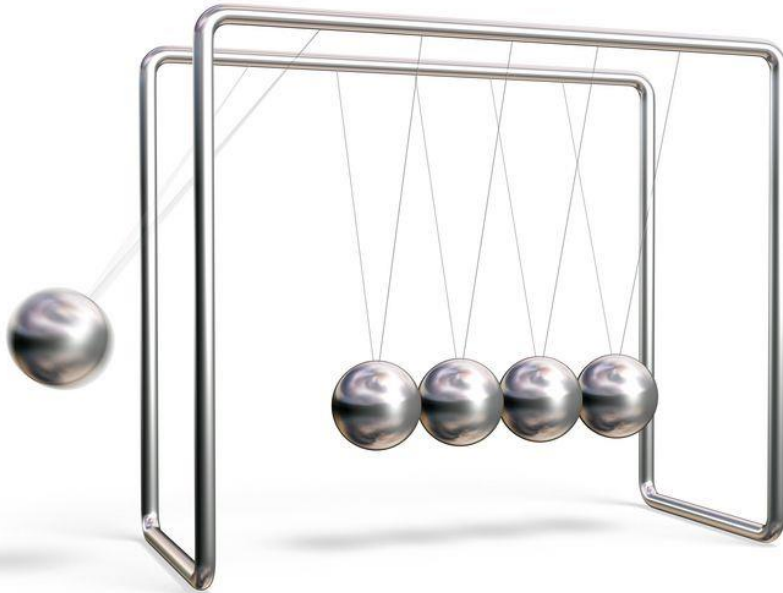


Inflation and Workforce: The story so far

KEDA 2022 Fall Forum
Level Up: The Future of Kitsap's Economy
October 20, 2022

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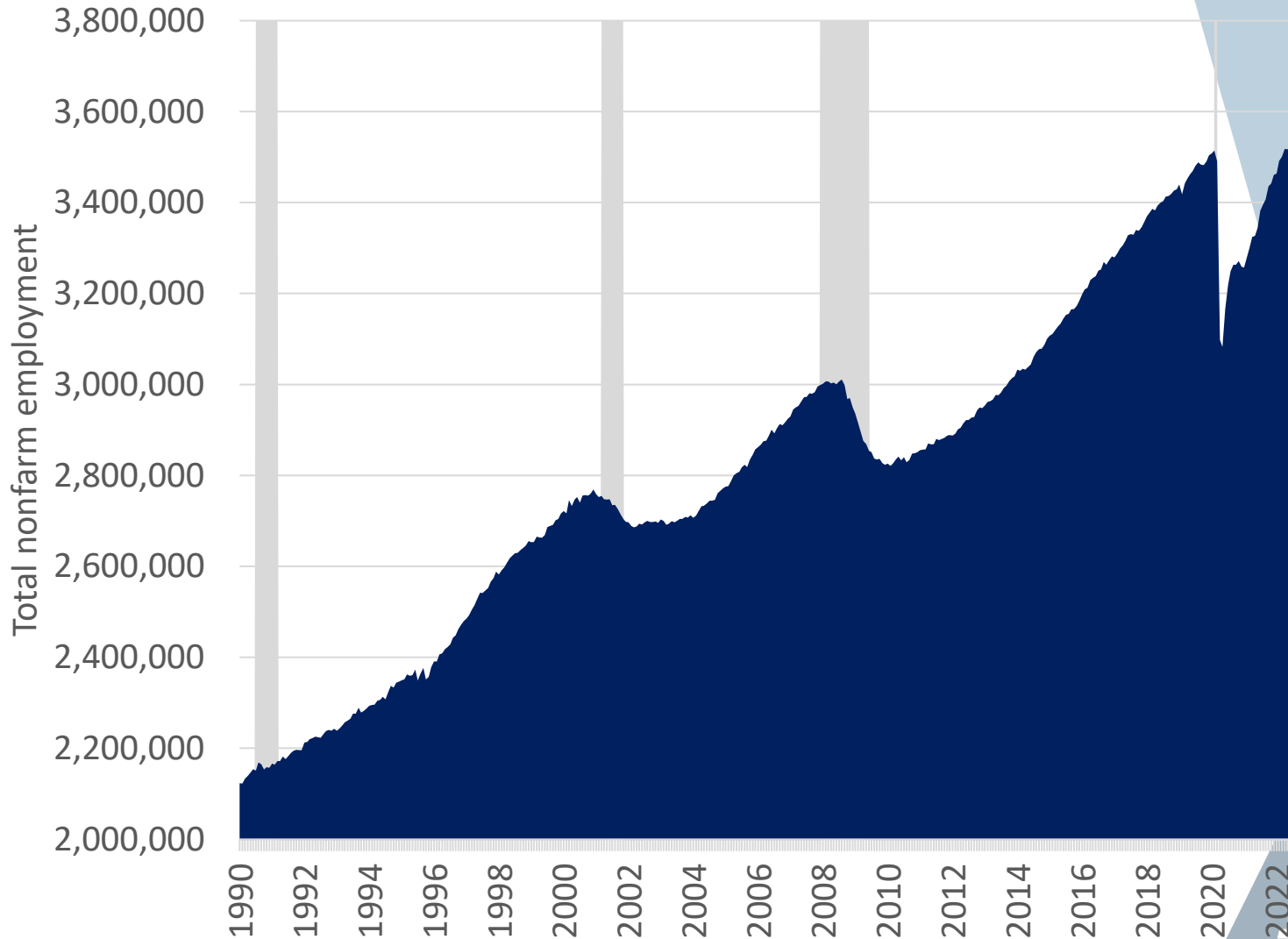


**Employment
Security
Department**
WASHINGTON STATE

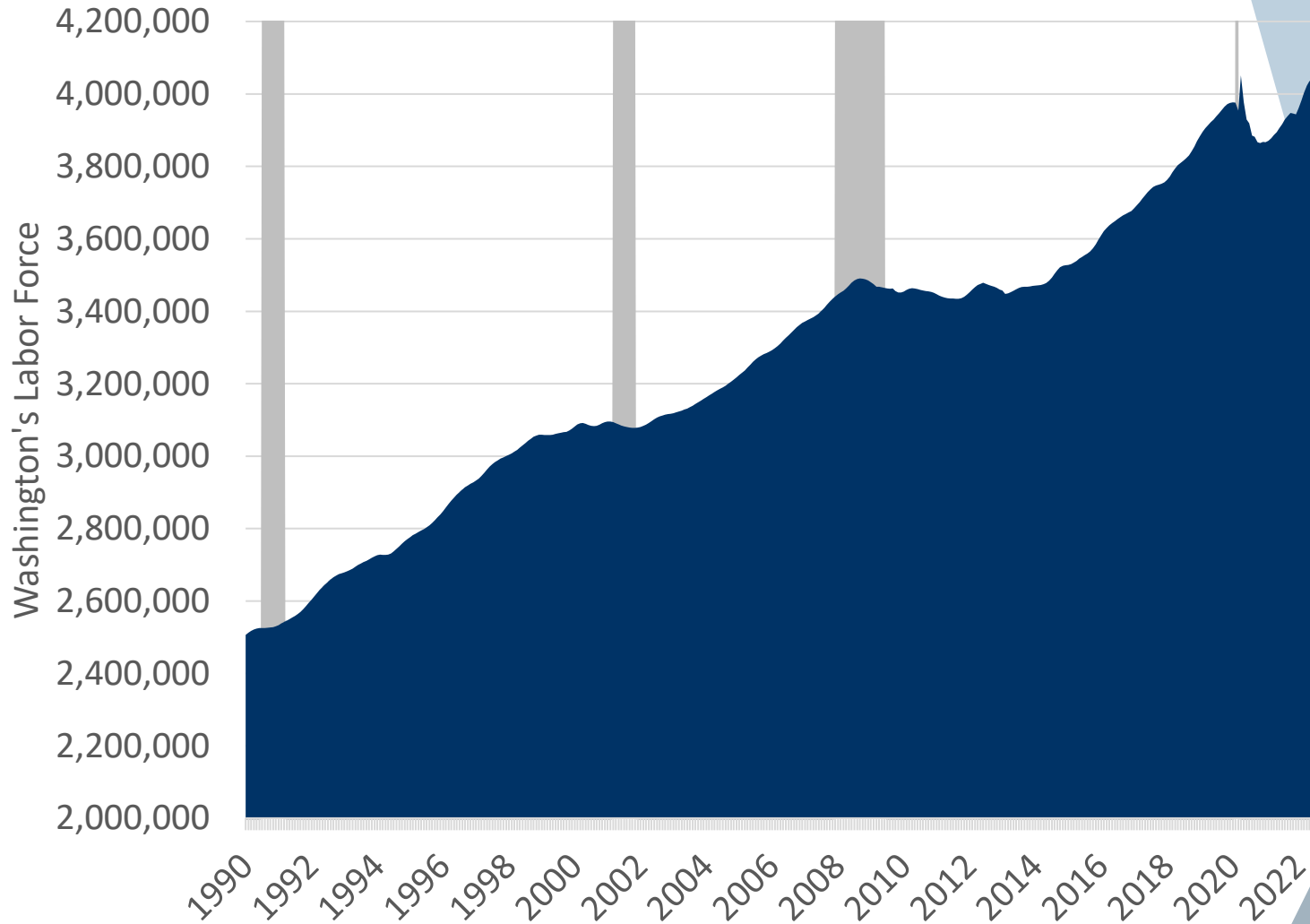
What's up with the labor market?



