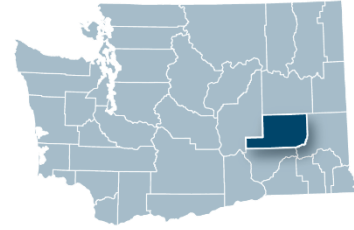


# Adams County Profile

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## Overview

### *Regional context*

Adams County is the 14th-largest county in Washington state, and covers 1,925 square miles. Located in southeastern Washington, it is bounded by Lincoln County on the north, Whitman to the east, Franklin to the south and Grant on the west. Two-thirds of its population is rural as its low population density of 9.7 people per square mile indicates. Since its creation in 1883, the area has been known as an agricultural and livestock ranching area that continues to prosper today. Wheat, corn, apples and potatoes (among other crops) are grown in Adams County.

The Palouse tribe was well established as the dominant indigenous tribe. They traveled the county, ranging their horses. The first white settlers began arriving in 1869. They found the area suitable to raising cattle, horses and sheep. Others followed, seeking land for ranching and farming.

James G. Bennett harvested a small wheat crop near Ritzville in 1880. Russian-German settlers (Volga Germans) who arrived in Adams County in 1883 had farmed wheat in Russia and planted it in Adams County. Seeing their success, other settlers also planted wheat. Adams County wheat farmers soon found that the region was so dry that they must let their fields lie fallow every other year to conserve enough moisture in the soil to raise profitable crops.

In 1897, Adams County produced its first bumper crop of wheat, marking the beginning of wheat farming's eclipse over cattle ranching in the county. The 1897 crop inspired a major influx of new settlers. In 1901 Ritzville exported more wheat than any other town in world – two million bushels filling nearly 2,000 boxcars. By 1904, Ritzville was the largest initial shipping point for wheat in the United States. By 1909, giddy with prosperity, Adams County published a pamphlet distributed at the Alaska-Yukon-Pacific Exposition in Seattle. The pamphlet read, "Adams County, Washington, the breadbasket of the world." However, a severe drought from 1928 to 1931 resulted in dustbowl conditions and many people left the area. The remaining wheat farmers consolidated the abandoned farms and worked thousands of acres to produce a commercial crop.

In addition to its agriculture and livestock ranching, Adams County has some unique recreation and tourism draws. Othello hosts an annual Sandhill Crane Festival the third weekend in March, where thousands of bird watchers attend. The refuge is an excellent environment for wintering ducks, geese and many other varieties of waterfowl. The Sandhill Crane Festival takes place at the Columbia National Wildlife Refuge and is supported by the Othello Chamber of Commerce. The refuge includes 23,200 acres immediately downstream from Potholes Reservoir, and another 6,000 acres of scattered tracts toward the Columbia River.

## Local economy

Adams County started as an agriculturally based area and is still agriculturally based today. There are both dry-land based crops, such as wheat, along with irrigated farming that supports apple orchards and potato fields. Today, Adams County is one of the largest wheat producers in the state. Even many manufacturing operations in Adams County are categorized in the “non-durable goods” versus “durable goods” manufacturing sector, specifically in vegetable and fruit processing. For example, French fry production provides many of the county’s manufacturing jobs. The transportation (primarily truck transportation) and warehousing sector is another major employment category, which is heavily dependent on the fortunes of the local agricultural industry.

According to the National Bureau of Economic Research (NBER), the last great national recession occurred from December 2007 through June 2009. Many counties in Central Washington lost jobs following the recession. Even total covered employment in Adams County dipped by 0.9 percent; from 6,834 jobs in 2008 to an average of 6,771 in 2009. But the effects of this recession on the local labor market were not as pronounced as the effects on Washington state’s or our nation’s labor markets because of the moderating effect of agriculture on Adams County’s economy.

Total covered employment, which includes agricultural jobs, fared well in Adams County during the most recent ten-year period (2009 through 2019) for which average annual employment and wage data are available. Covered employment and wage figures for calendar year 2020 will not be available until approximately June 2021. Total covered employment in Adams County rose from 6,771 jobs in 2009 to 8,932 in 2019, a 2,161 job and 31.9 percent upturn, for an annualized growth rate of 2.8 percent. Of the 2,161 new jobs added to the Adams County economy between 2009 and 2019, 1,695 of them (78.4 percent) were in the agricultural (NAICS 11) sector which experienced a robust annualized growth pace of 8.5 percent.

