



# Yakima MSA

## (Yakima County)

### Labor Area Summary

### December 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 December 2014 and December 2015) and average annual (between 2014 and 2015) changes in the labor market.

## Unemployment rates

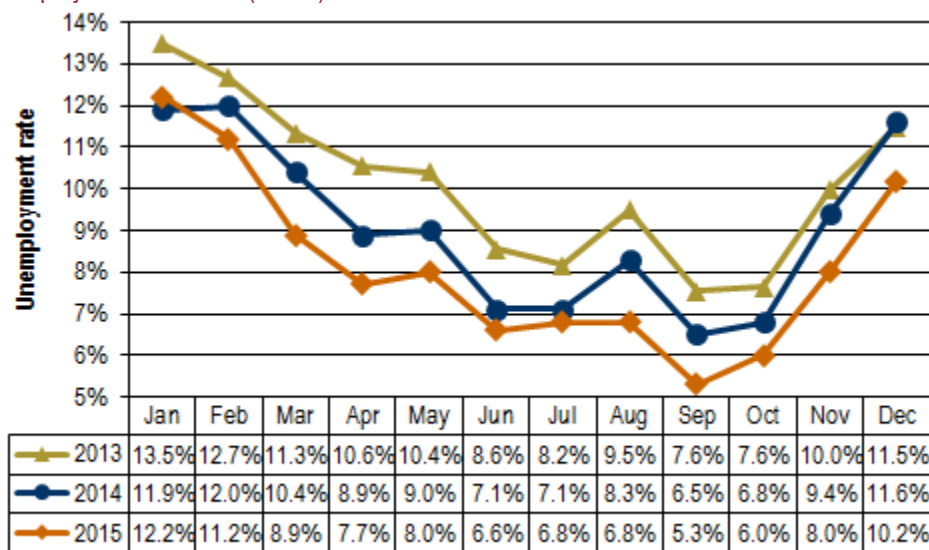
Preliminary Civilian Labor Force (CLF) data show that Washington's not seasonally adjusted average annual unemployment rate fell seven-tenths of a point between 2014 and 2015, from 6.2 percent to 5.5 percent. Between the Decembers of 2014 and 2015 the rate dipped four-tenths of a point, from 6.3 to 5.9 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate decreased nine-tenths of a percentage point between 2014 and 2015, from 9.0 to 8.1 percent. The unemployment rate fell one and four-tenths points in December 2015 to 10.2 percent from 11.6 percent in December 2014 as the number of unemployed residents contracted and the labor force expanded (see *Figure 3*). The last time a December unemployment rate was this low was seven years ago (in December 2008) when the rate was 8.9 percent.

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

Yakima County, January 2013 through December 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 four-tenths percentage points between December 2014 and December 2015.*

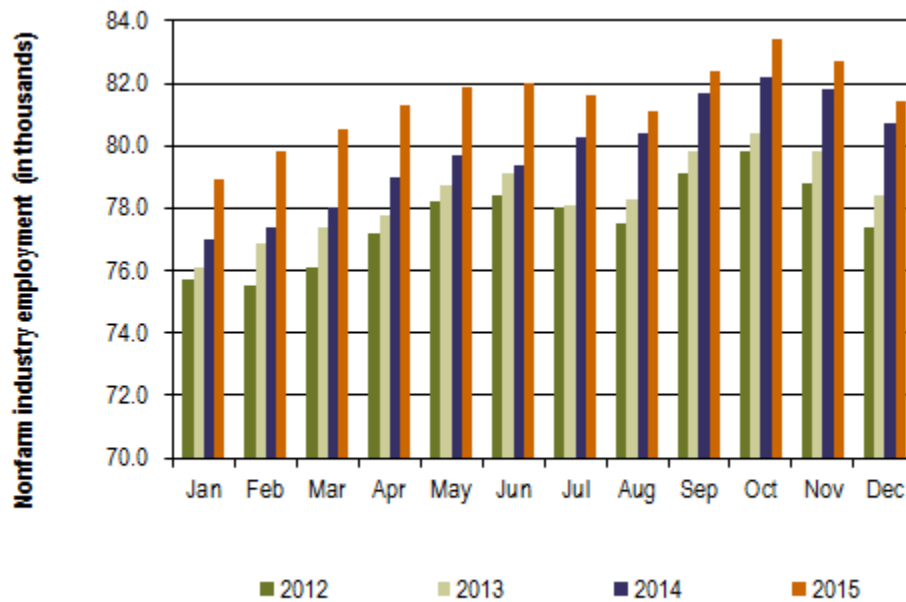
## Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 84,900 new nonfarm jobs, an annual average increase of 2.8 percent. This December, businesses and government organizations across Washington supplied 3,195,300 nonfarm jobs (not seasonally adjusted), compared to 3,127,300 jobs in December 2014, a 2.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 63 consecutive months (October 2010 through December 2015).

Preliminary data indicate that the Yakima County nonfarm labor market added 1,600 jobs between 2014 and 2015, an average annual increase of 2.0 percent. On a monthly basis, Yakima County's employment has registered year over year increases for the past 37 consecutive months (December 2012 through December 2015). However, the job growth pace has decelerated during the past six months - from 3.3 percent in June 2015 to 0.9 percent this December. The local nonfarm market provided 81,400 jobs in December 2015 versus 80,700 in the corresponding month in 2014, a 700 job and 0.9 percent upturn (see *Figure 3*).

