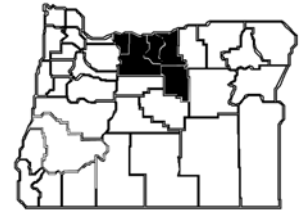




# Mid-Columbia LABOR TRENDS

Gilliam, Hood River, Sherman, Wasco, & Wheeler Counties



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**June 2008**

## INDICATORS

### UNEMPLOYMENT RATE

	APR 2008	MAR
Gilliam	4.3	4.4
Hood River	5.0	5.4
Sherman	4.7	5.9
Wasco	5.2	6.2
Wheeler	5.7	7.3
Oregon Raw	5.6	6.3
U.S. Raw	4.8	5.2

### Seasonally Adjusted Data

	APR 2008	MAR
Gilliam	4.2	3.8
Hood River	4.8	5.0
Sherman	5.1	4.8
Wasco	5.3	5.4
Wheeler	5.5	5.9
Oregon SA	5.5	5.6
U.S. SA	5.0	5.1

### TOTAL NONFARM PAYROLL EMPLOYMENT

	APR 2008 PRELIMINARY	CHANGE FROM MAR
Gilliam	820	10
Hood River	10,380	(70)
Sherman	730	(5)
Wasco	9,660	180
Wheeler	270	0

### Seasonally Adjusted Data

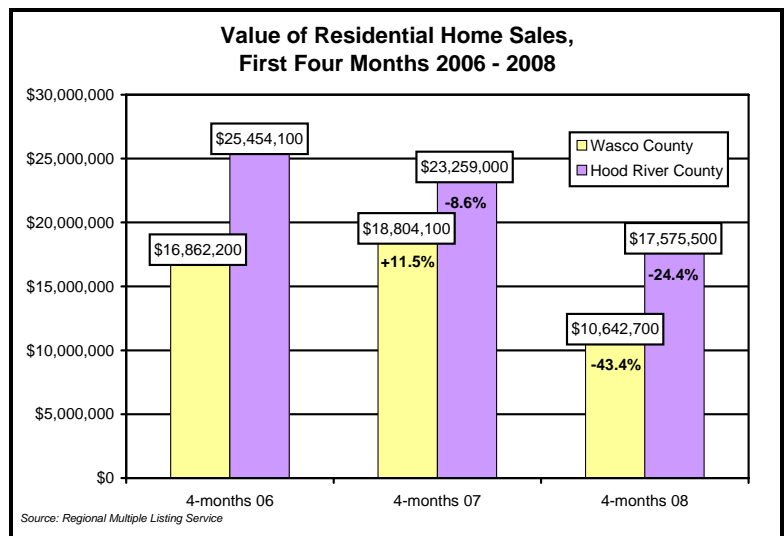
	APR 2008 PRELIMINARY	CHANGE FROM MAR
Gilliam	830	(10)
Hood River	10,480	(60)
Sherman	730	0
Wasco	9,700	10
Wheeler	270	(10)

## Real Estate Trends in the Mid Columbia and Basin

Home prices continue to rise in the Mid-Columbia while unit sales slide and the inventory of available properties rises. Through April, unit sales in Wasco County totaled 53 – a drop of 45 units (-45.9%) compared with the first four months of 2007. Hood River County totaled 49 units through April, a drop of 22 units (-31%).

Although Hood River County sold more units in 2007 than it did in 2006, the value of sales was higher in 2006 primarily due to the mixture of pricy Westside and Eastside properties. In the first four months of 2006, Hood River city sales comprised 55 percent of the county total but by 2007 the city share was up to 59 percent and in 2008 it covered 65 percent.

Unit sales in the Hood River city market were quite comparable over all three years, although year-to-date average and median price fell in 2007 – reflecting a greater share of affordable homes. That trend didn't last, and average prices climbed from \$309,200 in the first four months of 2007 up to \$369,300 in 2008 – slightly above the 006 average (\$367,000). Unit sales in the Hood River city market totaled 36 in 2006, rose to 42 in 2007, and fell back to 32 in 2008.



Graph 1

Hood River County's weakness is limited primarily to high-end markets to the west and east sides of the Hood River city market and also the rural Parkdale/Mt. Hood market.

