



# Yakima MSA (Yakima County) Labor Area Summary October 2016

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## Overview

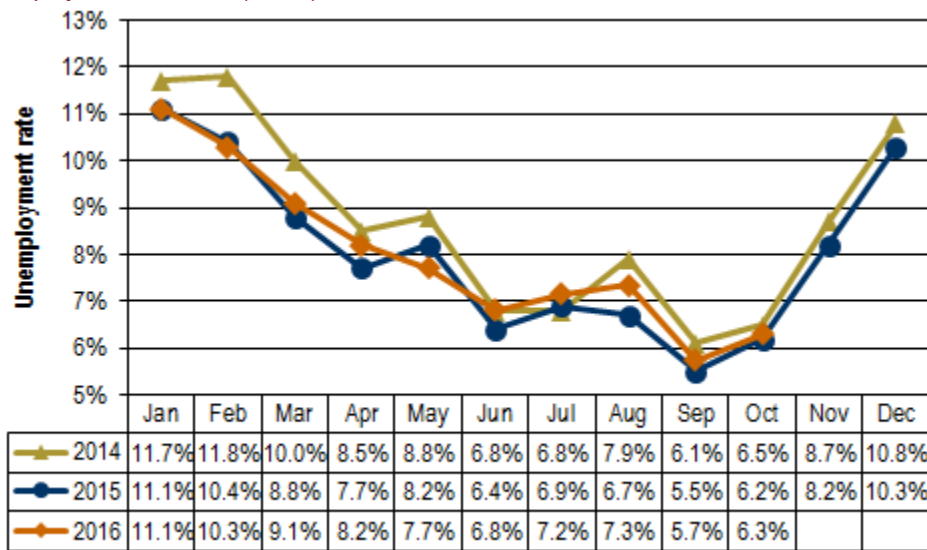
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between October 2015 and October 2016) and average annual (between 2014 and 2015) changes in the labor market.

## Unemployment rates

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 Octobers of 2015 and 2016 the rate dipped three-tenths point, from 5.3 to 5.0 percent.

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. However, the unemployment rate edged upwards by one-tenth of a point in October 2016 to 6.3 percent from the 6.2 percent reading in October 2015 (see *Figure 1*) primarily because the number of residents unemployed increased more rapidly than the number of residents entering the labor force.

**Figure 1.** Unemployment rates, not seasonally adjusted  
 Yakima County, January 2014 through October 2016  
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



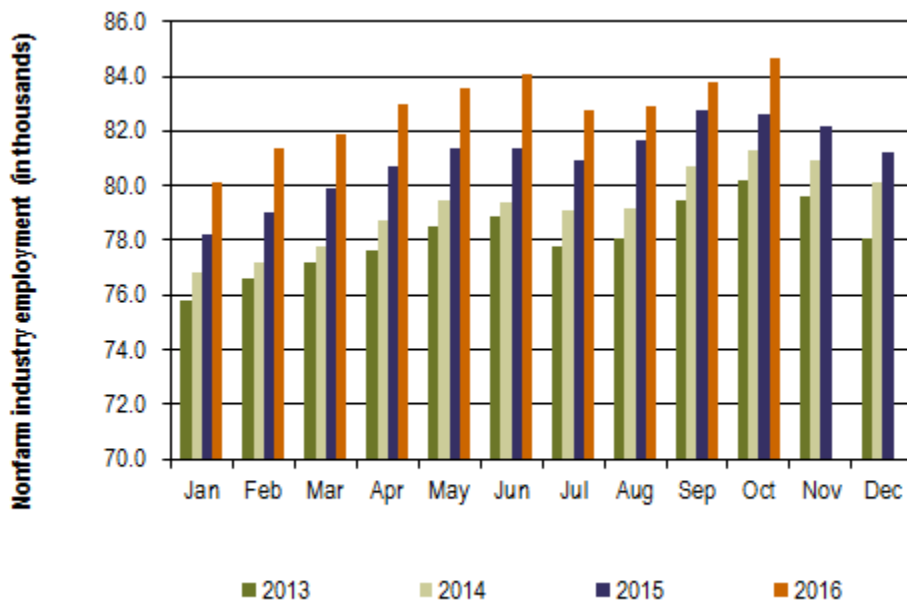
*Yakima County’s unemployment rate increased one-tenth of a percentage point between the Octobers of 2015 and 2016.*

