



Yakima MSA (Yakima County) Labor Area Summary September 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

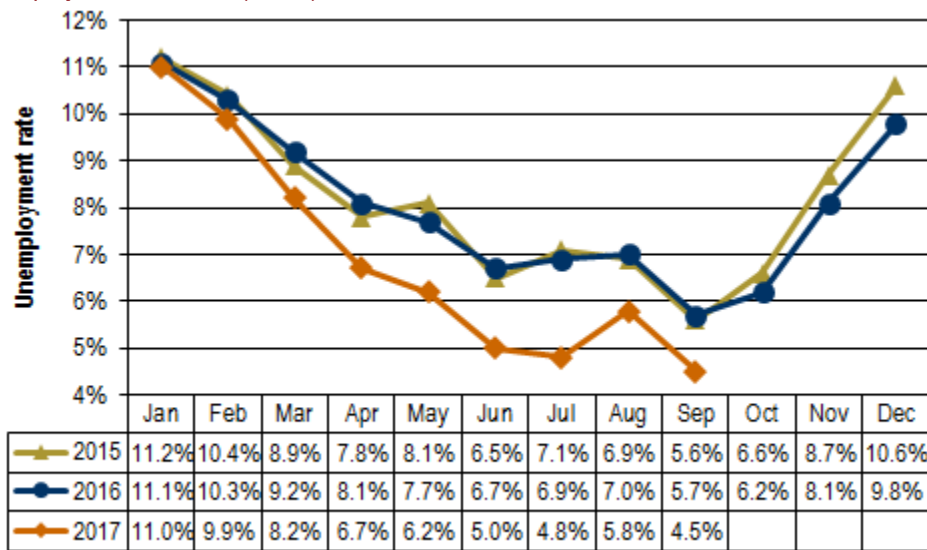
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between September 2016 and September 2017) and average annual (between 2015 and 2016) changes in the labor market.

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 Septembers of 2016 and 2017 the rate fell seven-tenths of a point, from 5.1 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 fell from 5.7 percent in September 2016 to 4.5 percent in September 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 September 2017
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



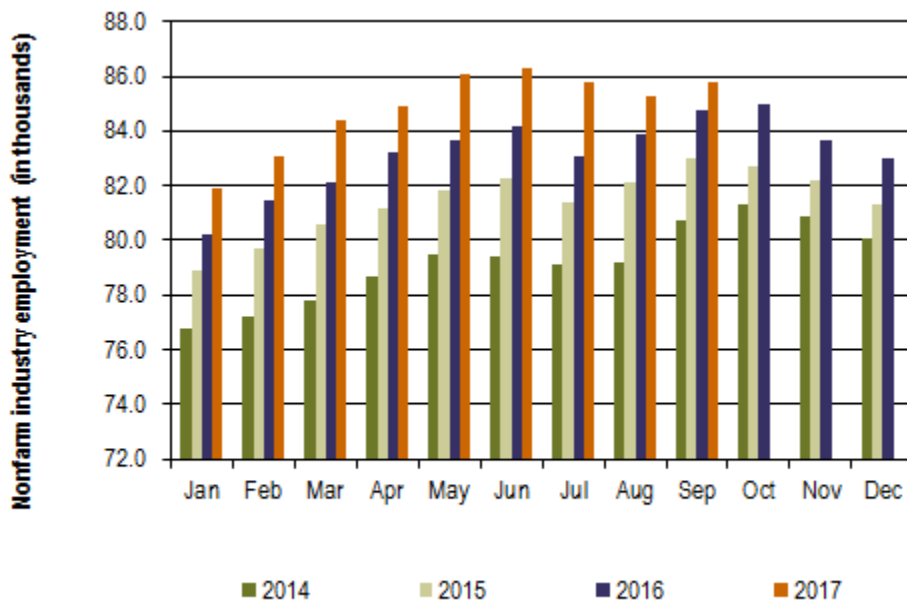
Yakima County’s unemployment rate dropped one and two-tenths percentage points between the Septembers of 2016 and 2017.

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 September, businesses and government organizations across Washington supplied 3,356,800 nonfarm jobs (not seasonally adjusted), compared to 3,280,700 jobs in September 2016, a 2.3 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 84 consecutive months (October 2010 through September 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 58 months (December 2012 through September 2017). The local nonfarm market provided 85,800 jobs in September 2017 versus 84,800 in the corresponding month in 2016, a modest 1,000 job and 1.2 percent upturn.

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



The number of nonfarm jobs in Yakima County increased 1.2 percent from September 2016 to September 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 44 months (February 2014 through September 2017). In September 2017, Washington's CLF tallied 3,774,386 residents versus 3,666,453 in September 2016 equating to 107,933 more Washingtonians in the labor force (up 2.9 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 22 months, growing 2.6 percent between the Septembers of 2016 and 2017, from 132,878 to 136,361 residents, equating to 3,483 more residents in the CLF this September. Simultaneously, the number of unemployed residents decreased 19.1 percent and by 1,439 residents, to 6,090 in September 2017 from 7,529 in September 2016. Yakima County's unemployment rate dropped substantially from 5.7 percent in September 2016 to 4.5 percent this September (see *Figure 3*) and the rate has been posting year-over-year declines now for the past twelve months (October 2016 through September 2017). The September 2017 unemployment rate for Yakima County is the lowest reading for the month of September since electronic records were implemented in 1990 – 27 years ago.

