



# Yakima MSA (Yakima County) Labor Area Summary May 2016

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## Overview

This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between May 2015 and May 2016) and average annual (between 2014 and 2015) changes in the labor market.

## Unemployment rates

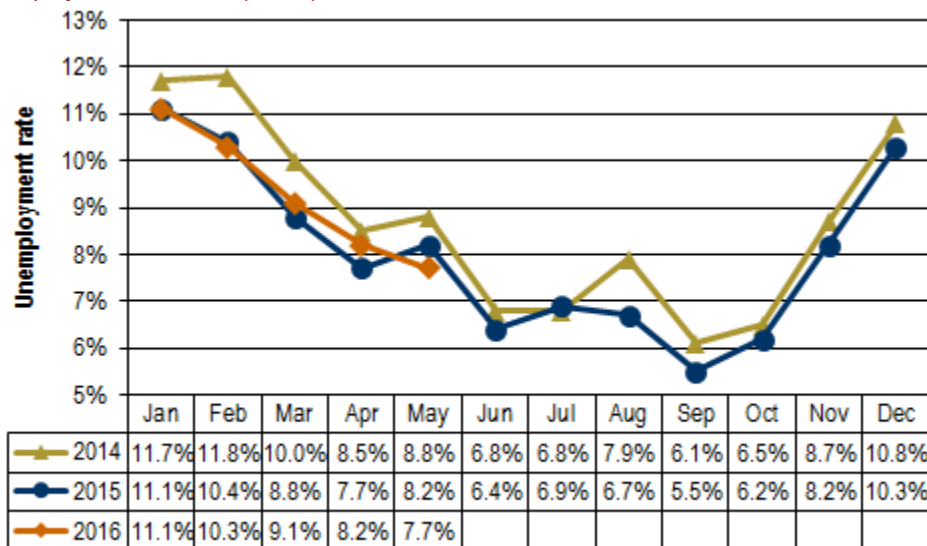
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Mays of 2015 and 2016 the rate dipped from 5.6 to 5.5 percent, down one-tenth of a point.

In Yakima County, the not seasonally adjusted average annual unemployment rate decreased six-tenths of a percentage point between 2014 and 2015, from 8.6 to 8.0 percent. The unemployment rate fell five-tenths of a point in May 2016 to 7.7 percent from the 8.2 percent reading in May 2015 as the labor force expanded and the number of unemployed decreased (see *Figure 3*).

**Figure 1.** Unemployment rates, not seasonally adjusted

Yakima County, January 2014 through May 2016

Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



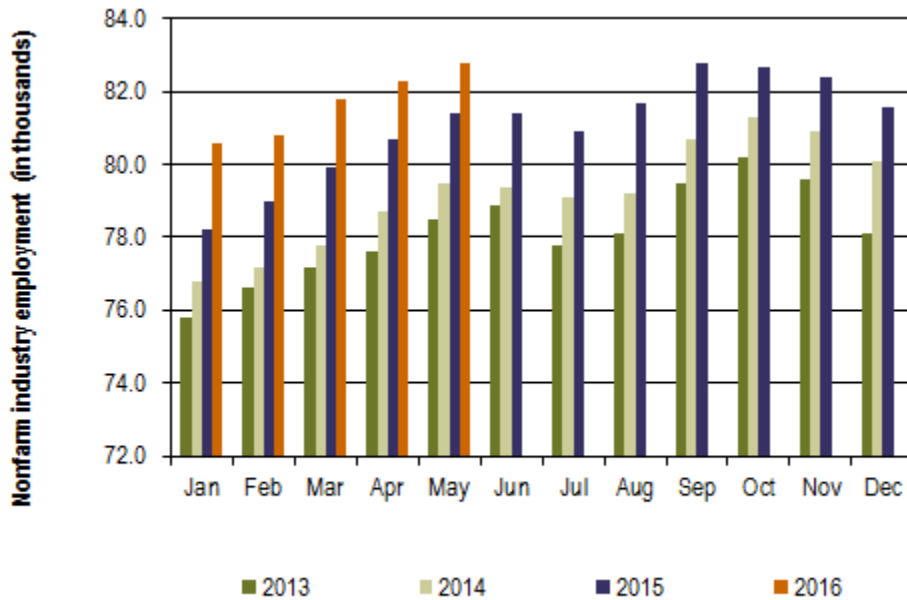
*Yakima County's unemployment rate fell five-tenths of a percentage point between May 2015 and May 2016.*

## Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 85,100 new nonfarm jobs, an annual average increase of 2.8 percent. This May, businesses and government organizations across Washington supplied 3,248,000 nonfarm jobs (not seasonally adjusted), compared to 3,146,300 jobs in May 2015, a 3.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 68 consecutive months (October 2010 through May 2016).

The Yakima County nonfarm labor market added 1,800 jobs between 2014 and 2015, an average annual increase of 2.3 percent. On a monthly basis, Yakima County's employment has registered year-over-year increases for the past 42 consecutive months (December 2012 through May 2016) although job growth rates have been less robust than Washington's for the past nine months (September 2015 through May 2016). The local nonfarm market provided 82,800 jobs in May 2016 versus 81,400 in the corresponding month in 2015, a 1,400 job and 1.7 percent upturn (see *Figure 3*).

**Figure 2. Nonfarm industry employment, not seasonally adjusted**  
 Yakima County, January 2013 through May 2016  
 Source: Employment Security Department/LMPA



*Nonfarm employment in Yakima County increased 1.7 percent from May 2015 to May 2016.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 50,156 residents (a 1.4 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 29 months (January 2014 through May 2016). In May 2016, Washington's CLF tallied 3,607,404 residents versus 3,545,995 in May 2015 equating to 61,409 more Washingtonians in the labor force (up 1.7 percent).

Yakima County's CLF expanded 2.1 percent between 2014 (119,501 residents) and 2015 (122,052 residents). The local labor force increased 19 percent between the Mays of 2015 and 2016, rising from 119,270 to 121,525 residents (meaning that 2,255 more residents were in the labor force). The county's labor force has increased, year over year, for the past 23 months (July 2014 through May 2016). The number of unemployed residents decreased, by 447 residents, to 9,297 this May versus 9,744 in May 2015. Hence, Yakima County's unemployment rate declined one-half of a percentage point, from 8.2 percent in May 2015 to 7.7 percent in May 2016 (see *Figure 3*).

**Figure 3. Labor force and industry employment, not seasonally adjusted**  
 Yakima County, May 2015, April and May 2016  
 Source: Employment Security Department/LMPA

Yakima County	Preliminary May-16	Revised Apr-16	Revised May-15	Change		
				Apr-16 May-16	May-15 May-16	May-15 May-16 %
<b>Labor force and unemployment</b>						
Civilian labor force	121,525	121,679	119,270	-154	2,255	1.9%
Resident employment	112,228	111,733	109,526	495	2,702	2.5%
Unemployment	9,297	9,946	9,744	-649	-447	-4.6%
Unemployment rate	7.7	8.2	8.2	-0.5	-0.5	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	82.8	82.3	81.4	0.5	1.4	1.7%
Total private	65.1	64.6	63.9	0.5	1.2	1.9%
Goods producing	11.9	11.7	11.9	0.2	0.0	0.0%
Mining, logging and construction	3.9	3.7	3.7	0.2	0.2	5.4%
Manufacturing	8.0	8.0	8.2	0.0	-0.2	-2.4%
Nondurable goods	5.0	5.0	5.2	0.0	-0.2	-3.8%
Service providing	70.9	70.6	69.5	0.3	1.4	2.0%
Private service providing	53.2	52.9	52.0	0.3	1.2	2.3%
Trade, transportation and utilities	19.2	19.3	18.7	-0.1	0.5	2.7%
Wholesale trade	4.6	4.6	4.7	0.0	-0.1	-2.1%
Retail trade	10.5	10.6	10.5	-0.1	0.0	0.0%
Transportation and utilities	4.1	4.1	3.5	0.0	0.6	17.1%
Professional and business services	3.9	3.9	3.6	0.0	0.3	8.3%
Education and health services	16.6	16.5	16.4	0.1	0.2	1.2%
Health care and social assistance	15.3	15.1	15.7	0.2	-0.4	-2.5%
Leisure and hospitality	7.5	7.4	7.5	0.1	0.0	0.0%
Food services	5.7	5.6	5.6	0.1	0.1	1.8%
Government	17.7	17.7	17.5	0.0	0.2	1.1%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.9	2.9	2.7	0.0	0.2	7.4%
Local government	13.6	13.6	13.6	0.0	0.0	0.0%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	
<sup>1</sup> Excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. Columns may not add due to rounding.						

