



Yakima MSA (Yakima County) Labor Area Summary December 2016

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Overview

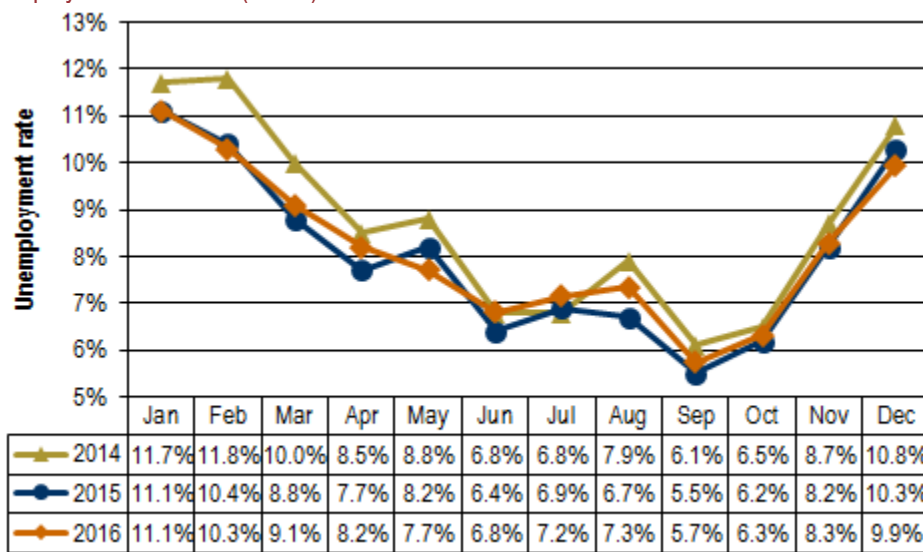
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between December 2015 and December 2016) and average annual (between 2015 and 2016) changes in the labor market.

Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped one-tenth of a point between 2015 and 2016, from 5.7 percent to 5.6 percent. Between the Decembers of 2015 and 2016 the rate fell six-tenths point, from 5.9 to 5.3 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate increased one-tenth of a percentage point between 2015 and 2016, from 8.0 to 8.1 percent. However, the unemployment rate declined by four-tenths points in December 2016 to 9.9 percent from the 10.3 percent reading in December 2015 (see *Figure 1*) as the number of residents entering the labor force increased and the number of unemployed decreased (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2014 through December 2016
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



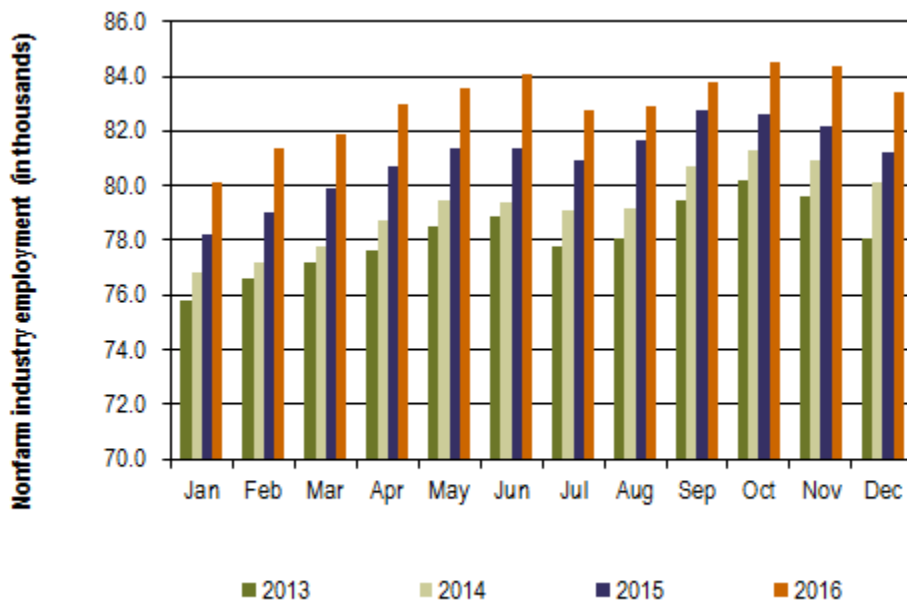
Yakima County’s unemployment rate decreased four-tenths percentage points between the Decembers of 2015 and 2016.

Total nonfarm employment

Between 2015 and 2016, Washington's labor market provided 93,400 new nonfarm jobs, an annual average increase of 3.0 percent. This December, businesses and government organizations across Washington supplied 3,276,500 nonfarm jobs (not seasonally adjusted), compared to 3,194,200 jobs in December 2015, a 2.6 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 75 consecutive months (October 2010 through December 2016).

The Yakima County nonfarm labor market added 2,000 jobs between 2015 and 2016, an average annual increase of 2.5 percent. Year over year, Yakima County's nonfarm labor market has been growing for the past 41 months (August 2013 through December 2016). The local nonfarm market provided 83,400 jobs in December 2016 versus 81,200 in the corresponding month in 2015, a 2,200 job and 2.7 percent upturn (see *Figure 3*).

