



Yakima MSA

(Yakima County)

Labor Area Summary

March 2016

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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 March 2015 and March 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

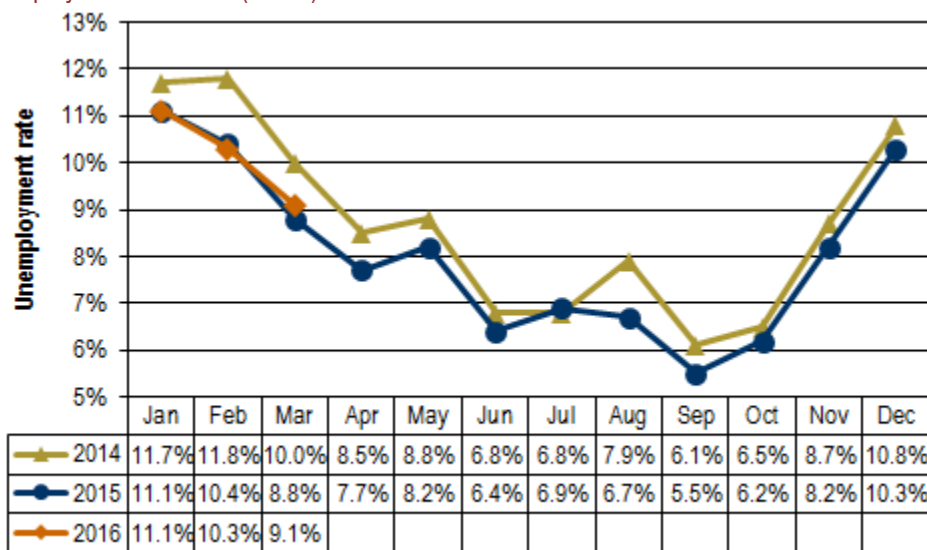
Preliminary Civilian Labor Force (CLF) data show that Washington's not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Marches of 2015 and 2016 the rate increased from 5.8 to 6.0 percent, up two-tenths of a point.

In Yakima County, the not seasonally adjusted average annual unemployment rate decreased six-tenths of a percentage point between 2014 and 2015, from 8.6 to 8.0 percent. The unemployment rate rose three-tenths of a point in March 2016 to 9.1 percent from the 8.8 percent reading in March 2015 as the labor force expanded modestly (up 3.0 percent) while the number of unemployed increased even more rapidly (up 7.4 percent (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2014 through March 2016

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



Yakima County's unemployment rate rose three-tenths of a percentage point between March 2015 and March 2016.

Total nonfarm employment

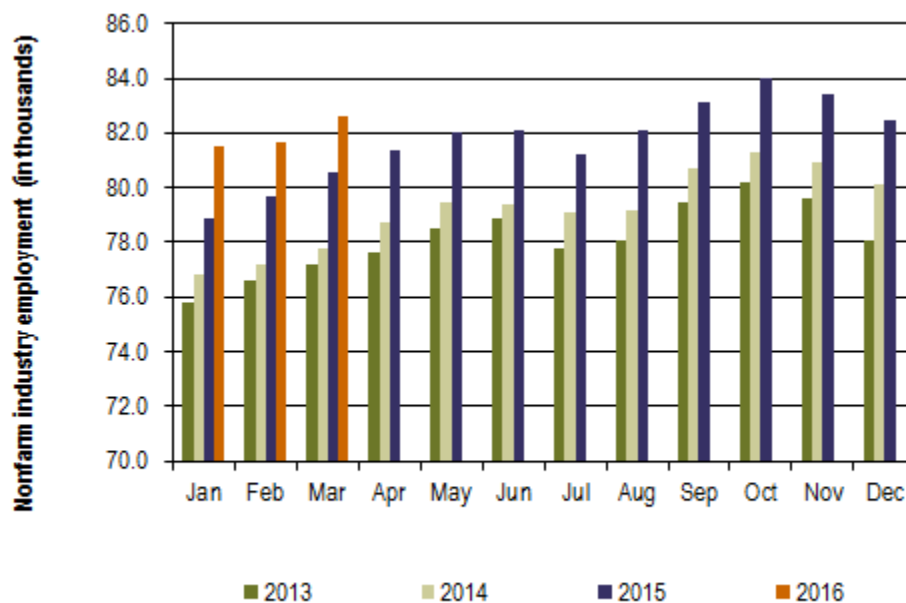
Between 2014 and 2015, Washington's labor market provided 88,800 new nonfarm jobs, an annual average increase of 2.9 percent. This March, businesses and government organizations across Washington supplied 3,204,300 nonfarm jobs (not seasonally adjusted), compared to 3,106,100 jobs in March 2015, a 3.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 66 consecutive months (October 2010 through March 2016).

The Yakima County nonfarm labor market added 2,500 jobs between 2014 and 2015, an average annual increase of 3.2 percent. On a monthly basis, Yakima County's employment has registered year-over-year increases for the past 40 consecutive months (December 2012 through March 2016). The local nonfarm market provided 82,600 jobs in March 2016 versus 80,600 in the corresponding month in 2015, a 2,000 job and 2.5 percent upturn (see *Figure 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2013 through March 2016

Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 2.5 percent from March 2015 to March 2016.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 50,156 residents (a 1.4 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 27 months (January 2014 through March 2016). In March 2016, Washington's CLF tallied 3,622,597 residents versus 3,526,657 in March 2015 equating to 95,940 more Washingtonians in the labor force (up 2.7 percent).

