



Yakima MSA (Yakima County) Labor Area Summary September 2016

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Overview

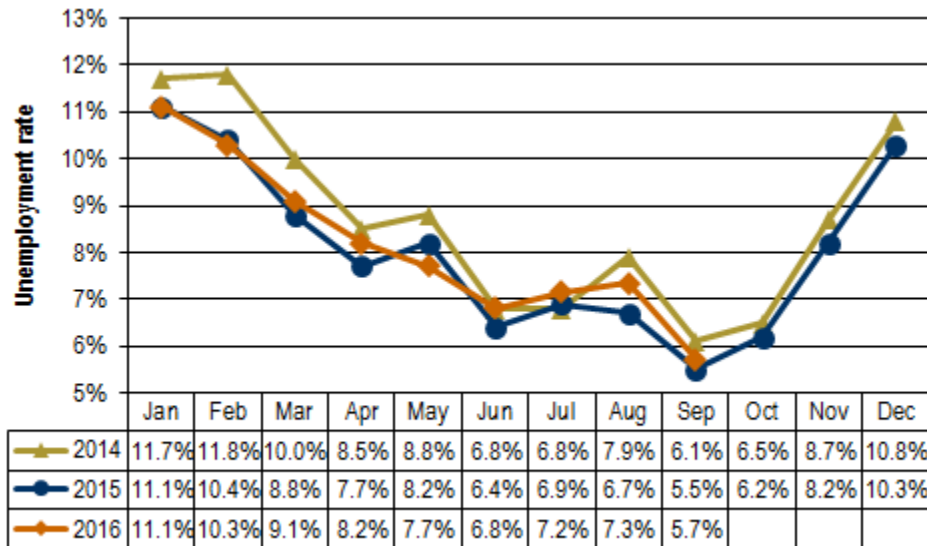
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between September 2015 and September 2016) and average annual (between 2014 and 2015) changes in the labor market.

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. Between the Septembers of 2015 and 2016 the rate dipped one-tenth point, from 5.2 to 5.1 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 rose two-tenths of a point in September 2016 to 5.7 percent from the 5.5 percent reading in September 2015 (see *Figure 1*) as the labor force expanded marginally and the number of unemployed increased strongly.

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2014 through September 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 two-tenths of a percentage point between the Septembers of 2015 and 2016.

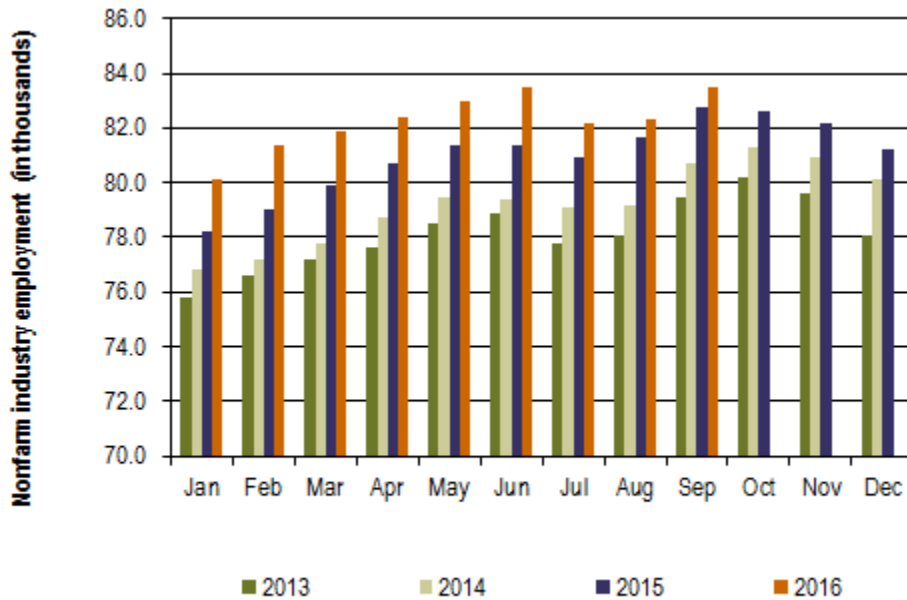
Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 86,200 new nonfarm jobs, an annual average increase of 2.8 percent. This September, businesses and government organizations across Washington supplied 3,269,900 nonfarm jobs (not seasonally adjusted), compared to 3,177,300 jobs in September 2015, a 2.9 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 72 consecutive months (October 2010 through September 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 46 consecutive months (December 2012 through August 2016) although job growth rates have been less robust than Washington's in each of the past 13 months (September 2015 through September 2016). The local nonfarm market provided 83,500 jobs in September 2016 versus 82,800 in the corresponding month in 2015, a 700 job and 0.8 percent upturn (see *Figure 3*).

