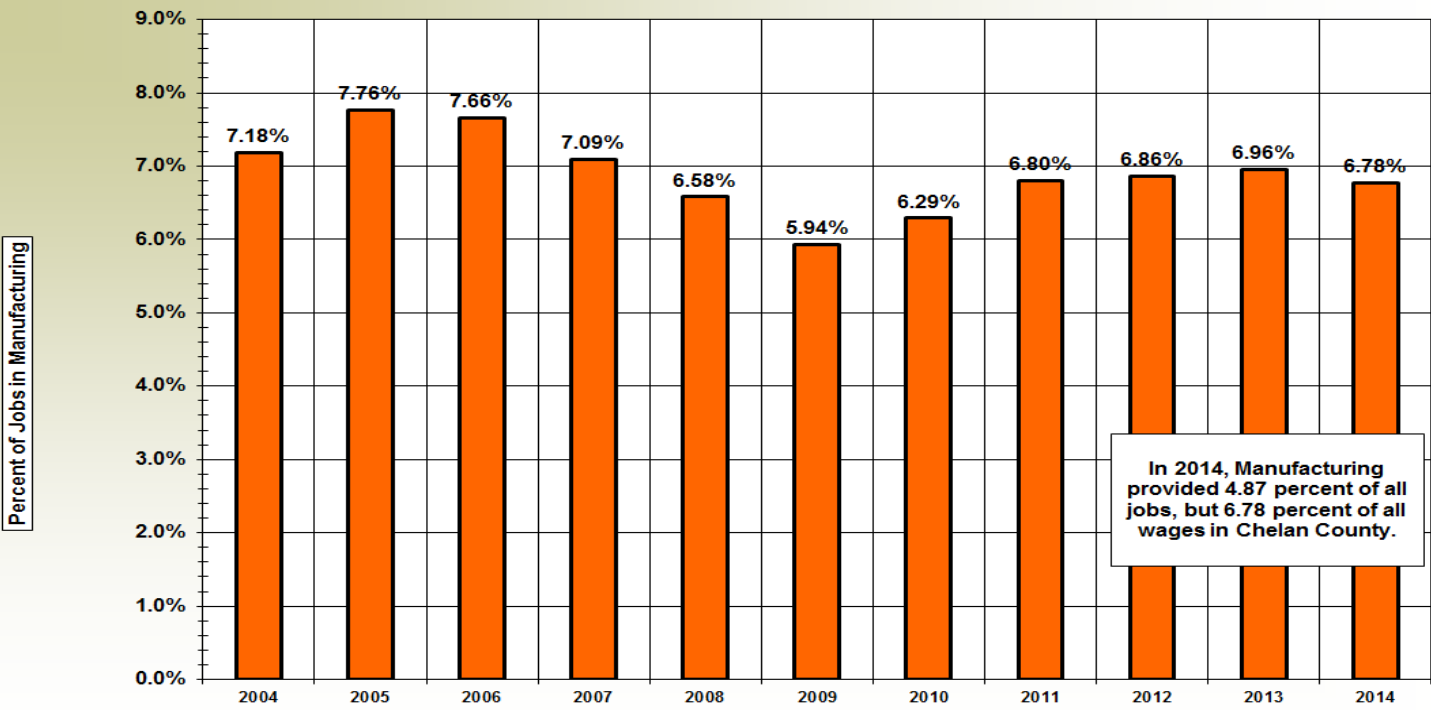
# Chelan County: Primary Metal Manufacturing (NAICS 331) Wages (as a Percentage of Total Covered Wages from 2004 through 2014)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Metal Manufacturing	\$26,965,652	\$32,206,045	\$32,609,557	\$34,538,238	\$33,179,079	\$32,496,661	\$34,067,617	\$42,184,901	\$43,612,492	*	*
Total Covered Wages	\$984,698,597	\$1,043,722,966	\$1,126,496,872	\$1,193,038,547	\$1,235,826,727	\$1,254,394,670	\$1,233,783,921	\$1,290,965,959	\$1,334,813,166	\$1,380,883,244	\$1,484,761,635
Percent of Wages in Primary Metal Manufacturing	2.74%	3.09%	2.89%	2.89%	2.68%	2.59%	2.76%	3.27%	3.27%	#VALUE!	#VALUE!



