



# Yakima MSA (Yakima County) Labor Area Summary January 2018

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](mailto:dmeseck@esd.wa.gov)  
 Website: <https://esd.wa.gov/labormarketinfo>

## Overview

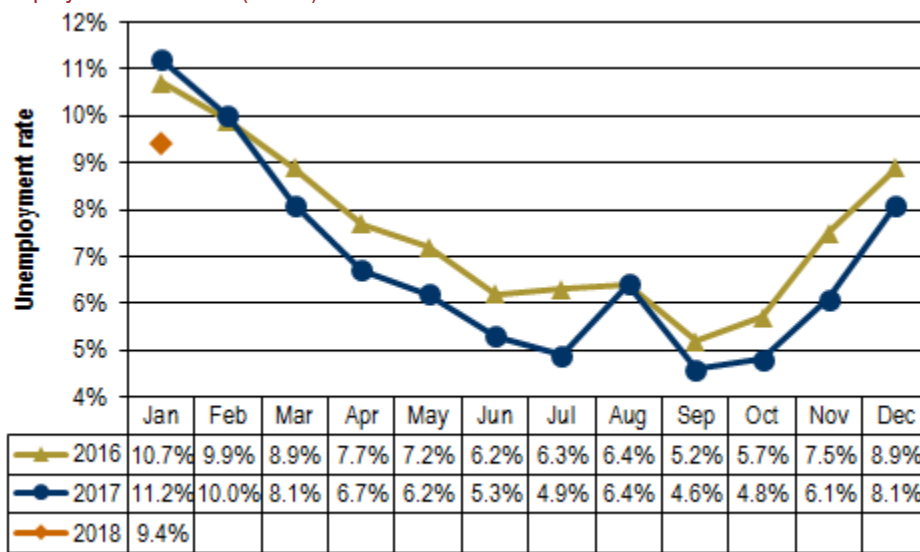
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between January 2017 and January 2018) and average annual changes (between 2016 and 2017) in the labor market.

## Unemployment rates

Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell five tenths of a point between 2016 and 2017, from 5.3 percent to 4.8 percent. Between the Januaries of 2017 and 2018 the rate stabilized at 5.6 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate decreased seven-tenths of a percentage point between 2016 and 2017, from 7.5 to 6.8 percent. The unemployment rate fell from 11.2 percent in January 2017 to 9.4 percent in January 2018, an appreciable one and eight-tenths points drop (see *Figure 1*) as the number of residents entering the labor force increased slightly while the number of unemployed decreased sharply (see *Figure 3*).

**Figure 1.** Unemployment rates, not seasonally adjusted  
 Yakima County, January 2016 through January 2018  
 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 eight-tenths percentage points between the Januaries of 2017 and 2018.

## Total nonfarm employment

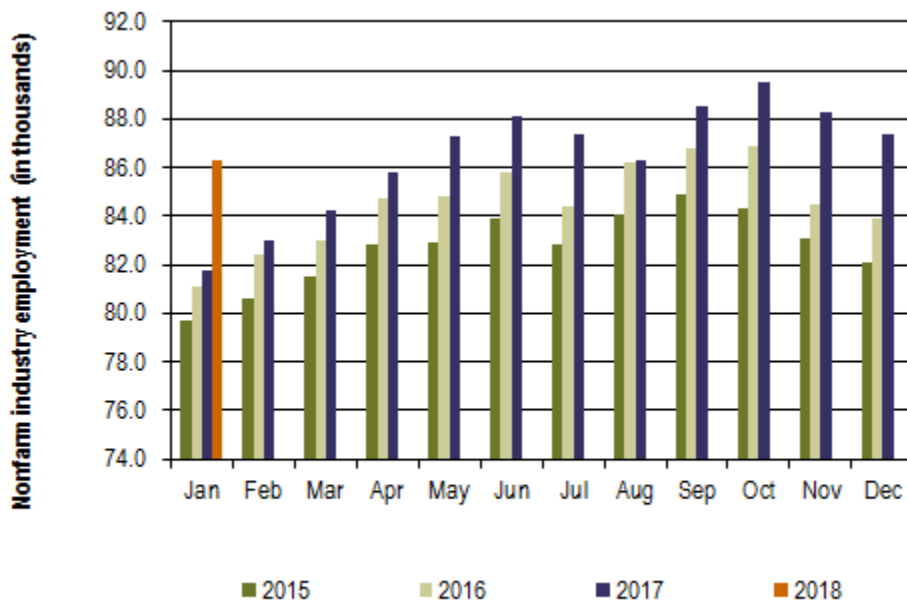
Between 2016 and 2017, Washington's labor market provided 81,300 new nonfarm jobs, an annual average increase of 2.5 percent. In January 2018, businesses and government organizations across Washington supplied 3,326,100 nonfarm jobs (not seasonally adjusted), compared to 3,234,200 jobs in January 2017, a 2.8 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 88 consecutive months (October 2010 through January 2018).

The Yakima County nonfarm labor market added 1,900 jobs between 2016 and 2017, an average annual increase of 2.3 percent. Year over year, Yakima County's nonfarm labor market has been growing for the past 54 months (August 2013 through January 2018). The local nonfarm market provided 86,300 jobs in January 2018 versus 81,800 in the corresponding month in 2017, a strong 4,500 job and 5.5 percent upturn.