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

| Yakima County | Preliminary Sep-17 | Revised Aug-17 | Revised Sep-16 | Change | | |
|--|-----------------------|-------------------|-------------------|--------|--------|----------|
| | | | | Aug-17 | Sep-16 | Sep-16 |
| | | | | Sep-17 | Sep-17 | Sep-17 % |
| Labor force and unemployment | | | | | | |
| Civilian labor force | 136,361 | 135,275 | 132,878 | 1,086 | 3,483 | 2.6% |
| Resident employment | 130,271 | 127,388 | 125,349 | 2,883 | 4,922 | 3.9% |
| Unemployment | 6,090 | 7,887 | 7,529 | -1,797 | -1,439 | -19.1% |
| Unemployment rate | 4.5 | 5.8 | 5.7 | -1.3 | -1.2 | |
| Industry employment (numbers are in thousands) | | | | | | |
| Total nonfarm ¹ | 85.8 | 85.3 | 84.8 | 0.5 | 1.0 | 1.2% |
| Total private | 68.7 | 68.8 | 67.6 | -0.1 | 1.1 | 1.6% |
| Goods producing | 13.3 | 13.3 | 13.3 | 0.0 | 0.0 | 0.0% |
| Mining, logging and construction | 4.2 | 4.3 | 4.0 | -0.1 | 0.2 | 5.0% |
| Manufacturing | 9.1 | 9.0 | 9.3 | 0.1 | -0.2 | -2.2% |
| Nondurable goods | 6.0 | 5.7 | 6.2 | 0.3 | -0.2 | -3.2% |
| Service providing | 72.5 | 72.0 | 71.5 | 0.5 | 1.0 | 1.4% |
| Private service providing | 55.4 | 55.5 | 54.3 | -0.1 | 1.1 | 2.0% |
| Trade, transportation and utilities | 18.8 | 19.0 | 19.5 | -0.2 | -0.7 | -3.6% |
| Wholesale trade | 4.5 | 4.5 | 4.6 | 0.0 | -0.1 | -2.2% |
| Retail trade | 10.7 | 10.9 | 11.1 | -0.2 | -0.4 | -3.6% |
| Transportation and utilities | 3.6 | 3.6 | 3.8 | 0.0 | -0.2 | -5.3% |
| Professional and business services | 5.0 | 5.0 | 4.4 | 0.0 | 0.6 | 13.6% |
| Education and health services | 17.1 | 16.9 | 16.8 | 0.2 | 0.3 | 1.8% |
| Health care and social assistance | 15.9 | 15.9 | 15.5 | 0.0 | 0.4 | 2.6% |
| Leisure and hospitality | 8.1 | 8.2 | 7.7 | -0.1 | 0.4 | 5.2% |
| Food services | 5.9 | 5.9 | 5.7 | 0.0 | 0.2 | 3.5% |
| Government | 17.1 | 16.5 | 17.2 | 0.6 | -0.1 | -0.6% |
| Federal government | 1.3 | 1.3 | 1.3 | 0.0 | 0.0 | 0.0% |
| State government | 2.9 | 2.7 | 2.8 | 0.2 | 0.1 | 3.6% |
| Local government | 12.9 | 12.5 | 13.1 | 0.4 | -0.2 | -1.5% |
| 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 Septembers of 2016 and 2017, the Yakima County nonfarm labor market gained 1,000 jobs, a 1.2 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment rose to 85,800 in September 2017 from the 84,800 jobs tallied in September 2016, a 1.2 percent increase, less robust than the 2.3 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 five months (May through September 2017). Mining, logging and construction tallied 4,200 jobs in September 2017 versus 4,000 in September 2016, with construction accounting for the lion's share of the employment in this combined category. Commercial and residential sales rose in Yakima County in the first nine months of 2017 versus 2016. The September 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 22.4 percent, from \$625.5-million in the first nine months of 2016 to \$765.5-million in the first three quarters of this year. The number of commercial and residential sales increased 2.5 percent, from 2,852 between January and September 2016 to 2,924 in the corresponding nine-month period of 2017. The average home price across Yakima County continued to climb; rising from \$193,746 in September 2016 to \$214,375 this September, a substantial 10.6 percent upturn.
- Yakima County's retail trade industry netted 400 fewer jobs (down 3.6 percent) in September 2017 than in September 2016. This industry tallied only 10,700 jobs in September 2017 compared with 11,100 in September 2016. Statewide, the number of retail trade jobs has increased for 84 months (October 2010 through September 2017) but, job growth rates in this industry have been slowly decelerating during the past eight months (February through September 2017).
- Yakima County's professional and business services industry added 600 jobs (up 13.6 percent) between the Septembers 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 employment surge - an encouraging economic indicator. Statewide, professional and business services has been rising for the past 89 months (from May 2010 through September 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 September 2017 revised 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 111,531 in 2016, a 17,543 job and 18.7 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 31,360 in 2016, an 11,303 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 64.2 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.