



Yakima MSA (Yakima County) Labor Area Summary February 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 February 2016 and February 2017) and average annual (between 2015 and 2016) changes in the labor market.

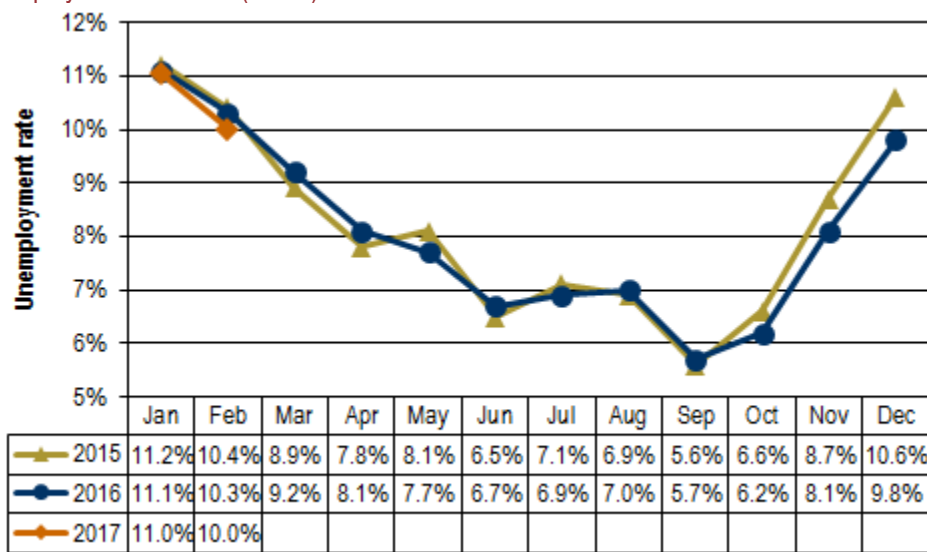
Unemployment rates

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 Februaries of 2016 and 2017 the rate fell eight-tenths point, from 6.1 to 5.3 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 contracted from 10.3 percent in February 2016 to 10.0 percent in February 2016, a three-tenths point abatement (see *Figure 1*) as the number of residents entering the labor force increased while the number of unemployed decreased (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2015 through February 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 decreased three-tenths of a percentage point between the Februaries of 2016 and 2017.

Total nonfarm employment

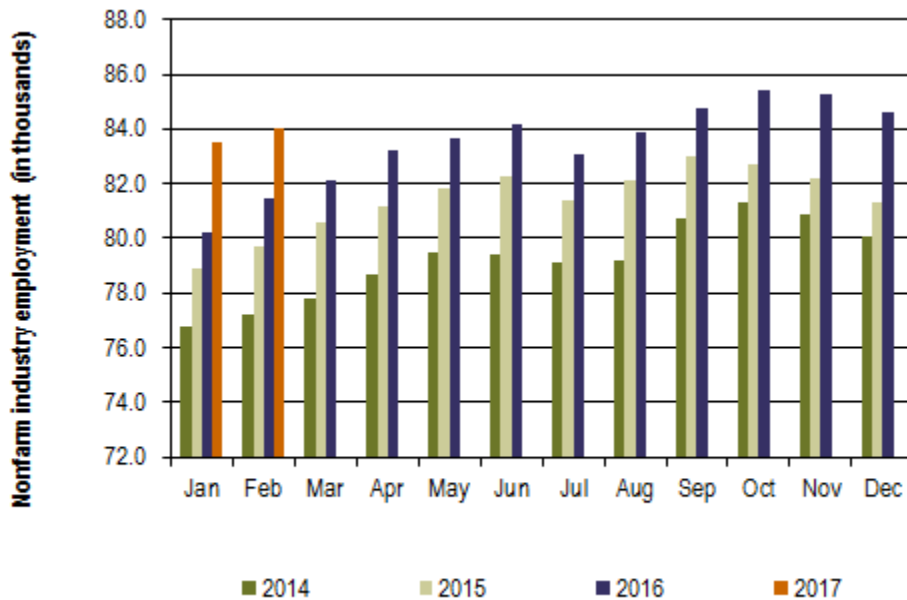
Between 2015 and 2016, Washington's labor market provided 98,400 new nonfarm jobs, an annual average increase of 3.1 percent. This February, businesses and government organizations across Washington supplied 3,255,000 nonfarm jobs (not seasonally adjusted), compared to 3,169,900 jobs in February 2016, a 2.7 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 77 consecutive months (October 2010 through February 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 51 months (December 2012 through February 2017). The local nonfarm market provided 84,000 jobs in February 2017 versus 81,500 in the corresponding month in 2016, a 2,500 job and 3.1 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2014 through February 2017

Source: Employment Security Department/LMPA



The number of nonfarm jobs in Yakima County increased 3.1 percent from February 2016 to February 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 37 months (February 2014 through February 2017). In February 2017, Washington's CLF tallied 3,684,546 residents versus 3,608,103 in February 2016 equating to 76,443 more Washingtonians in the labor force (up 2.1 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 15 months, growing 2.8 percent between the Februaries of 2016 and 2017, from 119,706 to 123,054 residents, equating to 3,348 more residents in the CLF this February. Simultaneously, the number of unemployed residents dipped 0.5 percent and by 63 residents, to 12,321 in February 2017 versus 12,384 in February 2016. Hence, the good economic news this February is that, year over year, the labor force has expanded while the number of unemployed has contracted. The result was that Yakima County's unemployment rate declined from 10.3 percent in February 2016 to 10.0 percent this February – a step in the right direction for the local economy (see *Figure 3*).