Washington employment, 1990-2022 (demand)



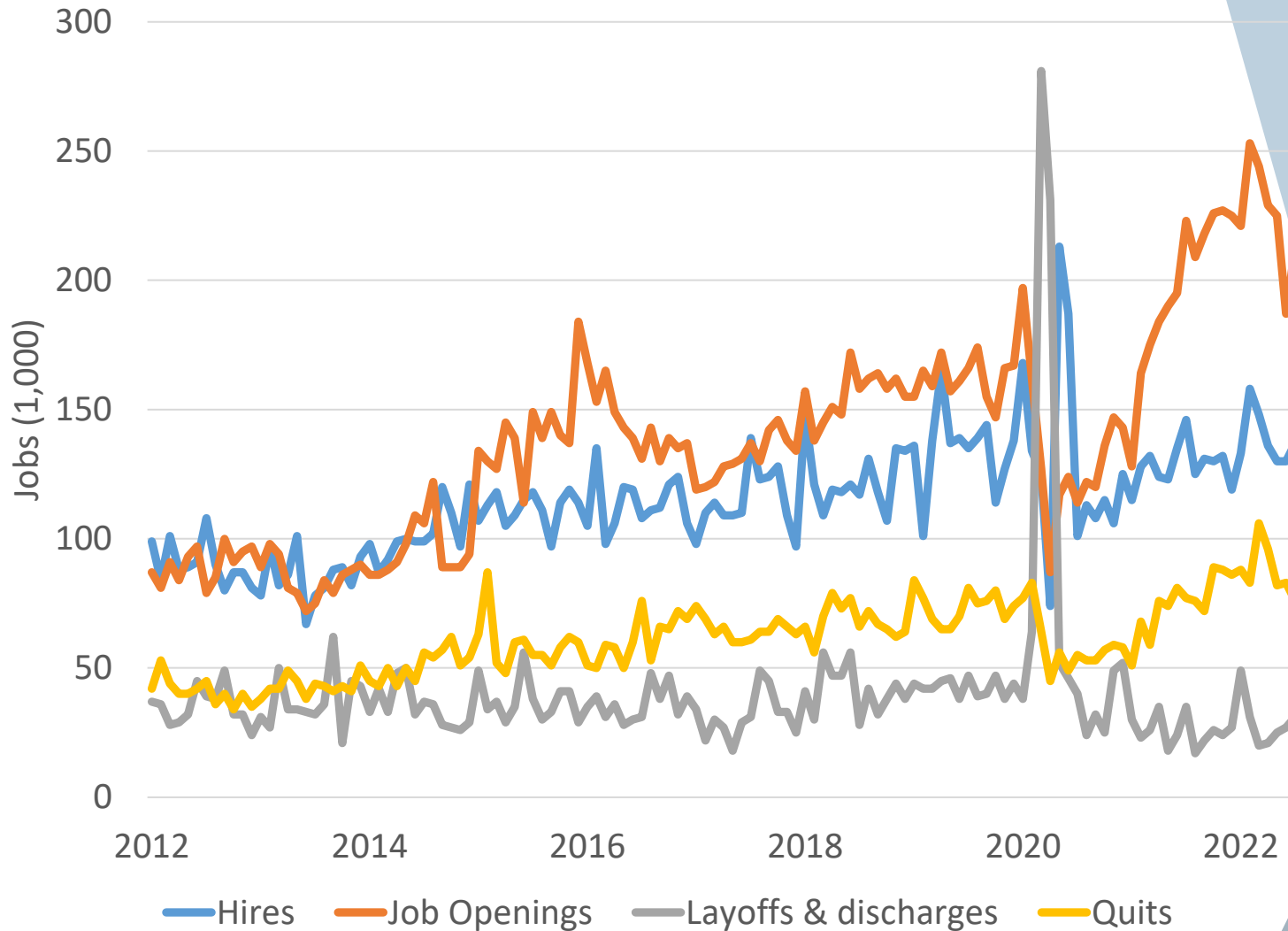
Washington's Labor Force, 1990-2022 (supply)



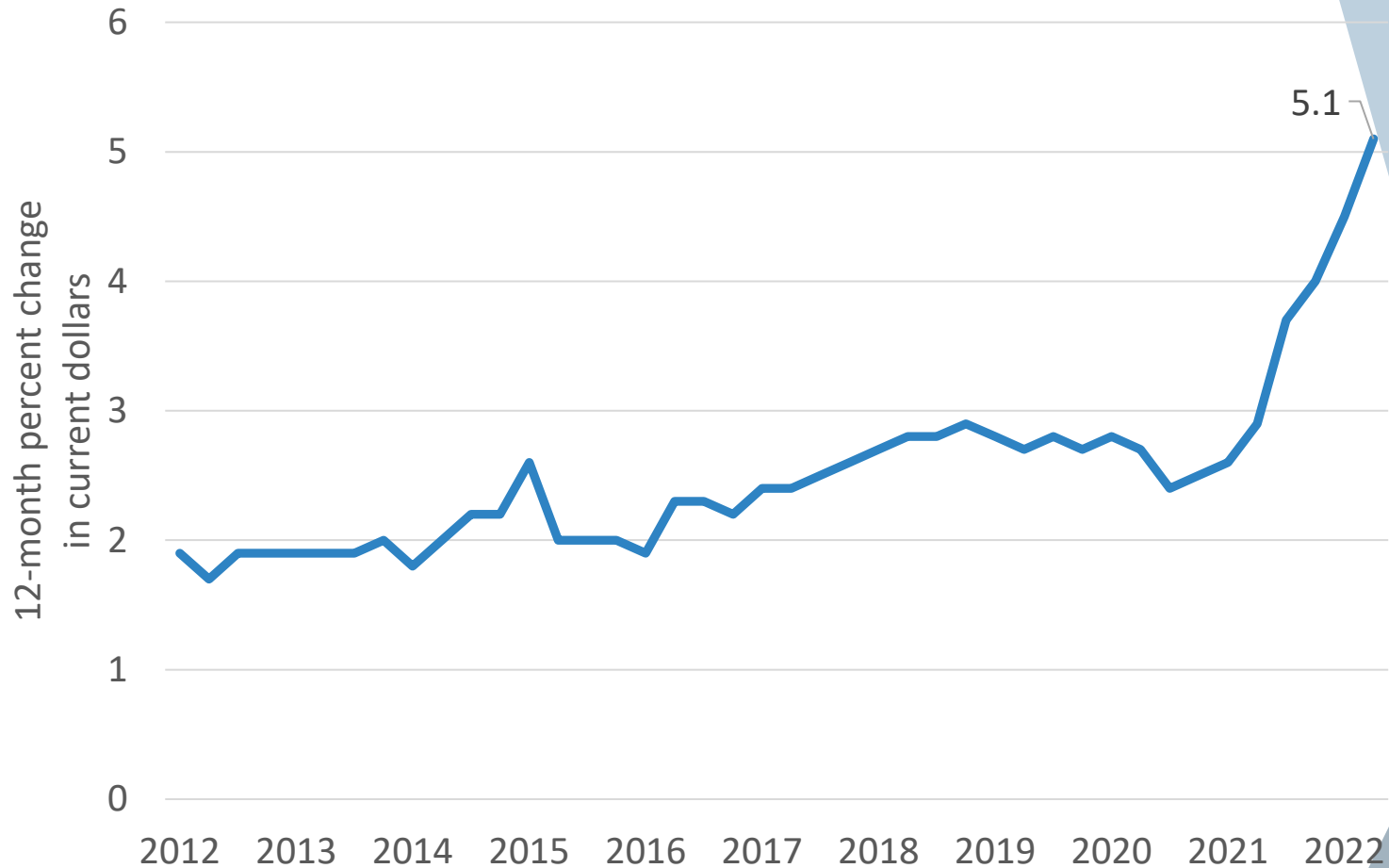
Washington's unemployment rate was 3.7% in September