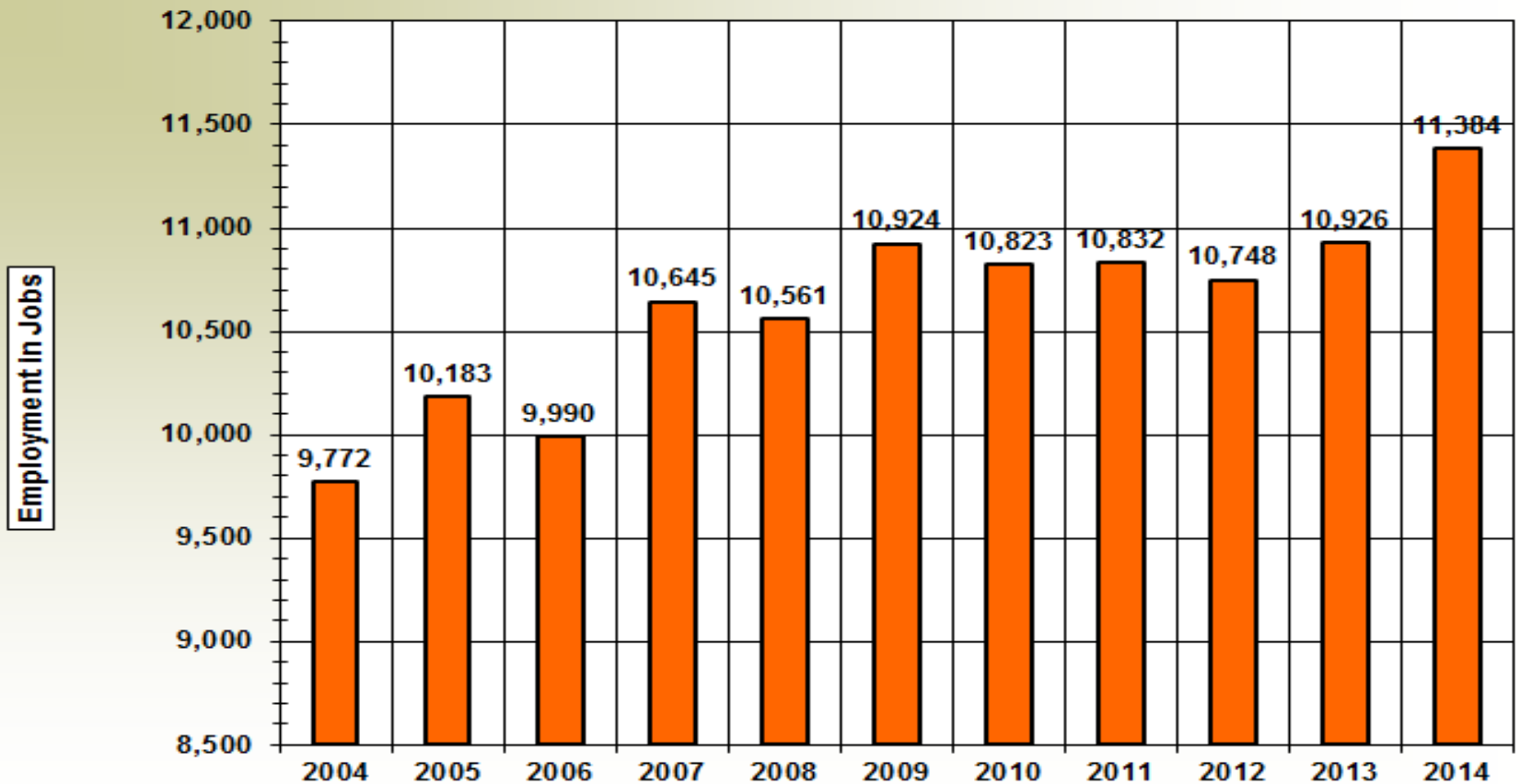
# Chelan County: Manufacturing (NAICS 31-33) Wages (as a Percentage of Total Covered Wages from 2004 through 2014)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Manufacturing</b>	\$70,692,731	\$80,995,076	\$86,285,133	\$84,586,759	\$81,320,893	\$74,452,664	\$77,605,850	\$87,769,769	\$91,528,233	\$96,127,352	\$100,635,137
<b>Total Covered Wages</b>	\$984,698,597	\$1,043,722,966	\$1,126,496,872	\$1,193,038,547	\$1,235,826,727	\$1,254,394,670	\$1,233,783,921	\$1,290,965,959	\$1,334,813,166	\$1,380,883,244	\$1,484,761,635
<b>Percent of Wages in Manufacturing</b>	<b>7.18%</b>	<b>7.76%</b>	<b>7.66%</b>	<b>7.09%</b>	<b>6.58%</b>	<b>5.94%</b>	<b>6.29%</b>	<b>6.80%</b>	<b>6.86%</b>	<b>6.96%</b>	<b>6.78%</b>



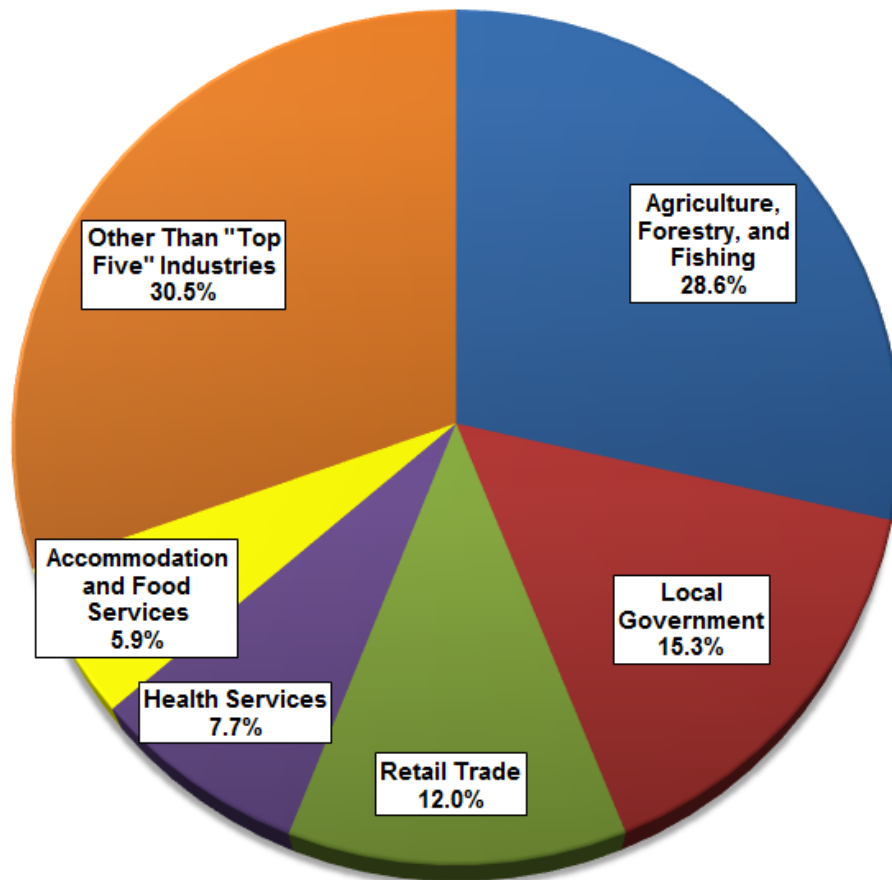
In 2014, Manufacturing provided 4.87 percent of all jobs, but 6.78 percent of all wages in Chelan County.