The impact of fewer sales in Hood River County's high-end markets is shown in Graph 1. Sales totaled nearly \$25.5 million during the first four months of 2006 but have since fallen by close to \$7.9 million, with most of that loss (\$5.7 million) coming in 2008.

Wasco County was also hit with a sales loss over the first four months of 2008, although its 2007 total was an improvement over 2006. Unit sales rose in 2007 as markets outside The Dalles caught fire but then cooled quickly. During the first four months of 2006, sales in The Dalles market totaled 82 units and represented 88 percent of the Wasco County total. By 2007 The Dalles unit total fell to 69, a 70 percent share, while outlying markets rose from 11 units in 2006 to 29 in 2007.

Although unit sales in The Dalles fell considerably in 2007, value actually rose – reflecting a substantial jump in average prices. During the first four months of 2006 unit sales grossed \$13.6 million and averaged \$165,900 – by 2007 the average climbed \$34,400 (+21%) to \$200,300 and sales totaled \$13.8 million. In 2008, units sold in The Dalles market fell to 42 – and its share of the Wasco County market was over 79 percent. Prices in 2008 look like prices in 2007, with the average in The Dalles market climbing just \$400 to \$200,700. The total value of sales fell 43.4 percent during the first four months of 2008 to total \$10.6 million.

Sales have slowed considerably in the Mid-Columbia region but prices remain afloat in the wake of a huge inventory bubble. Graph 2 shows the tremendous rise in inventory along with market time – both monthly and the 12-month moving average. In April 2006 active listings in the Mid-Columbia real estate market (Hood River, Wasco, Sherman, Klickitat and Skamania counties) totaled 385 units. By April 2007, inventory climbed to 666 units and by April 2008 it reached 788 units. The region's August 2007 peak was slightly higher, at 831 units – and chances are that the available inventory will continue to rise this year, reaching its high-point in late summer.

<b>Consumer Price Index (CPI)</b>	
<b>All Items, 1982-84=100</b>	
<b>Urban Consumers</b>	
Portland-Salem, OR-WA	
July – Dec. 2007	210.5
Yearly Change	+3.9%
Annual Average 2007	208.6
Yearly Change	+3.7%
United States	
April 2008	214.8
Yearly Change	+3.9%
Annual Average 2007	207.3
Yearly Change	+2.8%
Next release: 06/13/08	
<a href="http://www.bls.gov/cpi">http://www.bls.gov/cpi</a>	

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<p>The Oregon Employment Department is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.</p>	<p>Tony Wendel, Workforce Analyst Hermiston (541) 564-5685</p> <p>Ron Freeman, Field Office Manager The Dalles (541) 296-5435 Hood River (541) 386-6020</p>	

In the Columbia Basin (Gilliam, Morrow, and Umatilla counties), average and median prices are lower in 2008 – but unit sales are considerably higher. In the first four months of 2007, Columbia Basin sales totaled 134 units and this year the total rose to 174 units, an increase of nearly 30 percent. The value of sales during the first four months of 2008 rose to \$21.6 million, a gain of more than \$4 million, or 23 percent.

Average home prices in the Columbia Basin fell in both Morrow and Umatilla counties – although median prices have climbed slightly (Graph 3). Unit sales climbed on a greater mix of low and moderate priced homes – and fewer expensive ones. The opposite was true for Gilliam County, where the six homes sold for an average \$108,100 this year.

## Regional Employment

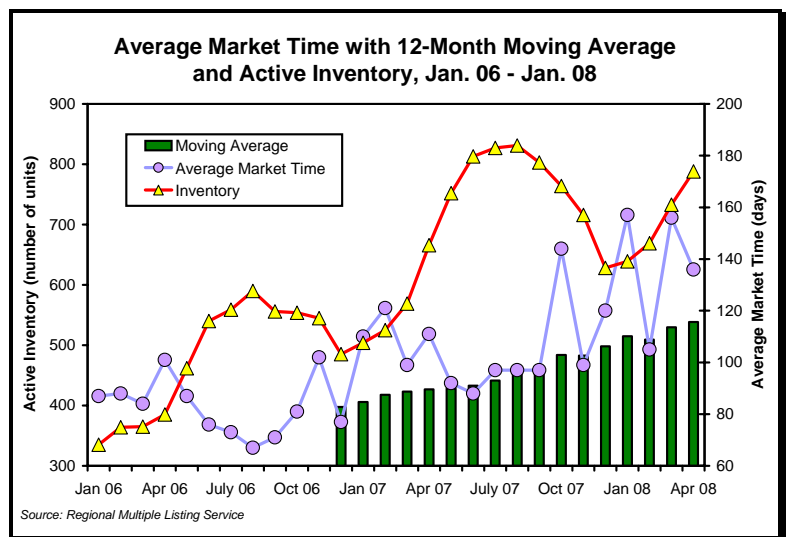
### Gilliam County:

#### Industry Payroll Employment (Establishment Survey Data)

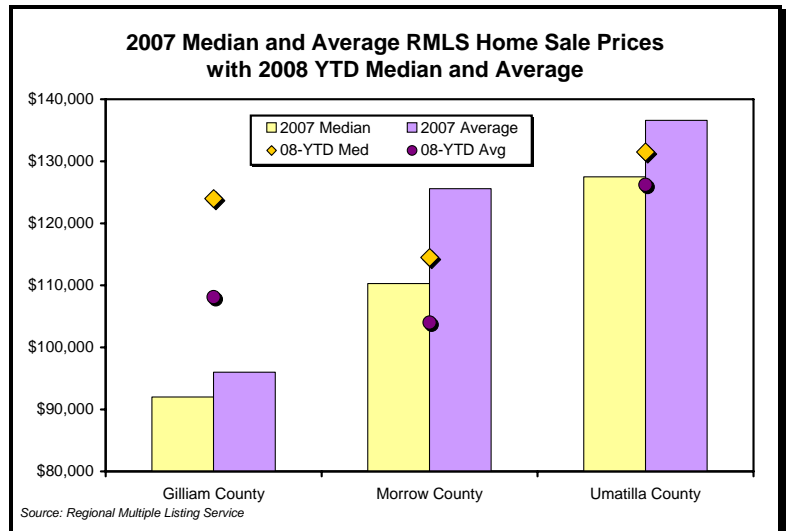
Employment in Gilliam County rose by 10 jobs in April to 820. **Private industry** provided all of the month's gain (+10) to total 590 jobs, and has gained 45 over the year; **total nonfarm** employment rose by 50 over the year. **Leisure and hospitality** (+10) and **professional and business services** (+10) aided the county's over-the-year private-industry growth. **Government** held steady in April, while over the year **state government** added five jobs.

#### Unemployment (Household Survey Data)

Gilliam County's unemployment rate was basically unchanged in April, falling 0.1 percentage point to 4.3 percent. In April 2007, its unemployment rate was also 4.3 percent. Over the year, total employment climbed by 57 and total unemployment was little changed.



Graph 2



Graph 3

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## Hood River County:

### Industry Payroll Employment (Establishment Survey Data)

Employment in Hood River County fell by 70 jobs in April to 10,380 – a typical loss, matching the average over 2001 to 2007. April is a transitional month, where **food services and drinking places** welcome spring guests while **arts, entertainment, and recreation** loses its fluff. **Private industry** lost 20 jobs in April, with unexpected strength in **manufacturing** partially offsetting the normal winter-to-spring transition.

**Food services and drinking places** led the private sector with a gain of 80 jobs in April. **Manufacturing** employment shot up by 50 jobs to total 1,390 – and its gain for the year was an impressive 170 jobs, ranking as the county's top performer. Overall the private sector gained 320 jobs over the year (+3.7%) – and manufacturing had the lion's share. **Trade, transportation, and utilities** rose by 30 while **educational and health services** managed a gain of 20. **Natural resources, mining, and construction** (+10), **information** (+10), and **professional and business services** (+10) were all in the plus column.

Private-industry employment melted with **arts, entertainment, and recreation**, where 220 jobs were cut in April – expect more in May. A year of good conditions and the absence of a major road closure translated to more jobs – an addition of 90 compared with April 2007. **Accommodation** (-10) also found itself in the loss column and its change from year-ago was lukewarm at best (-10). **Natural resources, mining, and construction** (-40), along with other services (-30) also fell short of year-ago employment levels.

