



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

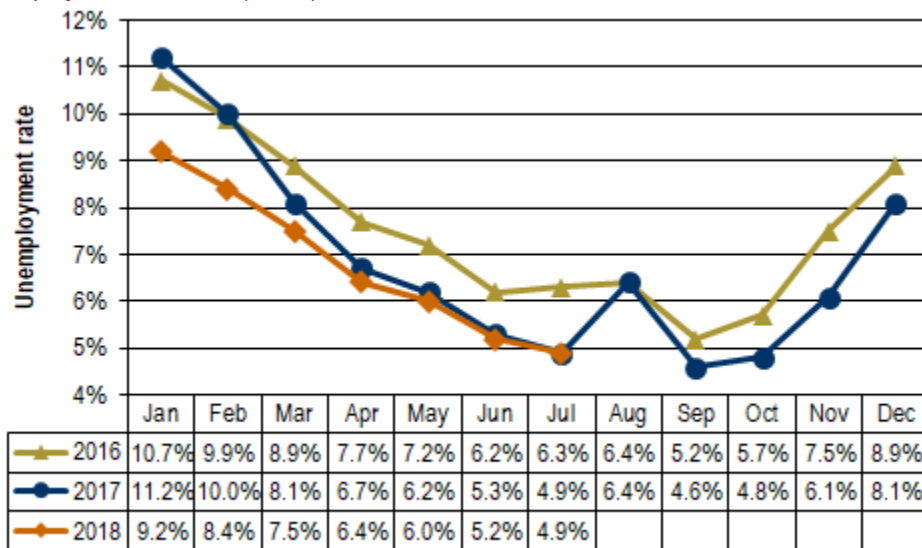
Unemployment rates

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 Julys of 2017 and 2018 the rate dropped four-tenths point, from 4.6 to 4.2 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 monthly unemployment rate stabilized at 4.9 percent in the Julys of 2017 and 2018. The number of residents in the labor force elevated slightly while the number of unemployed dipped - but this was not enough to lower the rate (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2016 through July 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 stabilized at 4.9 percent between the Julys of 2017 and 2018.

Total nonfarm employment

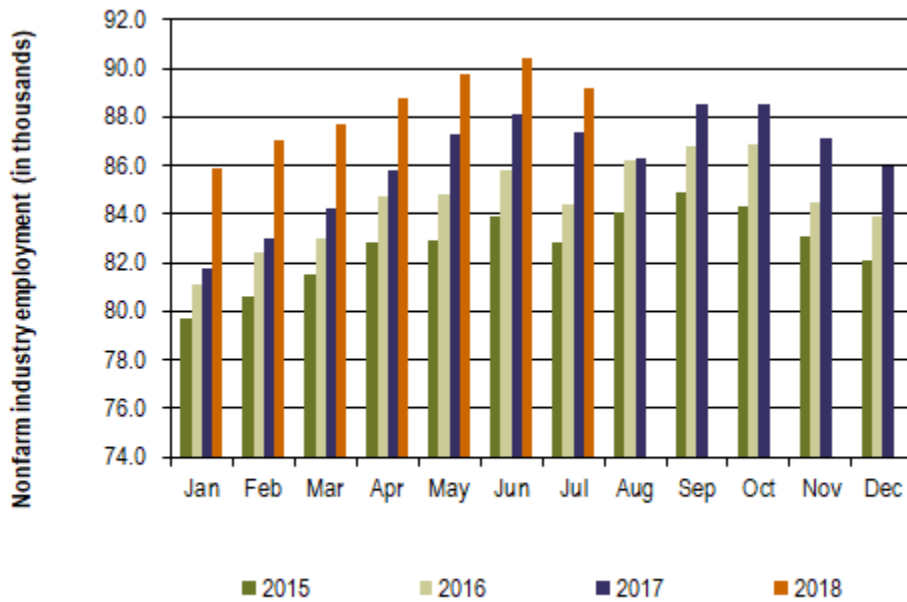
Between 2016 and 2017, Washington's labor market provided 77,900 new nonfarm jobs, an annual average increase of 2.4 percent. In July 2018, businesses and government organizations across Washington supplied 3,445,700 nonfarm jobs (not seasonally adjusted), compared to 3,343,200 jobs in July 2017, a 3.1 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 94 consecutive months (October 2010 through July 2018).

The Yakima County nonfarm labor market added 1,600 jobs between 2016 and 2017, an average annual increase of 1.9 percent. Year over year, Yakima County's nonfarm labor market has been growing for the past 60 months (August 2013 through July 2018). The local nonfarm market provided 89,200 jobs in July 2018 versus 87,400 in the corresponding month in 2017, a 1,800-job and 2.1-percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2015 through July 2018

Source: Employment Security Department/WITS



The number of nonfarm jobs in Yakima County increased to 89,200, a 2.1 percent increase from July 2017 to July 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 54 months (February 2014 through July 2018). In July 2018, Washington's CLF tallied 3,798,646 residents versus 3,756,579 in July 2017 equating to 42,067 more Washingtonians in the labor force (up 1.1 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 eleven months (from September 2017 through July 2018). In July 2018, the number of local residents who were unemployed was 6,672 countywide, a 0.3 percent downturn from the 6,689 residents out of work in July 2017. The number of residents in the CLF grew by 1,325, a modest 1.0 percent increase (see *Figure 3*). Although these were small steps in the right direction, Yakima County's unemployment rate remained at 4.9 percent in July 2017 and July 2018. The rates (4.9 percent in both July 2017 and July 2018) were the lowest readings for the month of July in Yakima County since electronic records were implemented in 1990 – excellent news for the local economy.