# Douglas County 2004-2014: Covered employment trends



Source: QCEW Data

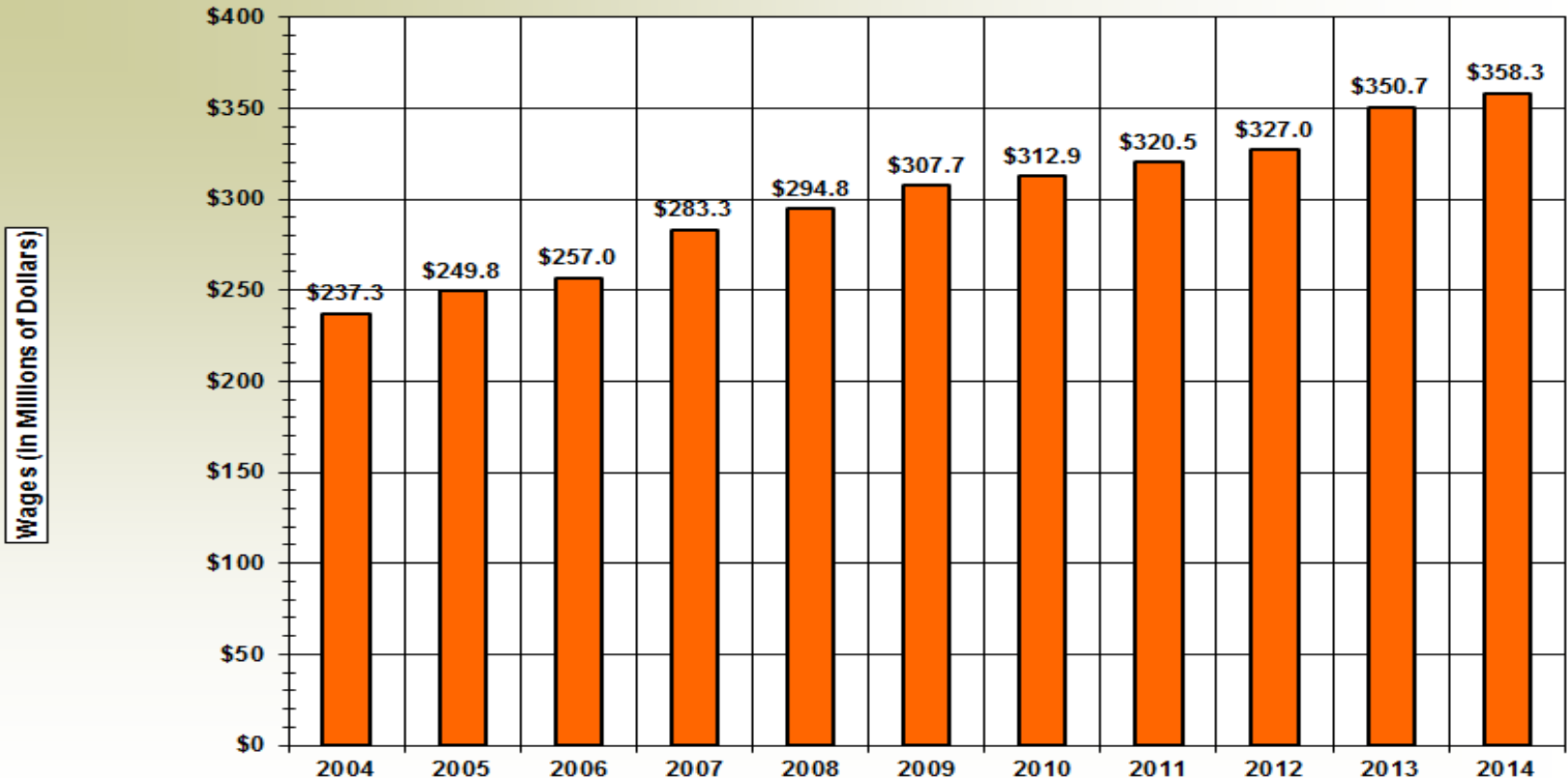
# Douglas County: Top 5 industries by employment in 2014



Industry	Number of Jobs
Agriculture, Forestry, and Fishing	3,258
Local Government	1,746
Retail Trade	1,366
Health Services	878
Accommodation and Food Services	667
Other Than "Top Five" Industries	3,469
<b>Total Covered Employment</b>	<b>11,384</b>

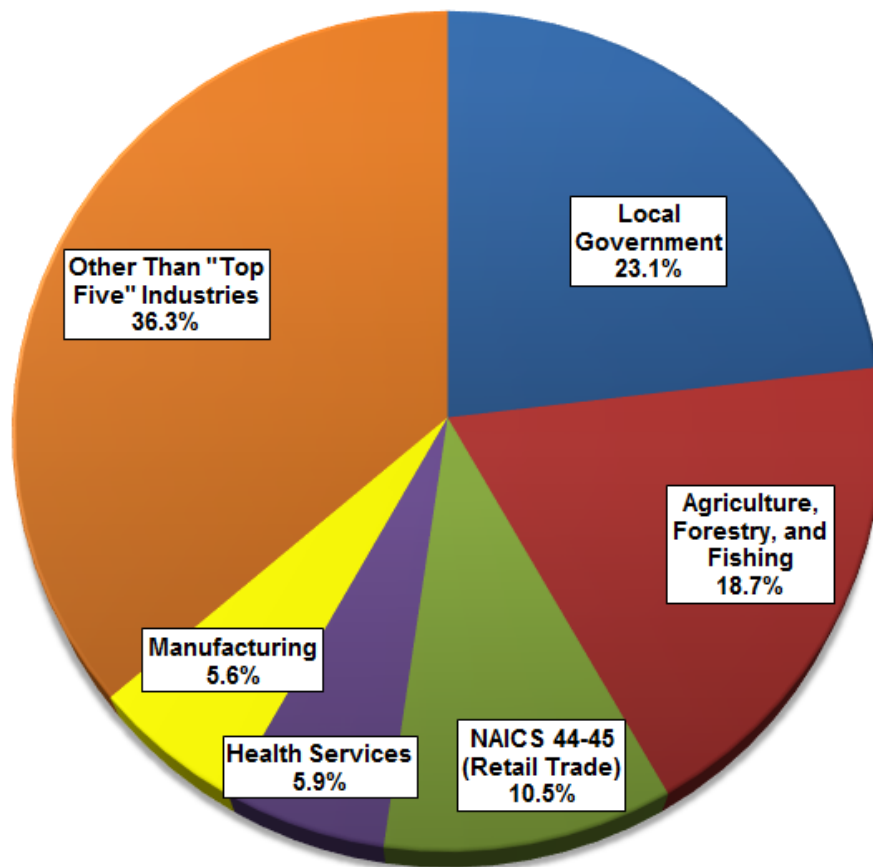
Source: QCEW Data

# Douglas County 2004-2014: Covered wage/payroll trends



Source: QCEW Data

# Douglas County: Top 5 industries by wages in 2014



Industry	Wages (in \$)
Local Government	\$82,701,979
Agriculture, Forestry, and Fishing	\$67,090,771
Retail Trade	\$37,521,971
Health Services	\$20,976,750
Manufacturing	\$19,956,639
Other Than "Top Five" Industries	\$130,064,618
<b>Total Covered Wages</b>	<b>\$358,312,728</b>

