



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

Unemployment rates

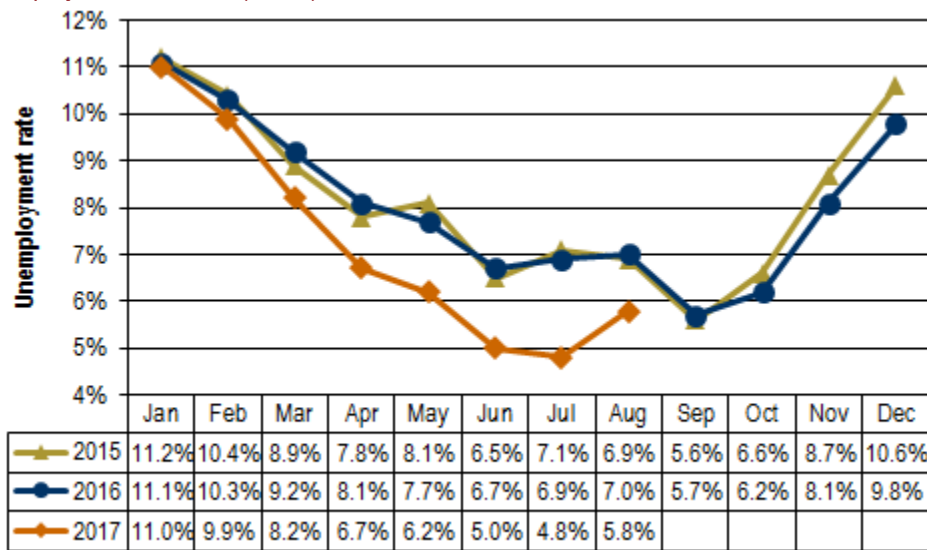
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point between 2015 and 2016, from 5.6 percent to 5.4 percent. Between the Augusts of 2016 and 2017 the rate fell eight-tenths percentage point, from 5.3 to 4.5 percent.

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 fell from 7.0 percent in August 2016 to 5.8 percent in August 2017, a significant one and two-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 step in the right direction for the local economy.

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2015 through August 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 two-tenths percentage points between the Augusts of 2016 and 2017.

Total nonfarm employment

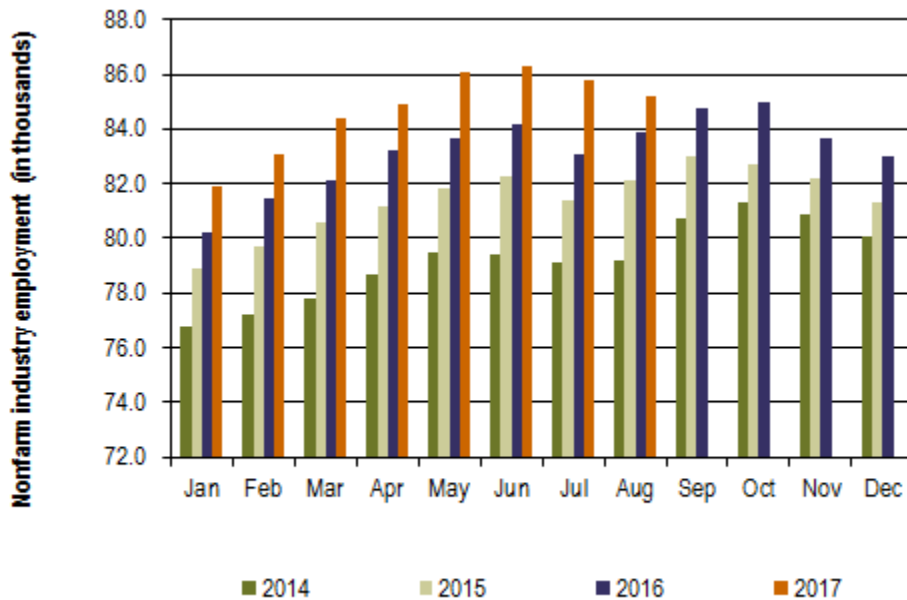
Between 2015 and 2016, Washington's labor market provided 96,600 new nonfarm jobs, an annual average increase of 3.1 percent. This August, businesses and government organizations across Washington supplied 3,339,600 nonfarm jobs (not seasonally adjusted), compared to 3,256,600 jobs in August 2016, a 2.5 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 83 consecutive months (October 2010 through August 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 57 months (December 2012 through August 2017). The local nonfarm market provided 85,200 jobs in August 2017 versus 83,900 in the corresponding month in 2016, a modest 1,300 job and 1.5 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2014 through August 2017