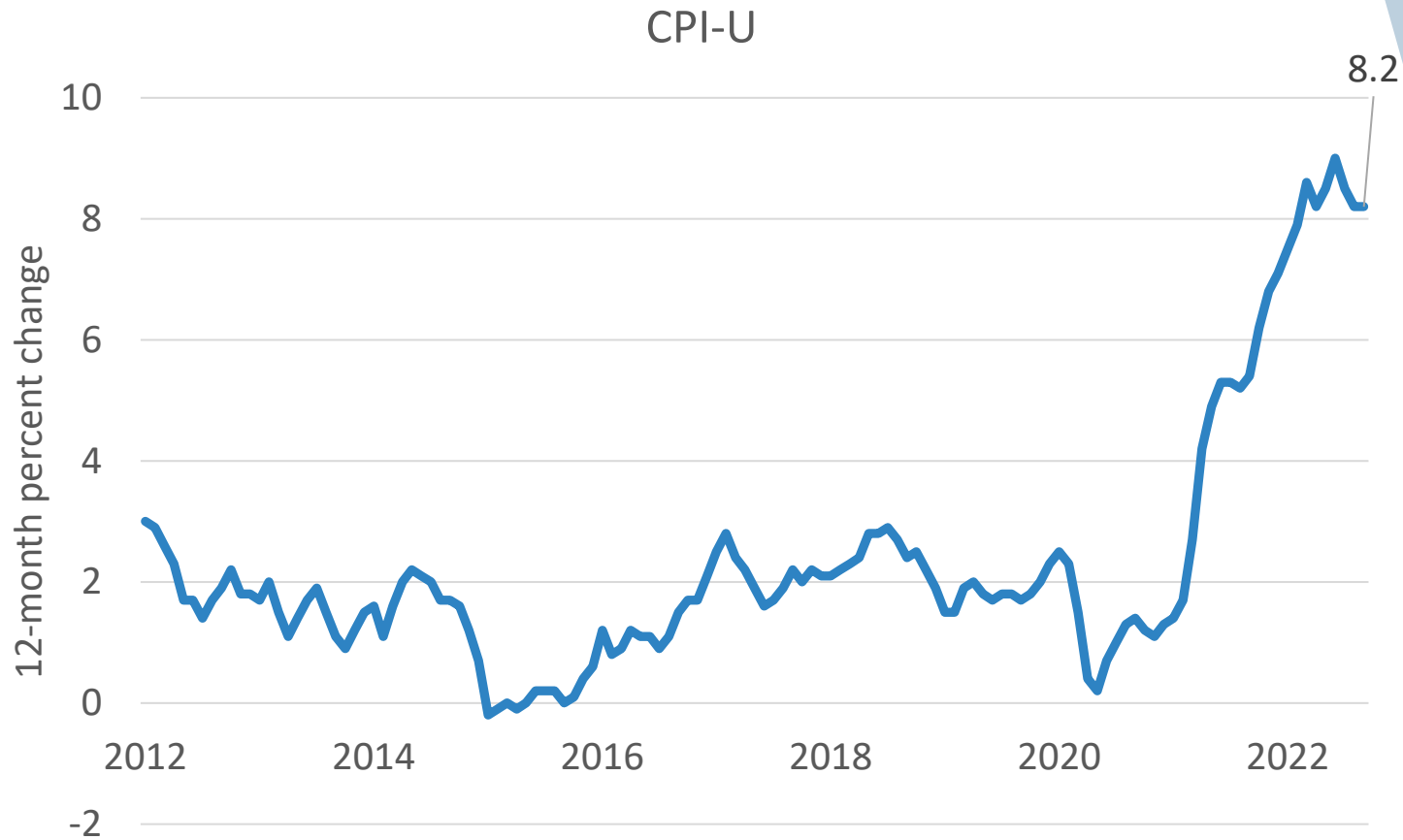
Labor Turnover is Elevated



Compensation is rising quickly



Despite rapid growth, compensation is still lagging behind inflation



Labor Shortages:

The confluence of several conditions

- ▶ Low unemployment
- ▶ Smaller labor force
- ▶ Record number of job openings
- ▶ High quits rate
- ▶ Lower than usual layoff rate
- ▶ Rising wages

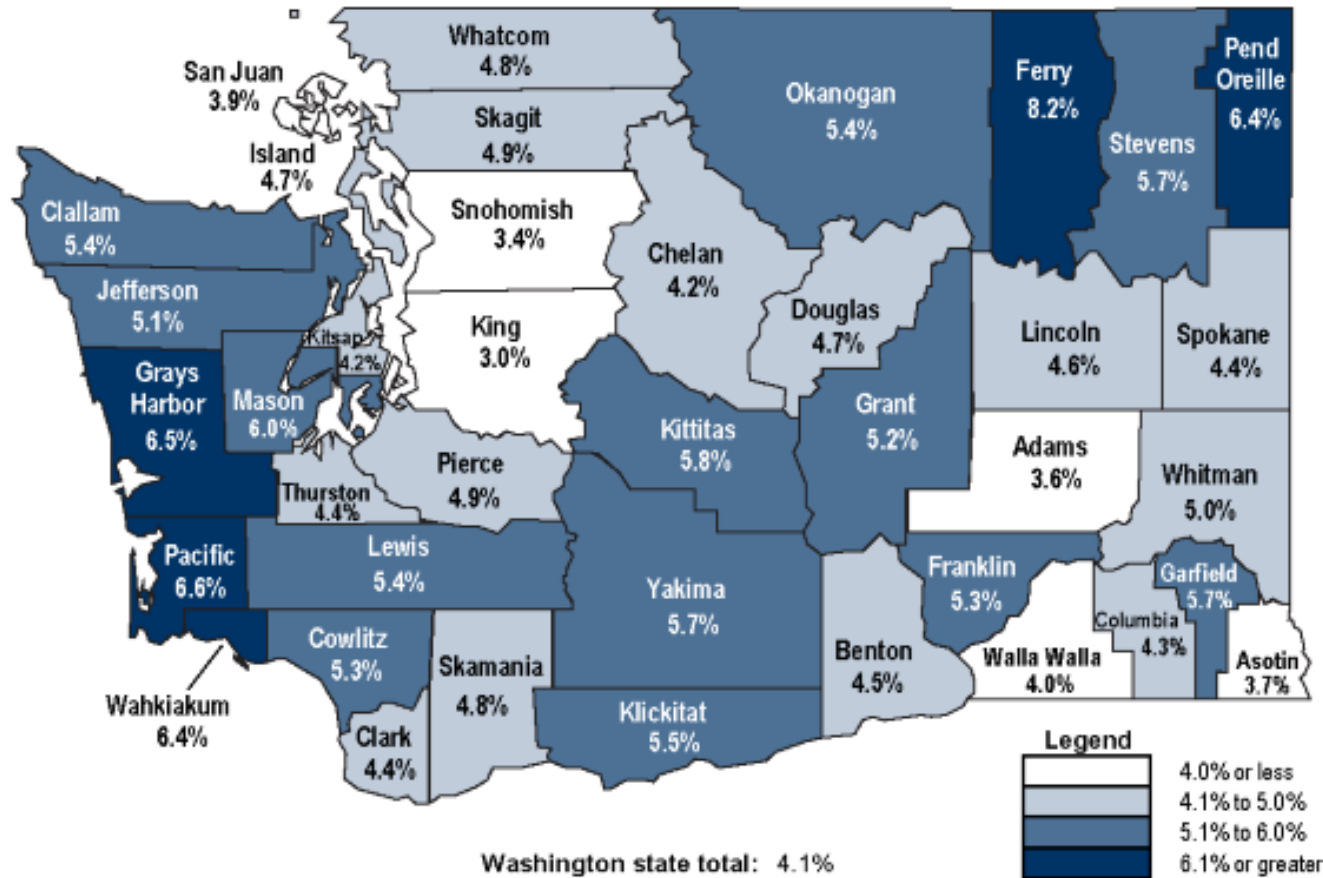
But we're not all
experiencing the same
reality

