



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

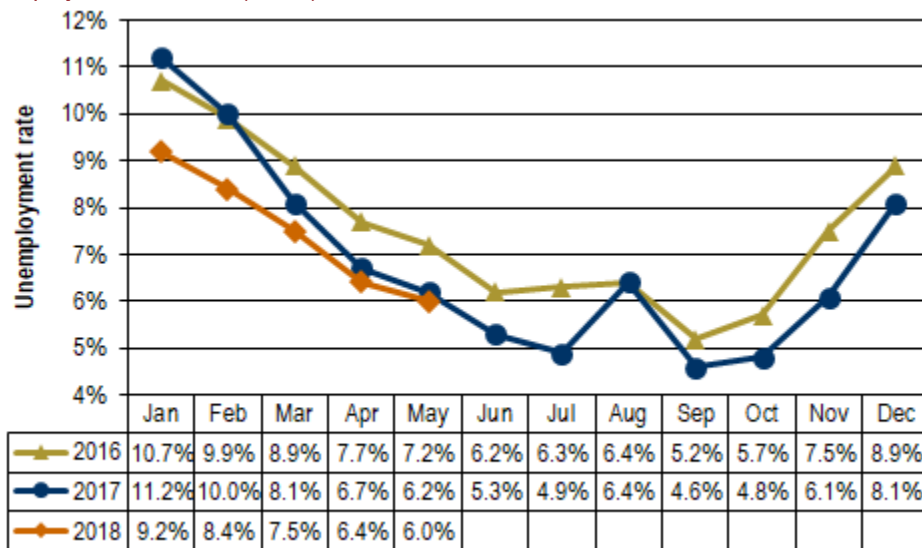
Unemployment rates

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 Mays of 2017 and 2018 the rate dropped one-tenth point, from 4.5 to 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 6.2 percent in May 2017 to 6.0 percent in May 2018, a two-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 May 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 two-tenths of a percentage point between the Mays of 2017 and 2018.

Total nonfarm employment

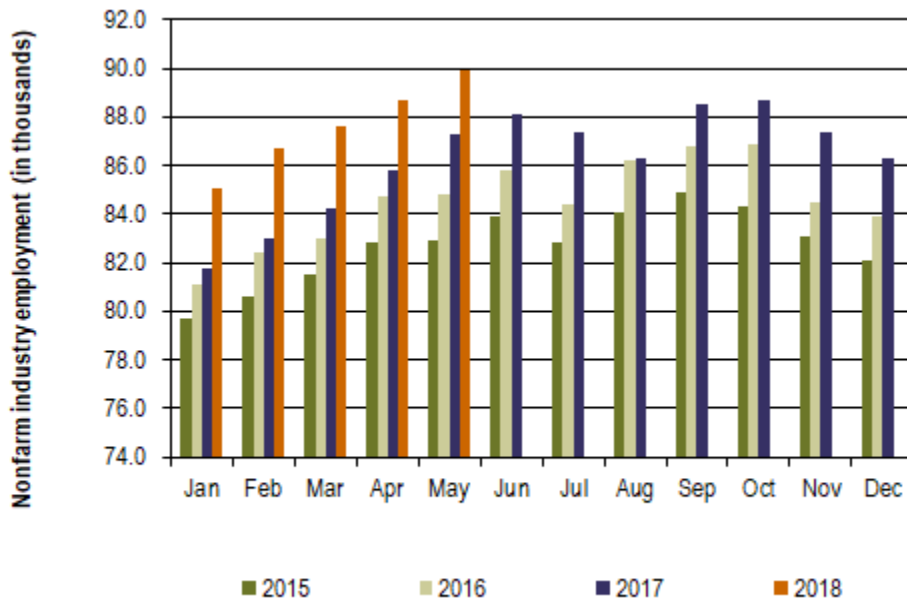
Between 2016 and 2017, Washington's labor market provided 78,300 new nonfarm jobs, an annual average increase of 2.4 percent. In May 2018, businesses and government organizations across Washington supplied 3,421,700 nonfarm jobs (not seasonally adjusted), compared to 3,331,600 jobs in May 2017, a 2.7 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 92 consecutive months (October 2010 through May 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 58 months (August 2013 through May 2018). The local nonfarm market provided 89,900 jobs in May 2018 versus 87,300 in the corresponding month in 2017, a 2,600 job and 3.0 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2015 through May 2018

Source: Employment Security Department/WITS



The number of nonfarm jobs in Yakima County increased 3.0 percent from May 2017 to May 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 52 months (February 2014 through May 2018). In May 2018, Washington's CLF tallied 3,753,803 residents versus 3,702,170 in May 2017 equating to 51,633 more Washingtonians in the labor force (up 1.4 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 nine months (from September 2017 through May 2018). In May 2018, the number of local residents who were unemployed was 7,669 countywide, a 1.5 percent decline from the 7,782 residents out of work in May 2017. Simultaneously the number of residents in the CLF grew by 2.2 percent (see *Figure 3*). The result: Yakima County's unemployment rate dropped from 6.2 percent in May 2017 to 6.0 percent in May 2018. The rate has either stabilized or posted year over year declines for the past 15 months (March 2017 through May 2018). This May's rate (6.0 percent) is the lowest reading for the month of May 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, May 2017, April and May 2018
 Source: Employment Security Department/WITS

