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Employment Security Department

Labor Market and Economic Analysis

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Yakima MSA
(Yakima County)
Labor Area Summary
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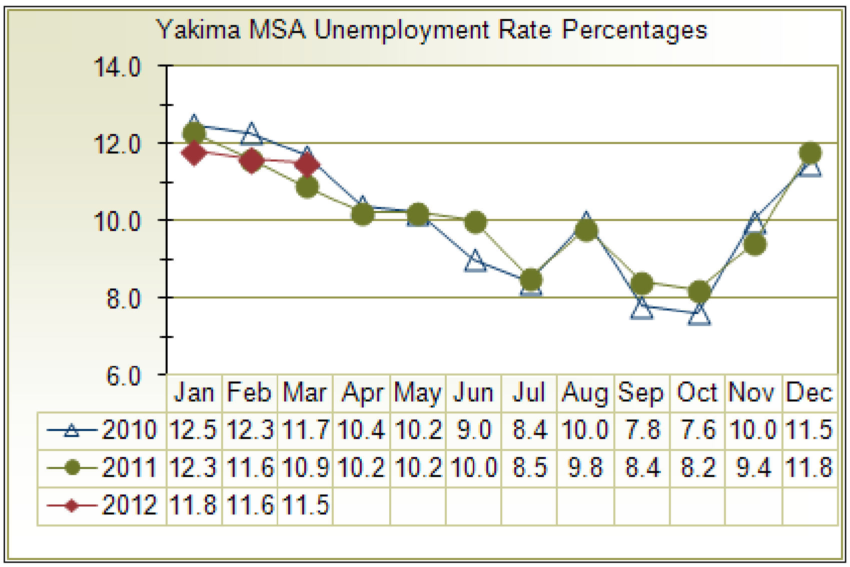
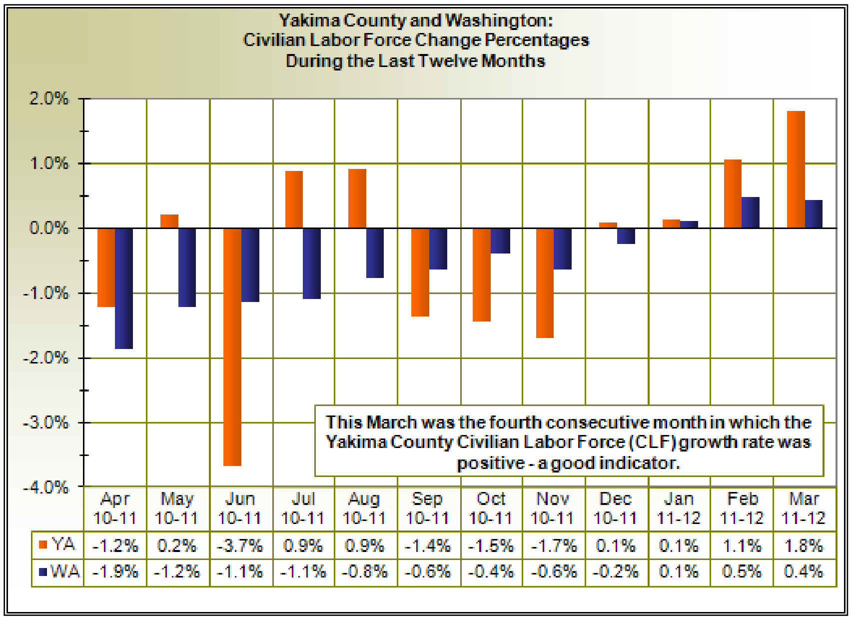
Unemployment



NUMBERS OF YAKIMA COUNTY RESIDENTS IN CLAIMS STATUS IN MARCH 2011 AND IN MARCH 2012

TYPE OF CLAIM	Mar-11	Mar-12	Difference
Regular Unemployment Insurance (UI) – up to 26 weeks	6,488	6,697	209 more residents on UI
Emergency Unemployment Compensation (EUC) – up to 53 weeks	3,142	2,883	259 fewer residents on EUC
Extended Benefits (EB) – up to 20 weeks	458	336	122 fewer residents on EB