Labor markets are (mostly) local

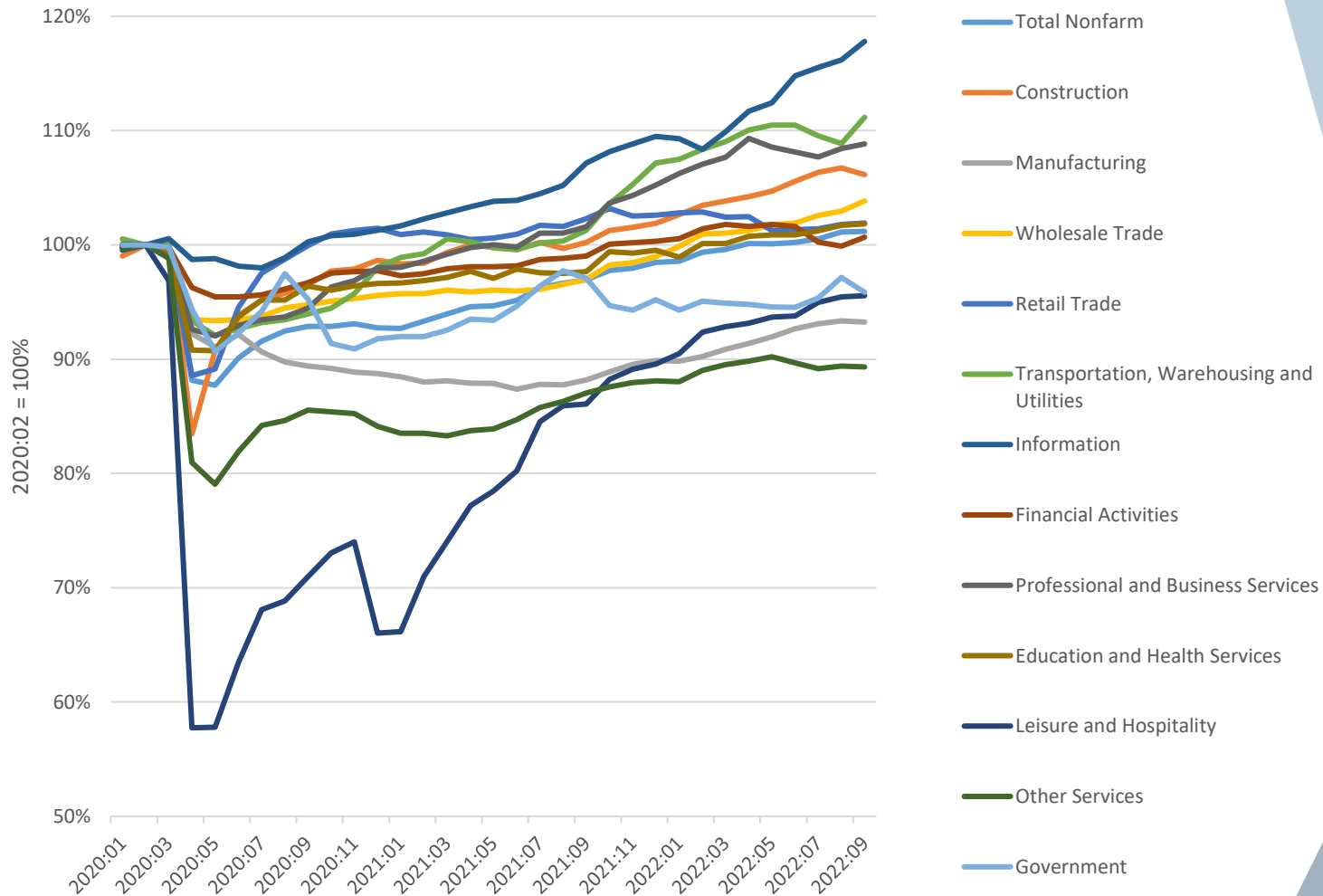
Kitsap County's unemployment rate was 4.2%

August 2022

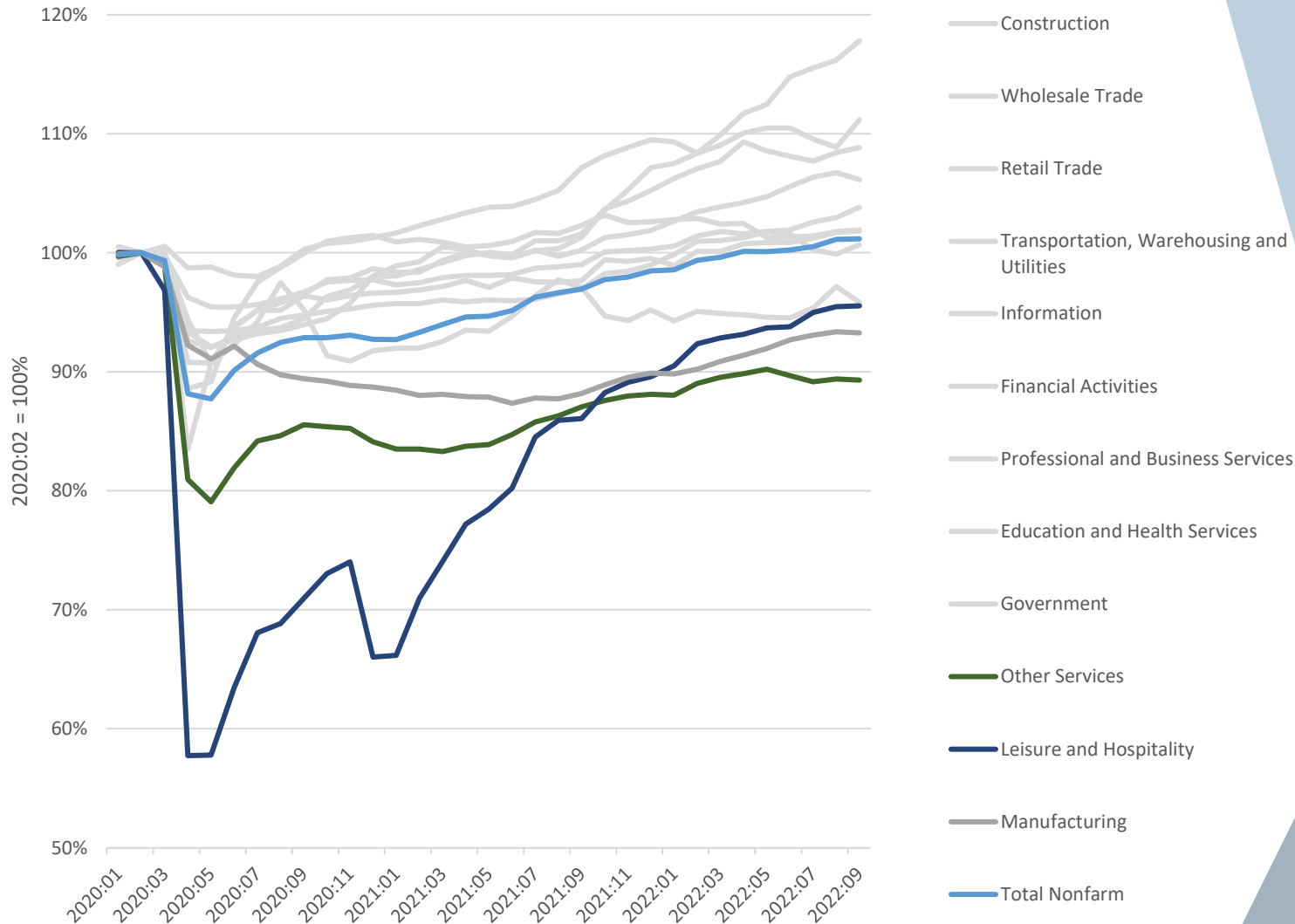
County unemployment rates, not seasonally adjusted



