



Yakima MSA (Yakima County) Labor Area Summary February 2018

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Overview

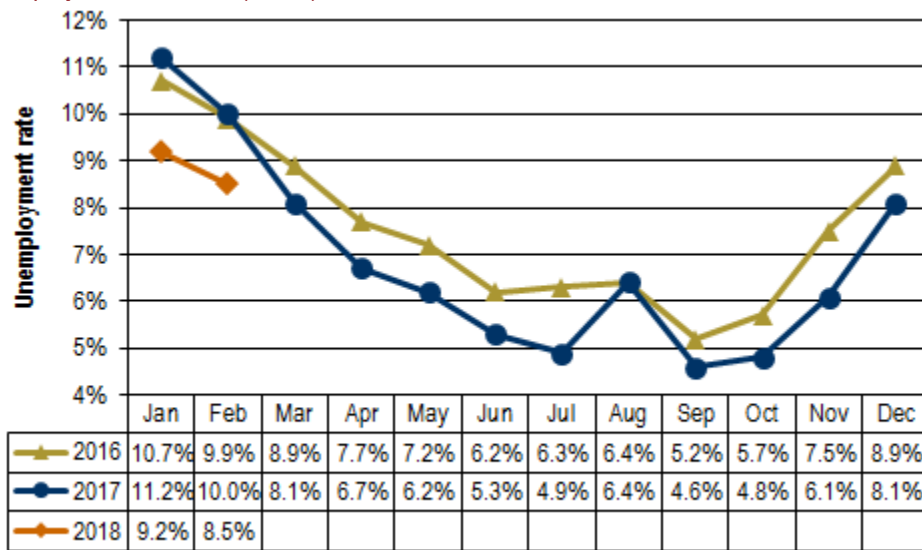
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between February 2017 and February 2018) and average annual changes (between 2016 and 2017) in the labor market.

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 Februaries of 2017 and 2018 the rate dipped one tenth of a point, from 5.4 to 5.3 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 10.0 percent in February 2017 to 8.5 percent in February 2018, an appreciable one and five-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 February 2018
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



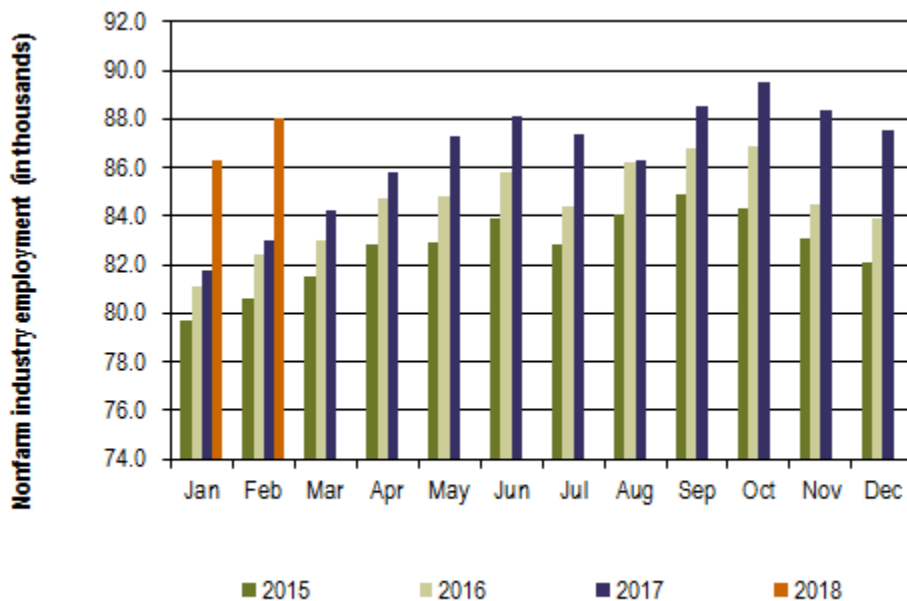
Yakima County’s unemployment rate dropped one and five-tenths percentage points between the Februaries of 2017 and 2018.