## Geographic facts

|                                | Adams County | Washington state |
|--------------------------------|--------------|------------------|
| Land area, 2010 (square miles) | 1,924.98     | 66,455.52        |
| People per square mile, 2010   | 9.7          | 101.2            |

Source: U.S. Census Bureau QuickFacts

## Outlook

Although covered employment and wage data for 2020 for Adams County will not be available until approximately June 2021, preliminary nonfarm employment estimates for January through November 2020 are available. These data show the negative effects of the COVID-19 pandemic on the Washington state and Adams County labor markets, primarily since April 2020. Year over year, Washington’s total nonfarm market shrank at a -9.8 percent pace in April 2020 and at a -10.4 percent pace in May 2020. Since then, job-loss rates have steadily decelerated to -4.9 percent in November 2020 – a mix of good and bad economic news. Year over year, total nonfarm job-loss rates in Adams County have been less severe than loss rates statewide since COVID-19-related layoffs began in April 2020. Specifically, after losing jobs at a -9.6 percent rate between May 2019 and May 2020, the rate of decline slowed and for the past six months (June through November 2020). Job-loss rates countywide have been less than 2.0 percent.

How long this economic downturn will last is uncertain. Much depends on how soon the COVID-19 virus can be contained and/or eradicated. This makes preparing an outlook during a pandemic quite difficult. Nevertheless, official long-term, (i.e., ten-year) industry employment projections produced by the Employment Security Department are for a 1.3 percent average annual nonfarm growth rate from 2017 to 2027 for the five-county (Adams, Chelan, Douglas, Grant, and Okanogan) North Central workforce development area (WDA), and for a 1.5 percent growth rate for Washington state.

## Labor force and unemployment

Current labor force (CLF) and unemployment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

In Adams County, unemployment rates were in the 6.0 percent range during the three-year period from 2006 to 2008 (before the recession). Then the recession hit, and the local unemployment rate rose to 9.0 percent in 2009 before peaking at 10.5 percent in 2010. During each of the next eight consecutive years (2011 through 2018, inclusively) average annual unemployment rates in Adams County not only declined but fell to historic lows in calendar years 2017 (5.8 percent) and 2018 (5.6 percent). In fact, the average annual 5.6 percent reading for 2018 in Adams County was the lowest average annual unemployment rate recorded since electronic records were implemented by ESD in 1990 (28 years prior).

Between 2018 and 2019, the unemployment rate edged up only a tick from 5.6 to 5.7 percent. CLF growth in Adams County was strong (up 5.2 percent) rising from an average of 9,382 residents in 2018 to 9,870 in 2019. However, the number of unemployed residents increased from 523 in 2018 to 558 in 2019, causing the rate to elevate from 5.6 to 5.7 percent in 2019 – still a relatively low annual unemployment rate for Adams County.

At the time of report preparation, preliminary, not seasonally adjusted unemployment rates through November 2020 are available for Adams County. Year over year, COVID-19-related layoffs pushed local unemployment rates upwards from April through November 2020. The local rate for November 2020 of 5.8 percent rose three-tenths of a percentage point above the 5.5 percent reading in November 2019. Year over year, the Adams County CLF contracted for eight consecutive months (March through October 2020) before increasing by 7.1 percent in November 2020. Specifically, the labor force in Adams County increased from 9,257 in November 2019 to 9,915 in November 2020 (658 more residents were in the CLF). Unfortunately, the number of unemployed Adams County residents grew at a 13.2 percent pace during this timeframe, rising from 509 in November 2019 to 576 in November 2020. The upturn in the local CLF was not strong enough to counter the rise in the number of unemployed, hence the three-tenths point upturn in the county's unemployment rate between November 2019 and November 2020.

Source: Employment Security Department/LMEA; County data tables

## Industry employment

Current industry employment statistics are available on the [Covered employment \(QCEW\)](#) page on ESD's labor market information website.