## Total nonfarm employment

Between 2014 and 2015, Washington's labor market provided 86,200 new nonfarm jobs, an annual average increase of 2.8 percent. This October, businesses and government organizations across Washington supplied 3,290,800 nonfarm jobs (not seasonally adjusted), compared to 3,188,800 jobs in October 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 73 consecutive months (October 2010 through October 2016).

The Yakima County nonfarm labor market added 1,800 jobs between 2014 and 2015, an average annual increase of 2.2 percent. Year over year, Yakima County's nonfarm employment growth rate has lagged slightly behind Washington's for the past four months (July through October 2016). The local nonfarm market provided 84,700 jobs in October 2016 versus 82,600 in the corresponding month in 2015, a 2,100 job and 2.5 percent upturn (see *Figure 3*).

**Figure 2. Nonfarm industry employment, not seasonally adjusted**  
 Yakima County, January 2013 through October 2016  
 Source: Employment Security Department/LMPA



*Nonfarm employment in Yakima County increased 2.5 percent from October 2015 to October 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 33 months (February 2014 through October 2016). In October 2016, Washington's CLF tallied 3,687,960 residents versus 3,561,952 in October 2015 equating to 126,008 more Washingtonians in the labor force (up 3.5 percent).

Yakima County's CLF increased 2.1 percent between 2014 (119,501 residents) and 2015 (122,052 residents). The county's labor force has expanded for the past 28 months, growing 2.2 percent between the Octobers of 2015 and 2016, from 128,715 to 131,547 residents, equating to 2,832 more residents in the CLF this October. Unfortunately, the number of unemployed residents increased more rapidly, up 4.4 percent and by 349 residents, to 8,294 this October versus 7,945 in October 2015 (see *Figure 3*). Hence the local unemployment rate edged upwards one-tenth of a point, from 6.2 to 6.3 percent between the Octobers of 2015 and 2016.

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

Yakima County	Preliminary Oct-16	Revised Sep-16	Revised Oct-15	Change		
				Sep-16 Oct-16	Oct-15 Oct-16	Oct-15 Oct-16 %
<b>Labor force and unemployment</b>						
Civilian labor force	131,547	131,951	128,715	-404	2,832	2.2%
Resident employment	123,253	124,379	120,770	-1,126	2,483	2.1%
Unemployment	8,294	7,572	7,945	722	349	4.4%
Unemployment rate	6.3	5.7	6.2	0.6	0.1	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	84.7	83.8	82.6	0.9	2.1	2.5%
Total private	67.3	67.3	65.2	0.0	2.1	3.2%
Goods producing	12.5	12.7	12.7	-0.2	-0.2	-1.6%
Mining, logging and construction	3.9	4.0	3.7	-0.1	0.2	5.4%
Manufacturing	8.6	8.7	9.0	-0.1	-0.4	-4.4%
Nondurable goods	5.4	5.4	6.0	0.0	-0.6	-10.0%
Service providing	72.2	71.1	69.9	1.1	2.3	3.3%
Private service providing	54.8	54.6	52.5	0.2	2.3	4.4%
Trade, transportation and utilities	20.1	19.7	19.6	0.4	0.5	2.6%
Wholesale trade	4.7	4.7	4.7	0.0	0.0	0.0%
Retail trade	11.5	11.1	10.9	0.4	0.6	5.5%
Transportation and utilities	3.9	3.9	4.0	0.0	-0.1	-2.5%
Professional and business services	4.2	4.2	3.8	0.0	0.4	10.5%
Education and health services	17.1	16.9	16.3	0.2	0.8	4.9%
Health care and social assistance	15.7	15.7	15.0	0.0	0.7	4.7%
Leisure and hospitality	7.6	7.7	7.1	-0.1	0.5	7.0%
Food services	5.5	5.6	5.3	-0.1	0.2	3.8%
Government	17.4	16.5	17.4	0.9	0.0	0.0%
Federal government	1.2	1.3	1.2	-0.1	0.0	0.0%
State government	3.1	2.8	2.9	0.3	0.2	6.9%
Local government	13.1	12.4	13.3	0.7	-0.2	-1.5%
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 Octobers of 2015 and 2016, the Yakima County nonfarm labor market gained 2,100 jobs, a 2.5 percent upturn.*