Government cut 50 jobs in April, thanks to a loss of 40 in **local government** and a drop of 10 in **state government**. **Local government education** still managed to add jobs over the year (+20) and so did **other local government** (+10), but state government was another story (-20).

### Unemployment (Household Survey Data)

Hood River County's unemployment rate fell 0.4 percentage point in April to 5.0 percent. Compared with April 2007, Hood River County's unemployment rate was 0.5 percentage point higher this year. The number of unemployed climbed by 75 over its year-ago level and total employment grew by 271.

## Sherman County:

### Industry Payroll Employment (Establishment Survey Data)

Employment in Sherman County fell by five jobs in April to 730. **Private industry** (+15) reported gains in **trade, transportation, and utilities** (+5) and **leisure and hospitality** (+5). Over the year, private industry added five jobs to total 430. **Federal government** held steady in April but losses in **state government** (-10) and **local government** (-10) left the public sector in the red. The year-ago review was also negative, with a loss of 15 jobs in local government.

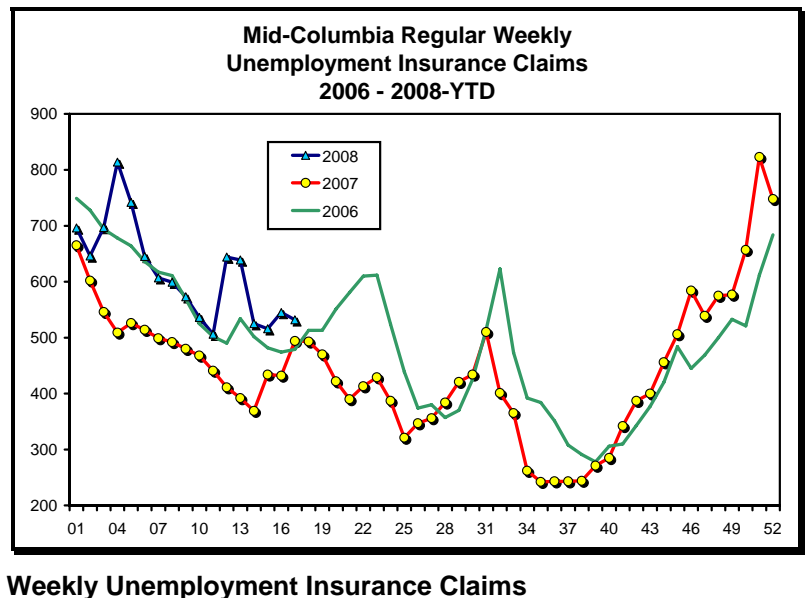
## Unemployment (Household Survey Data)

Sherman County's unemployment rate fell by 1.2 percentage points in April to 4.7 percent; its unemployment rate in April 2007 was 0.5 percentage point lower, at 4.2 percent. Over the year, the number of unemployed workers rose by five and employment fell by 12.

### Wasco County:

## Industry Payroll Employment (Establishment Survey Data)

Wasco County gained 180 jobs in April and its nonfarm total climbed to 9,660. The average April nonfarm job gain – looking at 2001 through 2007 – was around 140 jobs. **Private-industry** job growth (+150) was led by **leisure and hospitality** (+70) and **retail trade** (+30). Leisure and hospitality (+70) and in particular its component industry **accommodation and food services** (+50) grew in April and will continue to add jobs throughout the warm weather months, reaching a seasonal peak in August. Retail trade (+30), **manufacturing** (+20), **professional and business services** (+20), **construction** (+10), and **educational and health services** (+10) all added jobs in April. Job losses were limited to a drop of 10 in **information**.



Weekly Unemployment Insurance Claims

Private industry managed a gain of 30 jobs over the year, led by educational and health services (+40), manufacturing (+30), and **trade, transportation, and utilities** (+30). Job losses in construction (-40), information (-10), and accommodation and food services (-10) were partially offsetting.

Government job gains in April included an increase of 30 in **Indian tribal** and 10 in **federal government**. A loss of 10 in **other local government** cut the public sector's gain in April to 30 jobs. Over the year, **local government education** provided a gain of 30 jobs, Indian tribal added 10 and other local cut 10.