Yakima County's CLF expanded 2.1 percent between 2014 (119,501 residents) and 2015 (122,052 residents). The local labor force increased 3.0 percent between the Marches of 2015 and 2016, rising from 117,573 to 121,098 residents (meaning that 3,525 more residents were in the labor force). The county's labor force has increased, year over year, for the past 21 months (July 2014 through March 2016). On the downside, the number of unemployed residents also increased, by 762 residents, to 11,071 this March versus 10,309 in March 2015. Unfortunately, the year-over-year upturn in the number of unemployed this March more than offset the weaker expansion in the labor force. Hence, Yakima County's unemployment rate rose from 8.8 percent in March 2015 to 9.1 percent in March 2016 (see *Figure 3*).

Figure 3. Labor force and industry employment, not seasonally adjusted
Yakima County, March 2015, February and March 2016
Source: Employment Security Department/LMPA

				Change		
Yakima County	Preliminary	Revised	Revised	Feb-16	Mar-15	Mar-15
	Mar-16	Feb-16	Mar-15	Mar-16	Mar-16	Mar-16 %
Labor force and unemployment						
Civilian labor force	121,098	119,525	117,573	1,573	3,525	3.0%
Resident employment	110,027	107,265	107,264	2,762	2,763	2.6%
Unemployment	11,071	12,260	10,309	-1,189	762	7.4%
Unemployment rate	9.1	10.3	8.8	-1.2	0.3	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	82.6	81.7	80.6	0.9	2.0	2.5%
Total private	64.5	63.7	63.2	0.8	1.3	2.1%
Goods producing	11.8	11.5	11.5	0.3	0.3	2.6%
Mining, logging and construction	3.5	3.3	3.4	0.2	0.1	2.9%
Manufacturing	8.3	8.2	8.1	0.1	0.2	2.5%
Nondurable goods	5.2	5.1	5.2	0.1	0.0	0.0%
Service providing	70.8	70.2	69.1	0.6	1.7	2.5%
Private service providing	52.7	52.2	51.7	0.5	1.0	1.9%
Trade, transportation and utilities	18.8	18.7	18.3	0.1	0.5	2.7%
Wholesale trade	4.8	4.7	4.5	0.1	0.3	6.7%
Retail trade	10.3	10.3	10.3	0.0	0.0	0.0%
Transportation and utilities	3.7	3.7	3.5	0.0	0.2	5.7%
Professional and business services	4.2	4.2	3.6	0.0	0.6	16.7%
Education and health services	16.7	16.6	16.8	0.1	-0.1	-0.6%
Health care and social assistance	15.3	15.3	15.5	0.0	-0.2	-1.3%
Leisure and hospitality	7.3	7.2	7.2	0.1	0.1	1.4%
Food services	5.5	5.4	5.4	0.1	0.1	1.9%
Government	18.1	18.0	17.4	0.1	0.7	4.0%
Federal government	1.2	1.1	1.2	0.1	0.0	0.0%
State government	2.8	2.8	2.8	0.0	0.0	0.0%
Local government	14.1	14.1	13.4	0.0	0.7	5.2%
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 Marches of 2015 and 2016, the Yakima County nonfarm labor market gained 2,000 jobs, a 2.5 percent increase.

Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's employment rose to 82,600 in March 2016 from the 80,600 jobs tallied in March 2015, a 2,000 job and 2.5 percent increase, less robust than the 3.2 percent nonfarm growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment advanced by 100 jobs (up 2.9 percent) countywide between March 2015 and March 2016. Mining, logging and construction tallied 3,400 jobs in March 2015 versus 3,500 this March, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 32 months (from August 2013 through March 2016) but the growth pace has been decelerating for the past 13 months (since March 2015). Commercial and residential sales, in terms of dollars, rose in Yakima County during the first three months of 2016 versus January, February and March 2015. The March 2016 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA stated that the value of commercial and residential sales countywide jumped by 16.6 percent, from \$153.6-million from January through March 2015 to \$179.1-million in the corresponding three-month period this year. However, the number of commercial and residential sales dipped 3.6 percent, from 730 from January through March 2015 to 704 from January through March 2016. The average home price increased from \$170,058 in March 2015 to \$181,711 this March, a 6.9 percent uptrend.
- Professional and business services 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. In short, professional and business services is the umbrella industry of businesses that support other businesses and this Yakima County industry has registered year-over-year job growth for the past nine months (from July 2015 through March 2016). It provided 3,600 jobs countywide in March 2015 versus 4,200 in March 2016, a strong 16.7 percent increase and a 600 job upturn. Statewide, professional and business services has increased for the past 66 months (October 2010 through March 2016).
- Hiring in local government across Yakima County has been on the upswing for the past 18 months (October 2014 through March 2016). Local government organizations (which include public and primary and secondary schools, police and fire departments, tribal enterprises, etc.) rose from 13,400 jobs in March 2015 to 14,100 in March 2016, up 5.2 percent. Statewide, local government has been expanding for the past 32 months (from August 2013 through March 2016).

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.