



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

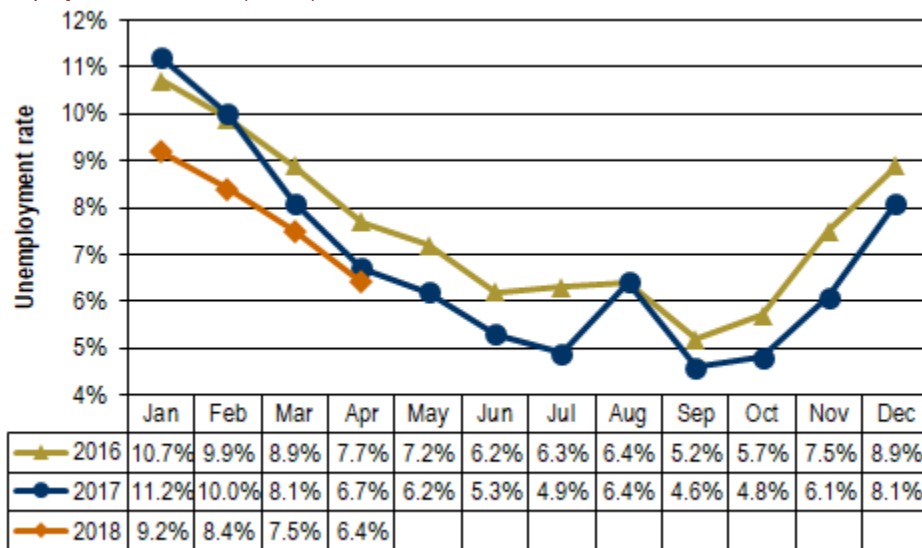
Unemployment rates

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 Aprils of 2017 and 2018 the rate stabilized at 4.4 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 6.7 percent in April 2017 to 6.4 percent in April 2018, a three-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 April 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 three-tenths of a percentage point between the Aprils of 2017 and 2018.

Total nonfarm employment

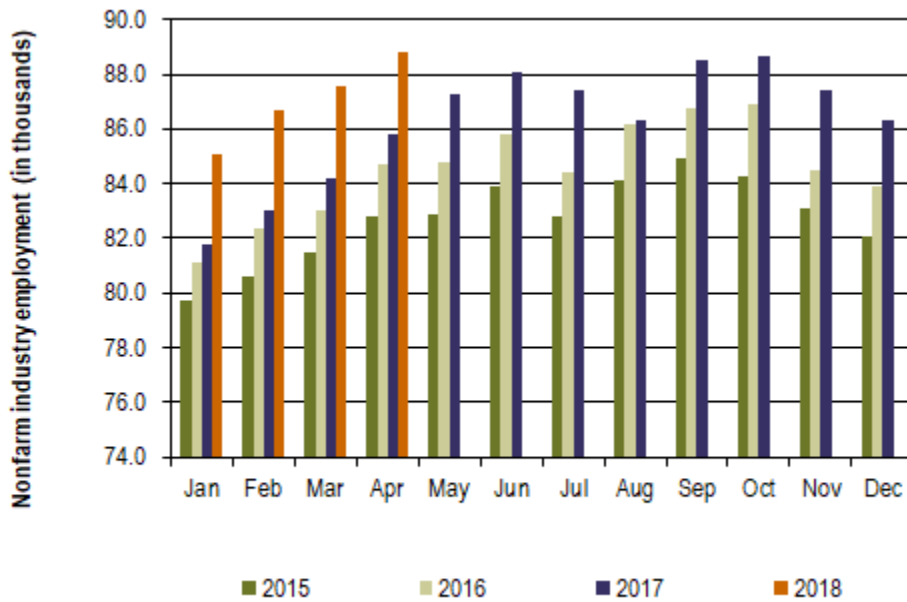
Between 2016 and 2017, Washington's labor market provided 78,300 new nonfarm jobs, an annual average increase of 2.4 percent. In April 2018, businesses and government organizations across Washington supplied 3,385,200 nonfarm jobs (not seasonally adjusted), compared to 3,300,100 jobs in April 2017, a 2.6 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 91 consecutive months (October 2010 through April 2018).