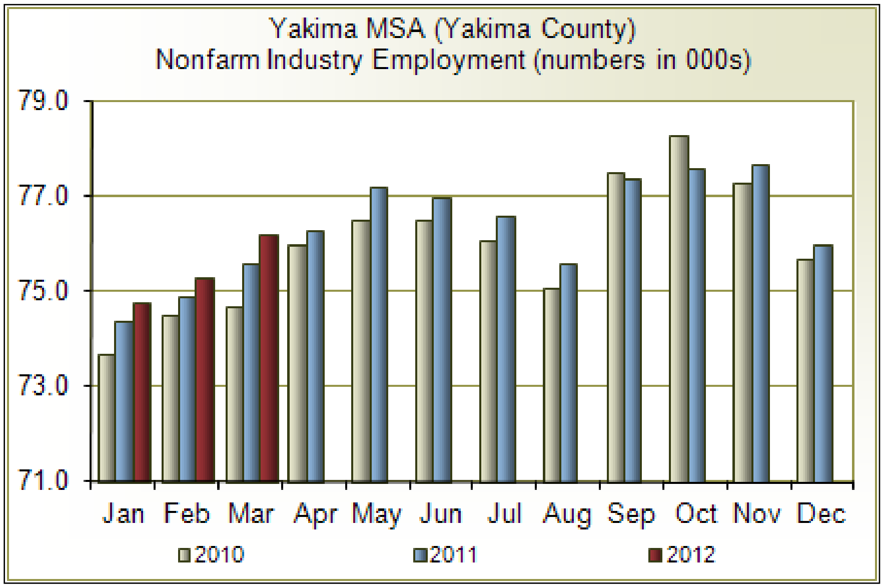
The March 2012 unemployment rate of 11.5 percent (not seasonally adjusted) in the Yakima MSA rose six-tenths of a percentage point above the 10.9-percent reading in March 2011. Although the Civilian Labor Force expanded from 120,680 in March of last year to 122,860 in March 2012, a 1.8-percent upturn; the number of unemployed residents grew faster. In March 2012 there were 14,120 residents out of work versus 13,190 in March 2011. This 980-person over-the-year increase in the number of unemployed is a set-back for the local economy.

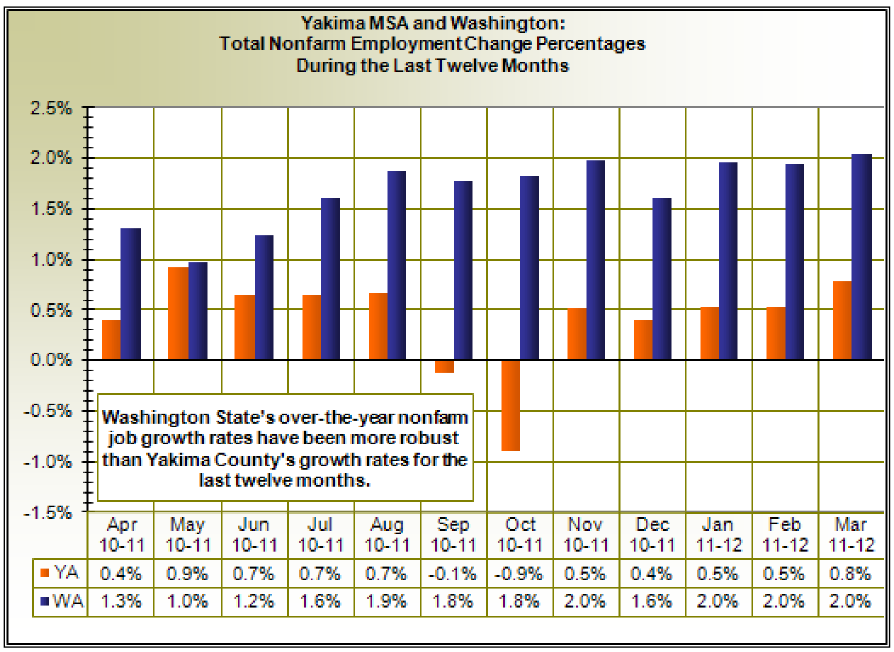
Most people who draw unemployment benefits fall under one of the following three programs: regular Unemployment Insurance (UI) with up to 26 weeks of benefits, Emergency Unemployment Compensation (EUC) with up to 53 weeks of benefits, and Extended Benefits (EB) with up to 20 weeks of benefits. The good news this March was that the number of Yakima County residents possessing valid claims for EUC and EB dropped over the year. There were 259 fewer residents claiming EUC and 122 fewer Yakima County residents drawing EB in March 2012 than in March 2011. On the downside, 209 more residents filed valid UI claims this March than in March 2011.

