



# Yakima MSA (Yakima County) Labor Area Summary August 2015

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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 August 2014 and August 2015) and average annual (between 2013 and 2014) changes in the labor market.

## Unemployment rates

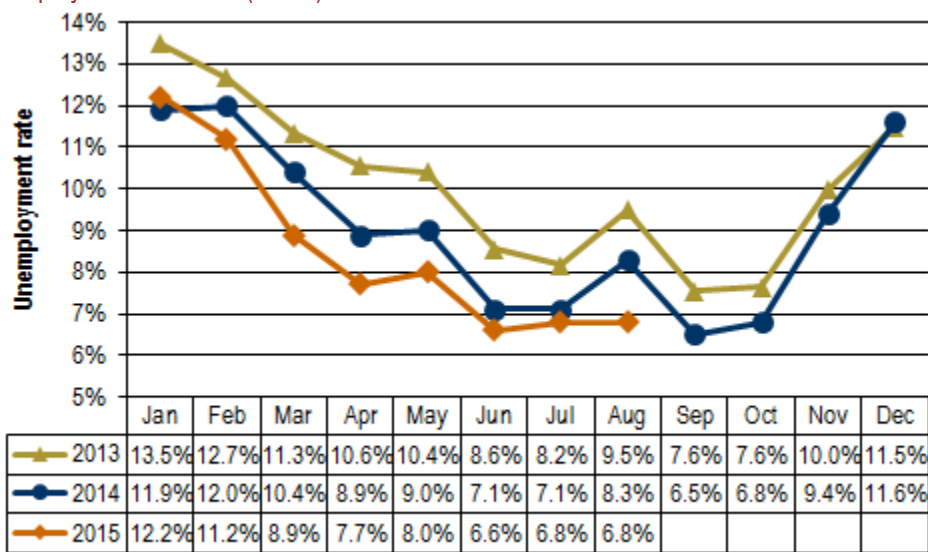
Civilian Labor Force (CLF) data show that Washington state’s not seasonally adjusted average annual unemployment rate fell eight-tenths of a percentage point between 2013 and 2014, from 7.0 percent to 6.2 percent. Between the Augusts of 2014 and 2015 the rate declined one and one-tenths points, from 6.1 to 5.0 percent.

In Yakima County, benchmarked data indicate that the not seasonally adjusted average annual unemployment rate decreased one percentage point between 2013 and 2014, from 10.0 to 9.0 percent. The unemployment rate fell one and five-tenths points in August 2015 to 6.8 percent from 8.3 percent in August 2014 (as shown in *Figure 1*).

**Figure 1.** Unemployment rates, not seasonally adjusted

Yakima County, January 2013 through August 2015

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



Yakima County’s unemployment rate decreased one and five-tenths percentage points between August 2014 and August 2015.