Source: QCEW Data



# Douglas County in 2014: Summary of “Top 5” industries

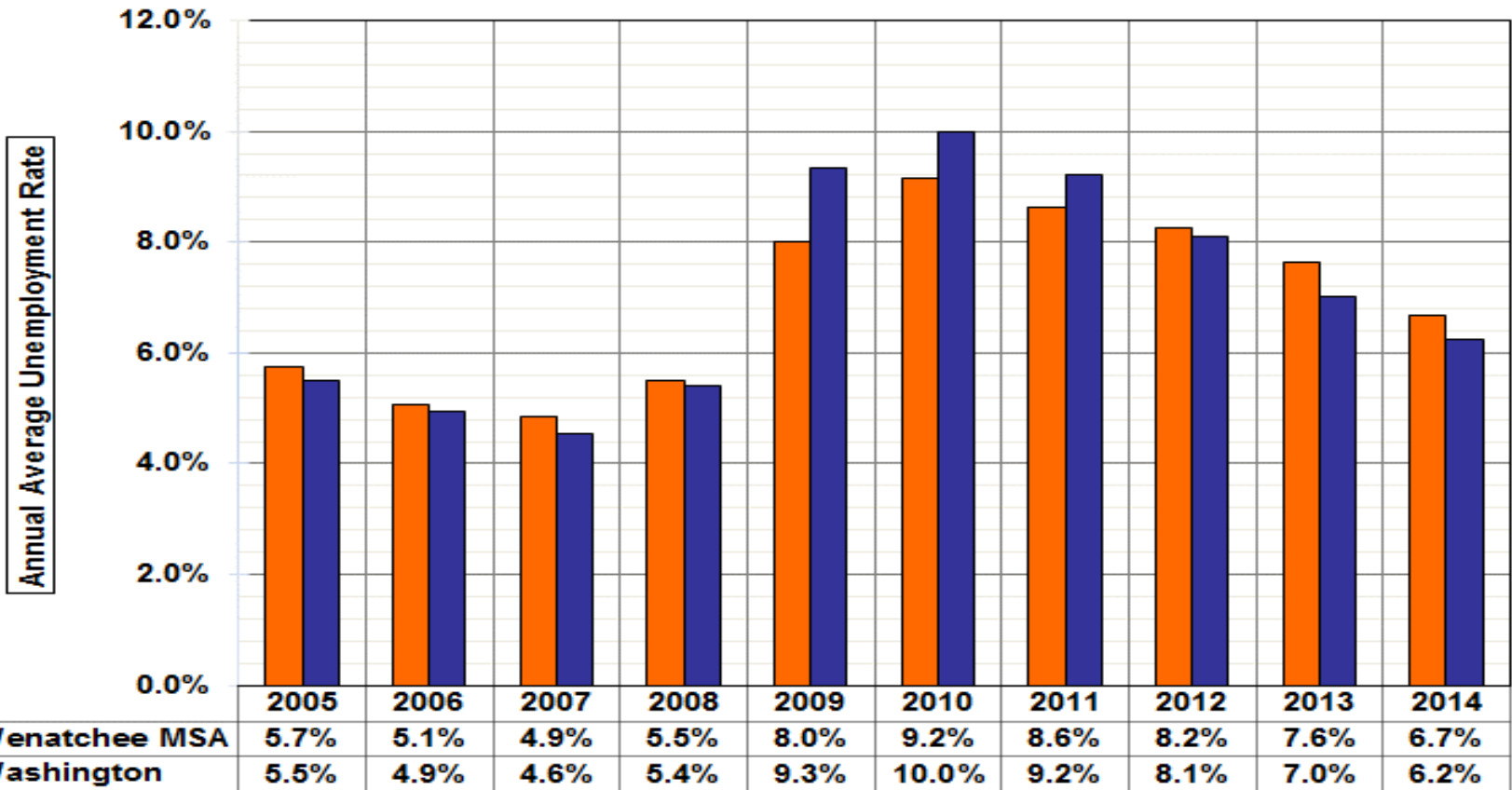
**Total covered wages = \$358.3 million**