## Unemployment (Household Survey Data)

Wasco County's unemployment rate fell by 1.0 percentage point in April to 5.2 percent – in April 2007 its rate was 4.7 percent. The number of unemployed rose by 77 over the year while total employment climbed by 110.

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## Wheeler County:

### Industry Payroll Employment (Establishment Survey Data)

Employment in Wheeler County was unchanged in April with 270 nonfarm jobs. **Private industry**, at 140 jobs, climbed by five in April and held steady for the year. **Local government** lost five jobs in April and gained five jobs over the year.

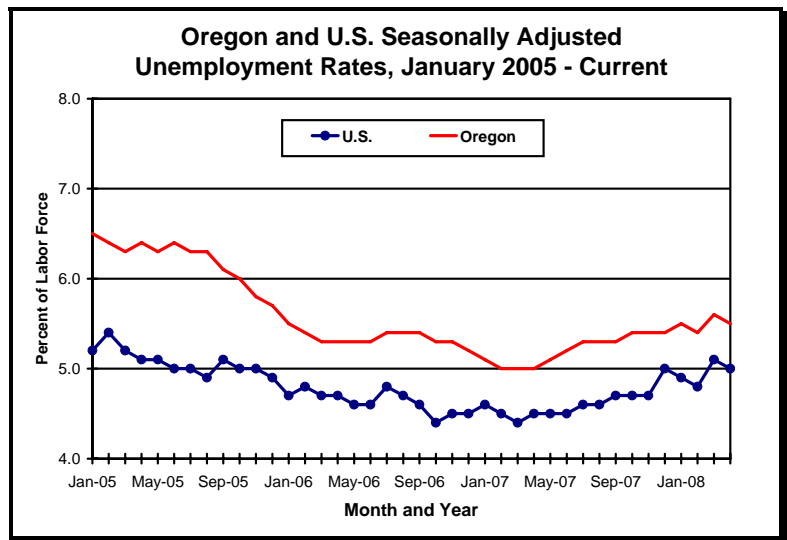
### Unemployment (Household Survey Data)

Wheeler County's unemployment rate fell 1.6 percentage points in April to 5.7 percent. Its year-ago unemployment rate was somewhat higher at 6.4 percent. Over the year, the number of unemployed fell by five while total employment slipped by seven.

## Oregon's Employment

Oregon's seasonally adjusted unemployment rate was 5.5 percent in April and the revised figure for March was 5.6 percent. April's rate of 5.5 percent was significantly above the lowest level over the past several years, which was reached in February, March and April 2007, when the rate was 5.0 percent. In April, 108,273 Oregonians were unemployed.

In April, Oregon's seasonally adjusted nonfarm payroll employment declined 1,600, following a loss of 2,700 jobs in March. Payroll employment stood at 1,737,600, the lowest level since 1,735,100 in October 2007.



Most of the major industries performed in line with their typical seasonal pattern in April. However, two major industries posted sizeable seasonally adjusted job declines: professional and business services (-1,700 jobs) and leisure and hospitality (-1,000).

Professional and business services added only 1,400 jobs (not seasonally adjusted) when a gain of 3,100 would be the normal seasonal pattern in April. This major industry was stronger than normal in the winter months and is now coming back into line with its longer term trend. With 198,900 jobs, the industry is up 2,700 or 1.4 percent in the past 12 months. One of its component sectors, professional and technical services, has added 1,400 jobs since April 2007. Another – management of companies and enterprises – has added 1,500.

Leisure and hospitality added only 1,100 jobs, which was about half the normal April gain. High gasoline prices may have held consumer discretionary spending in check, leading to weakened hiring at motels and restaurants. The accommodation industry added only 500 jobs for the month and is

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down 1,200 jobs over the past 12 months. Full-service restaurants showed similar weakness, adding only 200 jobs in April. That industry is down 800 jobs in the past 12 months.

Manufacturing was flat in April, with a gain of 1,100 jobs in nondurable goods, balancing a drop of 1,100 in durable goods. Wood product manufacturing continues to be hit hard by the declines in the national housing sector. Employment in this industry dropped 800 in April and is down 2,400 since April 2007. Computer and electronic manufacturing has shed employment over the past year and a half. The industry employed 39,100 in April, reaching its lowest level in more than 12 years.

