



Yakima MSA (Yakima County) Labor Area Summary July 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 July 2015 and July 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

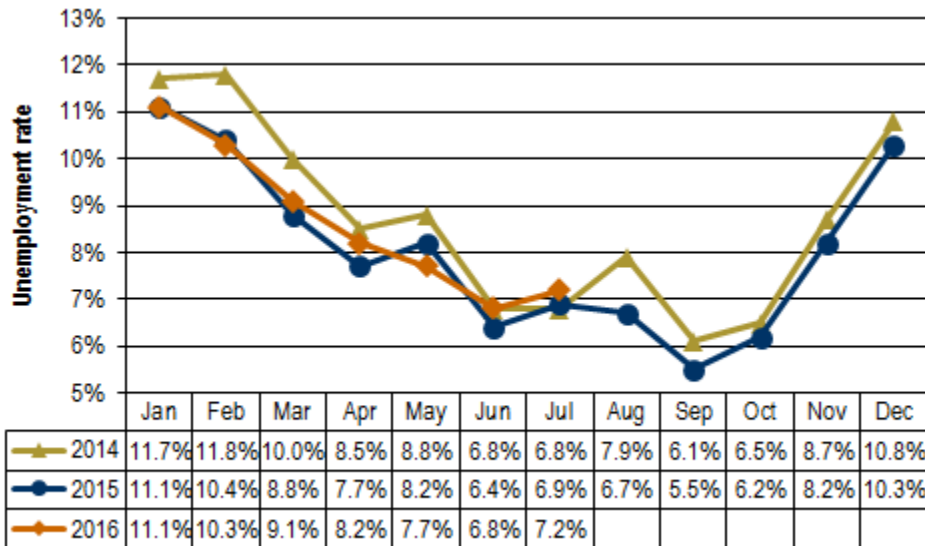
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. However, between the Julys of 2015 and 2016 the rate rose two-tenths of a point, from 5.5 to 5.7 percent.

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. But the monthly unemployment rate elevated three-tenths of a point in July 2016 to 7.2 percent from the 6.9 percent reading in July 2015 (see *Figure 1*) as the labor force expanded modestly while the number of unemployed increased sharply.

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2014 through July 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 increased three-tenths of a percentage point between the Julys of 2015 and 2016.

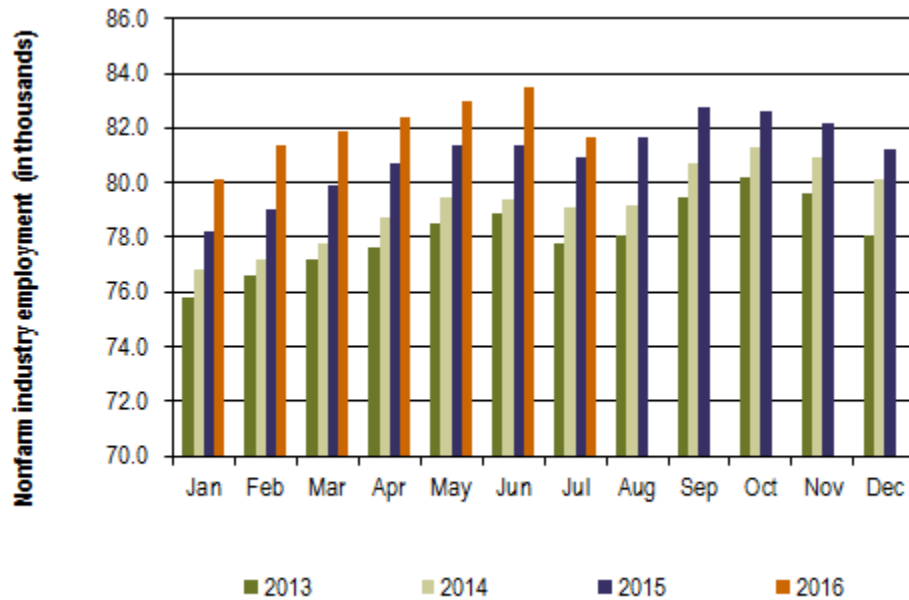
Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 86,200 new nonfarm jobs, an annual average increase of 2.8 percent. This July, businesses and government organizations across Washington supplied 3,264,100 nonfarm jobs (not seasonally adjusted), compared to 3,164,100 jobs in July 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 70 consecutive months (October 2010 through July 2016).

The Yakima County nonfarm labor market added 1,800 jobs between 2014 and 2015, an average annual increase of 2.2 percent. On a monthly basis, Yakima County's employment has registered year-over-year increases for the past 44 consecutive months (December 2012 through July 2016) although job growth rates have been less robust than Washington's for the past eleven months (September 2015 through July 2016). The local nonfarm market provided only 81,700 jobs in July 2016 versus 80,900 in the corresponding month in 2015, an 800 job and 1.0 percent upturn (see *Figure 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted
Yakima County, January 2013 through July 2016

Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased a modest 1.0 percent from July 2015 to July 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 31 months (January 2014 through July 2016). In July 2016, Washington's CLF tallied 3,658,687 residents versus 3,565,987 in July 2015 equating to 92,700 more Washingtonians in the labor force (up 2.6 percent).

