



Yakima MSA (Yakima County) Labor Area Summary March 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
 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 March 2017 and March 2018) and average annual changes (between 2016 and 2017) in the labor market.

Unemployment rates

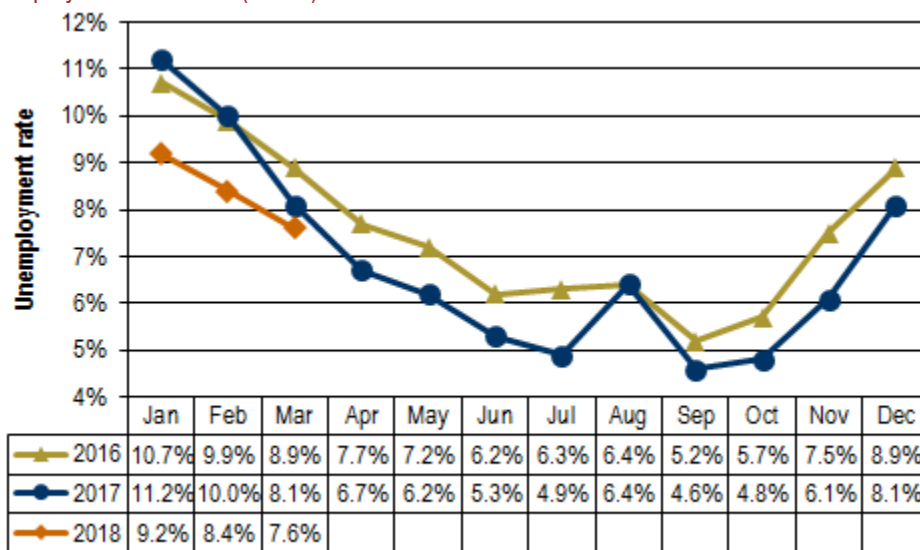
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell five tenths of a point between 2016 and 2017, from 5.3 percent to 4.8 percent. Between the Marches of 2017 and 2018 the rate stabilized at 4.9 percent.

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 8.1 percent in March 2017 to 7.6 percent in March 2018, a five-tenths points drop (see *Figure 1*) as the number of residents entering the labor force increased while the number of unemployed decreased (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2016 through March 2018

Source: Employment Security Department/WITS; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate dropped five-tenths percentage point between the Marches of 2017 and 2018.

Total nonfarm employment

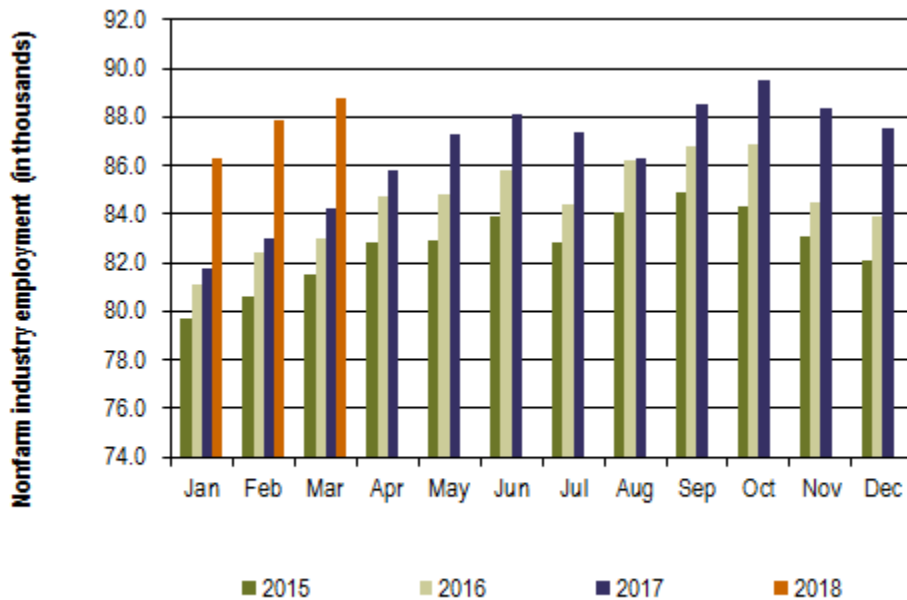
Between 2016 and 2017, Washington's labor market provided 81,300 new nonfarm jobs, an annual average increase of 2.5 percent. In March 2018, businesses and government organizations across Washington supplied 3,371,000 nonfarm jobs (not seasonally adjusted), compared to 3,277,500 jobs in March 2017, a 2.9 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 90 consecutive months (October 2010 through March 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 56 months (August 2013 through March 2018). The local nonfarm market provided 88,000 jobs in March 2018 versus 84,200 in the corresponding month in 2017, a 4,600 job and 5.5 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2015 through March 2018

Source: Employment Security Department/WITS



The number of nonfarm jobs in Yakima County increased 5.5 percent from March 2017 to March 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 50 months (February 2014 through March 2018). In March 2018, Washington's CLF tallied 3,766,825 residents versus 3,696,726 in March 2017 equating to 70,099 more Washingtonians in the labor force (up 1.9 percent).