## **National Employment**

The number of unemployed persons (7.6 million) and the unemployment rate (5.0%) were little changed in April. One year earlier, the number of unemployed persons was 6.8 million, and the jobless rate was 4.5 percent.

Total nonfarm payroll employment was little changed in April (-20,000). Job losses continued in construction, manufacturing, and retail trade. Employment grew in health care and in professional and technical services.

In April, employment in construction declined by 61,000, with losses continuing throughout most of the sector. Since its peak in September 2006, construction employment has fallen by 457,000.

Manufacturing employment fell by 46,000 over the month; nearly all the decline occurred in durable goods manufacturing. In April, large job losses occurred in motor vehicles and parts (-17,000) and in fabricated metal products (-11,000). Declines also occurred in furniture and related products (-4,000) and in semiconductors and electronic components (-3,000). Over the past 12 months, manufacturing employment has declined by 326,000.

Employment in retail trade continued to trend down, with a decrease of 27,000 in April. Since its peak in March 2007, the industry has shed 137,000 jobs. Over the month, job losses continued in building material and garden supply stores (-12,000) and in department stores (-8,000).

Employment in health care continued to increase in April with a gain of 37,000. This industry has added 365,000 jobs over the past 12 months. In April, there were gains of 22,000 jobs in ambulatory health care services and 9,000 jobs in hospitals.

Professional and technical services employment rose by 27,000 in April after showing little change during the first quarter of 2008. Computer systems design added 10,000 jobs over the month and employment in accounting and bookkeeping services edged up by 9,000. Employment in temporary help services continued to trend down.

Employment continued to trend upward in food services in April (18,000), although job gains in this industry have slowed over the past 6 months. Since October 2007, food services employment has grown by an average of 13,000 per month; this compares to an average increase of 28,000 jobs per month for the preceding 12-month period.

### Gilliam County Labor Force and Industry Employment

Labor Force Status	Apr-08	Mar-08	Apr-07	CHANGE	FROM
				Mar-08	Apr-07
Civilian Labor Force	1,050	1,041	991	9	59
Unemployment	45	46	43	(1)	2
Percent of Labor Force	4.3	4.4	4.3	xxx	xxx
Total Employment	1,005	995	948	10	57

#### Nonfarm Payroll Employment

Total nonfarm	820	810	770	10	50
Total private	590	580	545	10	45
Trade, transportation, and utilities	150	145	150	5	0
Professional and business services	150	150	140	0	10
Educational and health services	65	65	65	0	0
Leisure and hospitality	65	70	55	(5)	10
Government	230	230	225	0	5
Federal government	10	10	10	0	0
State government	35	35	30	0	5
Local government	185	185	185	0	0

### Sherman County Labor Force and Industry Employment

Labor Force Status	Apr-08	Mar-08	Apr-07	CHANGE	FROM
				Mar-08	Apr-07
Civilian Labor Force	931	957	938	(26)	(7)
Unemployment	44	56	39	(12)	5
Percent of Labor Force	4.7	5.9	4.2	xxx	xxx
Total Employment	887	901	899	(14)	(12)

#### Nonfarm Payroll Employment

Total nonfarm	730	735	740	(5)	(10)
Total private	430	415	425	15	5
Trade, transportation, and utilities	185	180	180	5	5
Retail trade	95	95	95	0	0
Leisure and hospitality	135	130	140	5	(5)
Government	300	320	315	(20)	(15)
Federal government	100	100	100	0	0
State government	40	50	40	(10)	0
Local government	160	170	175	(10)	(15)

The most recent month is preliminary, the prior month is revised. Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture, and labor disputants. Unemployment rate derived by dividing unemployment by civilian labor force. Nonfarm payroll employment data cover full- and part-time employees who worked during or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics. "Natural resources" includes only Logging (NAICS 1133). Persons on sick leave, vacations, or holidays, and being paid for that period by their employer, are considered employed. Prepared in cooperation with the U.S. Department of Labor.