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 February 2018, businesses and government organizations across Washington supplied 3,351,200 nonfarm jobs (not seasonally adjusted), compared to 3,252,100 jobs in February 2017, a 3.0 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 89 consecutive months (October 2010 through February 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 55 months (August 2013 through February 2018). The local nonfarm market provided 88,000 jobs in February 2018 versus 83,000 in the corresponding month in 2017, a strong 5,000 job and 6.0 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted
 Yakima County, January 2015 through February 2018
 Source: Employment Security Department/LMPA



The number of nonfarm jobs in Yakima County increased 6.0 percent from February 2017 to February 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 49 months (February 2014 through February 2018). In February 2018, Washington's CLF tallied 3,763,800 residents versus 3,685,135 in February 2017 equating to 78,665 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 six months (from September 2017 through February 2018). In February 2018, the number of local residents who were unemployed was 10,375 countywide, a 14.3 percent drop from the 12,110 residents out of work in February 2017. Simultaneously the number of residents in the CLF edged upwards by 0.6 percent (see *Figure 3*). The result: Yakima County's unemployment rate dropped from 10.0 percent in February 2017 to 8.5 percent in February 2018. The rate has either stabilized or posted year over year declines for the past 12 months (March 2017 through February 2018). This February's rate (8.5 percent) is the lowest reading for the month of February for Yakima County since electronic records were implemented in 1990 – 28 years ago.

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

Yakima County	Preliminary Feb-18	Revised Jan-18	Revised Feb-17	Change		
				Jan-18 Feb-18	Feb-17 Feb-18	Feb-17 Feb-18 %
Labor force and unemployment						
Civilian labor force	122,116	119,956	121,405	2,160	711	0.6%
Resident employment	111,741	108,959	109,295	2,782	2,446	2.2%
Unemployment	10,375	10,997	12,110	-622	-1,735	-14.3%
Unemployment rate	8.5	9.2	10.0	-0.7	-1.5	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	88.0	86.3	83.0	1.7	5.0	6.0%
Total private	68.7	67.4	64.9	1.3	3.8	5.9%
Goods producing	13.4	12.7	11.5	0.7	1.9	16.5%
Mining, logging and construction	3.8	3.6	3.4	0.2	0.4	11.8%
Manufacturing	9.6	9.1	8.1	0.5	1.5	18.5%
Nondurable goods	5.9	5.9	5.0	0.0	0.9	18.0%
Service providing	74.6	73.6	71.5	1.0	3.1	4.3%
Private service providing	55.3	54.7	53.4	0.6	1.9	3.6%
Trade, transportation and utilities	18.6	18.9	18.5	-0.3	0.1	0.5%
Wholesale trade	4.5	4.5	4.4	0.0	0.1	2.3%
Retail trade	10.5	10.8	10.6	-0.3	-0.1	-0.9%
Transportation and utilities	3.6	3.6	3.5	0.0	0.1	2.9%
Professional and business services	6.2	6.1	4.8	0.1	1.4	29.2%
Education and health services	17.9	17.7	17.1	0.2	0.8	4.7%
Health care and social assistance	16.4	16.3	15.7	0.1	0.7	4.5%
Leisure and hospitality	7.6	7.5	7.3	0.1	0.3	4.1%
Food services	5.8	5.8	5.5	0.0	0.3	5.5%
Government	19.3	18.9	18.1	0.4	1.2	6.6%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	3.0	2.9	2.9	0.1	0.1	3.4%
Local government	15.1	14.8	14.0	0.3	1.1	7.9%
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 Februaries of 2017 and 2018, the Yakima County nonfarm labor market gained 5,000 jobs, a 6.0 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment jumped to 88,000 in February 2018 from the 83,000 jobs tallied in February 2017, a 6.0 percent increase, more robust than the 3.0 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Despite a slow start in 2017, employment in Yakima County's construction industry has either stabilized or posted year-over-year gains for the past ten months (May through February 2018). Mining, logging and construction tallied 3,800 jobs in February 2018 versus 3,400 in February 2017, a robust 11.8 percent expansion in employment - with construction accounting for the lion's share of the jobs in this combined category. Also, commercial and residential sales have been brisk countywide in the New Year as announced in the February 2018 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA. This report stated that the value of commercial and residential sales in Yakima County jumped 25.4 percent, from \$97.6-million in the first two months of 2017 to \$122.5-million in January and February 2018. The number of commercial and residential sales increased 12.6 percent, from 430 in January and February of last year to 484 in the first two months of 2018. The average home price across Yakima County increased from \$207,648 Year-to-Date (YTD) in January and February 2017 to \$212,452 YTD in February 2018, a 2.3 percent upturn.
- Yakima County's manufacturing industry netted 1,500 more jobs (up 18.5 percent) in February 2018 than in February 2017. Nondurable goods manufacturers (primarily food processors) accounted for 900 of 1,500 new manufacturing jobs added between the Februaries of 2017 and 2018. Statewide, manufacturing employment has posted year-over-year losses for the past 21 consecutive months (from June 2016 through February 2018).
- Yakima County's professional and business services industry added 1,400 jobs (up 29.2 percent) between the Februaries of 2017 and 2018. Professional and business services in Yakima County has registered year-over-year job growth for the past five 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 grown for the past 94 months (May 2010 through February 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.