The North American Industry Classification System (NAICS) is an industry classification system that assigns every businesses and government organization in America a six-digit NAICS code based primarily on the activities in which that business or government organization is engaged. All business and government organizations are also more broadly categorized into one of 22 two-digit NAICS sectors. Nineteen sectors are in private enterprise and three sectors are in government service – either at the federal, state, or local level.

*Top five Adams County industry sectors in 2019 in terms of employment were:*

| Industry sector                      | Number of jobs | Share of employment |
|--------------------------------------|----------------|---------------------|
| 1. Agriculture, forestry and fishing | 3,013          | 33.9%               |
| 2. Local government                  | 1,540          | 17.3%               |
| 3. Manufacturing                     | 1,113          | 12.5%               |
| 4. Health services                   | 726            | 8.2%                |
| 5. Retail trade                      | 685            | 7.7%                |
| All other industries                 | 1,819          | 20.4%               |
| <b>Total covered employment</b>      | <b>8,896</b>   | <b>100%</b>         |

Source: Employment Security Department/LMEA; County data tables

The “big kid on the block” in the Adams County economy is agriculture. In 2019, QCEW data showed that Adams County’s labor market provided 8,896 jobs with approximately 79.6 percent of all local jobs tallied in just five (agriculture, local government, manufacturing, health services and retail trade) two-digit NAICS industries or sectors. In 2019, over one-third (or 33.9 percent) of all covered jobs countywide were categorized under “agricultural, forestry and fishing” – in which the lion’s share of jobs were provided by the local agricultural industry.

In 2019, three industries – agriculture, local government and manufacturing (particularly food processing) – accounted for 63.7 percent of total covered employment in Adams County.

Covered employment and wage trends for the 10-year period (eleven years, inclusive from 2009 through 2019) were analyzed using ESD’s annual average Quarterly Census of Employment and Wage (QCEW) data for the 22 two-digit NAICS sectors in Adams County. Following are two of the findings:

- Between 2009 and 2019, the industry in Adams County which by far added the most jobs was agriculture. Average annual total covered employment in Adams County rose by 265 jobs, from 8,631 jobs in 2009 to 8,896 in 2019, a respectable 3.1 percent expansion. Of this net gain of 265 jobs, 246 (92.8 percent) were in the agricultural sector. Expanding agricultural employment was also observed during the most recent ten-year period for which average annual covered data were available (2009 through 2019). Specifically, in 2009 local agricultural employers in Adams County provided 1,346 jobs, 19.9 percent of total covered employment. By 2019, this industry tallied 3,013 jobs and accounted for 33.9 percent of all covered employment countywide. This 1,667 job and 123.8 percent surge in agricultural employment (with an annualized growth rate of 8.4 percent) indicates that the agricultural industry is key to the Adams County economy and that its share of jobs in the local labor market has grown substantially from 2009 through 2019. By comparison, total covered employment in Adams County rose from 6,771 jobs in 2009 to 8,896 in 2019, a 2,125 job and 31.4 percent upturn (with an annualized growth rate of 2.8 percent).

- Between 2009 and 2019, the local industry which lost the most jobs was “other services (NAICS 81).” This sector provided 276 jobs and 4.1 percent of total covered employment in 2009. By 2019 however, other services accounted for only 91 jobs and 1.0 percent of total covered employment, a loss of 185 jobs and a 67.0 percent downturn during this period. The “lion’s share” of this 185 job and 67.0 percent downturn occurred in 2014 because of a noneconomic “code change” directed by the federal Bureau of Labor Statistics (BLS). “Other services” jobs (performed by people who provided services for the elderly and persons with disabilities) were transferred from NAICS 814 (private households) to NAICS 624 (social assistance) – in Adams County and in all counties statewide. This noneconomic code change precipitated a decrease in “other services” jobs and a corresponding increase in “health services” jobs in 2014.

For historical industry employment data, [\*contact an economist\*](#).

Source: Employment Security Department/LMEA; County data tables

### *Industry employment by age and gender*

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence.

#### *Adams County highlights:*

The largest job holder group in Adams County in 2019 was the 55 and older age group with 25.7 percent of the workforce. They were followed by the 25 to 34 age group with 21.9 percent of the workforce.