Yakima County's CLF expanded 2.1 percent between 2014 (119,501 residents) and 2015 (122,052 residents). The county's labor force has increased for the past 25 months, growing 4.3 percent between the Julys of 2015 and 2016, from 126,104 to 131,574 residents. This equates to 5,740 more residents in the CLF this July than in July 2015. Unfortunately, the number of unemployed residents increased more rapidly, up 9.3 percent and by 808 residents, to 9,464 this July versus 8,656 in July 2015. Hence, Yakima County's unemployment rate increased three-tenths of a point, from 6.9 percent in July 2015 to 7.2 percent in July 2016 (see *Figure 3*). It is likely that this labor force expansion was due to job growth in the agricultural sector since Yakima County's nonfarm sector grew only marginally between the Julys of 2015 and 2016.

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

Yakima County	Preliminary Jul-16	Revised Jun-16	Revised Jul-15	Change		
				Jun-16	Jul-15	Jul-15
				Jul-16	Jul-16	Jul-16 %
Labor force and unemployment						
Civilian labor force	131,574	131,685	126,104	-111	5,470	4.3%
Resident employment	122,110	122,721	117,448	-611	4,662	4.0%
Unemployment	9,464	8,964	8,656	500	808	9.3%
Unemployment rate	7.2	6.8	6.9	0.4	0.3	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	81.7	83.5	80.9	-1.8	0.8	1.0%
Total private	65.6	65.9	64.2	-0.3	1.4	2.2%
Goods producing	12.4	12.7	12.1	-0.3	0.3	2.5%
Mining, logging and construction	4.1	4.1	3.8	0.0	0.3	7.9%
Manufacturing	8.3	8.6	8.3	-0.3	0.0	0.0%
Nondurable goods	5.5	5.6	5.2	-0.1	0.3	5.8%
Service providing	69.3	70.8	68.8	-1.5	0.5	0.7%
Private service providing	53.2	53.2	52.1	0.0	1.1	2.1%
Trade, transportation and utilities	18.9	19.0	18.6	-0.1	0.3	1.6%
Wholesale trade	4.5	4.5	4.6	0.0	-0.1	-2.2%
Retail trade	10.7	10.8	10.5	-0.1	0.2	1.9%
Transportation and utilities	3.7	3.7	3.5	0.0	0.2	5.7%
Professional and business services	4.2	4.2	3.9	0.0	0.3	7.7%
Education and health services	16.3	16.5	16.0	-0.2	0.3	1.9%
Health care and social assistance	15.3	15.3	15.2	0.0	0.1	0.7%
Leisure and hospitality	8.0	7.8	7.6	0.2	0.4	5.3%
Food services	5.8	5.7	5.7	0.1	0.1	1.8%
Government	16.1	17.6	16.7	-1.5	-0.6	-3.6%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.6	2.6	0.0	0.0	0.0%
Local government	12.2	13.7	12.8	-1.5	-0.6	-4.7%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	
¹ 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 Julys of 2015 and 2016, the Yakima County nonfarm labor market gained 800 jobs, a 1.0 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's employment rose to 81,700 in July 2016 from the 80,900 jobs tallied in July 2015, an 800 job and 1.0 percent increase, much 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 300 jobs (up 7.9 percent) countywide between July 2015 and July 2016. Mining, logging and construction tallied 3,800 jobs in July 2015 versus 4,100 this July, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 36 months (from August 2013 through July 2016). Commercial and residential sales, in terms of dollars, declined in Yakima County during the first seven months of 2016 versus January through July 2015. The July 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 decreased 2.6 percent, from \$489.7-million from January through July 2015 to \$476.9-million in the corresponding seven-month period this year. However, the number of commercial and residential sales rose a marginal 1.2 percent, from 2,080 from January through July 2015 to 2,105 in the first seven months of 2016. The average home price increased from \$181,626 in July 2015 to \$192,981 this July, a 6.3 percent uptrend.
- Nondurable goods manufacturing (primarily food processing) provided 5,500 jobs countywide in July 2016 versus 5,200 in July 2015, a 300 job and 5.8 percent year over year employment advance. An example of a nondurable goods manufacturer that is adding jobs to the local economy was provided in a 22 June 2016 KAPP-TV article entitled, "Darigold celebrates plant expansion." According to this article, the completion of the Darigold Plant expansion project in Sunnyside resulted in a "high-care processing environment for infant formula, non-fat dry milk powder and other nutritional applications. By expanding the facility, more than 30 new jobs will be added."
- Local government has generally been a growth industry in Yakima County. For example, in 2015 this industry netted 200 new jobs, a 1.7-percent average annual upturn. However, between the Julys of 2015 and 2016 local government lost 600 jobs, from 12,800 to 12,200 jobs respectively, a 4.7-percent abatement. Statewide, local government has been expanding for the past 36 months (from August 2013 through July 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 July 2016 preliminary annual average QCEW data for calendar year 2015 became available. An analysis of employment changes from 2004 through 2015 shows that in Yakima County:

- Total covered employment rose from 93,988 in 2004 to 108,765 in 2015, a 14,777 job and 15.7 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 30,208 in 2015, a 10,151 job and 50.6 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2015 agricultural employment accounted for 27.8 percent of total covered employment countywide. Hence, the agricultural share of employment rose 6.5 percentage points (from 21.3 to 27.8 percent) in Yakima County during this twelve-year (inclusive) period.
- Total covered wages rose from \$2.49 billion in 2004 to \$3.87 billion in 2015 a \$1.38 billion and 55.4 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$346.8 million in 2004 to \$828.2 million in 2015, a \$481.4 million and 138.8 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2015 agricultural wages accounted for 21.4 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 7.5 percentage points (from 13.9 to 21.4 percent) in Yakima County during this twelve-year (inclusive) period.