



Yakima MSA (Yakima County) Labor Area Summary January 2017

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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 January 2016 and January 2017) and average annual (between 2015 and 2016) changes in the labor market.

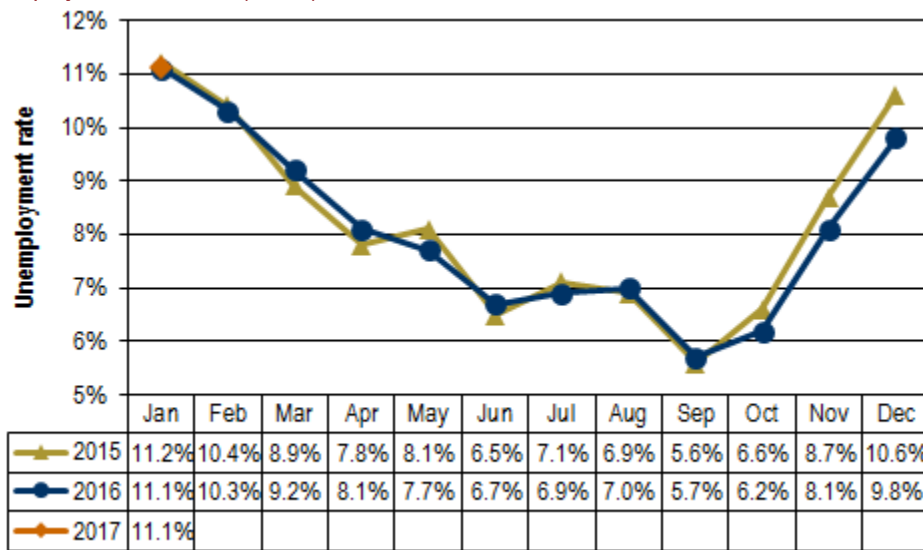
Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point between 2015 and 2016, from 5.6 percent to 5.4 percent. Between the Januaries of 2015 and 2016 the rate fell four-tenths point, from 6.2 to 5.8 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate decreased one-tenth of a percentage point between 2015 and 2016, from 8.1 to 8.0 percent. The unemployment rate stabilized at 11.1 percent between the Januaries of 2016 and 2017 (see *Figure 1*) as the number of residents entering the labor force increased while the number of unemployed also increased – a mix of good and bad economic news (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2015 through January 2017

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



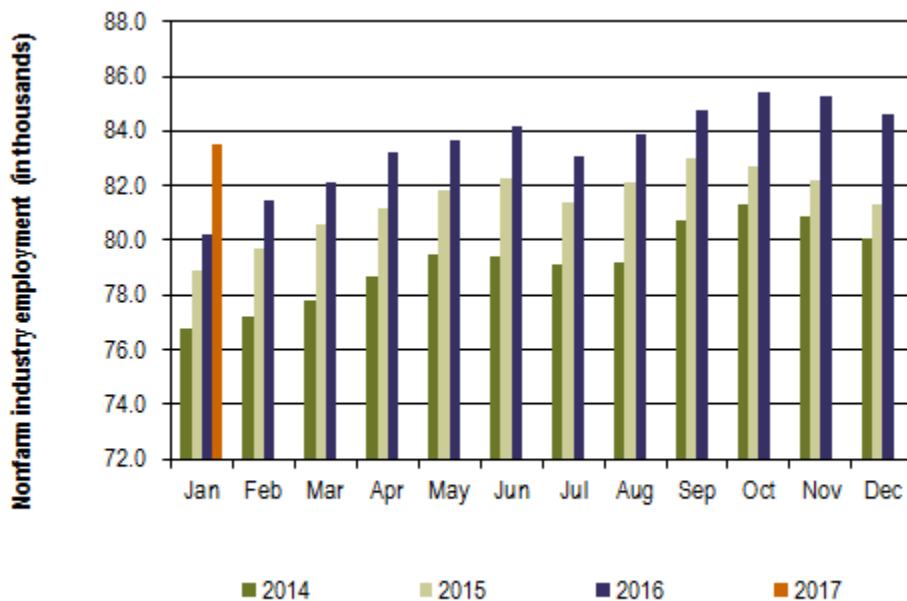
Yakima County’s unemployment rate stabilized at 11.1 percent between the Januaries of 2016 and 2017.

Total nonfarm employment

Between 2015 and 2016, Washington's labor market provided 98,400 new nonfarm jobs, an annual average increase of 3.1 percent. This January, businesses and government organizations across Washington supplied 3,235,900 nonfarm jobs (not seasonally adjusted), compared to 3,151,300 jobs in January 2016, a 2.7 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 76 consecutive months (October 2010 through January 2017).

The Yakima County nonfarm labor market added 2,100 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 42 months (August 2013 through January 2017). The local nonfarm market provided 83,500 jobs in January 2017 versus 80,200 in the corresponding month in 2016, a 3,300 job and 4.1 percent upturn (see *Figure 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted
 Yakima County, January 2014 through January 2017
 Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 4.1 percent from January 2016 to January 2017.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 98,209 residents (a 2.8 percent upturn) from 2015 to 2016. The state's labor force has increased, year over year, for the past 36 months (February 2014 through January 2017). In January 2017, Washington's CLF tallied 3,677,264 residents versus 3,580,828 in January 2016 equating to 96,436 more Washingtonians in the labor force (up 2.7 percent).