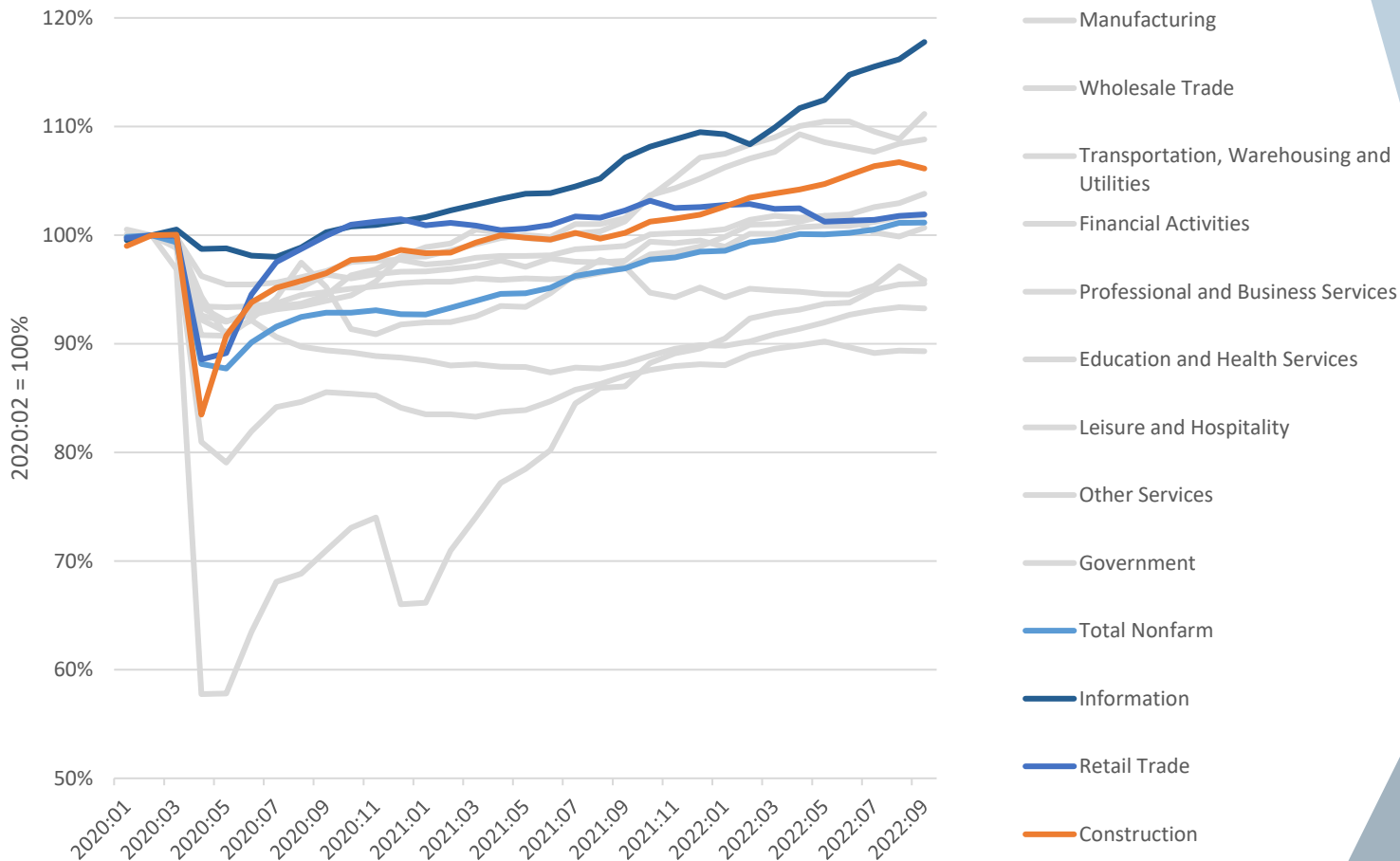
Industries (and workers) were impacted differently.



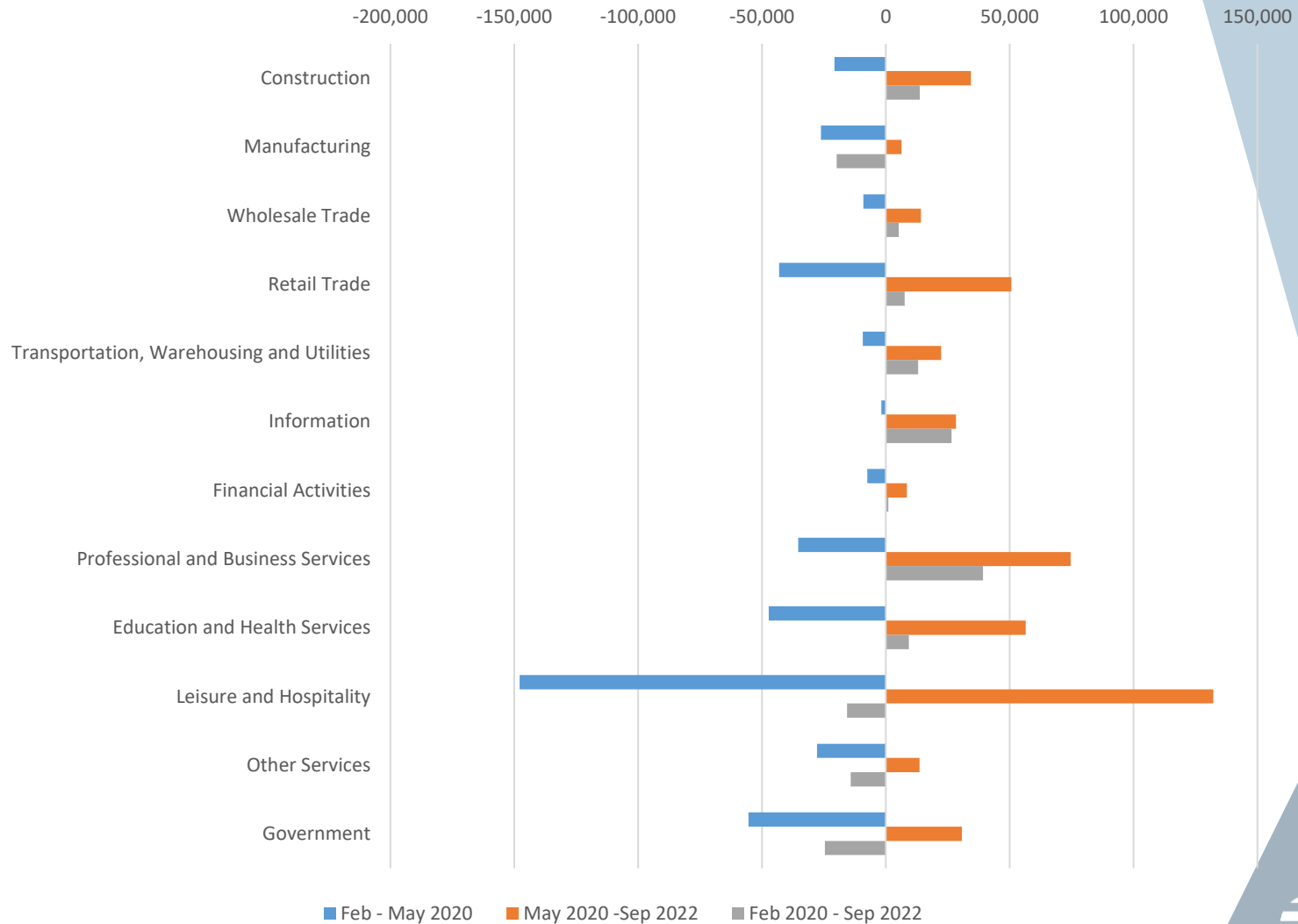
The deepest job losses (and longest recoveries) were in service industries