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

Source: Employment Security Department/LMPA



*Nonfarm employment in Yakima County increased 0.9 percent from December 2014 to December 2015.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 48,261 residents (a 1.4 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 23 months (February 2014 through December 2015) but the growth pace has slowed to less than one percent in each of the past five months (August through December 2015). In December 2015, Washington's CLF tallied 3,544,002 residents versus 3,510,899 in December 2014 equating to 33,103 more Washingtonians in the labor force (up 0.9 percent).

Yakima County's CLF expanded 1.9 percent between 2014 (119,411 residents) and 2015 (121,689 residents). The local labor force increased 1.0 percent between the Decembers of 2014 and 2015, rising from 115,969 to 117,177 residents (meaning that 1,208 more residents were in the labor force). Also, the number of unemployed residents decreased by 1,461, to 11,997 this December versus 13,458 in December 2014 (see *Figure 3*). The result: Yakima County's unemployment rate declined one and four-tenths percentage points, from 11.6 percent in December 2014 to 10.2 percent in December 2015.

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

				Change		
Yakima County	Preliminary	Revised	Revised	Nov-15	Dec-14	Dec-14
	Dec-15	Nov-15	Dec-14	Dec-15	Dec-15	Dec-15 %
Labor force and unemployment						
Civilian labor force	117,177	118,199	115,969	-1,022	1,208	1.0%
Resident employment	105,180	108,712	102,511	-3,532	2,669	2.6%
Unemployment	11,997	9,487	13,458	2,510	-1,461	-10.9%
Unemployment rate	10.2	8.0	11.6	2.2	-1.4	
Industry employment (numbers are in thousands)						
Total nonfarm <sup>1</sup>	81.4	82.7	80.7	-1.3	0.7	0.9%
Total private	64.0	65.0	63.7	-1.0	0.3	0.5%
Goods producing	11.6	12.3	11.2	-0.7	0.4	3.6%
Mining, logging and construction	3.6	3.8	3.4	-0.2	0.2	5.9%
Manufacturing	8.0	8.5	7.8	-0.5	0.2	2.6%
Nondurable goods	5.1	5.6	4.9	-0.5	0.2	4.1%
Service providing	69.8	70.4	69.5	-0.6	0.3	0.4%
Private service providing	52.4	52.7	52.5	-0.3	-0.1	-0.2%
Trade, transportation and utilities	19.0	18.9	18.8	0.1	0.2	1.1%
Wholesale trade	4.6	4.6	4.5	0.0	0.1	2.2%
Retail trade	10.7	10.7	10.8	0.0	-0.1	-0.9%
Transportation and utilities	3.7	3.6	3.5	0.1	0.2	5.7%
Professional and business services	3.7	3.8	3.7	-0.1	0.0	0.0%
Education and health services	16.8	16.6	16.9	0.2	-0.1	-0.6%
Health care and social assistance	15.8	15.8	15.7	0.0	0.1	0.6%
Leisure and hospitality	7.1	7.1	7.0	0.0	0.1	1.4%
Food services	5.5	5.6	5.3	-0.1	0.2	3.8%
Government	17.4	17.7	17.0	-0.3	0.4	2.4%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.6	2.8	2.5	-0.2	0.1	4.0%
Local government	13.6	13.7	13.3	-0.1	0.3	2.3%
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 Decembers of 2014 and 2015, the Yakima County nonfarm labor market gained 700 jobs, a 0.9 percent increase.*

## Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's employment rose to 81,400 in December 2015 from the 80,700 jobs tallied in December 2014, a 700 job and 0.9 percent increase, less than the 2.2 percent nonfarm growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment advanced by 200 jobs (up 5.9 percent) countywide between December 2014 and December 2015. Mining, logging and construction tallied 3,400 jobs in December 2014 versus 3,600 this December, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 29 months (from August 2013 through December 2015) but the growth pace slowed during last two quarters of 2015 (July through December) versus the first two quarters of the year. Commercial and residential sales continued to rise in Yakima County in 2015 versus 2014. The December 2015 edition of Headwaters – the Source newsletter published by KMW Enterprises LLC in Selah, WA stated that commercial and residential sales increased in the twelve months of 2015 versus the corresponding period of 2014, from 3,238 during January through December 2014 to 3,648 in 2015, a 12.7 percent upturn. The value of these sales during 2015 increased by 20.8 percent, from \$703.7-million for calendar year 2014 to \$850.1-million in 2015. The average home price also rose, from \$174,359 from January through December 2014 to \$181,617 in 2015, a 4.2 percent uptrend.
- Non-durable goods manufacturing (primarily food processing) rose 4.1 percent, a 200 job gain, between the Decembers of 2014 and 2015, from 4,900 to 5,100 jobs.
- On the downside, hiring amongst the County's retailers cooled in the last two months of 2015. Retail trade stalled at 10,700 jobs during the Novembers of 2014 and 2015 before losing 100 jobs (down 0.9 percent) between the Decembers of 2014 (10,800 jobs) and 2015 (10,700 jobs).
- Part- and full-time employment at food services and drinking places elevated by 3.8 percent between the Decembers of 2014 and 2015, from 5,300 to 5,500 jobs.
- Local government employment in Yakima County has either stabilized or grown, year over year, for the past 17 months (August 2015 through December 2015). Local government organizations (which include public and primary and secondary schools, police and fire departments, tribal enterprises, etc.) rose from 13,300 jobs in December 2014 to 13,600 in December 2015, up 2.3 percent.

## 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.