



# Yakima MSA (Yakima County) Labor Area Summary July 2017

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## Overview

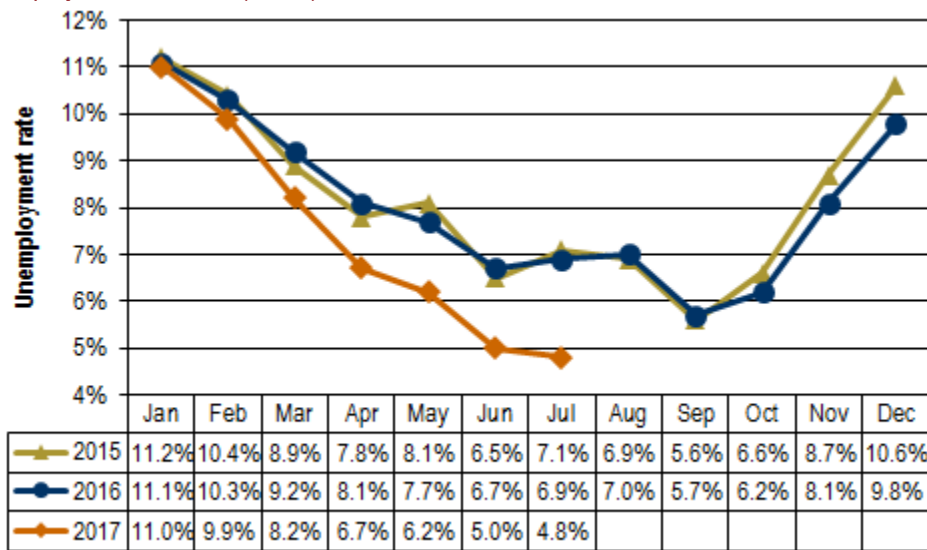
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between July 2016 and July 2017) and average annual (between 2015 and 2016) changes in the labor market.

## 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 Julys of 2016 and 2017 the rate fell one full percentage point, from 5.4 to 4.4 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 6.9 percent in July 2016 to 4.8 percent in July 2017, a substantial two and one-tenth 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 long step in the right direction for the local economy.

**Figure 1.** Unemployment rates, not seasonally adjusted  
 Yakima County, January 2015 through July 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 two and one-tenth percentage points between the Julys of 2016 and 2017.*

## Total nonfarm employment

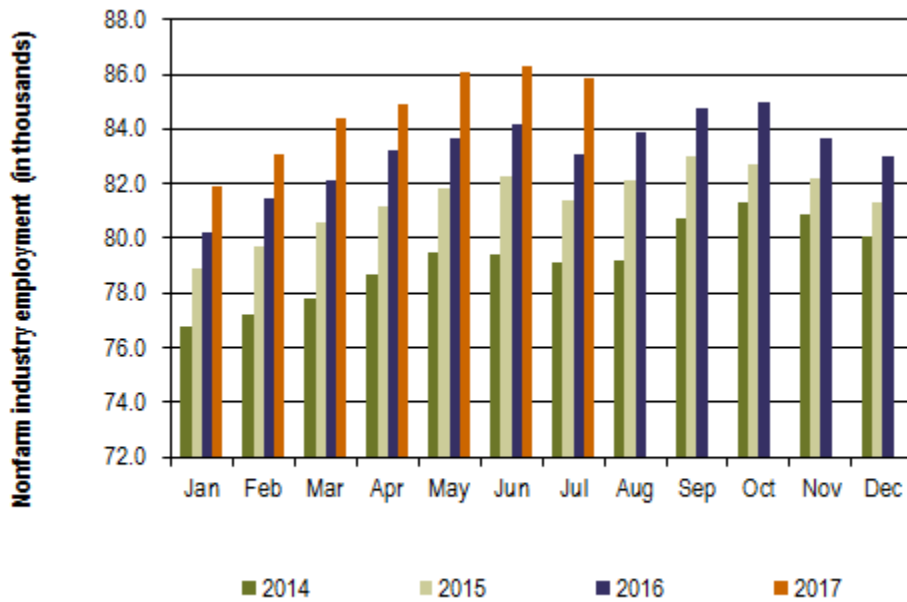
Between 2015 and 2016, Washington's labor market provided 96,600 new nonfarm jobs, an annual average increase of 3.1 percent. This July, businesses and government organizations across Washington supplied 3,346,600 nonfarm jobs (not seasonally adjusted), compared to 3,261,400 jobs in July 2016, a 2.6 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 82 consecutive months (October 2010 through July 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 56 months (December 2012 through July 2017). The local nonfarm market provided 85,900 jobs in July 2017 versus 83,100 in the corresponding month in 2016, a 2,800 job and 3.4 percent upturn.

