



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

Unemployment rates

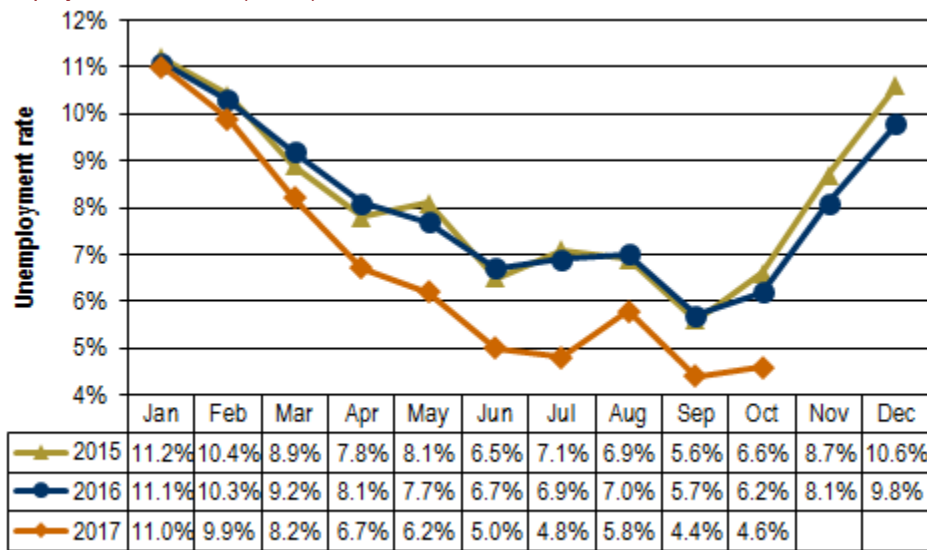
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point between 2015 and 2016, from 5.6 percent to 5.4 percent. Between the Octobers of 2016 and 2017 the rate fell eight-tenths of a point, from 5.0 to 4.2 percent.

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 6.2 percent in October 2016 to 4.6 percent in October 2017, a significant one and six-tenth points contraction (see *Figure 1*) as the number of residents entering the labor force increased modestly while the number of unemployed decreased appreciably (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 October 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 six-tenths percentage points between the Octobers of 2016 and 2017.

Total nonfarm employment

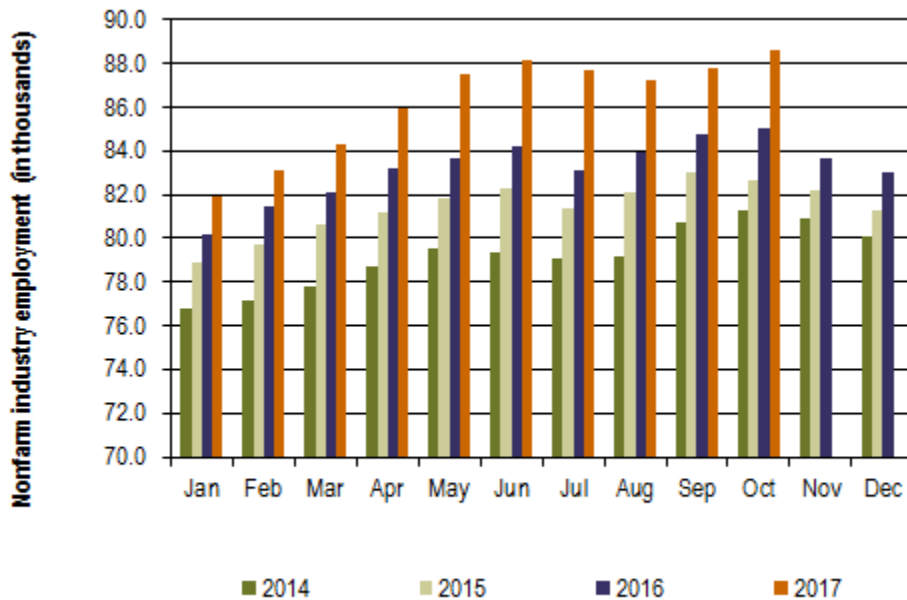
Between 2015 and 2016, Washington's labor market provided 96,600 new nonfarm jobs, an annual average increase of 3.1 percent. This October, businesses and government organizations across Washington supplied 3,387,600 nonfarm jobs (not seasonally adjusted), compared to 3,281,800 jobs in October 2016, a 3.2 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 85 consecutive months (October 2010 through October 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 59 months (December 2012 through October 2017). The local nonfarm market provided 88,600 jobs in October 2017 versus 85,000 in the corresponding month in 2016, a 3,600 job and 4.2 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2014 through October 2017