*Between the Mays of 2015 and 2016, the Yakima County nonfarm labor market gained 1,400 jobs, a 1.7 percent increase.*

## Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s employment rose to 82,800 in May 2016 from the 81,400 jobs tallied in May 2015, a 1,400 job and 1.7 percent increase, less robust than the 3.2 percent nonfarm growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment advanced by 200 jobs (up 5.4 percent) countywide between May 2015 and May 2016. Mining, logging and construction tallied 3,700 jobs in May 2015 versus 3,900 this May, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 34 months (from August 2013 through May 2016). Commercial and residential sales, in terms of dollars, rose in Yakima County during the first five months of 2016 versus January through May 2015. The May 2016 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA stated that the value of commercial and residential sales countywide increased 3.5 percent, from \$307.8-million from January through May 2015 to \$318.7-million in the corresponding five-month period this year. However, the number of commercial and residential sales dipped 0.9 percent, from 1,369 from January through May 2015 to 1,356 from January through May 2016. The average home price increased from \$175,089 in May 2015 to \$186,505 this May, a 6.5 percent uptrend.
- Transportation and warehousing (primarily trucking) provided 4,100 jobs countywide in May 2016 versus 3,500 in May 2015, a strong 17.1 percent increase and a 600 job upturn. Statewide, the transportation and warehousing industry climbed from 99,300 jobs in May 2015 to 104,400 this May, a 5,100 job and 5.1 percent increase. Hence this industry is emerging as a bright spot in the Yakima County labor market and is adding jobs at a faster clip locally than statewide.
- Employment in private health care and social assistance in Yakima County has retrenched, year over year, for the past eleven months (July 2015 through May 2016). This May, health care and social assistance tallied 15,300 jobs versus 15,700 in May 2015, a 400 job and 2.5 percent downturn. However, it should be noted that this category does not include health services jobs at public ambulatory care providers, clinics and hospitals where jobs are tallied under the local government category. Washington's health care and social assistance providers have added jobs for nine months (September 2015 through May 2016).

## Agricultural employment/production

The Bureau of Labor Statistics' Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security Department provides agricultural and nonagricultural employment and wages for firms, organizations and individuals whose employees are covered by the Washington State Employment Security Act. Frequently termed "covered" or "QCEW" data, this information provides a reliable data set for comparing employment and wage trends in major industries at the county level. In August 2015 preliminary annual average QCEW data for calendar year 2014 became available. An analysis of employment changes from 2004 through 2014 show that in Yakima County:

- Total covered employment rose from 93,988 in 2004 to 106,613 in 2014, a 12,625 job and 13.4 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 29,331 in 2014, a 9,274 job and 46.2 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2014 agricultural employment accounted for 27.5 percent of total covered employment countywide. Hence, agricultural employment rose 6.2 percentage points (from 21.3 to 27.5 percent) in Yakima County during this eleven-year (inclusive) period.
- Total covered wages rose from \$2.49 billion (in 2004) to \$3.69 billion (in 2014) a \$1.20 billion and 48.2 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$346.8 million in 2004 to \$775.2 million in 2014, a \$428.4 million and 123.5 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2014 agricultural wages accounted for 21.0 percent of total covered payroll countywide. Hence, agricultural wages rose 7.1 percentage points (from 13.9 to 21.0 percent) in Yakima County during this eleven-year (inclusive) period.