Technology and continued demand kept some industries going

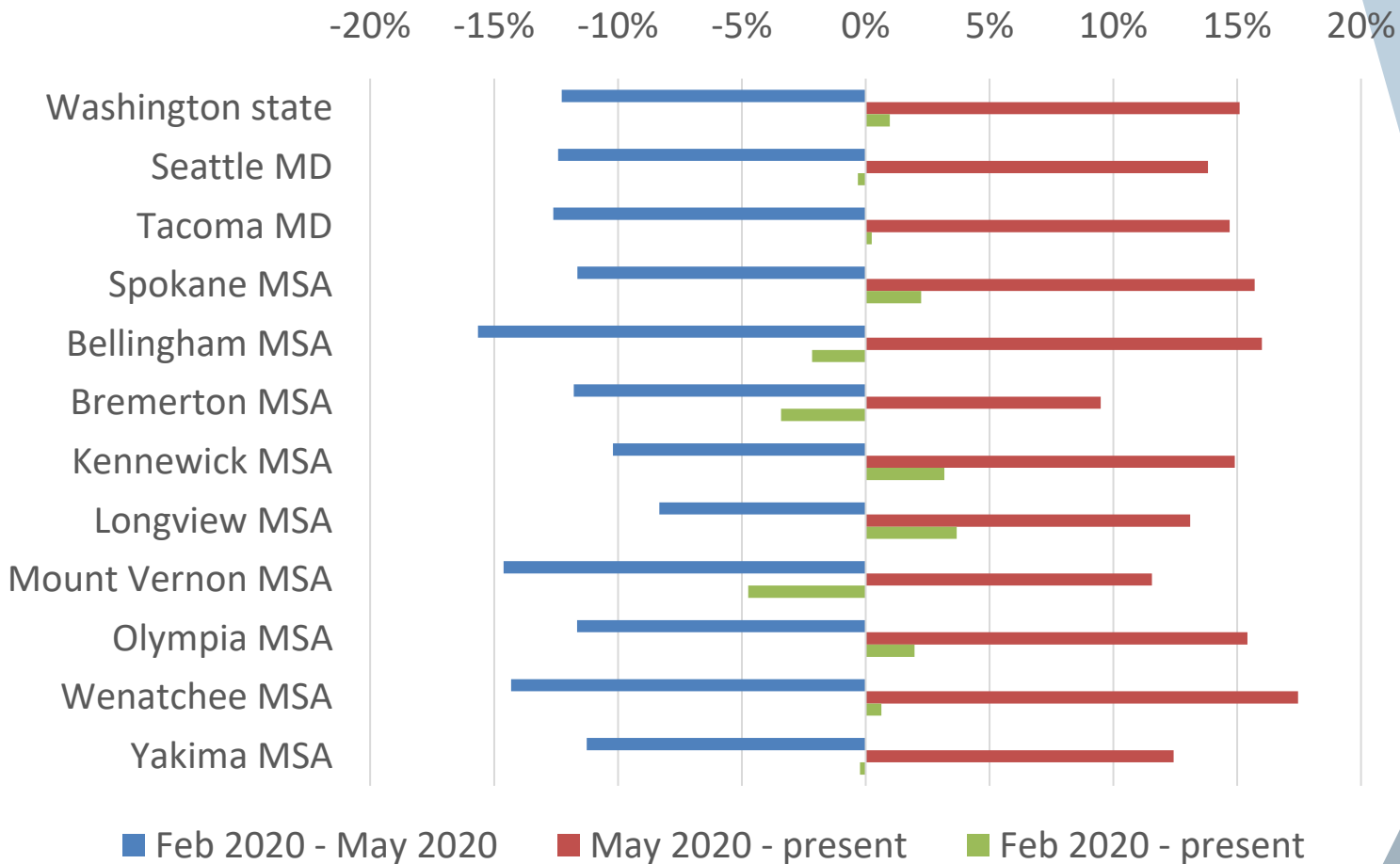


As of September 2022, most industries have recovered



Kitsap County employment is still down about 3.4% compared to Feb 2020

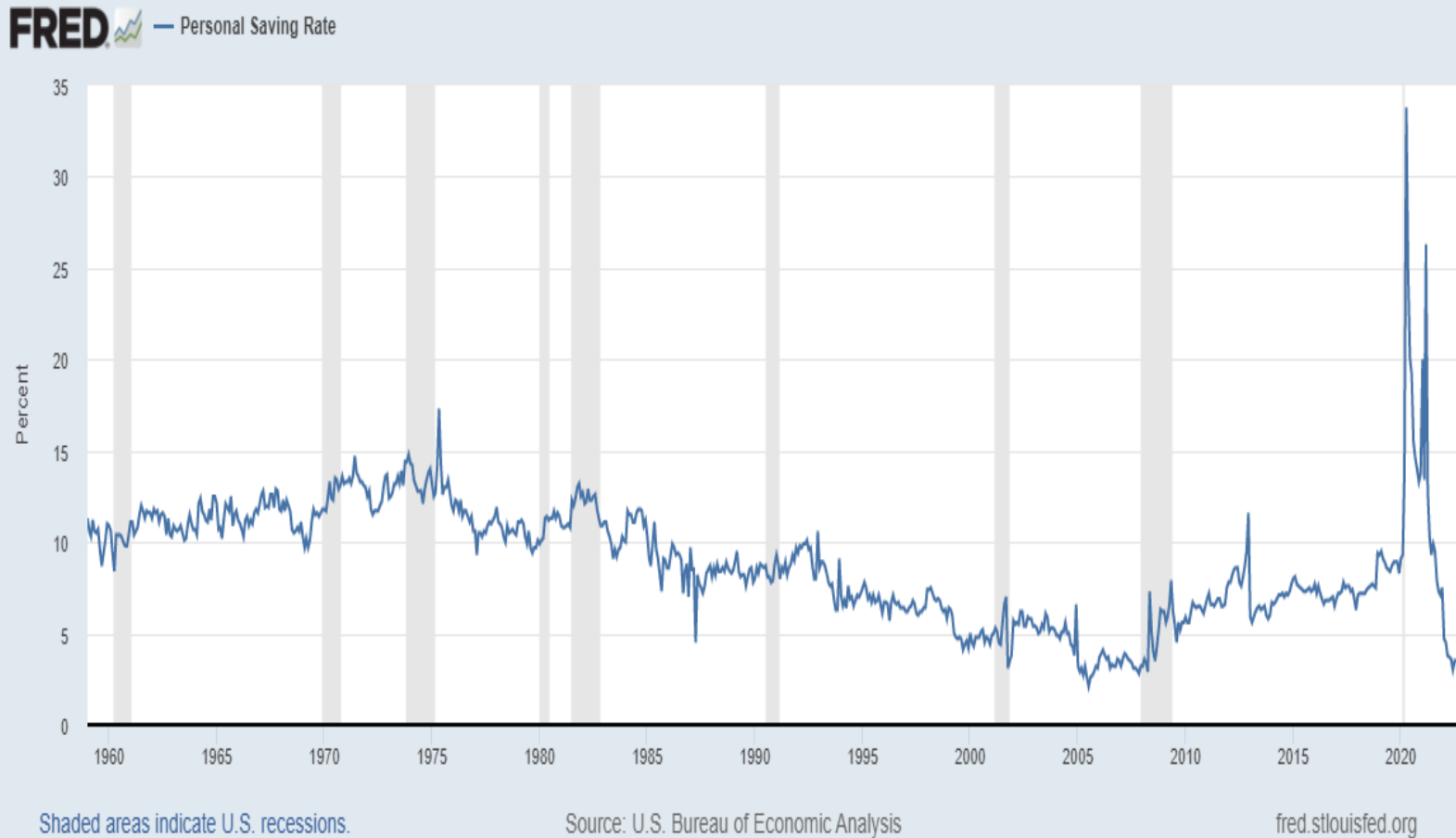
MSA Comparison




Inflation