On an average annual basis, Yakima County's CLF increased a modest 0.8 percent between 2016 (125,834 residents) and 2017 (126,814 residents). But, the County's labor force has been expanding for the past seven months (from September 2017 through March 2018). In March 2018, the number of local residents who were unemployed was 9,573 countywide, a 3.7 percent decline from the 9,939 residents out of work in March 2017. Simultaneously the number of residents in the CLF grew by 2.4 percent (see *Figure 3*). The result: Yakima County's unemployment rate dropped from 8.1 percent in March 2017 to 7.6 percent in March 2018. The rate has either stabilized or posted year over year declines for the past 13 months (March 2017 through March 2018). This March's rate (7.6 percent) is the lowest reading for the month of March 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, March 2017, February and March 2018
 Source: Employment Security Department/WITS

Yakima County	Preliminary Mar-18	Revised Feb-18	Revised Mar-17	Change		
				Feb-18	Mar-17	Mar-17
				Mar-18	Mar-18	Mar-18 %
Labor force and unemployment						
Civilian labor force	126,434	123,862	123,417	2,572	3,017	2.4%
Resident employment	116,861	113,459	113,478	3,402	3,383	3.0%
Unemployment	9,573	10,403	9,939	-830	-366	-3.7%
Unemployment rate	7.6	8.4	8.1	-0.8	-0.5	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	88.8	87.9	84.2	0.9	4.6	5.5%
Total private	69.5	68.8	66.0	0.7	3.5	5.3%
Goods producing	13.6	13.4	11.9	0.2	1.7	14.3%
Mining, logging and construction	4.0	3.8	3.6	0.2	0.4	11.1%
Manufacturing	9.6	9.6	8.3	0.0	1.3	15.7%
Nondurable goods	6.1	6.0	5.2	0.1	0.9	17.3%
Service providing	75.2	74.5	72.3	0.7	2.9	4.0%
Private service providing	55.9	55.4	54.1	0.5	1.8	3.3%
Trade, transportation and utilities	18.9	18.6	18.7	0.3	0.2	1.1%
Wholesale trade	4.6	4.5	4.4	0.1	0.2	4.5%
Retail trade	10.7	10.5	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	6.3	6.2	4.9	0.1	1.4	28.6%
Education and health services	17.9	17.9	17.2	0.0	0.7	4.1%
Health care and social assistance	16.5	16.4	15.8	0.1	0.7	4.4%
Leisure and hospitality	7.8	7.6	7.6	0.2	0.2	2.6%
Food services	5.9	5.8	5.6	0.1	0.3	5.4%
Government	19.3	19.1	18.2	0.2	1.1	6.0%
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	15.0	14.1	0.1	1.0	7.1%
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 Marches of 2017 and 2018, the Yakima County nonfarm labor market gained 4,600 jobs, a 5.5 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment jumped to 88,800 in March 2018 from the 84,200 jobs tallied in March 2017, a 5.5 percent increase, more robust than the 2.9 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Yakima County's construction industry has either stabilized or posted year-over-year gains for the past eleven months (May 2017 through March 2018). Mining, logging and construction tallied 4,000 jobs in March 2018 versus 3,600 in March 2017, a robust 11.1 percent expansion - with construction accounting for the lion's share of the upturn in this combined category. Also, commercial and residential sales have been brisk countywide in the first quarter of the New Year as announced in the March 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 19.3 percent, from \$163.1-million in the first quarter of 2017 to \$194.6-million in the first three months of 2018. The number of commercial and residential sales increased 14.6 percent, from 690 in the first calendar quarter of 2017 to 791 in the first three months of 2018. The average home price across Yakima County increased from \$205,209 Year-to-Date (YTD) from January through March 2017 to \$219,117 YTD in March 2018, a 6.8 percent increase.
- Yakima County's manufacturing industry netted 1,300 more jobs (up 15.7 percent) in March 2018 than in March 2017. Nondurable goods manufacturers (primarily food processors) accounted for 900 of 1,300 new manufacturing jobs added during this timeframe. Statewide, manufacturing employment posted a year-over-year gain of 0.7 percent in March 2017, following 21 consecutive months of job losses (from June 2016 through February 2018) - an encouraging indicator.
- Yakima County's professional and business services industry added 1,400 jobs (up 28.6 percent) between the Marches of 2017 and 2018. Professional and business services in Yakima County has registered year-over-year job growth for the past six 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 job growth.

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.