The Yakima County nonfarm labor market added 1,700 jobs between 2016 and 2017, an average annual increase of 2.0 percent. Year over year, Yakima County's nonfarm labor market has been growing for the past 57 months (August 2013 through April 2018). The local nonfarm market provided 88,800 jobs in April 2018 versus 85,800 in the corresponding month in 2017, a 3,000 job and 3.5 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2015 through April 2018

Source: Employment Security Department/WITS



The number of nonfarm jobs in Yakima County increased 3.5 percent from April 2017 to April 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 51 months (February 2014 through April 2018). In April 2018, Washington's CLF tallied 3,742,729 residents versus 3,693,551 in April 2017 equating to 49,178 more Washingtonians in the labor force (up 1.3 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 eight months (from September 2017 through April 2018). In April 2018, the number of local residents who were unemployed was 8,134 countywide, a 2.5 percent decline from the 8,343 residents out of work in April 2017. Simultaneously the number of residents in the CLF grew by 2.3 percent (see *Figure 3*). The result: Yakima County's unemployment rate dropped from 6.7 percent in April 2017 to 6.4 percent in April 2018. The rate has either stabilized or posted year over year declines for the past 14 months (March 2017 through April 2018). This April's rate (6.4 percent) is the lowest reading for the month of April 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, April 2017, March and April 2018
 Source: Employment Security Department/WITS

Yakima County	Preliminary Apr-18	Revised Mar-18	Revised Apr-17	Change		
				Mar-18	Apr-17	Apr-17
				Apr-18	Apr-18	Apr-18 %
Labor force and unemployment						
Civilian labor force	127,191	126,329	124,311	862	2,880	2.3%
Resident employment	119,057	116,845	115,968	2,212	3,089	2.7%
Unemployment	8,134	9,484	8,343	-1,350	-209	-2.5%
Unemployment rate	6.4	7.5	6.7	-1.1	-0.3	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	88.8	87.6	85.8	1.2	3.0	3.5%
Total private	70.3	69.0	67.7	1.3	2.6	3.8%
Goods producing	13.5	13.2	12.2	0.3	1.3	10.7%
Mining, logging and construction	4.4	4.2	3.8	0.2	0.6	15.8%
Manufacturing	9.1	9.0	8.4	0.1	0.7	8.3%
Nondurable goods	5.6	5.6	5.3	0.0	0.3	5.7%
Service providing	75.3	74.4	73.6	0.9	1.7	2.3%
Private service providing	56.8	55.8	55.5	1.0	1.3	2.3%
Trade, transportation and utilities	19.3	19.0	19.0	0.3	0.3	1.6%
Wholesale trade	4.4	4.3	4.6	0.1	-0.2	-4.3%
Retail trade	11.3	11.1	10.8	0.2	0.5	4.6%
Transportation and utilities	3.6	3.6	3.6	0.0	0.0	0.0%
Professional and business services	5.2	5.0	5.7	0.2	-0.5	-8.8%
Education and health services	18.0	17.9	17.3	0.1	0.7	4.0%
Health care and social assistance	16.4	16.4	15.9	0.0	0.5	3.1%
Leisure and hospitality	7.9	7.8	7.9	0.1	0.0	0.0%
Food services	6.2	6.1	5.8	0.1	0.4	6.9%
Government	18.5	18.6	18.1	-0.1	0.4	2.2%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.9	2.9	2.8	0.0	0.1	3.6%
Local government	14.4	14.5	14.1	-0.1	0.3	2.1%
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 Aprils of 2017 and 2018, the Yakima County nonfarm labor market gained 3,000 jobs, a 3.5 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment increased to 88,800 in April 2018 from the 85,800 jobs tallied in April 2017, a 3.5 percent increase, more robust than the 2.6 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 twelve months (May 2017 through April 2018). Mining, logging and construction tallied 4,400 jobs in April 2018 versus 3,800 in April 2017, a robust 15.8 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 April 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 20.9 percent, from \$223.7-million in the first four months of 2017 to \$270.3-million from January through April 2018. The number of commercial and residential sales increased 15.3 percent, from 973 in the first four months of 2017 to 1,122 in the first four months of 2018. The average home price across Yakima County increased from \$205,393 Year-to-Date (YTD) from January through April 2017 to \$220,868,117 YTD in April 2018, a 7.5 percent increase.
- Yakima County's manufacturing industry netted 700 more jobs (up 8.3 percent) in April 2018 than in April 2017. Nondurable goods manufacturers (primarily food processors) accounted for 300 of the 700 new manufacturing jobs added during this timeframe. Estimates indicate that local manufacturing employment is starting out strongly in the first four months of 2018. Statewide, manufacturing posted year-over-year job gains of 0.4 and 0.2 percent in March 2018 and April 2018 respectively, following 21 months of job losses (from June 2016 through February 2018).
- Professional and business services in Yakima County had expanded in each of the five months from November 2017 through March 2018, but it fell 8.8 percent (down 500 jobs) between the Aprils of 2017 and 2018. 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 recent downturn.

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.