**Average annual employment = 11,384**

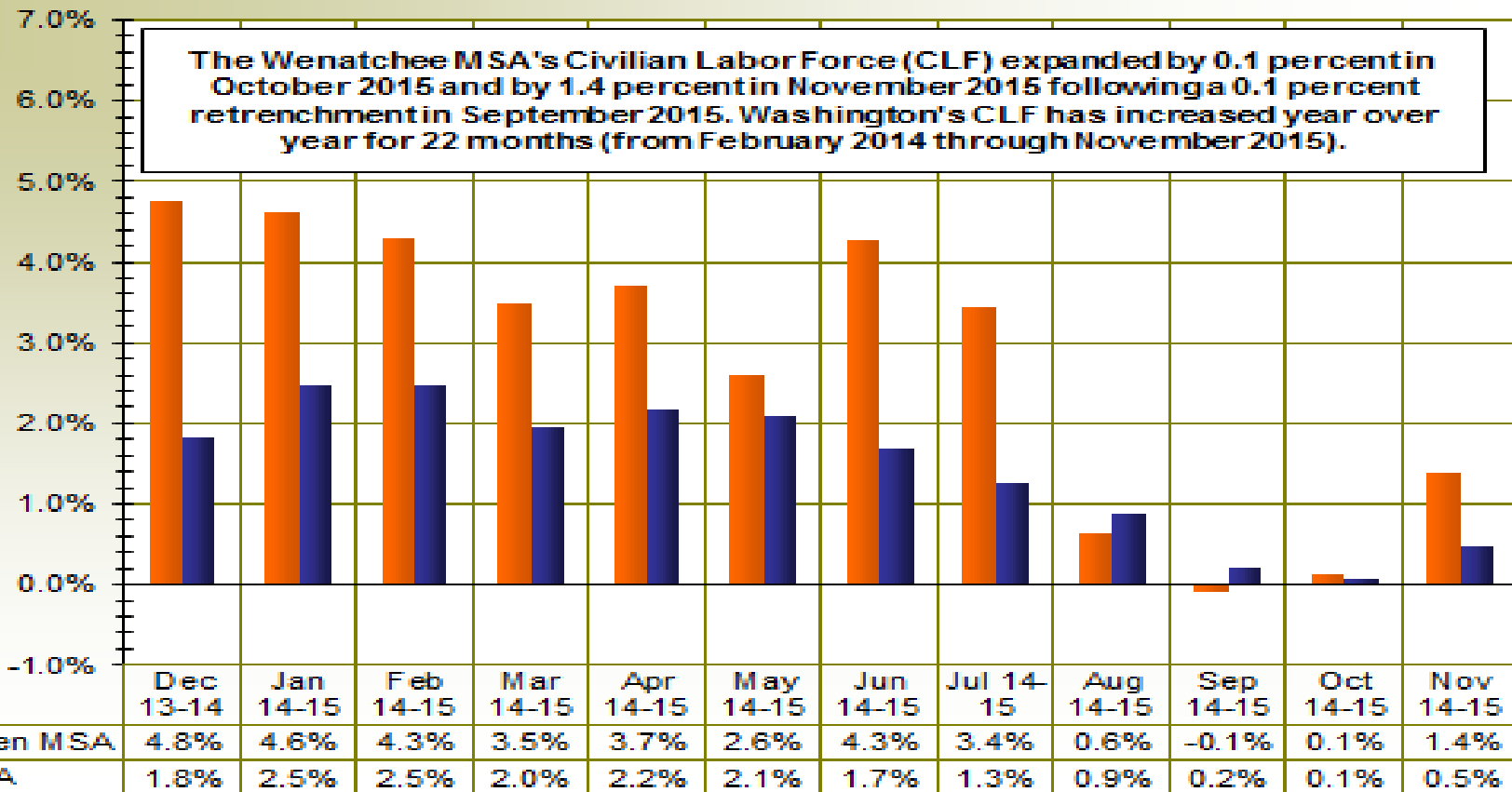
**Average annual wage = \$31,475 (WA = \$55,003)**

Industry	Percent of jobs	Percent of wages
Agriculture	28.6	18.7
Local government	15.3	23.1
Retail trade	12.0	10.5
Health services	7.7	5.9
Accommodation and food services	5.9	2.6
Manufacturing	4.2	5.6

# Average Annual Unemployment Rates in the Wenatchee MSA and in Washington from 2005-2014



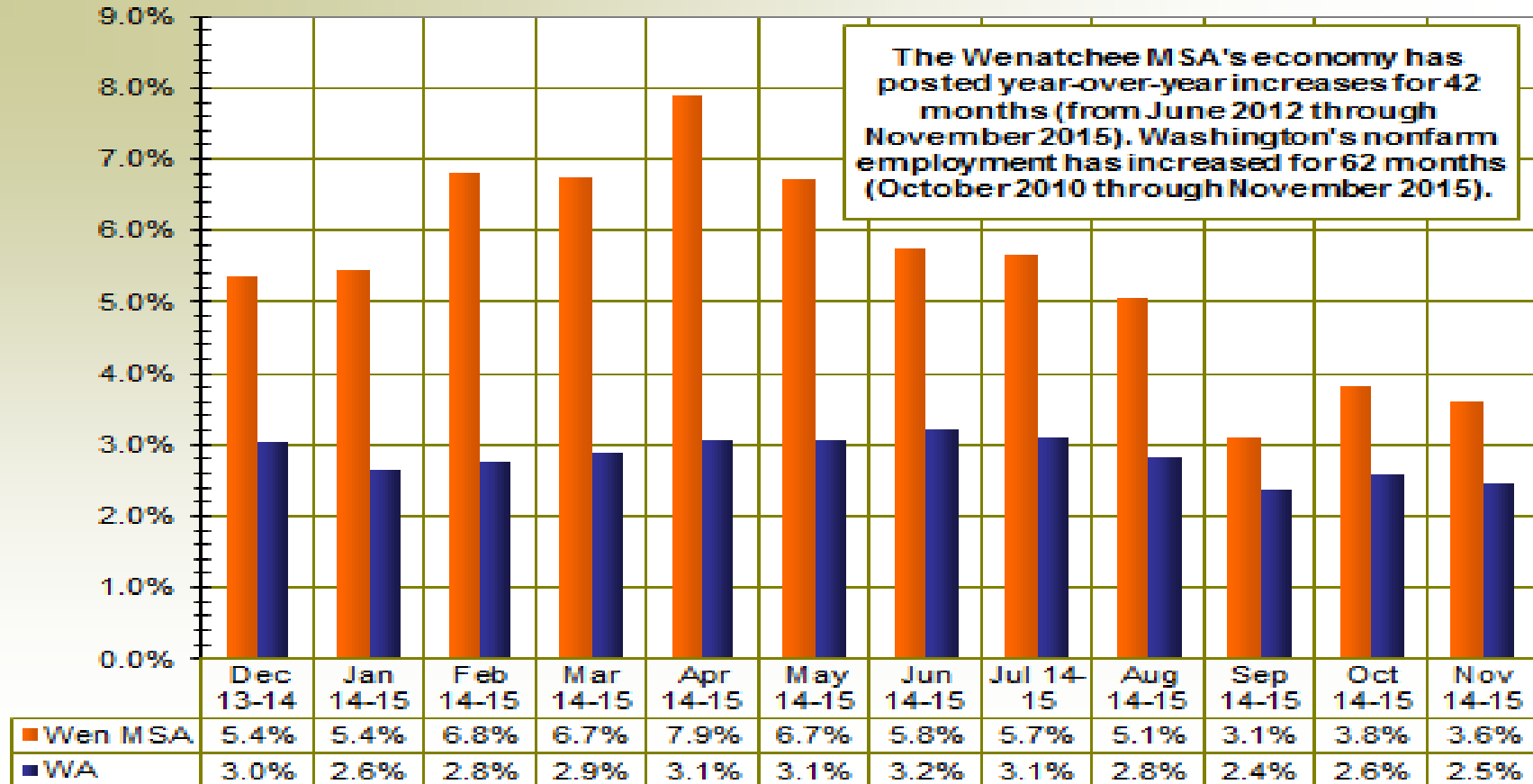
# Labor Force Changes in the Wenatchee MSA and Washington in the last twelve months