Source: Employment Security Department/LMPA



The number of nonfarm jobs in Yakima County increased 4.2 percent from October 2016 to October 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 45 months (February 2014 through October 2017). In October 2017, Washington's CLF tallied 3,762,673 residents versus 3,681,300 in October 2016 equating to 81,373 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 23 months, growing 0.6 percent between the Octobers of 2016 and 2017, from 131,553 to 132,295 residents, equating to 742 more residents in the CLF this October. Simultaneously, the number of unemployed residents plummeted 24.3 percent and by 1,969 residents, to 6,125 in October 2017 from 8,094 in October 2016. Yakima County's unemployment rate dropped substantially from 6.2 percent in October 2016 to 4.6 percent this October (see *Figure 3*) and the rate has been posting year over year declines now for the past 13 months (October 2016 through October 2017). The October 2017 unemployment rate for Yakima County is the lowest reading for the month of October since electronic records were implemented in 1990 – 27 years ago.

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

Yakima County	Preliminary Oct-17	Revised Sep-17	Revised Oct-16	Change		
				Sep-17	Oct-16	Oct-16
				Oct-17	Oct-17	Oct-17 %
Labor force and unemployment						
Civilian labor force	132,295	135,984	131,553	-3,689	742	0.6%
Resident employment	126,170	129,934	123,459	-3,764	2,711	2.2%
Unemployment	6,125	6,050	8,094	75	-1,969	-24.3%
Unemployment rate	4.6	4.4	6.2	0.2	-1.6	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	88.6	87.8	85.0	0.8	3.6	4.2%
Total private	70.1	70.5	67.0	-0.4	3.1	4.6%
Goods producing	13.2	13.5	13.1	-0.3	0.1	0.8%
Mining, logging and construction	4.1	4.2	3.9	-0.1	0.2	5.1%
Manufacturing	9.1	9.3	9.2	-0.2	-0.1	-1.1%
Nondurable goods	6.0	6.1	6.1	-0.1	-0.1	-1.6%
Service providing	75.4	74.3	71.9	1.1	3.5	4.9%
Private service providing	56.9	57.0	53.9	-0.1	3.0	5.6%
Trade, transportation and utilities	19.8	19.5	19.2	0.3	0.6	3.1%
Wholesale trade	4.8	4.7	4.5	0.1	0.3	6.7%
Retail trade	11.2	11.1	11.0	0.1	0.2	1.8%
Transportation and utilities	3.8	3.7	3.7	0.1	0.1	2.7%
Professional and business services	5.9	5.9	4.0	0.0	1.9	47.5%
Education and health services	17.5	17.4	17.0	0.1	0.5	2.9%
Health care and social assistance	16.0	16.1	15.6	-0.1	0.4	2.6%
Leisure and hospitality	7.8	8.0	7.7	-0.2	0.1	1.3%
Food services	5.9	6.0	5.7	-0.1	0.2	3.5%
Government	18.5	17.3	18.0	1.2	0.5	2.8%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.8	3.0	-0.2	-0.4	-13.3%
Local government	14.6	13.2	13.7	1.4	0.9	6.6%
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 Octobers of 2016 and 2017, the Yakima County nonfarm labor market gained 3,600 jobs, a 4.2 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 88,600 in October 2017 from the 85,000 jobs tallied in October 2016, a strong 4.2 percent increase, more robust than the 3.2 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 six months (May through October 2017). Mining, logging and construction tallied 4,100 jobs in October 2017 versus 3,900 in October 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 ten months of 2017 versus 2016. The October 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 19.8 percent, from \$696.7-million in the first ten months of 2016 to \$834.9-million in the corresponding timeframe this year. The number of commercial and residential sales increased 1.2 percent, from 3,199 between January and October 2016 to 3,237 in the corresponding ten-month period of 2017. The average home price across Yakima County continued to climb; rising from \$193,778 in October 2016 to \$213,888 this October, a substantial 10.4 percent upturn.
- Yakima County's professional and business services industry added 1,900 jobs (up 47.5 percent) between the Octobers 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 90 months (from May 2010 through September 2017).
- Local government (which includes tribal employment) across Yakima County netted 900 more jobs (up 6.6 percent) in October 2017 than in October 2016. Local government organizations tallied 14,600 jobs in October 2017 compared with 13,700 in October 2016. Statewide, the number of local government jobs has increased for 51 months (August 2013 through October 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 these twelve years.
- 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 these twelve years.