**Figure 2.** Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2014 through July 2017

Source: Employment Security Department/LMPA



*The number of nonfarm jobs in Yakima County increased 3.4 percent from July 2016 to July 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 42 months (February 2014 through July 2017). In July 2017, Washington's CLF tallied 3,755,253 residents versus 3,675,259 in July 2016 equating to 79,994 more Washingtonians in the labor force (up 2.2 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 20 months, growing 3.5 percent between the Julys of 2016 and 2017, from 130,545 to 135,124 residents, equating to 4,579 more residents in the CLF this July. Simultaneously, the number of unemployed residents plummeted 27.0 percent and by 2,425 residents, to 6,549 in July 2017 from 8,974 in July 2016. Yakima County's unemployment rate dropped substantially from 6.9 percent in July 2016 to 4.8 percent this July (see *Figure 3*) and the rate has been posting year-over-year declines now for the past ten months (October 2016 through July 2017). This July 2017 unemployment rate for Yakima County is the lowest reading for the month of July since electronic records were implemented in 1990 – 27 years ago.

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

| Yakima County                                                                                                                                                                                                                                                                                            | Preliminary<br>Jul-17 | Revised<br>Jun-17 | Revised<br>Jul-16 | Change |        |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------|--------|--------|----------|
|                                                                                                                                                                                                                                                                                                          |                       |                   |                   | Jun-17 | Jul-16 | Jul-16   |
|                                                                                                                                                                                                                                                                                                          |                       |                   |                   | Jul-17 | Jul-17 | Jul-17 % |
| <b>Labor force and unemployment</b>                                                                                                                                                                                                                                                                      |                       |                   |                   |        |        |          |
| Civilian labor force                                                                                                                                                                                                                                                                                     | 135,124               | 136,352           | 130,545           | -1,228 | 4,579  | 3.5%     |
| Resident employment                                                                                                                                                                                                                                                                                      | 128,575               | 129,555           | 121,571           | -980   | 7,004  | 5.8%     |
| Unemployment                                                                                                                                                                                                                                                                                             | 6,549                 | 6,797             | 8,974             | -248   | -2,425 | -27.0%   |
| Unemployment rate                                                                                                                                                                                                                                                                                        | 4.8                   | 5.0               | 6.9               | -0.2   | -2.1   |          |
| <b>Industry employment (numbers are in thousands)</b>                                                                                                                                                                                                                                                    |                       |                   |                   |        |        |          |
| Total nonfarm <sup>1</sup>                                                                                                                                                                                                                                                                               | 85.9                  | 86.3              | 83.1              | -0.4   | 2.8    | 3.4%     |
| Total private                                                                                                                                                                                                                                                                                            | 68.3                  | 68.2              | 66.1              | 0.1    | 2.2    | 3.3%     |
| Goods producing                                                                                                                                                                                                                                                                                          | 13.1                  | 12.8              | 12.5              | 0.3    | 0.6    | 4.8%     |
| Mining, logging and construction                                                                                                                                                                                                                                                                         | 4.2                   | 4.1               | 4.1               | 0.1    | 0.1    | 2.4%     |
| Manufacturing                                                                                                                                                                                                                                                                                            | 8.9                   | 8.7               | 8.4               | 0.2    | 0.5    | 6.0%     |
| Nondurable goods                                                                                                                                                                                                                                                                                         | 5.6                   | 5.5               | 5.3               | 0.1    | 0.3    | 5.7%     |
| Service providing                                                                                                                                                                                                                                                                                        | 72.8                  | 73.5              | 70.6              | -0.7   | 2.2    | 3.1%     |
| Private service providing                                                                                                                                                                                                                                                                                | 55.2                  | 55.4              | 53.6              | -0.2   | 1.6    | 3.0%     |
| Trade, transportation and utilities                                                                                                                                                                                                                                                                      | 18.9                  | 18.8              | 19.3              | 0.1    | -0.4   | -2.1%    |
| Wholesale trade                                                                                                                                                                                                                                                                                          | 4.5                   | 4.5               | 4.5               | 0.0    | 0.0    | 0.0%     |
| Retail trade                                                                                                                                                                                                                                                                                             | 10.8                  | 10.7              | 11.0              | 0.1    | -0.2   | -1.8%    |
| Transportation and utilities                                                                                                                                                                                                                                                                             | 3.6                   | 3.6               | 3.8               | 0.0    | -0.2   | -5.3%    |
| Professional and business services                                                                                                                                                                                                                                                                       | 5.0                   | 5.0               | 4.2               | 0.0    | 0.8    | 19.0%    |
| Education and health services                                                                                                                                                                                                                                                                            | 16.9                  | 17.0              | 16.4              | -0.1   | 0.5    | 3.0%     |
| Health care and social assistance                                                                                                                                                                                                                                                                        | 15.8                  | 15.9              | 15.3              | -0.1   | 0.5    | 3.3%     |
| Leisure and hospitality                                                                                                                                                                                                                                                                                  | 8.2                   | 8.2               | 7.7               | 0.0    | 0.5    | 6.5%     |
| Food services                                                                                                                                                                                                                                                                                            | 5.9                   | 5.9               | 5.7               | 0.0    | 0.2    | 3.5%     |
| Government                                                                                                                                                                                                                                                                                               | 17.6                  | 18.1              | 17.0              | -0.5   | 0.6    | 3.5%     |
| Federal government                                                                                                                                                                                                                                                                                       | 1.3                   | 1.3               | 1.3               | 0.0    | 0.0    | 0.0%     |
| State government                                                                                                                                                                                                                                                                                         | 2.9                   | 2.7               | 2.6               | 0.2    | 0.3    | 11.5%    |
| Local government                                                                                                                                                                                                                                                                                         | 13.4                  | 14.1              | 13.1              | -0.7   | 0.3    | 2.3%     |
| 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.<br>Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.<br>Columns may not add due to rounding. |                       |                   |                   |        |        |          |