Yakima County's CLF increased 3.3 percent between 2015 (121,729 residents) and 2016 (125,794 residents). The county's labor force has expanded for the past 14 months, growing 4.3 percent between the Januaries of 2016 and 2017, from 118,402 to 123,442 residents, equating to 5,040 more residents in the CLF this January. Simultaneously, the number of unemployed residents increased, up 4.1 percent and by 541 residents, to 13,712 in January 2017 versus 13,171 in January 2016. Hence, the good news-bad news mix this January is that although the labor force grew over the year, so did the number of unemployed residents. The result was that Yakima County's unemployment rate stabilized at 11.1 percent between January 2016 and January 2017 (see *Figure 3*).

Figure 3. Labor force and industry employment, not seasonally adjusted
 Yakima County, January 2016, December 2016 and January 2017
 Source: Employment Security Department/LMPA

Yakima County	Preliminary Jan-17	Revised Dec-16	Revised Jan-16	Change		
				Dec-16	Jan-16	Jan-16
				Jan-17	Jan-17	Jan-17 %
Labor force and unemployment						
Civilian labor force	123,442	121,626	118,402	1,816	5,040	4.3%
Resident employment	109,730	109,765	105,231	-35	4,499	4.3%
Unemployment	13,712	11,861	13,171	1,851	541	4.1%
Unemployment rate	11.1	9.8	11.1	1.3	0.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	83.5	84.6	80.2	-1.1	3.3	4.1%
Total private	65.1	66.2	62.7	-1.1	2.4	3.8%
Goods producing	12.3	12.5	11.2	-0.2	1.1	9.8%
Mining, logging and construction	3.5	3.7	3.4	-0.2	0.1	2.9%
Manufacturing	8.8	8.8	7.8	0.0	1.0	12.8%
Nondurable goods	5.7	5.8	4.8	-0.1	0.9	18.8%
Service providing	71.2	72.1	69.0	-0.9	2.2	3.2%
Private service providing	52.8	53.7	51.5	-0.9	1.3	2.5%
Trade, transportation and utilities	19.2	19.7	18.6	-0.5	0.6	3.2%
Wholesale trade	4.5	4.6	4.4	-0.1	0.1	2.3%
Retail trade	11.0	11.3	10.6	-0.3	0.4	3.8%
Transportation and utilities	3.7	3.8	3.6	-0.1	0.1	2.8%
Professional and business services	4.2	4.2	3.8	0.0	0.4	10.5%
Education and health services	16.9	17.0	16.4	-0.1	0.5	3.0%
Health care and social assistance	15.6	15.6	15.1	0.0	0.5	3.3%
Leisure and hospitality	7.3	7.5	7.1	-0.2	0.2	2.8%
Food services	5.5	5.6	5.3	-0.1	0.2	3.8%
Government	18.4	18.4	17.5	0.0	0.9	5.1%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.8	2.6	2.8	0.2	0.0	0.0%
Local government	14.4	14.6	13.5	-0.2	0.9	6.7%
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 Januaries of 2016 and 2017, the Yakima County nonfarm labor market gained 3,300 jobs, a 4.1 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 83,500 in January 2017 from the 80,200 jobs tallied in January 2016, a 4.1 percent increase, more robust than the 2.7 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment increased by 100 jobs (up 2.9 percent) countywide between January 2016 and January 2017. Mining, logging and construction tallied 3,400 jobs in January 2016 versus 3,500 this January, with construction accounting for the lion's share of the employment in this combined category. Yakima County's construction industry has been growing for 42 months (from August 2013 through January 2017). Commercial and residential sales declined in Yakima County between the first month of 2016 and January 2017. The January 2017 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA stated that the value of commercial and residential sales countywide dropped 16.9 percent, from \$60.2-million in the first month of 2016 to \$50.1-million in January 2017. The number of commercial and residential sales declined 6.8 percent, from 222 in January 2016 to 207 in January 2017. However, the average home price across Yakima County continued to climb; rising from \$183,998 in January 2016 to \$211,046 this January, a 14.7 percent increase.
- Yakima County's nondurable goods manufacturers (primarily food processors) added 900 jobs (up 18.8 percent) between the Januaries of 2016 and 2017. Statewide, nondurable goods manufacturing employment has been increasing, year over year, for the past 49 months (from January 2013 through January 2017).
- Year over year, private health care and social assistance in Yakima County has expanded in each of the past 13 months (January 2016 through January 2017). Between the Januaries of 2016 and 2017 private health care and social assistance providers saw employment climb from 15,100 to 15,600 jobs, a 3.3 percent upturn. Statewide, this industry has grown for 43 consecutive months (July 2013 through January 2017).
- In Yakima County, local government (which includes tribal employment) has added jobs year over year for the past 14 months (from November 2014 through January 2017). Statewide, local government has been expanding for the past 42 months (from August 2013 through January 2017).

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.