In 2019, 51.9 percent of all industry jobs were held by men and 48.1 percent were held by women. Industry differences are discussed below.

- Male-dominated industries included construction (85.8 percent), transportation and warehousing (82.7 percent) and utilities (76.2 percent).
- Female-dominated industries included healthcare and social assistance (77.4 percent), finance and insurance (73.8 percent) and educational services (71.0 percent).

Source: Employment Security Department/LMEA; County data tables

## **Wages and income**

The Adams County median hourly wage for all industries (adjusted for inflation) was \$17.36 in 2018, which was 66.8 percent of the state’s median hourly wage of \$25.98.

In 2019, there were 8,896 jobs in Adams County covered by unemployment insurance, with a total payroll of nearly \$357.1 million. The county average annual wage was \$40,142 in 2019, which was 57.7 percent of the state’s average annual covered wage of \$69,606.

*The top five Adams County industry sectors in 2019 in terms of payrolls were:*

| Industry sector                      | Payroll              | Share of payrolls |
|--------------------------------------|----------------------|-------------------|
| 1. Agriculture, forestry and fishing | \$96,143,446         | 26.9%             |
| 2. Local government                  | \$73,295,119         | 20.5%             |
| 3. Manufacturing                     | \$60,665,719         | 17.0%             |
| 4. Health services                   | \$32,020,821         | 9.0%              |
| 5. Wholesale trade                   | \$23,962,551         | 6.7%              |
| All other industries                 | \$71,021,557         | 19.9%             |
| <b>Total covered payrolls</b>        | <b>\$357,099,213</b> | <b>100%</b>       |

Source: Employment Security Department/LMEA; County data tables

In 2019, approximately \$357.1 million of wage income was paid in Adams County. Agricultural employers provided over a quarter (26.9) percent of this amount, or \$96.1 million. Local government placed second by accounting for 20.5 percent or \$73.3 million. Manufacturing ranked third by providing 17.0 percent of total payroll and \$60.7 million in wage income. Agriculture, local government and manufacturing combined provided 64.4 percent of total covered wages and 63.7 percent of total covered employment countywide in 2019. Clearly, these sectors were the “big 3” in the Adams County economy in 2019.

It is also interesting to take a quantitative look at payroll trends in these “big 3” Adams County sectors over the past ten years (2009 through 2019). During this timeframe, total covered wages (not adjusted for inflation) increased from \$210.8 million to \$357.1 million, a \$146.3 million and 69.4 percent upturn and annualized upturn of 5.4 percent. Approximately 72.7 percent of total covered wage growth during this period occurred in these three industries of agriculture, local government, or manufacturing. Specifically, from 2009 through 2019, payrolls changed as follows:

- Agriculture (NAICS 11) payroll jumped from \$35.8 million to \$96.1 million, up \$60.3 million and 168.4 percent in this ten-year period, an annualized upturn of 10.4 percent.
- Local government payroll increased from \$48.9 million to \$73.3 million, up \$24.4 million and 50.0 percent in this ten-year period, an annualized upturn of 4.1 percent.
- Manufacturing (NAICS 31-33) payroll increased from \$39.0 million to \$60.7 million, up \$21.7 million and 55.6 percent in this ten-year period, an annualized upturn of 4.5 percent.

### *Personal income*

Personal income includes earned wage income, investment income, and government transfer payments (such as Social Security, welfare, and unemployment insurance benefits). Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Per capita personal income (adjusted for inflation) in Adams County was \$43,429 in 2019. This figure is considerably below the state figure of \$64,758 and the nation’s per capita income of \$56,490. Adams County ranked 30th out of 39 counties statewide in 2019 in terms of per capita income. A general trend over the last forty years is that a larger proportion of Adams County residents’ personal income is coming from transfer payments, whereas the percentage of personal income coming from earnings is decreasing. For example:

- In 1979: earnings 68 percent, investments 21 percent, and transfer payments 11 percent.
- In 1989: earnings 64 percent, investments 21 percent, and transfer payments 15 percent.
- In 1999: earnings 56 percent, investments 22 percent, and transfer payments 22 percent.
- In 2009: earnings 58 percent, investments 19 percent, and transfer payments 24 percent.
- In 2019: earnings 55 percent, investments 23 percent, and transfer payments 22 percent.