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

Yakima County, January 2015 through January 2018

Source: Employment Security Department/LMPA



*The number of nonfarm jobs in Yakima County increased 5.5 percent from January 2017 to January 2018.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 89,522 residents (a 2.5 percent upturn) from 2016 to 2017. The state's labor force has grown, year over year, for the past 48 months (February 2014 through January 2018). In January 2018, Washington's CLF tallied 3,740,630 residents versus 3,663,456 in January 2017 equating to 77,174 more Washingtonians in the labor force (up 2.1 percent).

On an average annual basis, Yakima County's CLF increased a modest 0.7 percent between 2016 (125,761 residents) and 2017 (126,689 residents). But, the County's labor force has been expanding for the past five months (from September 2017 through January 2018). In January 2018, the number of unemployed residents (11,308) countywide plummeted 14.2 percent and by 1,873, below the 13,181 residents out of work in January 2017, while the number of residents in the CLF grew by 2.0 percent (see *Figure 3*). The result: Yakima County's unemployment rate dropped from 11.2 percent in January 2017 to 9.4 percent this January. The rate has either stabilized or posted year over year declines for the past 11 months (March 2017 through January 2018). The January 2018 unemployment rate for Yakima County is the lowest reading for the month of January since electronic records were implemented in 1990 – 27 years ago.

**Figure 3. Labor force and industry employment, not seasonally adjusted**  
 Yakima County, January 2017, December 2017 and January 2018  
 Source: Employment Security Department/LMPA

Yakima County	Preliminary Jan-18	Revised Dec-17	Revised Jan-17	Change		
				Dec-17	Jan-17	Jan-17
				Jan-18	Jan-18	Jan-18 %
<b>Labor force and unemployment</b>						
Civilian labor force	120,022	120,980	117,723	-958	2,299	2.0%
Resident employment	108,714	111,137	104,542	-2,423	4,172	4.0%
Unemployment	11,308	9,843	13,181	1,465	-1,873	-14.2%
Unemployment rate	9.4	8.1	11.2	1.3	-1.8	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	86.3	87.4	81.8	-1.1	4.5	5.5%
Total private	67.5	68.8	64.0	-1.3	3.5	5.5%
Goods producing	12.8	13.0	11.3	-0.2	1.5	13.3%
Mining, logging and construction	3.6	3.9	3.3	-0.3	0.3	9.1%
Manufacturing	9.2	9.1	8.0	0.1	1.2	15.0%
Nondurable goods	5.9	6.0	5.0	-0.1	0.9	18.0%
Service providing	73.5	74.4	70.5	-0.9	3.0	4.3%
Private service providing	54.7	55.8	52.7	-1.1	2.0	3.8%
Trade, transportation and utilities	19.0	19.3	18.6	-0.3	0.4	2.2%
Wholesale trade	4.5	4.6	4.3	-0.1	0.2	4.7%
Retail trade	10.9	11.1	10.8	-0.2	0.1	0.9%
Transportation and utilities	3.6	3.6	3.5	0.0	0.1	2.9%
Professional and business services	6.1	6.2	4.4	-0.1	1.7	38.6%
Education and health services	17.6	17.8	16.7	-0.2	0.9	5.4%
Health care and social assistance	16.3	16.4	15.5	-0.1	0.8	5.2%
Leisure and hospitality	7.5	7.8	7.3	-0.3	0.2	2.7%
Food services	5.8	5.9	5.5	-0.1	0.3	5.5%
Government	18.8	18.6	17.8	0.2	1.0	5.6%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.8	2.5	2.9	0.3	-0.1	-3.4%
Local government	14.8	14.9	13.7	-0.1	1.1	8.0%
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. 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 Januaries of 2017 and 2018, the Yakima County nonfarm labor market gained 4,500 jobs, a 5.5 percent upturn.*

## Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment jumped to 86,300 in January 2018 from the 81,800 jobs tallied in January 2017, a 5.5 percent increase, more robust than the 2.8 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 2017, employment in Yakima County's construction industry has either stabilized or posted year-over-year gains for the past nine months (May through January 2018). Mining, logging and construction tallied 3,600 jobs in January 2018 versus 3,300 in January 2017, with construction accounting for the lion's share of the jobs in this combined category. Commercial and residential sales rose sharply in Yakima County in January 2018 versus January 2017. The January 2018 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 47.1 percent, from \$50.1-million in January 2017 to \$73.6-million in January 2018. The number of commercial and residential sales increased 29.5 percent, from 207 in January 2017 to 268 in the first month of this year. Conversely, the average home price across Yakima County dipped from \$211,046 in January 2017 to \$207,589 in January 2018, a 1.6 percent downturn.
- Yakima County's manufacturing industry netted 1,200 more jobs (up 15.0 percent) in January 2018 than in January 2017. Nondurable goods manufacturers (primarily food processors) accounted for 900 of 1,200 new manufacturing jobs added between the Januaries of 2017 and 2018. Statewide, manufacturing employment has posted year-over-year losses for the past 20 consecutive months (from June 2016 through January 2018).
- Yakima County's professional and business services industry added 1,700 jobs (up 38.6 percent) between the Januaries of 2017 and 2018. Professional and business services in Yakima County has registered year-over-year job growth for the past four months. 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. Within professional and business services, temporary employment services is likely accounting for much of this employment surge - an encouraging indicator. Professional and business services statewide has increased for the past 93 months (May 2010 through January 2018).

## 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.