## Nonfarm industry employment

Not seasonally adjusted estimates show that Yakima County's nonfarm employment rose to 84,700 in October 2016 from the 82,600 jobs tallied in October 2015, a 2.5 percent increase, a little less robust than the 3.2 percent growth pace statewide. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment increased by 200 jobs (up 5.4 percent) countywide between October 2015 and October 2016. Mining, logging and construction tallied 3,700 jobs in October 2015 versus 3,900 this October, with construction accounting for the lion's share of the jobs in this combined category. Yakima County's construction industry has been growing for 39 months (from August 2013 through October 2016). Commercial and residential sales declined in Yakima County during the first ten months of 2016 versus January through October 2015. The October 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 decreased 4.0 percent, from \$725.9-million from January through October 2015 to \$696.7-million in the corresponding ten-month period this year. However, the number of commercial and residential sales rose 3.6 percent, from 3,089 from January through October 2015 to 3,199 in the first ten months of 2016. The average home price increased from \$182,365 in October 2015 to \$193,778 this October, a 6.3 percent uptrend.
- Yakima County's manufacturing industry lost 400 jobs (down 4.4 percent) between the Octobers of 2015 and 2016) with losses centered in nondurable goods manufacturing (primarily in food processing). Statewide, manufacturing employment has been decreasing for the past five months (from June through October 2016) with losses centered in durable goods manufacturing (primarily in aerospace product and parts manufacturing).
- Employment in Yakima County's retail trade industry has expanded, year over year, for the past 22 consecutive months (January 2015 through October 2016). In October 2016 local retailer provided 600 more jobs than in October 2015, a 5.5 percent upturn (see *Figure 3*).
- Year over year, private health care and social assistance providers in Yakima County have netted job gains for the past four months (July through October 2016). Most recently, between the Octobers of 2015 and 2016, the number of jobs in health care and social assistance grew from 15,000 to 15,700 respectively, a 700 job and 4.7 percent upturn. Statewide, this industry has expanded for 14 months (October 2015 through October 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 July 2016 preliminary annual average QCEW data for calendar year 2015 became available. An analysis of employment changes from 2004 through 2015 shows that in Yakima County:

- Total covered employment rose from 93,988 in 2004 to 108,833 in 2015, a 14,845 job and 15.8 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 20,057 in 2004 to 30,191 in 2015, a 10,134 job and 50.5 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 21.3 percent of total covered employment. In 2015 agricultural employment accounted for 27.7 percent of total covered employment countywide. Hence, the agricultural share of employment rose 6.4 percentage points (from 21.3 to 27.7 percent) in Yakima County during these eleven years.
- Total covered wages rose from \$2.49 billion in 2004 to \$3.87 billion in 2015 a \$1.38 billion and 55.4 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$346.8 million in 2004 to \$824.5 million in 2015, a \$477.7 million and 137.7 percent uptrend. In 2004 Yakima County's agricultural industry accounted for 13.9 percent of total covered wages. In 2015 agricultural wages accounted for 21.3 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 7.4 percentage points (from 13.9 to 21.3 percent) in Yakima County during these eleven years.