

# Stop the presses, Trump was wrong about Spokane economy

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This will come as no surprise to anyone familiar with Donald Trump's factual record – and it will make no dent in the blind passion of Trump Nation – but The Donald was wrong about our region's economy.

Since Barack Obama took office, more people – not fewer – are drawing paychecks from businesses in Spokane, Pend Oreille and Ferry counties. In fact, by the end of last year, the employment picture had returned to the peak of 2007.

This doesn't mean that everything is sunny, of course. There's no need to break out any champagne. The increase has been modest – roughly 4 percent between 2009 and 2015, or an addition of almost 10,000 jobs. But in the low-energy economy that has been Spokane's hallmark – little booming, little busting – things are better now than they've been in a while.

This is the opposite of what Trump asserted at his rally here over the weekend. He said the labor force had shrunk by 9,000 during the Obama administration, clearly suggesting we have lost that many jobs. He also noted longer-term declines in manufacturing and logging jobs.

"I'm looking at your numbers," he said, holding up a sheet of paper. "Not good!"

Bureau of Labor statistics – as well as two local economists – say he's wrong.

"Businesses located inside of the county are actually creating more jobs," said Doug Tweedy, regional labor economist with the Employment Security Department. "Our businesses have done really well during that time."

Grant Forsyth, chief economist for Avista and self-described "spreadsheet monkey," said the county employment picture shows that we recovered the jobs lost during the Great Recession – a slow recovery, certainly. While it might sound unimpressive to say we have returned to a previous peak, it's worth noting that employment figures were strong before things went to hell.

"We lost a lot of workers, but we have since gained those jobs back," Forsyth said.

Some of the confusion may derive from the different yardsticks the government uses to measure employment, and the way that the retirements of baby boomers are affecting them. There are two primary methods that the Bureau of Labor Statistics uses to measure employment – surveying the population and tracking jobs at businesses.

The population figures come from household surveys, and they tend to be more volatile and less reliable. The figures both economists prefer are direct reports of jobs from businesses – non-farm, seasonally adjusted employment. By that measure, there is no question: there are more jobs in our region than there were eight years ago.

Here is a closer look at several measures of employment in our statistical region – Spokane, Pend Oreille and Stevens counties – between 2009 and 2015:

The BLS tracks the average annual labor force, which is the total population of employed and “officially” unemployed workers. This is based on household surveys, and is the statistic Trump appeared to be referring to.

The labor force has indeed gotten smaller, dropping by roughly 12,000 in that period. But that doesn’t mean 12,000 jobs were lost, and the largest change in the labor force has been a sharp drop in the number of unemployed residents. In 2009, there were an estimated 25,140 unemployed people in the region, dropping to 16,617 in 2015, Tweedy said. The number of employed people dropped a bit, from 236,990 to 233,577. That dynamic is explained primarily by baby boomers retiring and leaving the labor force, a change that we’re in the midst of now.

“The unemployed moved up as retirees left the labor force,” Tweedy said.

One possible factor – though one that is not tracked locally – is the “discouraged worker” effect, in which job-seekers give up on looking for work and are therefore not included in official unemployment figures. Many people believe this is a major factor now, but it’s probably being overstated. The BLS estimates that discouraged workers and workers “marginally attached to the labor force” make up about 4 percent of all people not in the labor force. That has dropped by about a percentage point since last year.

“The most significant part of the change in the labor force is retirements at this time,” Tweedy said.

Most importantly, when the BLS simply counts jobs that businesses report, it finds that the three-county region has more of them now than it did in 2009. These figures fluctuate from month to month, but they have been inching upward during the past four years. Nonfarm employment reached 235,200 last year, an increase of 9,800 over 2009.

So, stop the presses: Trump was wrong. Just this once. We’ll have to wait to fact-check his pledge to win Washington in November.

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