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



Nonfarm employment in Yakima County increased 2.7 percent from December 2015 to December 2016.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 94,591 residents (a 2.7 percent upturn) from 2015 to 2016. The state's labor force has increased, year over year, for the past 35 months (February 2014 through December 2016). In December 2016, Washington's CLF tallied 3,661,925 residents versus 3,568,849 in December 2015 equating to 93,076 more Washingtonians in the labor force (up 2.6 percent).

Yakima County's CLF increased 2.6 percent between 2015 (122,052 residents) and 2016 (125,184 residents). The county's labor force has expanded for the past 30 months, growing 1.6 percent between the Decembers of 2015 and 2016, from 118,573 to 120,525 residents, equating to 1,952 more residents in the CLF this December. Simultaneously, the number of unemployed residents decreased, down 1.8 percent and by 214 residents, to 11,978 in December 2016 versus 12,192 in December 2015 (see *Figure 3*). Hence the local unemployment rate declined four-tenths of a point, from 10.3 to 9.9 percent between the Decembers of 2015 and 2016.

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

Yakima County	Preliminary Dec-16	Revised Nov-16	Revised Dec-15	Change		
				Nov-16	Dec-15	Dec-15
				Dec-16	Dec-16	Dec-16 %
Labor force and unemployment						
Civilian labor force	120,525	122,002	118,573	-1,477	1,952	1.6%
Resident employment	108,547	111,902	106,381	-3,355	2,166	2.0%
Unemployment	11,978	10,100	12,192	1,878	-214	-1.8%
Unemployment rate	9.9	8.3	10.3	1.6	-0.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	83.4	84.4	81.2	-1.0	2.2	2.7%
Total private	66.0	66.7	63.9	-0.7	2.1	3.3%
Goods producing	12.0	12.3	11.6	-0.3	0.4	3.4%
Mining, logging and construction	3.7	3.9	3.6	-0.2	0.1	2.8%
Manufacturing	8.3	8.4	8.0	-0.1	0.3	3.8%
Nondurable goods	5.0	5.1	5.0	-0.1	0.0	0.0%
Service providing	71.4	72.1	69.6	-0.7	1.8	2.6%
Private service providing	54.0	54.4	52.3	-0.4	1.7	3.3%
Trade, transportation and utilities	20.0	20.4	19.7	-0.4	0.3	1.5%
Wholesale trade	4.7	4.7	4.6	0.0	0.1	2.2%
Retail trade	11.3	11.8	11.1	-0.5	0.2	1.8%
Transportation and utilities	4.0	3.9	4.0	0.1	0.0	0.0%
Professional and business services	4.0	4.2	3.8	-0.2	0.2	5.3%
Education and health services	17.0	17.0	16.3	0.0	0.7	4.3%
Health care and social assistance	15.8	15.7	15.0	0.1	0.8	5.3%
Leisure and hospitality	7.6	7.5	7.0	0.1	0.6	8.6%
Food services	5.5	5.5	5.3	0.0	0.2	3.8%
Government	17.4	17.7	17.3	-0.3	0.1	0.6%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.7	2.9	2.6	-0.2	0.1	3.8%
Local government	13.5	13.6	13.5	-0.1	0.0	0.0%
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 Decembers of 2015 and 2016, the Yakima County nonfarm labor market gained 2,200 jobs, a 2.7 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment rose to 83,400 in December 2016 from the 81,200 jobs tallied in December 2015, a 2.7 percent increase, slightly faster than the 2.6 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment increased by 100 jobs (up 2.8 percent) countywide between December 2015 and December 2016. Mining, logging and construction tallied 3,600 jobs in December 2015 versus 3,700 this December, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 41 months (from August 2013 through December 2016). Commercial and residential sales declined in Yakima County during the twelve months of 2016 versus January through December 2015. The December 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 ebbed 1.7 percent, from \$850.1-million in 2015 to \$835.8-million during 2016. However, the number of commercial and residential sales rose 5.0 percent, from 3,648 from January through December 2015 to 3,832 in the twelve months of 2016. The average home price continued to climb as well; rising from \$181,617 in December 2015 to \$194,838 in December 2016, a 7.3 percent increase.
- Yakima County's manufacturing industry increased 300 jobs, up 3.8 percent, between the Decembers of 2015 and 2016 with gains concentrated in durable goods manufacturing. Statewide, manufacturing employment has been decreasing for the past seven months (from June through December 2016) with losses centered in durable goods manufacturing (primarily in aerospace product and parts manufacturing).
- Employment at Yakima County's private health care and social assistance providers has increased, year over year, in each of the past six months (July through December 2016). In December 2016 health care and social assistance tallied 15,800 jobs, a 5.3 percent and an 800 jobs advance from the 15,000 provided in December 2015. Statewide, this industry has grown for 16 months (September 2015 through December 2016).
- Countywide, leisure and hospitality employment has either stabilized or increased for the last 38 months (November 2013 through December 2016). This industry provided 7,600 jobs in December 2016 versus 7,000 in December 2015 (up 8.6 percent). Washington's leisure and hospitality industry has added jobs for 75 consecutive months (from October 2010 through December 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.