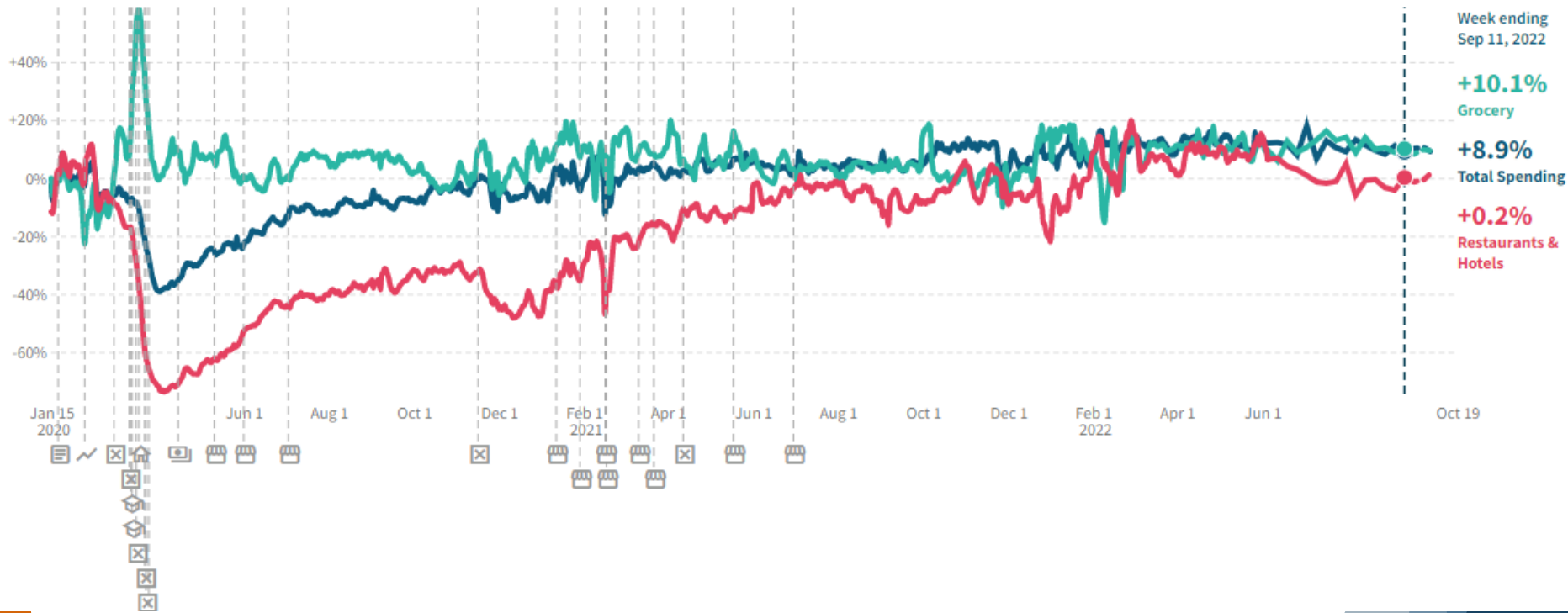
Those of us who could save money, did.



Our habits and spending patterns shifted

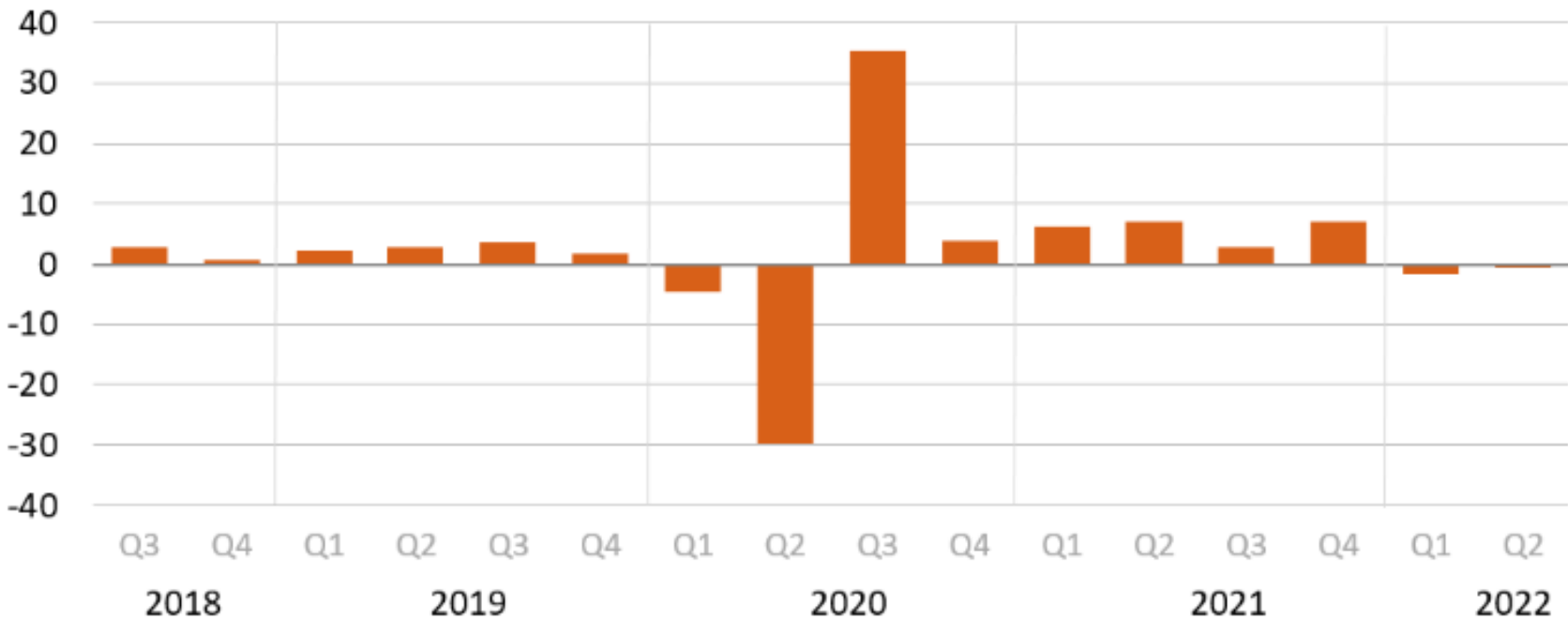
DOWNLOAD CHART 

In **Washington**, as of September 11, 2022, total spending by all consumers increased by **8.9%** compared to January 2020.