# Wenatchee MSA: Civilian Labor Force: From November 2014-November 2015

			Change	
	Preliminary	Revised	Nov-14	Nov-14
Wenatchee MSA	Nov-15	Nov-14	Nov-15	Nov-15 %
<b>Labor force and unemployment</b>				
Civilian labor force	59,552	58,741	811	1.4%
Resident employment	56,160	54,673	1,487	2.7%
Unemployment	3,392	4,068	-676	-16.6%
Unemployment rate	5.7	6.9	-1.2	

# Nonfarm employment changes in the Wenatchee MSA and Washington in the last twelve months

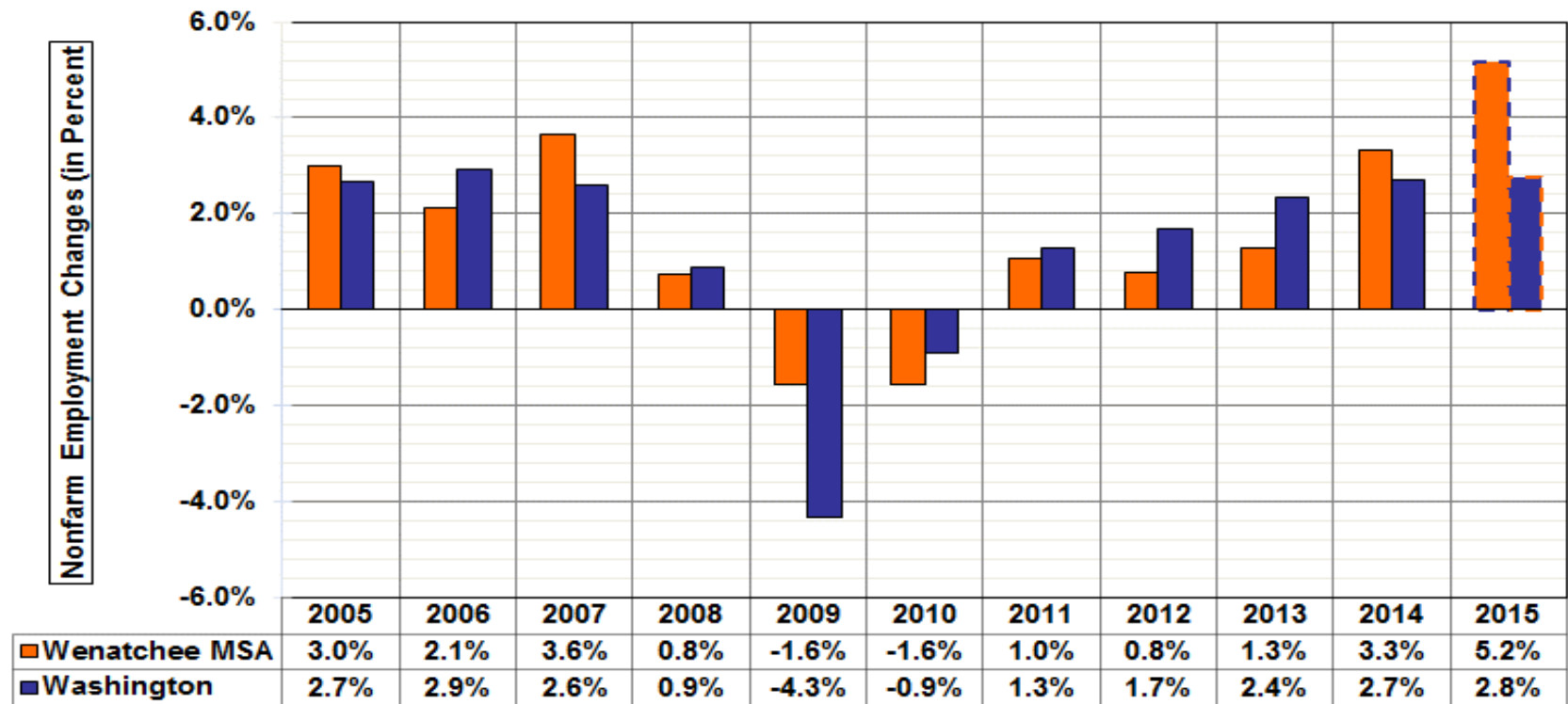


# Wenatchee MSA: Nonfarm Employment From November 2014-November 2015

Wenatchee MSA	Preliminary Nov-15	Revised Nov-14	Change	
			Nov-14	Nov-14
			Nov-15	Nov-15 %
<b>Industry employment (numbers are in thousands)</b>				
Total nonfarm	43.0	41.5	1.5	3.6%
Total private	33.9	32.6	1.3	4.0%
Goods producing	5.4	5.2	0.2	3.8%
Mining, logging and construction	2.7	2.6	0.1	3.8%
Manufacturing	2.7	2.6	0.1	3.8%
Service providing	37.6	36.3	1.3	3.6%
Private services providing	28.5	27.4	1.1	4.0%
Trade, transportation, warehousing and utilities	10.2	10.1	0.1	1.0%
Retail trade	6.5	6.2	0.3	4.8%
Education and health services	7.0	6.8	0.2	2.9%
Leisure and hospitality	6.2	5.5	0.7	12.7%
Government	9.1	8.9	0.2	2.2%
Federal government	0.8	0.8	0.0	0.0%
State government	1.5	1.3	0.2	15.4%
Local government	6.8	6.8	0.0	0.0%