According to U.S. Census Bureau QuickFacts, the median household income in Adams County in 2019 dollars was \$48,294, which was 65.5 percent of Washington’s 2019 median household income of \$73,775 (using ACS data from 2015 to 2019). During this period, 16.8 percent of the county’s population was living below the poverty level, which was greater than 9.8 percent for Washington state and 10.5 percent for the nation, according to U.S. Census Bureau QuickFacts.

Source: Source: Employment Security Department/LMEA; County data tables & U.S. Census Bureau QuickFacts

## Population

The population in Adams County was 18,731 in 2010. From April 1, 2010 to July 1, 2019, the county’s population grew 6.7 percent - less robust than Washington state’s 13.2 percent growth rate.

The largest city in Adams County is Othello with an estimated population of 8,345 in 2019. The second-largest city is Ritzville with an estimated population of 1,660 in 2019. Othello is growing much faster than other smaller cities in Adams County.

Source: Source: Employment Security Department/LMEA; County data tables

### *Population facts*

|   | Adams County | Washington state |
|---|--------------|------------------|
| Population 2019 estimate                      | 19,983       | 7,614,893        |
| Population 2010 (April 1) estimates base      | 18,731       | 6,724,540        |
| Percent change, April 1, 2010 to July 1, 2019 | 6.7%         | 13.2%            |

Source: U.S. Census Bureau QuickFacts

### *Age, gender and ethnicity*

Adams County, as a percent, had a much younger age demographic than the state or nation in 2019.

- Population in Adams County age 65 and older was 11.3 percent in 2019 compared to the state’s 15.9 percent.
- The largest age group, those under 18 years of age, was 35.9 percent in 2019 compared to the state’s 21.8 percent.
- The youngest age group, those under 5 years of age, was 9.6 percent in 2019 compared to the state’s 6.0 percent.

Females made up 48.9 percent of the population in Adams County in 2019, only slightly below the state’s 49.9 percent.

The county has a much higher percentage of people of Hispanic or Latino origin, 64.7 percent, compared to the state’s 13.2 percent. People classified as White alone (not Hispanic or Latino) comprise 32.5 percent of the county’s population compared to 67.5 percent of the state’s population.

Source: U.S. Census Bureau QuickFacts

## Demographics

|  | Adams County | Washington state |
|--|--------------|------------------|
| <b>Population by age, 2019</b>             |              |                  |
| Under 5 years old                          | 9.6%         | 6.0%             |
| Under 18 years old                         | 35.9%        | 21.8%            |
| 65 years and older                         | 11.3%        | 15.9%            |
| <b>Females, 2019</b>                       | <b>48.9%</b> | <b>49.9%</b>     |
| <b>Race/ethnicity, 2019</b>                |              |                  |
| White alone                                | 88.5%        | 78.5%            |
| Black or African American alone            | 2.2%         | 4.4%             |
| American Indian, Alaskan Native alone      | 6.2%         | 1.9%             |
| Asian alone                                | 1.4%         | 9.6%             |
| Native Hawaiian and Other Pacific Islander | 0.1%         | 0.8%             |
| Hispanic or Latino, any race               | 64.7%        | 13.0%            |

## Educational attainment

Over the period 2015 to 2019, 66.9 percent of individuals age 25 and older were high school graduates in Adams County. This figure is considerably lower than that of Washington state (91.3 percent) and the nation (88.0 percent).

Over the same period, 14.3 percent of Adams County residents 25 and older have a bachelor's degree or higher compared with the state (36.0 percent) and the U.S. (32.1 percent).

Source: U.S. Census Bureau QuickFacts

## Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [Adams County on ChooseWashington.com](#)
- [Adams County on ofm.wa.gov](#)
- [Adams County History](#)
- [Adams County home page](#)
- [Othello Chamber of Commerce](#)
- [Adams County Development Council](#)
- [North Central Workforce Development Council](#)
- [Self Sufficiency Calculator for Washington State](#)
- [Census Bureau QuickFacts](#)
- [Port of Othello](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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