## Hood River County Labor Force and Industry Employment

<b>Labor Force Status</b>	Apr-08	Mar-08	Apr-07	CHANGE Mar-08	FROM Apr-07
Civilian Labor Force	12,477	12,897	12,131	(420)	346
Unemployment	621	691	546	(70)	75
Percent of Labor Force	5.0	5.4	4.5	xxx	xxx
Total Employment	11,856	12,206	11,585	(350)	271
<b>Nonfarm Payroll Employment</b>					
Total nonfarm	10,380	10,450	10,050	(70)	330
Total private	8,950	8,970	8,630	(20)	320
Natural resources, mining, and construction	440	430	480	10	(40)
Manufacturing	1,390	1,340	1,220	50	170
Trade, transportation, and utilities	2,010	1,980	1,970	30	40
Wholesale trade	520	510	520	10	0
Retail trade	1,310	1,300	1,290	10	20
Transportation, warehousing, and utilities	180	170	160	10	20
Information	130	120	120	10	10
Financial activities	350	350	340	0	10
Professional and business services	740	730	710	10	30
Educational and health services	1,680	1,660	1,650	20	30
Leisure and hospitality	1,960	2,110	1,860	(150)	100
Arts, entertainment, and recreation	660	880	570	(220)	90
Accommodation and food services	1,300	1,230	1,290	70	10
Accommodation	350	360	360	(10)	(10)
Food services and drinking places	950	870	930	80	20
Other services	250	250	280	0	(30)
Government	1,430	1,480	1,420	(50)	10
Federal government	100	100	100	0	0
State government	120	130	140	(10)	(20)
Local government	1,210	1,250	1,180	(40)	30
Local government education	740	790	720	(50)	20
Local government other	470	460	460	10	10

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## Wasco County Labor Force and Industry Employment

Labor Force Status	Apr-08	Mar-08	Apr-07	CHANGE	FROM
				Mar-08	Apr-07
Civilian Labor Force	12,534	12,419	12,347	115	187
Unemployment	658	776	581	(118)	77
Percent of Labor Force	5.2	6.2	4.7	xxx	xxx
Total Employment	11,876	11,643	11,766	233	110
<b>Nonfarm Payroll Employment</b>					
Total nonfarm	9,660	9,480	9,600	180	60
Total private	7,310	7,160	7,280	150	30
Natural resources and mining	60	60	60	0	0
Construction	390	380	430	10	(40)
Manufacturing	760	740	730	20	30
Trade, transportation, and utilities	2,100	2,070	2,070	30	30
Wholesale trade	240	240	240	0	0
Retail trade	1,630	1,600	1,620	30	10
Transportation, warehousing, and utilities	230	230	210	0	20
Information	100	110	110	(10)	(10)
Financial activities	390	390	390	0	0
Professional and business services	500	480	500	20	0
Educational and health services	1,610	1,600	1,570	10	40
Ambulatory health care services	370	370	370	0	0
Nursing and residential care facilities	460	460	440	0	20
Leisure and hospitality	1,080	1,010	1,090	70	(10)
Accommodation and food services	950	900	960	50	(10)
Other services	320	320	330	0	(10)
Government	2,350	2,320	2,320	30	30
Federal government	310	300	310	10	0
State government	320	320	320	0	0
Local government	1,720	1,700	1,690	20	30
Indian tribal	300	270	290	30	10
Local education	820	820	790	0	30
Local government other	600	610	610	(10)	(10)

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## Wheeler County Labor Force and Industry Employment

<b>Labor Force Status</b>	Apr-08	Mar-08	Apr-07	CHANGE Mar-08	FROM Apr-07
Civilian Labor Force	601	626	613	(25)	(12)
Unemployment	34	46	39	(12)	(5)
Percent of Labor Force	5.7	7.3	6.4	XXX	XXX
Total Employment	567	580	574	(13)	(7)
 <b>Nonfarm Payroll Employment</b>					
Total nonfarm	270	270	265	0	5
Total private	140	135	140	5	0
Trade, transportation, and utilities	35	30	35	5	0
Leisure and hospitality	25	20	25	5	0
Government	130	135	125	(5)	5
Federal government	5	5	5	0	0
State government	5	5	5	0	0
Local government	120	125	115	(5)	5

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