



Yakima MSA (Yakima County) Labor Area Summary June 2017

Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Yakima WorkSource, 1205 Ahtanum Ridge Drive, Union Gap, WA 98903
 Phone: (509) 573-4564; E-mail: dmeseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

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

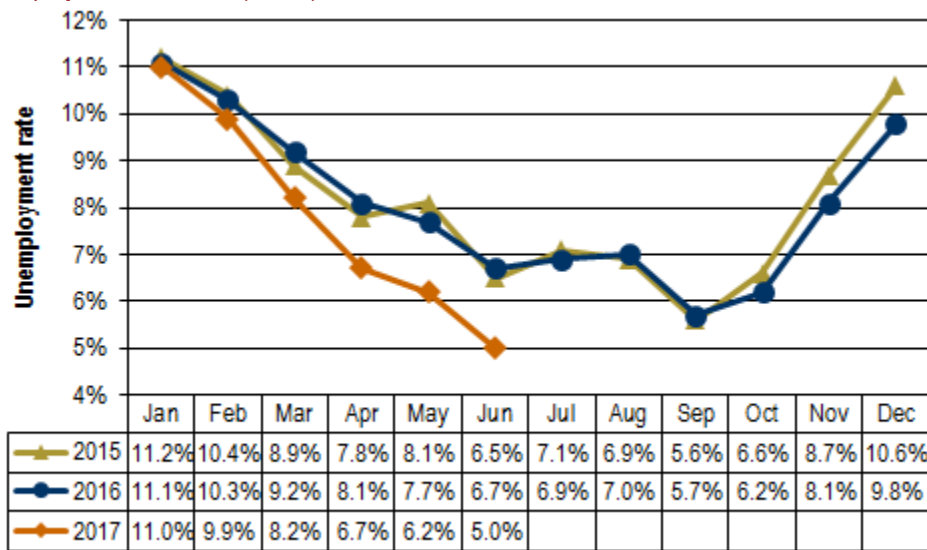
Unemployment rates

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 Junes of 2016 and 2017 the rate fell nine tenths of a percentage point, from 5.4 to 4.5 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 plunged from 6.7 percent in June 2016 to 5.0 percent in June 2017, a substantial one and seven-tenths points contraction (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 June 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 dropped one and seven-tenths percentage points between the Junes of 2016 and 2017.

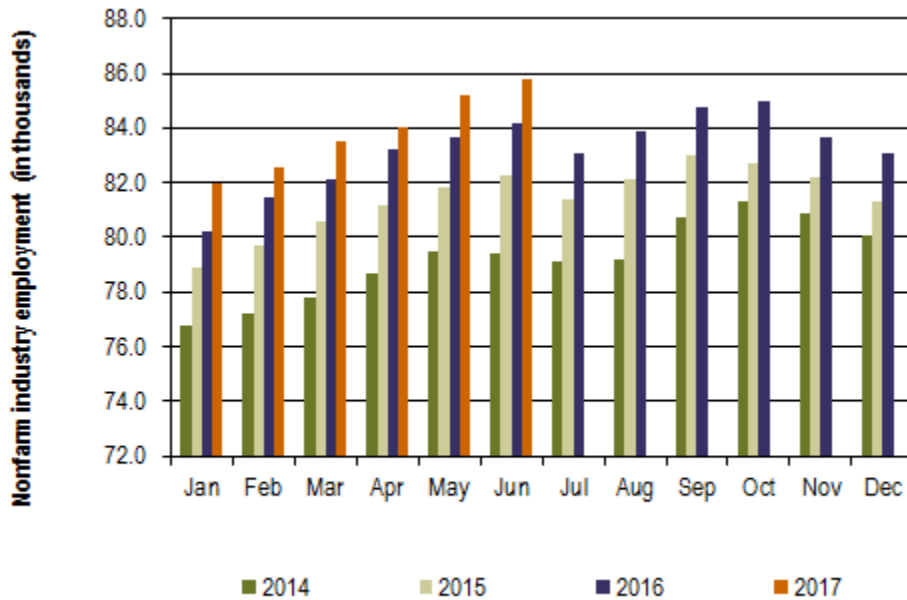
Total nonfarm employment

Between 2015 and 2016, Washington's labor market provided 96,400 new nonfarm jobs, an annual average increase of 3.1 percent. This June, businesses and government organizations across Washington supplied 3,346,600 nonfarm jobs (not seasonally adjusted), compared to 3,265,600 jobs in June 2016, a 2.5 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 81 consecutive months (October 2010 through June 2017).

The Yakima County nonfarm labor market added 1,800 jobs between 2015 and 2016, an average annual increase of 2.2 percent. Year over year, Yakima County's nonfarm labor market has been growing for the past 55 months (December 2012 through June 2017). The local nonfarm market provided 85,800 jobs in June 2017 versus 84,200 in the corresponding month in 2016, a 1,600 job and 1.9 percent upturn. Total nonfarm employment has been expanding less rapidly in Yakima County than across Washington for the past 21 months (October 2015 through June 2017).

Figure 2. Nonfarm industry employment, not seasonally adjusted
Yakima County, January 2014 through June 2017

Source: Employment Security Department/LMPA



The number of nonfarm jobs in Yakima County increased 1.9 percent from June 2016 to June 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 41 months (February 2014 through June 2017). In June 2017, Washington's CLF tallied 3,720,051 residents versus 3,655,602 in June 2016 equating to 64,449 more Washingtonians in the labor force (up 1.8 percent).