Between the Julys 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 85,900 in July 2017 from the 83,100 jobs tallied in July 2016, a 3.4 percent increase, more robust than the 2.6 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Despite a slow start in the first four months of this year, employment in Yakima County's construction industry has posted year-over-year gains for the past three months (May through July 2017). Mining, logging and construction tallied 4,200 jobs in July 2017 versus 4,100 in July 2016, 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 seven months of 2016 and 2017. The July 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 18.9 percent, from \$476.9-million in the first seven months of 2016 to \$567.3-million during the first seven months of this year. The number of commercial and residential sales advanced 2.4 percent, from 2,105 between January and July 2016 to 2,155 in the corresponding seven-month period of 2017. The average home price across Yakima County continued to climb; rising from \$192,981 in July 2016 to \$211,131 this July, a substantial 9.4 percent upturn.
- Yakima County's manufacturing industry netted 500 more jobs (up 6.0 percent) in July 2017 than in July 2016. Local manufacturers tallied 8,900 jobs this July 2017 compared with 8,400 in July 2016, with 300 of these 500 new jobs being provided by non-durable goods manufacturers (primarily food processors). Statewide, manufacturing employment has been decreasing for the past 14 months (from June through July 2017). The lion's share of these job losses have occurred amongst Washington's aerospace product and parts manufacturers.
- Yakima County's professional and business services industry added 800 jobs (up 19.0 percent) between the Julys of 2016 and 2017. This employment category consists of a diverse set of niche industries, ranging from computer systems design and accounting/tax preparation services to landscaping and janitorial services, legal services and temporary employment services. Professional and business services is the umbrella industry of businesses that support other businesses. Within professional and business services, temporary employment services is likely accounting for the lion's share of this recent employment surge - an encouraging economic indicator.

## 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.