



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

## Unemployment rates

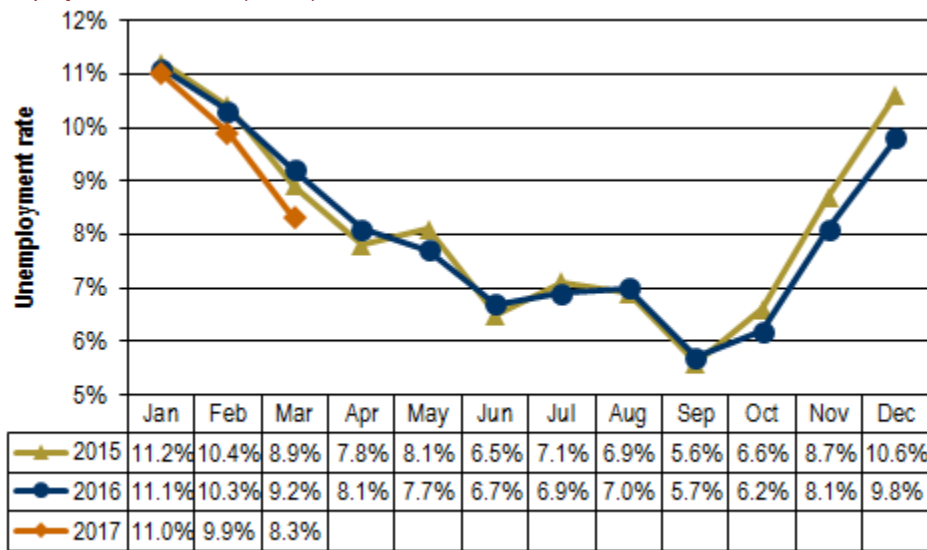
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point between 2015 and 2016, from 5.6 percent to 5.4 percent. Between the Marches of 2016 and 2017 the rate fell nine-tenths point, from 5.8 to 4.9 percent.

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 9.2 percent in March 2016 to 8.3 percent in March 2017, a nine-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*) – a step in the right direction for the local economy.

**Figure 1.** Unemployment rates, not seasonally adjusted

Yakima County, January 2015 through March 2017

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



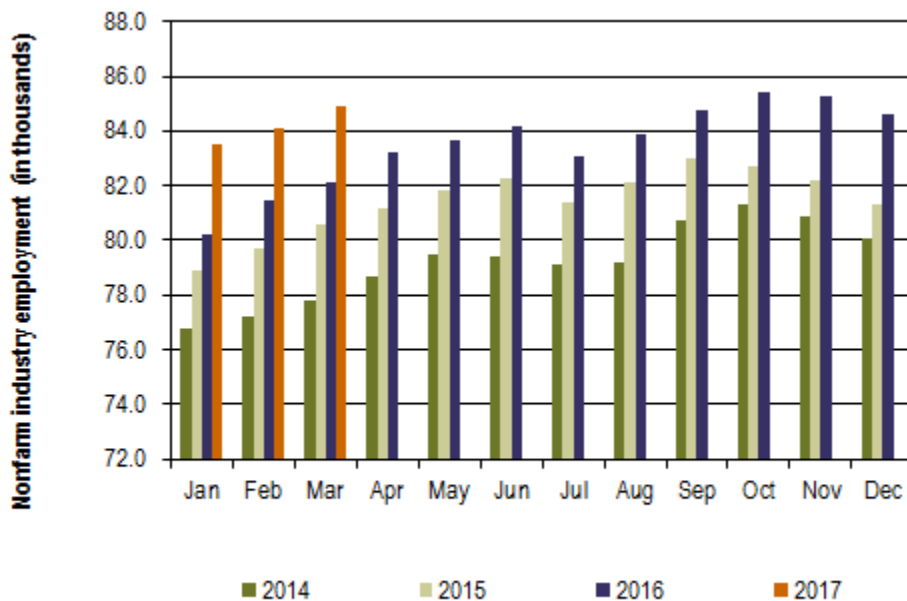
*Yakima County’s unemployment rate decreased nine-tenths of a percentage point between the Marches of 2016 and 2017.*

## 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 March, businesses and government organizations across Washington supplied 3,280,800 nonfarm jobs (not seasonally adjusted), compared to 3,188,800 jobs in March 2016, a 2.9 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 78 consecutive months (October 2010 through March 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 52 months (December 2012 through March 2017). The local nonfarm market provided 84,900 jobs in March 2017 versus 82,100 in the corresponding month in 2016, a 2,800 job and 3.4 percent upturn. Total nonfarm employment has been expanding more rapidly locally than statewide for the past five months.