GDP was down for two consecutive quarters

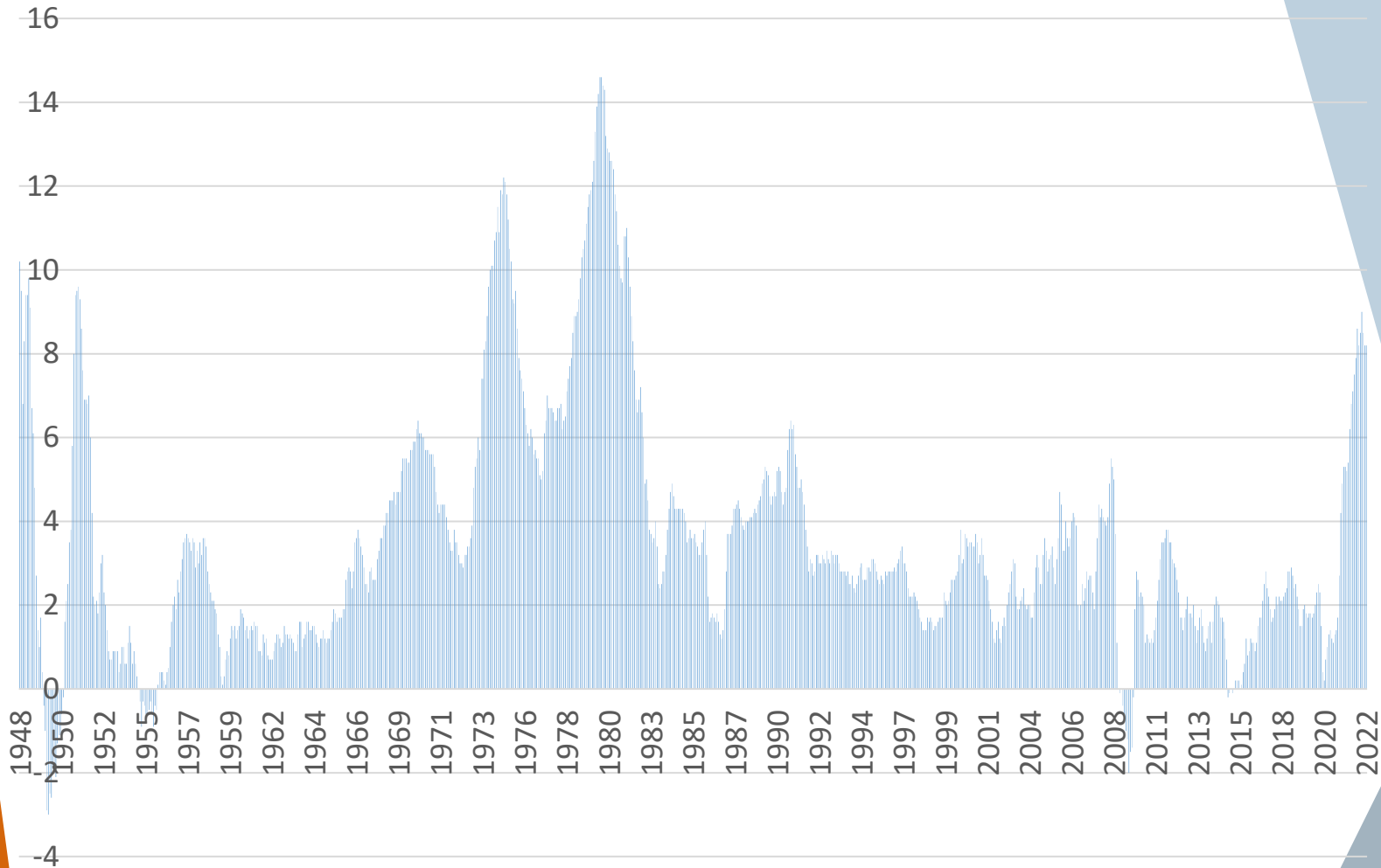
Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual

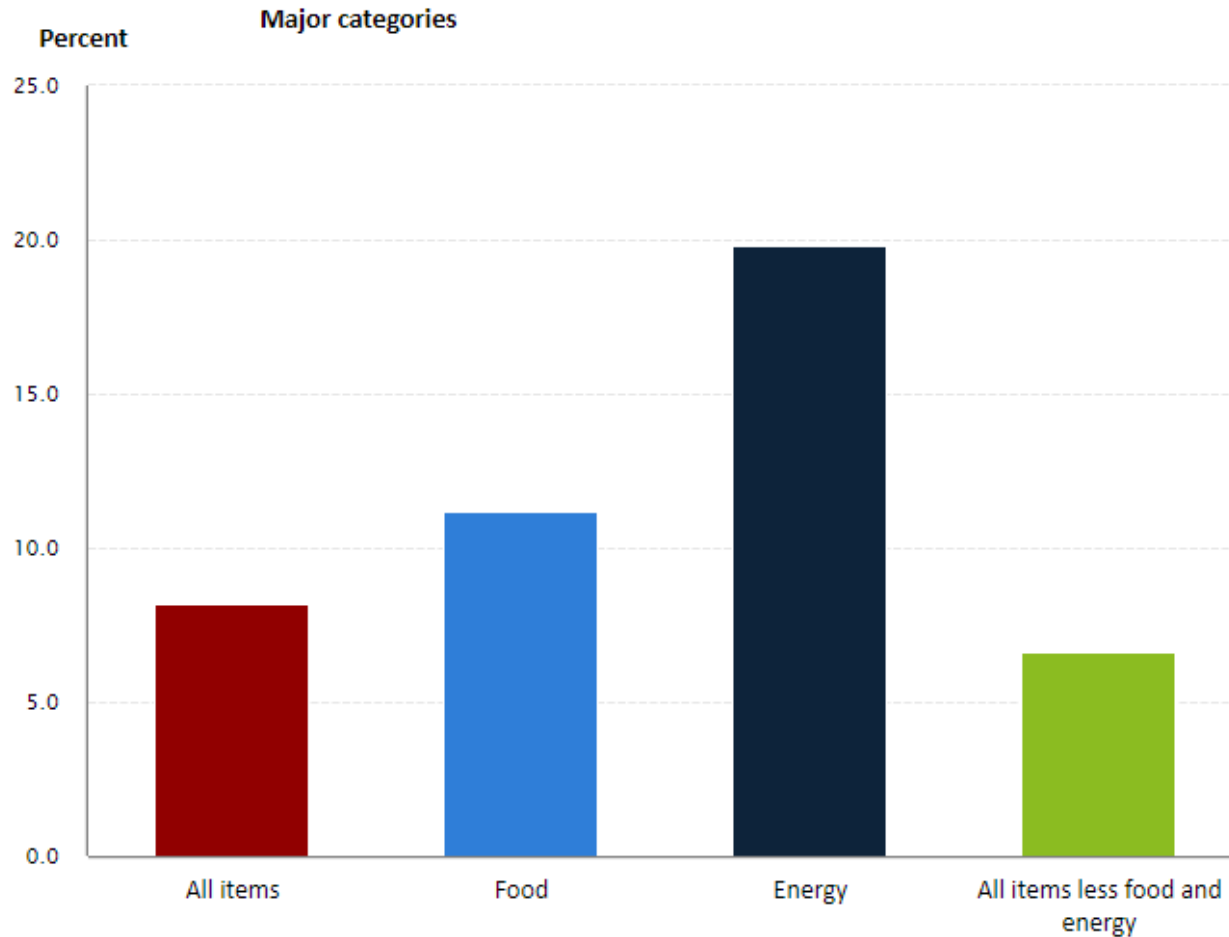
Prices rose 8.6 percent over the year



Energy costs grew the fastest

12-month percentage change, Consumer Price Index, selected categories, September 2022, not seasonally adjusted

Click on columns to drill down



Source: U.S. Bureau of Labor Statistics.



Where do we go from here?

- ▶ Barriers / solutions to employment
 - ▶ The care economy
 - ▶ Health vulnerability / Long COVID
 - ▶ Digital literacy
 - ▶ Labor force
 - ▶ Age
 - ▶ Immigration
- ▶ Technology
- ▶ Supply Chains
- ▶ Ukraine/Russia
- ▶ Inflation
- ▶ Climate
 - ▶ Weather challenges and politics

Questions now or later?

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