Yakima County's CLF increased 3.3 percent between 2015 (121,733 residents) and 2016 (125,794 residents). The county's labor force has expanded for the past 17 months, growing 3.5 percent between the Junes of 2016 and 2017, from 131,763 to 136,402 residents, equating to 4,639 more residents in the CLF this June. Simultaneously, the number of unemployed residents plummeted 21.9 percent and by 1,927 residents, to 6,878 in June 2017 from 8,805 in June 2016. Hence, the good economic news this June is that, year over year, Yakima County's unemployment rate dropped substantially from 6.7 percent in June 2016 to 5.0 percent this June (see *Figure 3*). This June 2017 unemployment rate for Yakima County is the lowest reading for the month of June since electronic records were implemented in 1990 – 27 years ago.

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

Yakima County	Preliminary Jun-17	Revised May-17	Revised Jun-16	Change		
				May-17	Jun-16	Jun-16
				Jun-17	Jun-17	Jun-17 %
Labor force and unemployment						
Civilian labor force	136,402	123,914	131,763	12,488	4,639	3.5%
Resident employment	129,524	116,217	122,958	13,307	6,566	5.3%
Unemployment	6,878	7,697	8,805	-819	-1,927	-21.9%
Unemployment rate	5.0	6.2	6.7	-1.2	-1.7	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	85.8	85.2	84.2	0.6	1.6	1.9%
Total private	67.7	67.0	66.6	0.7	1.1	1.7%
Goods producing	13.1	13.0	12.6	0.1	0.5	4.0%
Mining, logging and construction	4.3	4.2	4.0	0.1	0.3	7.5%
Manufacturing	8.8	8.8	8.6	0.0	0.2	2.3%
Nondurable goods	5.6	5.4	5.4	0.2	0.2	3.7%
Service providing	72.7	72.2	71.6	0.5	1.1	1.5%
Private service providing	54.6	54.0	54.0	0.6	0.6	1.1%
Trade, transportation and utilities	19.3	19.3	19.5	0.0	-0.2	-1.0%
Wholesale trade	4.5	4.4	4.6	0.1	-0.1	-2.2%
Retail trade	11.1	11.2	11.1	-0.1	0.0	0.0%
Transportation and utilities	3.7	3.7	3.8	0.0	-0.1	-2.6%
Professional and business services	4.0	3.9	4.2	0.1	-0.2	-4.8%
Education and health services	16.9	17.2	16.8	-0.3	0.1	0.6%
Health care and social assistance	15.7	15.7	15.6	0.0	0.1	0.6%
Leisure and hospitality	8.0	7.8	7.7	0.2	0.3	3.9%
Food services	5.9	5.9	5.6	0.0	0.3	5.4%
Government	18.1	18.2	17.6	-0.1	0.5	2.8%
Federal government	1.3	1.2	1.3	0.1	0.0	0.0%
State government	2.6	2.9	2.6	-0.3	0.0	0.0%
Local government	14.2	14.1	13.7	0.1	0.5	3.6%
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 Junes of 2016 and 2017, the Yakima County nonfarm labor market gained 1,600 jobs, a 1.9 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment rose to 85,800 in June 2017 from the 84,200 jobs tallied in June 2016, a 1.9 percent increase, less robust than the 2.5 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 has expanded for 47 months (August 2013 through June 2017). Mining, logging and construction tallied 4,000 jobs in June 2016 versus 4,300 in June 2017, with construction accounting for the lion's share of the employment in this combined category. Commercial and residential sales rose in Yakima County between the first six months of 2016 and 2017. The June 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 jumped 22.9 percent, from \$403.4-million in the first six months of 2016 to \$495.7-million during the first half of this year. The number of commercial and residential sales advanced 5.6 percent, from 1,745 between January and June 2016 to 1,843 in the corresponding six-month period of 2017. The average home price across Yakima County continued to climb; rising from \$190,595 in June 2016 to \$209,860 this June, a substantial 10.1 percent upturn.
- Yakima County's leisure and hospitality industry added 300 jobs (up 3.9 percent) between the Junes of 2016 and 2017. Virtually all of these new jobs were generated by local food services businesses (primarily eating and drinking places). Statewide, leisure and hospitality employment has increased for the past 81 months (October 2010 through June 2017).
- In Yakima County, local government (which includes tribal employment and local public schools) has added jobs year over year for the past 20 months (from November 2015 through June 2017). Between the Junes of 2016 and 2017 local government organizations lengthened their payrolls from 13,700 to 14,200, a 500 job and 3.6 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."

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 June 2017 preliminary annual average QCEW data for calendar year 2016 became available. An analysis of employment changes from 2004 through 2016 shows that in Yakima County:

- Total covered employment rose from 93,988 in 2004 to 111,538 in 2016, a 17,550 job and 18.7 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 31,361 in 2016, an 11,304 job and 56.4 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2016 agricultural employment accounted for 28.1 percent of total covered employment countywide. Hence, the agricultural share of employment rose 6.8 percentage points (from 21.3 to 28.1 percent) in Yakima County during this twelve-year period.
- Total covered wages rose from \$2.49 billion in 2004 to \$4.09 billion in 2016 a \$1.60 billion and 64.3 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$346.8 million in 2004 to \$892.1 million in 2016, a \$545.3 million and 157.2 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2016 agricultural wages accounted for 21.8 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 7.9 percentage points (from 13.9 to 21.8 percent) in Yakima County during this twelve-year period.