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

Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 0.8 percent from September 2015 to September 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 33 months (January 2014 through September 2016). In September 2016, Washington's CLF tallied 3,662,682 residents versus 3,539,460 in September 2015 equating to 123,222 more Washingtonians in the labor force (up 3.5 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 27 months, growing 2.9 percent between the Septembers of 2015 and 2016, from 128,583 to 132,361 residents, equating to 3,778 more residents in the CLF this September. Unfortunately, the number of unemployed residents increased more rapidly, up 7.5 percent and by 529 residents, to 7,572 this September versus 7,043 in September 2015. Hence the local unemployment rate increased two-tenths of a point, from 5.5 to 5.7 percent between the Septembers of 2015 and 2016 (see *Figure 3*). It is likely that some of this labor force expansion was due to job growth in the agricultural sector since Yakima County's nonfarm sector grew only marginally between the Septembers of 2015 and 2016.

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

Yakima County	Preliminary Sep-16	Revised Aug-16	Revised Sep-15	Change		
				Aug-16	Sep-15	Sep-15
				Sep-16	Sep-16	Sep-16 %
Labor force and unemployment						
Civilian labor force	132,361	129,142	128,583	3,219	3,778	2.9%
Resident employment	124,789	119,652	121,540	5,137	3,249	2.7%
Unemployment	7,572	9,490	7,043	-1,918	529	7.5%
Unemployment rate	5.7	7.3	5.5	-1.6	0.2	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	83.5	82.3	82.8	1.2	0.7	0.8%
Total private	66.8	66.6	65.9	0.2	0.9	1.4%
Goods producing	12.8	12.9	13.0	-0.1	-0.2	-1.5%
Mining, logging and construction	4.1	4.3	3.8	-0.2	0.3	7.9%
Manufacturing	8.7	8.6	9.2	0.1	-0.5	-5.4%
Nondurable goods	5.6	5.6	6.1	0.0	-0.5	-8.2%
Service providing	70.7	69.4	69.8	1.3	0.9	1.3%
Private service providing	54.0	53.7	52.9	0.3	1.1	2.1%
Trade, transportation and utilities	19.2	19.3	19.1	-0.1	0.1	0.5%
Wholesale trade	4.6	4.6	4.7	0.0	-0.1	-2.1%
Retail trade	10.8	10.9	10.7	-0.1	0.1	0.9%
Transportation and utilities	3.8	3.8	3.7	0.0	0.1	2.7%
Professional and business services	4.2	4.2	4.3	0.0	-0.1	-2.3%
Education and health services	16.6	16.4	16.1	0.2	0.5	3.1%
Health care and social assistance	15.5	15.4	15.2	0.1	0.3	2.0%
Leisure and hospitality	7.8	8.0	7.5	-0.2	0.3	4.0%
Food services	5.7	5.7	5.6	0.0	0.1	1.8%
Government	16.7	15.7	16.9	1.0	-0.2	-1.2%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.5	2.6	0.1	0.0	0.0%
Local government	12.8	11.9	13.0	0.9	-0.2	-1.5%
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 Septembers of 2015 and 2016, the Yakima County nonfarm labor market gained 700 jobs, a modest 0.8 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 83,500 in September 2016 from the 82,800 jobs tallied in September 2015, a 0.8 percent increase, less robust than the 2.9 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment increased by 300 jobs (up 7.9 percent) countywide between September 2015 and September 2016. Mining, logging and construction tallied 3,800 jobs in September 2015 versus 4,100 this September, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 38 months (from August 2013 through September 2016). Commercial and residential sales declined in Yakima County during the first nine months of 2016 versus January through September 2015. The September 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 1.4 percent, from \$634.3-million from January through September 2015 to \$625.5-million in the corresponding nine-month period this year. However, the number of commercial and residential sales rose 3.9 percent, from 2,745 from January through September 2015 to 2,852 in the first nine months of 2016. The average home price increased from \$183,167 in September 2015 to \$193,746 this September, a 5.8 percent uptrend.
- Yakima County's manufacturing industry lost 500 jobs (down 5.4 percent) between the Septembers of 2015 and 2016) with losses centered in nondurable goods manufacturing (primarily in food processing). Statewide, manufacturing employment has been decreasing for the past seven months (from March through September 2016) with losses centered in durable goods manufacturing (primarily in transportation equipment manufacturing).
- Private health care and social assistance in Yakima County retrenched for twelve consecutive months in Yakima County (from July 2015 through June 2016) but added jobs during the past three months (from July to September 2016). Most recently, between the Septembers of 2015 and 2016, the number of jobs in health care and social assistance grew from 15,200 to 15,500, a 300 job and 2.0 percent upturn. Statewide, this industry has expanded for 13 months (September 2015 through September 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 108,833 in 2015, a 14,845 job and 15.8 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 30,191 in 2015, a 10,134 job and 50.5 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2015 agricultural employment accounted for 27.7 percent of total covered employment countywide. Hence, the agricultural share of employment rose 6.4 percentage points (from 21.3 to 27.7 percent) in Yakima County during these eleven years.
- 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 \$824.5 million in 2015, a \$477.7 million and 137.7 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2015 agricultural wages accounted for 21.3 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 7.4 percentage points (from 13.9 to 21.3 percent) in Yakima County during these eleven years.