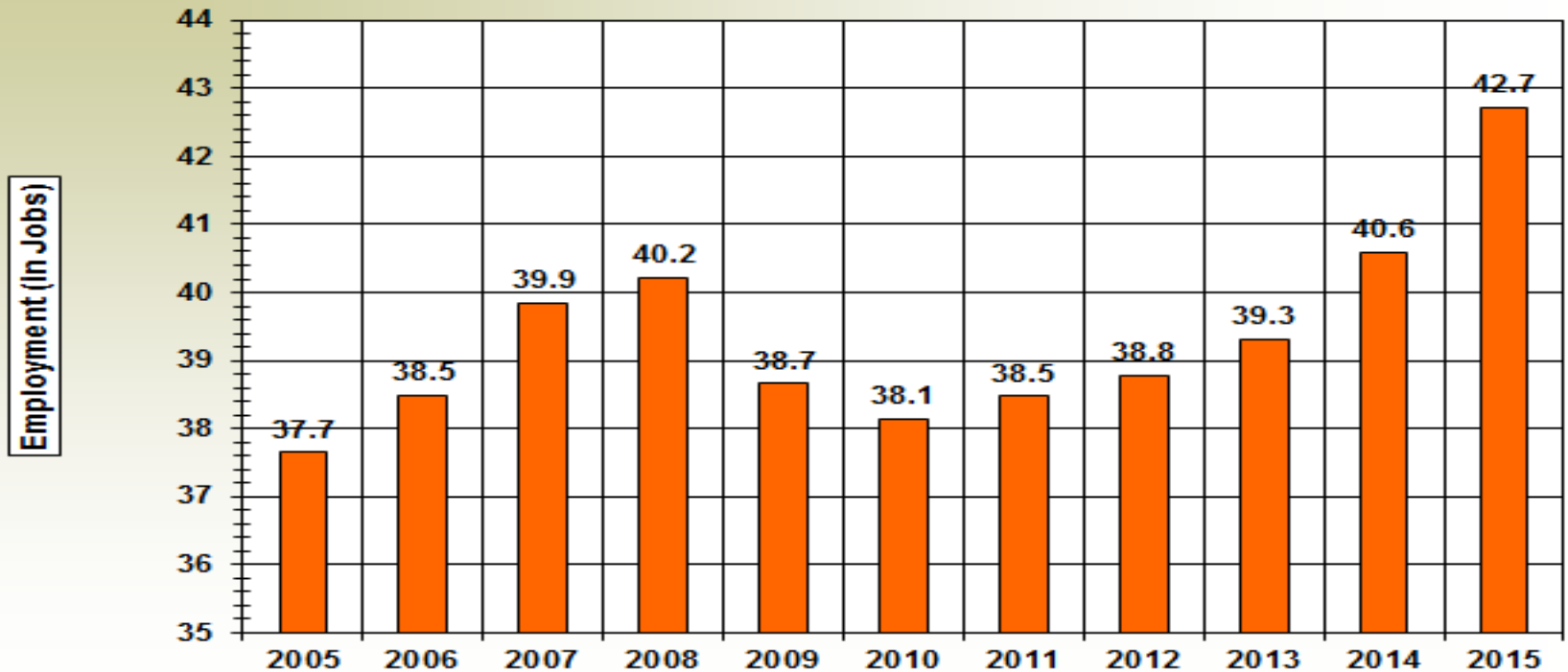
# The number of nonfarm jobs has risen in the Wenatchee MSA and Washington for the past five years

**Annual Average Nonfarm Employment Changes (in Percent) From 2005-2015 in the Wenatchee MSA and in Washington State (2015 Data are Projected)**



# By 2014 the local economy regained all nonfarm jobs lost in 2009 and 2010

WENATCHEE MSA: TOTAL NONFARM EMPLOYMENT  
FROM 2005-2015 (2015 Data Are Projected)