Yakima County	Preliminary May-18	Revised Apr-18	Revised May-17	Change		
				Apr-18	May-17	May-17
				May-18	May-18	May-18 %
Labor force and unemployment						
Civilian labor force	127,702	126,386	124,918	1,316	2,784	2.2%
Resident employment	120,033	118,316	117,136	1,717	2,897	2.5%
Unemployment	7,669	8,070	7,782	-401	-113	-1.5%
Unemployment rate	6.0	6.4	6.2	-0.4	-0.2	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	89.9	88.7	87.3	1.2	2.6	3.0%
Total private	71.4	70.2	69.0	1.2	2.4	3.5%
Goods producing	14.1	13.4	12.5	0.7	1.6	12.8%
Mining, logging and construction	4.6	4.4	3.9	0.2	0.7	17.9%
Manufacturing	9.5	9.0	8.6	0.5	0.9	10.5%
Nondurable goods	5.7	5.6	5.4	0.1	0.3	5.6%
Service providing	75.8	75.3	74.8	0.5	1.0	1.3%
Private service providing	57.3	56.8	56.5	0.5	0.8	1.4%
Trade, transportation and utilities	19.4	19.1	19.1	0.3	0.3	1.6%
Wholesale trade	4.4	4.4	4.6	0.0	-0.2	-4.3%
Retail trade	11.4	11.1	11.0	0.3	0.4	3.6%
Transportation and utilities	3.6	3.6	3.5	0.0	0.1	2.9%
Professional and business services	5.2	5.2	6.0	0.0	-0.8	-13.3%
Education and health services	18.1	18.0	17.5	0.1	0.6	3.4%
Health care and social assistance	16.5	16.4	16.1	0.1	0.4	2.5%
Leisure and hospitality	8.0	7.9	8.2	0.1	-0.2	-2.4%
Food services	6.3	6.2	6.0	0.1	0.3	5.0%
Government	18.5	18.5	18.3	0.0	0.2	1.1%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.9	2.9	2.9	0.0	0.0	0.0%
Local government	14.4	14.4	14.2	0.0	0.2	1.4%
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 Mays of 2017 and 2018, the Yakima County nonfarm labor market gained 2,600 jobs, a 3.0 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment increased to 89,900 in May 2018 from the 87,300 jobs tallied in May 2017, a 3.0 percent increase, more robust than the 2.7 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 13 months (May 2017 through May 2018). Mining, logging and construction tallied 4,600 jobs in May 2018 versus 3,900 in May 2017, a robust 17.9 percent and 700 job expansion - with construction accounting for the lion's share of the upturn in this combined category. Also, commercial and residential sales have generally been brisk countywide in the first five months of 2018 as announced in the May 2018 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA. Although the value of commercial and residential sales in Yakima County slipped by 4.4 percent, from \$374.0-million in the first five months of 2017 to \$357.7-million from January through May 2018; the number of commercial and residential sales increased 9.8 percent. Specifically, the number of commercial and residential sales rose from 1,362 in the first five months of 2017 to 1,495 in the first five months of 2018. The average home price across Yakima County increased from \$206,713 Year-to-Date (YTD) from January through May 2017 to \$223,445 YTD in May 2018, an 8.1 percent increase.
- Yakima County's manufacturing industry provided 900 more jobs (up 10.5 percent) in May 2018 than in May 2017, encouraging news for the local manufacturing sector. In fact, this industry has been posting year-over-year job gains for the past seven consecutive months (November 2017 through May 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 in April 2018 and 13.3 percent in May 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 in Yakima County. Professional and business services statewide has increased for the past 97 months (May 2010 through May 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 May 2018 preliminary annual average QCEW data for calendar year 2017 became available. An analysis of employment changes from 2007 through 2017 shows that in Yakima County:

- Total covered employment rose from 99,135 in 2007 to 113,572 in 2017, a 14,437 job and 14.6 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 22,051 in 2007 to 30,236 in 2017, an 8,185 job and 37.1 percent uptrend. In 2007 Yakima County's agricultural industry accounted for 22.2 percent of total covered employment. In 2017 agricultural employment accounted for 26.6 percent of total covered employment countywide. Hence, the agricultural share of employment rose 4.4 percentage points (from 22.2 to 26.6 percent) in Yakima County during these ten years.
- Total covered wages rose from \$2.948 billion in 2007 to \$4.357 billion in 2017 a \$1.409 billion and 47.8 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$452.9 million in 2007 to \$929.8 million in 2017, a \$476.9 million and 105.3 percent uptrend. In 2007 Yakima County's agricultural industry accounted for 15.4 percent of total covered wages. In 2017 agricultural wages accounted for 21.3 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 5.9 percentage points (from 15.4 to 21.3 percent) in Yakima County during these ten years.