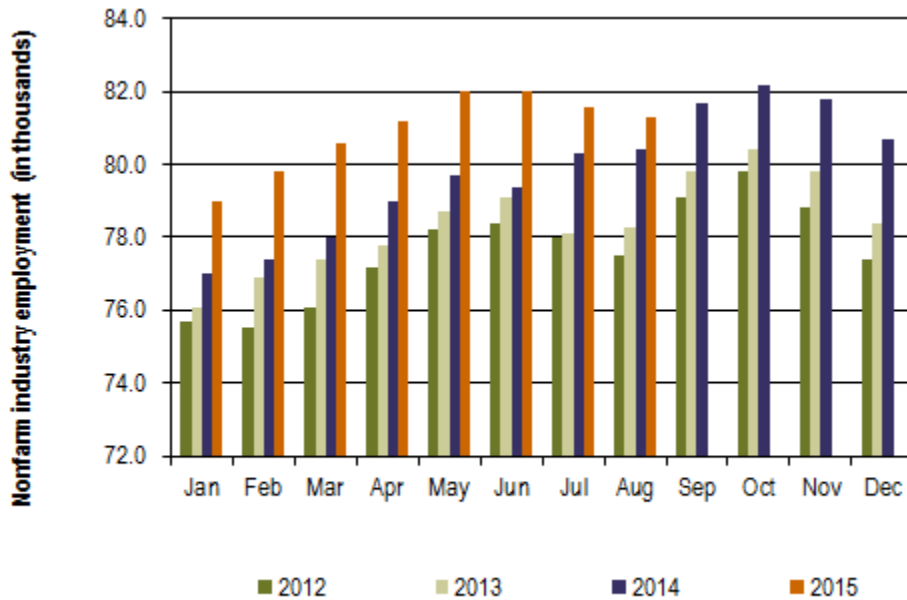
## Total nonfarm employment

Between 2013 and 2014, Washington's labor market provided 80,600 new nonfarm jobs, an annual average increase of 2.7 percent. This August, businesses and government organizations across Washington supplied 3,184,000 nonfarm jobs (not seasonally adjusted), compared to 3,091,800 jobs in August 2014, a 3.0 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 59 consecutive months (October 2010 through August 2015).

The Yakima County nonfarm labor market added approximately 1,400 jobs between 2013 and 2014, an average annual increase of 1.8 percent. Between the Augusts of 2014 and 2015, the local nonfarm market registered a 1.1 percent and 900 job upturn which was not quite as robust as Washington's 3.0 job growth rate during this timeframe. Local employers provided 81,300 jobs in August 2015 versus 80,400 in the corresponding month in 2014 (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 33 consecutive months (December 2012 through August 2015).

**Figure 2. Nonfarm industry employment, not seasonally adjusted**  
Yakima County, January 2012 through August 2015

Source: Employment Security Department/LMPA



*Nonfarm employment in Yakima County increased 1.1 percent from August 2014 to August 2015.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 28,145 residents (a 0.8 percent upturn) from 2013 to 2014. The state's labor force has increased for the past 19 months (February 2014 through August 2015). Between the Augusts of 2014 and 2015 the labor force grew by 0.9 percent. However, the labor force expansion rate has decreased for the past four consecutive months, from 2.2 percent in April 2015 down to 0.9 percent in August. In August 2015, Washington's CLF tallied 3,530,164 residents versus 3,500,059 in August 2014 equating to 30,105 more Washingtonians in the labor force.

Yakima County's CLF expanded 0.5 percent between 2013 (118,788 residents) and 2014 (119,411 residents). However, the local labor force decreased 0.5 percent between the Augusts of 2014 and 2015 following twelve months of growth, declining from 125,142 to 124,516 residents (meaning that 626 fewer residents were in the labor force). Fortunately, the number of unemployed residents decreased by 1,941 (see *Figure 3*). The result: Yakima County's unemployment rate declined one and five-tenths percentage points, from 8.3 percent in August 2014 to 6.8 percent this August.

**Figure 3. Labor force and industry employment, not seasonally adjusted**  
 Yakima County, August 2014, July and August 2015  
 Source: Employment Security Department/LMPA

Yakima County	Preliminary Aug-15	Revised Jul-15	Revised Aug-14	Change		
				Jul-15 Aug-15	Aug-14 Aug-15	Aug-14 Aug-15 %
<b>Labor force and unemployment</b>						
Civilian labor force	124,516	132,125	125,142	-7,609	-626	-0.5%
Resident employment	116,014	123,201	114,699	-7,187	1,315	1.1%
Unemployment	8,502	8,924	10,443	-422	-1,941	-18.6%
Unemployment rate	6.8	6.8	8.3	0.0	-1.5	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	81.3	81.6	80.4	-0.3	0.9	1.1%
Total private	65.8	65.4	64.7	0.4	1.1	1.7%
Goods producing	12.8	12.5	12.4	0.3	0.4	3.2%
Mining, logging and construction	4.0	3.9	3.9	0.1	0.1	2.6%
Manufacturing	8.8	8.6	8.5	0.2	0.3	3.5%
Nondurable goods	6.0	5.7	5.5	0.3	0.5	9.1%
Service providing	68.5	69.1	68.0	-0.6	0.5	0.7%
Private service providing	53.0	52.9	52.3	0.1	0.7	1.3%
Trade, transportation and utilities	19.3	19.4	18.6	-0.1	0.7	3.8%
Wholesale trade	4.7	4.7	4.7	0.0	0.0	0.0%
Retail trade	10.8	10.9	10.4	-0.1	0.4	3.8%
Transportation and utilities	3.8	3.8	3.5	0.0	0.3	8.6%
Professional and business services	3.8	3.8	3.8	0.0	0.0	0.0%
Education and health services	16.7	16.8	16.8	-0.1	-0.1	-0.6%
Health care and social assistance	15.6	15.6	15.7	0.0	-0.1	-0.6%
Leisure and hospitality	7.8	7.8	6.9	0.0	0.9	13.0%
Food services	5.8	5.8	5.0	0.0	0.8	16.0%
Government	15.5	16.2	15.7	-0.7	-0.2	-1.3%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.4	2.6	2.4	-0.2	0.0	0.0%
Local government	11.8	12.3	12.0	-0.5	-0.2	-1.7%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	
<sup>1</sup> 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 Augusts of 2014 and 2015, the Yakima County nonfarm labor market gained 900 jobs, a 1.1 percent increase.*

## Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County’s employment rose to 81,300 in August 2015 from the 80,400 jobs tallied in August 2014, a 900 job and 1.1 percent increase, less than the 3.0 percent nonfarm growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment advanced by 100 jobs (up 2.6 percent) countywide between August 2014 and August 2015. Mining, logging and construction tallied 3,900 jobs in August 2014 versus 4,000 this August, with construction accounting for the lion's share of the jobs in this combined category. This industry has posted year-over-year growth for the last 25 months (from August 2013 through August 2015), but the pace of growth has slowed during the past four months. Commercial and residential sales were also on the rise in Yakima County in August 2015 versus August 2014. The August 2015 edition of Headwaters – the Source newsletter published by KMW Enterprises LLC in Selah, WA stated that commercial and residential sales increased in the first eight months of 2015 versus the corresponding period last year from 2,126 during January through August 2014 to 2,386 during the corresponding period in 2015, a 12.2 percent upturn. The value of these sales during the first eight months of the year increased by 23.1 percent, from \$457.1-million in August 2014 to \$562.9-million in August 2015. The average home price rose too, from \$172,591 from January through August last year to \$182,861 in the first eight months of 2015, a 6.0 percent uptrend.
- Non-durable goods manufacturing (primarily food processing) rose strongly between the Augusts of 2014 and 2015, from 5,500 to 6,000 jobs.
- Retail trade rose 3.8 percent (up 400 jobs), from 10,400 in August 2014 to 10,800 in August 2015 (*see Figure 3*). Yakima County's retailers have been posting year-over-year job growth now for the past nine months (from December 2014 through August 2015). This is an encouraging trend because between 2013 and 2014 employment at local retail trade stores virtually stagnated – at 10,200 jobs. Retail employment statewide has increased for the past 59 consecutive months (October 2010 through August 2015).
- Leisure and hospitality jumped 13.0 percent in Yakima County, from 6,900 to 7,800 jobs, between the Augusts of 2014 and 2015. Year over year, this industry has been growing for 18 months (March 2014 through August 2015). Approximately 800 of the 900 new leisure and hospitality jobs generated since August 2014 were in food services (i.e. restaurants).

## 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 August 2015 preliminary annual average QCEW data for calendar year 2014 became available. A ten-year analysis (from 2004 through 2014) of these data show that in Yakima County:

- Total covered employment rose from 93,988 in 2004 to 106,613 in 2014, a 12,625 job and 13.4 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 29,331 in 2014, a 9,274 job and 46.2 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2014 agricultural employment accounted for 27.5 percent of total covered employment countywide. Hence, agricultural employment rose 6.2 percentage points (from 21.3 to 27.5 percent) in Yakima County during the past ten years.
- Total covered wages rose from \$2.49 billion (in 2004) to \$3.69 billion (in 2014) a \$1.20 billion and 48.2 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$346.8 million in 2004 to \$775.2 million in 2014, a \$428.4 million and 123.5 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2014 agricultural wages accounted for 21.0 percent of total covered payroll countywide. Hence, agricultural wages rose 7.1 percentage points (from 13.9 to 21.0 percent) in Yakima County during the past ten years.