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

| Yakima County | Preliminary Feb-17 | Revised Jan-17 | Revised Feb-16 | Change | | |
|--|-----------------------|-------------------|-------------------|------------------|------------------|--------------------|
| | | | | Jan-17 Feb-17 | Feb-16 Feb-17 | Feb-16 Feb-17 % |
| Labor force and unemployment | | | | | | |
| Civilian labor force | 123,054 | 123,288 | 119,706 | -234 | 3,348 | 2.8% |
| Resident employment | 110,733 | 109,685 | 107,322 | 1,048 | 3,411 | 3.2% |
| Unemployment | 12,321 | 13,603 | 12,384 | -1,282 | -63 | -0.5% |
| Unemployment rate | 10.0 | 11.0 | 10.3 | -1.0 | -0.3 | |
| Industry employment (numbers are in thousands) | | | | | | |
| Total nonfarm ¹ | 84.0 | 83.5 | 81.5 | 0.5 | 2.5 | 3.1% |
| Total private | 65.4 | 65.0 | 63.9 | 0.4 | 1.5 | 2.3% |
| Goods producing | 12.4 | 12.3 | 11.8 | 0.1 | 0.6 | 5.1% |
| Mining, logging and construction | 3.6 | 3.5 | 3.5 | 0.1 | 0.1 | 2.9% |
| Manufacturing | 8.8 | 8.8 | 8.3 | 0.0 | 0.5 | 6.0% |
| Nondurable goods | 5.8 | 5.7 | 5.3 | 0.1 | 0.5 | 9.4% |
| Service providing | 71.6 | 71.2 | 69.7 | 0.4 | 1.9 | 2.7% |
| Private service providing | 53.0 | 52.7 | 52.1 | 0.3 | 0.9 | 1.7% |
| Trade, transportation and utilities | 19.0 | 19.2 | 18.6 | -0.2 | 0.4 | 2.2% |
| Wholesale trade | 4.5 | 4.5 | 4.4 | 0.0 | 0.1 | 2.3% |
| Retail trade | 10.8 | 11.0 | 10.6 | -0.2 | 0.2 | 1.9% |
| Transportation and utilities | 3.7 | 3.7 | 3.6 | 0.0 | 0.1 | 2.8% |
| Professional and business services | 4.2 | 4.2 | 3.9 | 0.0 | 0.3 | 7.7% |
| Education and health services | 17.1 | 16.9 | 16.6 | 0.2 | 0.5 | 3.0% |
| Health care and social assistance | 15.6 | 15.6 | 15.2 | 0.0 | 0.4 | 2.6% |
| Leisure and hospitality | 7.3 | 7.3 | 7.2 | 0.0 | 0.1 | 1.4% |
| Food services | 5.4 | 5.4 | 5.4 | 0.0 | 0.0 | 0.0% |
| Government | 18.6 | 18.5 | 17.6 | 0.1 | 1.0 | 5.7% |
| Federal government | 1.2 | 1.2 | 1.2 | 0.0 | 0.0 | 0.0% |
| State government | 2.8 | 2.8 | 2.8 | 0.0 | 0.0 | 0.0% |
| Local government | 14.6 | 14.5 | 13.6 | 0.1 | 1.0 | 7.4% |
| 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 Februaries of 2016 and 2017, the Yakima County nonfarm labor market gained 2,500 jobs, a 3.1 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 84,000 in February 2017 from the 81,500 jobs tallied in February 2016, a 2.5 percent increase, less robust than the 3.1 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 February 2016 and February 2017. Mining, logging and construction tallied 3,500 jobs in February 2016 versus 3,600 this February, with construction accounting for the lion's share of the employment in this combined category. Yakima County's construction industry has been growing for 43 months (from August 2013 through February 2017). Commercial and residential sales declined in Yakima County between the first two months of 2016 and 2017. The February 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 12.0 percent, from \$111.0-million in the first two months of 2016 to \$97.7-million during January and February 2017. The number of commercial and residential sales slipped 1.4 percent, from 436 in January and February 2016 to 430 in January and February 2017. The average home price across Yakima County continued to climb; rising from \$176,574 in February 2016 to \$207,648 this February, a substantial 17.6 percent increase.
- Yakima County's nondurable goods manufacturers (primarily food processors) added 500 jobs (up 9.4 percent) between the Februaries of 2016 and 2017. Statewide, nondurable goods manufacturing has been rising, year over year, for the past 50 months (from January 2013 through February 2017).
- Year over year, private health care and social assistance in Yakima County has expanded in each of the past 14 months (January 2016 through February 2017). Between the Februaries of 2016 and 2017 private health care and social assistance providers saw employment climb from 15,200 to 15,600 jobs, a 400 job and 2.6 percent upturn. Statewide, this industry has grown for 44 consecutive months (July 2013 through February 2017).
- In Yakima County, local government (which includes tribal employment) has added jobs year over year for the past 16 months (from November 2014 through February 2017). Between the Februaries of 2016 and 2017 local government organizations lengthened their payrolls from 13,600 to 14,600, a strong 1,000 job and 7.4 percent upturn. Statewide, local government has been expanding for the past 43 months (from August 2013 through February 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.