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



*The number of nonfarm jobs in Yakima County increased 3.4 percent from March 2016 to March 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 38 months (February 2014 through March 2017). In March 2017, Washington's CLF tallied 3,685,830 residents versus 3,624,428 in March 2016 equating to 61,402 more Washingtonians in the labor force (up 1.7 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 16 months, growing 2.0 percent between the Marches of 2016 and 2017, from 121,373 to 123,861 residents, equating to 2,488 more residents in the CLF this March. Simultaneously, the number of unemployed residents fell 7.9 percent and by 879 residents, to 10,271 in March 2017 from 11,150 in March 2016. Hence, the good economic news this March is that, year over year, the labor force has expanded modestly while the number of unemployed has contracted appreciably. The result: Yakima County's unemployment rate declined from 9.2 percent in March 2016 to 8.3 percent this March – positive economic news for Yakima County's economy (see *Figure 3*).

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

Yakima County	Preliminary Mar-17	Revised Feb-17	Revised Mar-16	Change		
				Feb-17	Mar-16	Mar-16
				Mar-17	Mar-17	Mar-17 %
<b>Labor force and unemployment</b>						
Civilian labor force	123,861	123,133	121,373	728	2,488	2.0%
Resident employment	113,590	110,939	110,223	2,651	3,367	3.1%
Unemployment	10,271	12,194	11,150	-1,923	-879	-7.9%
Unemployment rate	8.3	9.9	9.2	-1.6	-0.9	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	84.9	84.1	82.1	0.8	2.8	3.4%
Total private	66.1	65.4	64.4	0.7	1.7	2.6%
Goods producing	12.7	12.4	11.9	0.3	0.8	6.7%
Mining, logging and construction	3.7	3.6	3.7	0.1	0.0	0.0%
Manufacturing	9.0	8.8	8.2	0.2	0.8	9.8%
Nondurable goods	5.9	5.8	5.1	0.1	0.8	15.7%
Service providing	72.2	71.7	70.2	0.5	2.0	2.8%
Private service providing	53.4	53.0	52.5	0.4	0.9	1.7%
Trade, transportation and utilities	19.2	19.0	18.5	0.2	0.7	3.8%
Wholesale trade	4.5	4.5	4.4	0.0	0.1	2.3%
Retail trade	11.0	10.8	10.5	0.2	0.5	4.8%
Transportation and utilities	3.7	3.7	3.6	0.0	0.1	2.8%
Professional and business services	4.3	4.2	4.0	0.1	0.3	7.5%
Education and health services	17.1	17.0	16.6	0.1	0.5	3.0%
Health care and social assistance	15.7	15.6	15.2	0.1	0.5	3.3%
Leisure and hospitality	7.5	7.3	7.4	0.2	0.1	1.4%
Food services	5.6	5.5	5.5	0.1	0.1	1.8%
Government	18.8	18.7	17.7	0.1	1.1	6.2%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.7	2.8	2.8	-0.1	-0.1	-3.6%
Local government	14.9	14.7	13.7	0.2	1.2	8.8%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	
<sup>1</sup> 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 Marches of 2016 and 2017, the Yakima County nonfarm labor market gained 2,800 jobs, a 3.4 percent upturn.*

## Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment rose to 84,900 in March 2017 from the 82,100 jobs tallied in March 2016, a 3.4 percent increase, even more robust than the 2.9 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Year over year, the number of jobs in Yakima County's construction industry expanded for 43 months (August 2013 through February 2017) before stagnating between the Marches of 2016 and 2017. Mining, logging and construction tallied 3,700 jobs in March 2016 and in March 2017, with construction accounting for the lion's share of the employment in this combined category. Commercial and residential sales declined in Yakima County between the first three months of 2016 and 2017. The March 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 8.9 percent, from \$179.1-million in the first three months of 2016 to \$163.1-million during the first quarter of this year. The number of commercial and residential sales slipped 2.0 percent, from 704 in January, February and March 2016 to 690 in the first three months of 2017. However, the average home price across Yakima County continued to climb; rising from \$181,711 in March 2016 to \$205,209 this March, a substantial 12.9 percent upturn.
- Yakima County's nondurable goods manufacturers (primarily food processors) added 800 jobs (up 15.7 percent) between the Marches of 2016 and 2017. Nondurable goods employment has been rising, year over year, for the past nine months (from July 2016 through March 2017).
- In Yakima County, local government (which includes tribal employment and local public schools) has added jobs year over year for the past 17 months (from November 2014 through March 2017). Between the Marches of 2016 and 2017 local government organizations lengthened their payrolls from 13,700 to 14,900, a strong 1,200 job and 8.8 percent upturn. One of the businesses contributing to this expansion is Legends Casino. A 28 February 2017 *Yakima Herald Republic* article states: "Legends Casino has been operating for almost two decades now, and today marks a milestone in the most significant upgrade since the Yakama Nation facility set up shop on Fort Road just outside Toppenish. Starting today, visitors can make reservations at the new 200-room hotel that rises above the casino." The article also mentions that "an anticipated 200 new jobs" will be generated "on top of the current 745 casino employees." Statewide, local government has been expanding for the past 44 months (from August 2013 through March 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.