Source: CES Data, LMPA, ESD

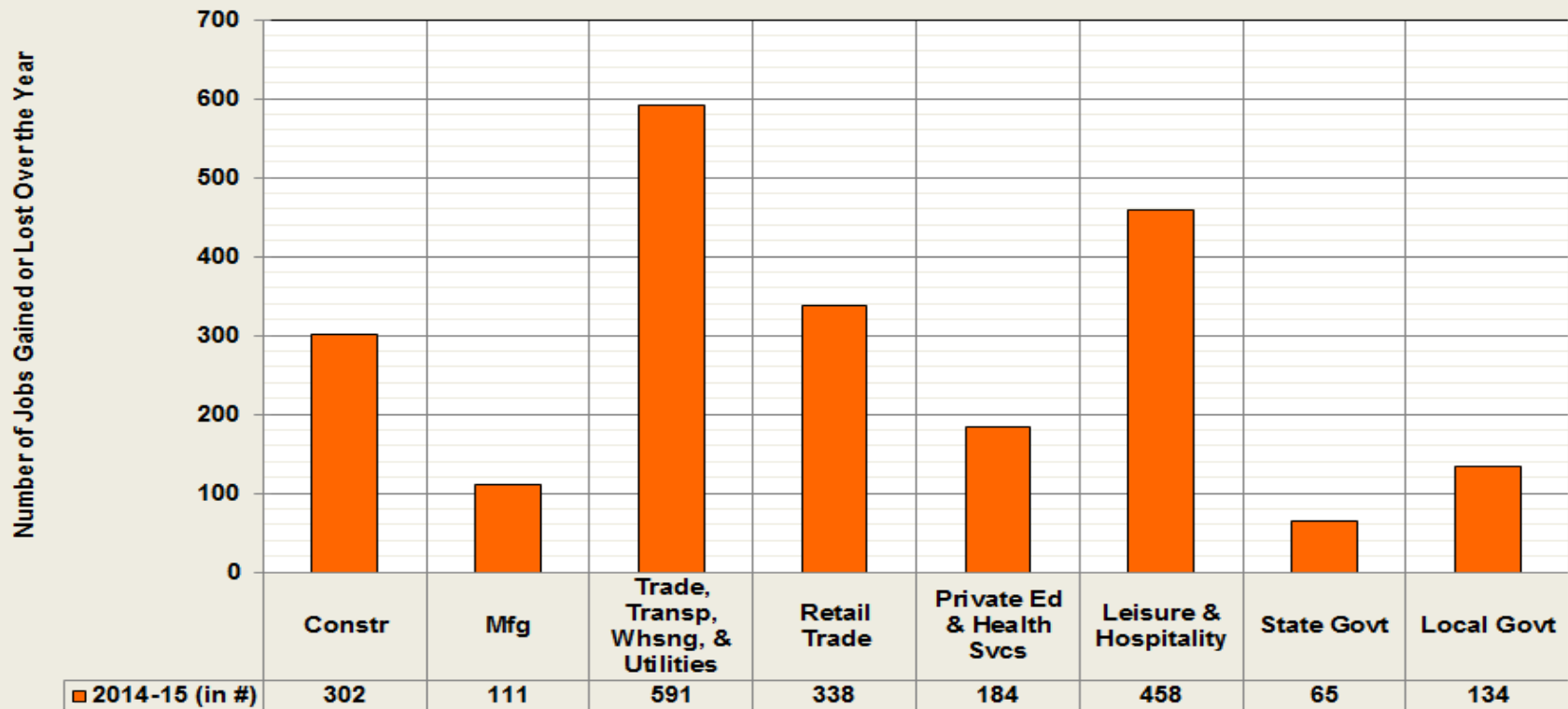


# Wenatchee MSA: Projected nonfarm job growth in major industries in 2015

Wenatchee MSA	Projected 2015	Revised 2014	Change	
			2014 2015	2014 2015 %
<b>Industry employment (numbers are in thousands)</b>				
Total nonfarm <sup>1</sup>	42.7	40.6	2.1	5.3%
Total private	33.8	31.9	1.9	6.0%
Goods producing	5.2	4.8	0.4	8.7%
Mining, logging and construction	2.5	2.2	0.3	13.6%
Manufacturing	2.6	2.5	0.1	4.4%
Service providing	37.6	35.8	1.7	4.8%
Private services providing	28.6	27.2	1.5	5.5%
Trade, transportation, warehousing and utilities	10.0	9.4	0.6	6.3%
Retail trade	6.2	5.8	0.3	5.8%
Education and health services	6.9	6.7	0.2	2.7%
Leisure and hospitality	6.1	5.7	0.5	8.1%
Government	8.9	8.7	0.2	2.6%
Federal government	0.8	0.8	0.0	3.4%
State government	1.3	1.2	0.1	5.4%
Local government	6.8	6.7	0.1	2.0%

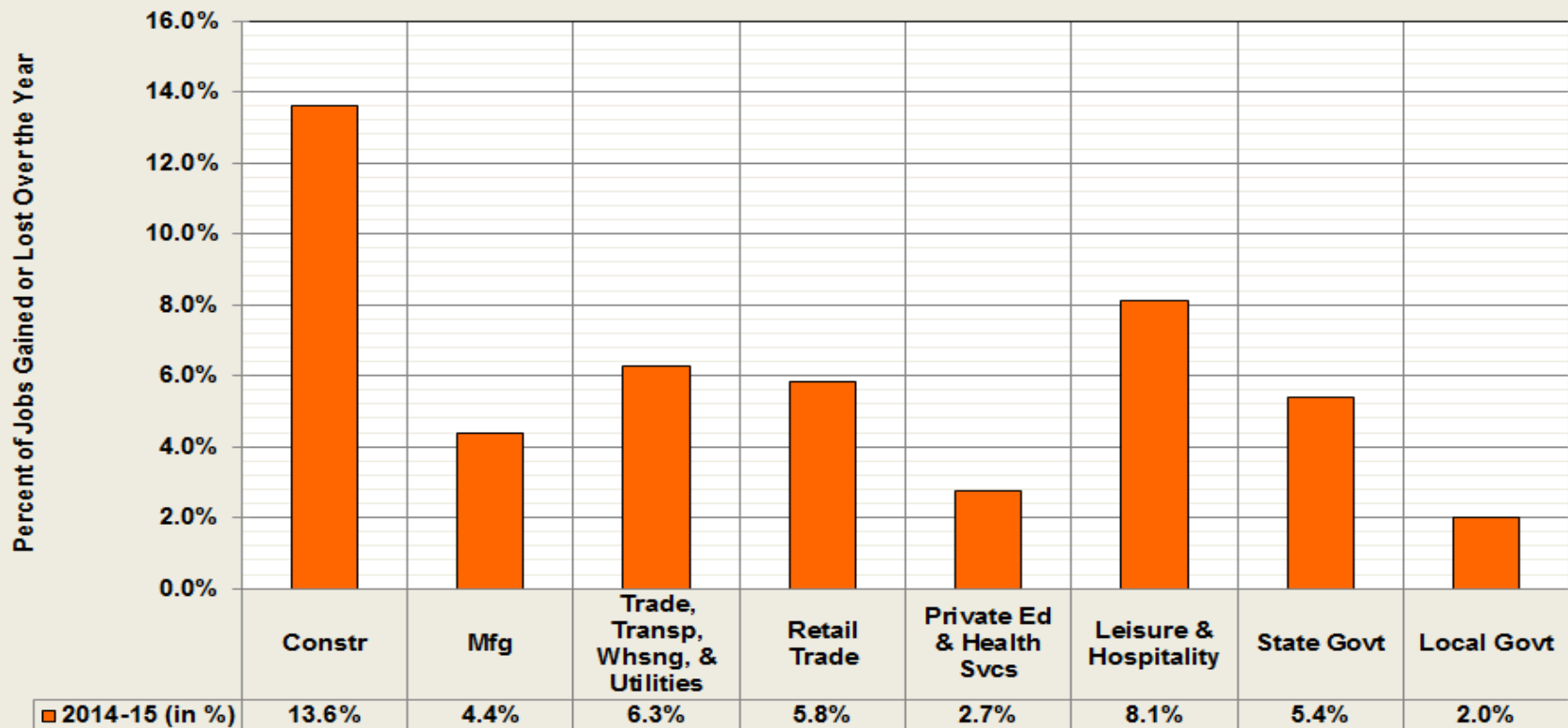
# Leisure and hospitality ranked “Number 1” (in # of jobs added) in 2015 in the Wenatchee MSA

Comparison of Job Gains or Losses (in #) in Major Wenatchee MSA Nonfarm Industries from 2014-2015 (2015 Data are Projected)



# Construction ranked “Number 1” (in % of jobs added) in 2015 in the Wenatchee MSA

Comparison of Job Gains or Losses (in %) in Major Wenatchee MSA Nonfarm Industries from 2014-2015 (2015 Data are Projected)



# The Wenatchee MSA economy “vigorous” in the first half but “tired” in the last half of 2015

- The local unemployment rate fell from 7.6 in 2013 to 6.7 percent in 2014. The rate will fall again in 2015 (exact amount TBD).
- Nonfarm jobs averaged 42,700 in 2015, up 2,100 and 5.3 percent since 2014. Growth was strong in leisure and hospitality, retail trade, and construction.
- However, nonfarm job growth rates and labor force growth rates decelerated in the last half of 2015.
- With Alcoa idling their smelter in Malaga, local manufacturing employment will “take a hit.”

# Labor Market Information (LMI) POC

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