Figure 3. Labor force and industry employment, not seasonally adjusted
 Yakima County, July 2017, June and July 2018
 Source: Employment Security Department/WITS

Yakima County	Preliminary Jul-18	Revised Jun-18	Revised Jul-17	Change		
				Jun-18	Jul-17	Jul-17
				Jul-18	Jul-18	Jul-18 %
Labor force and unemployment						
Civilian labor force	136,976	134,279	135,651	2,697	1,325	1.0%
Resident employment	130,304	127,331	128,962	2,973	1,342	1.0%
Unemployment	6,672	6,948	6,689	-276	-17	-0.3%
Unemployment rate	4.9	5.2	4.9	-0.3	0.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	89.2	90.4	87.4	-1.2	1.8	2.1%
Total private	72.0	71.8	69.2	0.2	2.8	4.0%
Goods producing	13.9	13.3	13.0	0.6	0.9	6.9%
Mining, logging and construction	4.6	4.5	4.1	0.1	0.5	12.2%
Manufacturing	9.3	8.8	8.9	0.5	0.4	4.5%
Nondurable goods	5.8	5.7	5.7	0.1	0.1	1.8%
Service providing	75.3	77.1	74.4	-1.8	0.9	1.2%
Private service providing	58.1	58.5	56.2	-0.4	1.9	3.4%
Trade, transportation and utilities	19.7	19.5	19.1	0.2	0.6	3.1%
Wholesale trade	4.7	4.6	4.4	0.1	0.3	6.8%
Retail trade	11.5	11.4	11.1	0.1	0.4	3.6%
Transportation and utilities	3.5	3.5	3.6	0.0	-0.1	-2.8%
Professional and business services	6.1	6.0	5.9	0.1	0.2	3.4%
Education and health services	17.9	18.1	17.3	-0.2	0.6	3.5%
Health care and social assistance	16.7	16.8	16.2	-0.1	0.5	3.1%
Leisure and hospitality	8.5	8.5	8.0	0.0	0.5	6.3%
Food services	6.3	6.3	6.0	0.0	0.3	5.0%
Government	17.2	18.6	18.2	-1.4	-1.0	-5.5%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.7	2.9	2.8	-0.2	-0.1	-3.6%
Local government	13.2	14.4	14.1	-1.2	-0.9	-6.4%
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 Julys of 2017 and 2018, the Yakima County nonfarm labor market gained 1,800 jobs, a 2.1 percent upturn.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County’s nonfarm employment increased to 89,200 in July 2018 from the 87,400 jobs tallied in July 2017, a 2.1 percent increase, less robust than the 3.1 percent growth pace statewide. Highlights of year-over-year nonfarm job changes follow (as shown in *Figure 3*):

- Yakima County's construction industry has either stabilized or posted year-over-year gains for the past 15 months (May 2017 through July 2018). Mining, logging and construction tallied 4,600 jobs in July 2018 versus 4,100 in July 2017, a robust 12.2 percent and 500 job expansion. The number of commercial and residential sales increased 4.3 percent countywide in the first seven months of 2018; from 2,155 between January and July 2017 to 2,248 between January and July 2018, as announced in the July 2018 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA. However, the value of these commercial and residential sales in Yakima County slipped by 2.8 percent, from \$567.3-million in the first seven months of 2017 to \$551.6-million from January through July 2018. The residential construction market is faring well. The number of residences sold escalated from 1,548 Year-to-Date (YTD) from January through July 2017 to 1,656 YTD this year. The average home price countywide rose in the first seven months of 2018 versus 2017; from \$211,131 as of July 2017 to \$230,727 in July 2018 (up 9.3 percent).
- Yakima County's manufacturing industry provided 400 more jobs (up 4.5 percent) in July 2018 than in July 2017. This sector tallied 9,300 jobs this July versus 8,900 in July 2017. Estimates indicate that 300 of the 400 new jobs were in nondurable goods manufacturing (primarily food processing). Durable goods manufacturing rose by 100 (see *Figure 3*). Statewide, manufacturing employment has posted modest year-over-year gains for the past three months (May through July 2018).
- Employment in private education and health services in Yakima County has expanded, year over year, for the past 31 months (January 2016 through July 2018). Between the Julys of 2017 and 2018 this industry grew by 3.5 percent, from 17,300 to 17,900 jobs. Of these 600 new jobs, approximately 500 were in the “healthcare and social assistance” category. Statewide, education and health services has been growing for 61 months (July 2013 through July 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. Hence, one could generalize that within the past ten years, agriculture has become a larger player in Yakima County in terms of the wages “pumped” into the local economy.