Source: Employment Security Department/LMPA



The number of nonfarm jobs in Yakima County increased 1.5 percent from August 2016 to August 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 43 months (February 2014 through August 2017). In August 2017, Washington's CLF tallied 3,743,407 residents versus 3,658,770 in August 2016 equating to 84,637 more Washingtonians in the labor force (up 2.3 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 21 months, growing 3.0 percent between the Augusts of 2016 and 2017, from 132,845 to 136,887 residents, equating to 4,042 more residents in the CLF this August. Simultaneously, the number of unemployed residents decreased 14.6 percent and by 1,365 residents, to 7,956 in August 2017 from 9,321 in August 2016. Yakima County's unemployment rate dropped substantially from 7.0 percent in August 2016 to 5.8 percent this August (see *Figure 3*) and the rate has been posting year-over-year declines now for the past eleven months (October 2016 through August 2017). This August 2017 unemployment rate for Yakima County is the lowest reading for the month of August since electronic records were implemented in 1990 – 27 years ago.

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

Yakima County	Preliminary Aug-17	Revised Jul-17	Revised Aug-16	Change		
				Jul-17 Aug-17	Aug-16 Aug-17	Aug-16 Aug-17 %
Labor force and unemployment						
Civilian labor force	136,887	135,132	132,845	1,755	4,042	3.0%
Resident employment	128,931	128,651	123,524	280	5,407	4.4%
Unemployment	7,956	6,481	9,321	1,475	-1,365	-14.6%
Unemployment rate	5.8	4.8	7.0	1.0	-1.2	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	85.2	85.8	83.9	-0.6	1.3	1.5%
Total private	68.9	68.2	67.3	0.7	1.6	2.4%
Goods producing	13.3	13.0	13.2	0.3	0.1	0.8%
Mining, logging and construction	4.3	4.2	4.1	0.1	0.2	4.9%
Manufacturing	9.0	8.8	9.1	0.2	-0.1	-1.1%
Nondurable goods	5.7	5.6	6.0	0.1	-0.3	-5.0%
Service providing	71.9	72.8	70.7	-0.9	1.2	1.7%
Private service providing	55.6	55.2	54.1	0.4	1.5	2.8%
Trade, transportation and utilities	19.1	18.9	19.5	0.2	-0.4	-2.1%
Wholesale trade	4.6	4.5	4.7	0.1	-0.1	-2.1%
Retail trade	10.9	10.8	11.1	0.1	-0.2	-1.8%
Transportation and utilities	3.6	3.6	3.7	0.0	-0.1	-2.7%
Professional and business services	5.0	5.0	4.4	0.0	0.6	13.6%
Education and health services	16.9	16.9	16.5	0.0	0.4	2.4%
Health care and social assistance	15.9	15.8	15.4	0.1	0.5	3.2%
Leisure and hospitality	8.2	8.2	7.8	0.0	0.4	5.1%
Food services	5.9	5.9	5.8	0.0	0.1	1.7%
Government	16.3	17.6	16.6	-1.3	-0.3	-1.8%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.7	2.8	2.5	-0.1	0.2	8.0%
Local government	12.3	13.5	12.8	-1.2	-0.5	-3.9%
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 Augusts of 2016 and 2017, the Yakima County nonfarm labor market gained 1,300 jobs, a 1.5 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 85,200 in August 2017 from the 83,900 jobs tallied in August 2016, a 1.5 percent increase, less robust than the 2.5 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 four months (May through August 2017). Mining, logging and construction tallied 4,300 jobs in August 2017 versus 4,100 in August 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 eight months of 2016 and 2017. The August 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 \$549.1-million in the first eight months of 2016 to \$675.0-million from January through August of this year. The number of commercial and residential sales edged upwards 1.6 percent, from 2,487 between January and August 2016 to 2,528 in the corresponding eight-month period of 2017. The average home price across Yakima County continued to climb; rising from \$192,261 in August 2016 to \$211,883 this August, a substantial 10.2 percent upturn.
- Yakima County's nondurable goods manufacturing industry (primarily food processing) netted 300 fewer jobs (down 5.0 percent) in August 2017 than in August 2016. This industry tallied 5,700 jobs this August 2017 compared with 6,000 in August 2016. However, this a highly seasonal industry with volatile year-over-year employment changes. For example, between the Julys of 2016 and 2017, nondurable goods advanced by 300 jobs (up 5.7 percent). Statewide, nondurable goods manufacturing has been rising for the past 56 months (from January 2013 through August 2017).
- Yakima County's professional and business services industry added 600 jobs (up 13.6 percent) between the Augusts 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. Statewide, professional and business services has been rising for the past 88 months (from May 2010 through August 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 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.