LMEA's *Total Agricultural Employment Summary (March 2012)* report showed that the total number of agricultural jobs (seasonal and permanent) virtually stagnated over the year in South Central Washington's Area 2, an agricultural reporting area that includes Klickitat and Yakima counties. Total agricultural employment weighed in at 20,140 in March 2011 versus 20,150 in March 2012. Roughly 95 percent of agricultural jobs provided in this two-county area are on farms and orchards in Yakima County.

Lackluster performances of the agricultural and nonfarm labor markets, increases in the number of UI claimants, and rising numbers of unemployed residents combined to offset an over-the-year expansion in Yakima County's Civilian Labor Force (CLF) – hence, the six-tenths percentage point rise in the unemployment rate between March 2011 and March 2012.

Employment





Businesses and government organizations across Washington supplied 2,840,000 jobs this March (not seasonally adjusted), whereas 2,783,000 jobs were tallied in March 2011. This equated to a 2.0-percent over-the-year statewide employment upturn. Nonfarm employers in Yakima County provided 76,200 nonfarm jobs in March 2012, a marginal 600-job or 0.8-percent expansion from the 75,600 nonfarm jobs available in March 2011. Washington State's over-the-year nonfarm job growth rates have been more robust than Yakima County's growth rates for the last twelve months (see the above "Yakima MSA and Washington: Total Nonfarm Employment Change Percentages" figure).

Preliminary estimates indicate that within Yakima County, between the Marches of 2011 and 2012:

- Mining, logging, and construction employment stabilized. Most jobs in this combined category are in construction, an industry that experienced severe employment downturns in 2009 (down 700 jobs, a 16.2-percent loss rate), followed by a less-than-stellar year in 2010 (down 300 jobs, a 7.6-percent loss rate), and finally by an off-year in 2011 (down 100 jobs, a 3.9-percent loss rate). Hence, stabilization in construction employment may indicate better days ahead for this Yakima County industry. Another indicator: according to the March 2012 *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, Wash; the *number* of residential and commercial real estate sales across Yakima County between January and March 2012 was only slightly less than the *number* of sales in the corresponding three-month period last year. There were 528 units sold countywide between January and March 2011 versus 514 sales from January through March 2012. That was a marginal 2.7-percent decrease. However, the *value* of residences and commercial structures sold from January through March 2012 rose in comparison to the corresponding months in the prior year (i.e., up from $86.4-million in January, February, and March 2011 to $94.8-million during the first three months of 2012 – a substantial 9.7-percent increase). Of course, these are only three months of data and we could use a couple more months of data to see if a trend is emerging. Nevertheless, it is safe to say that 2012 is off to a good start from a commercial and residential sales *value* perspective. Plus, construction employment trends from 2009-2011 show a decelerating loss rate (as mentioned earlier). How are real estate sales related to construction activity? The answer comes from an old adage: "If they're not buying, they're not building."

- Manufacturing companies lost approximately 100 jobs over the year; slipping from 7,500 in March 2011 to 7,400 this March. However, we are starting to see some good news reference local manufacturing developments. For example, the 19 March 2012 online edition of the *Yakima Herald Republic* announced that Peninsula Packaging "is investing about $20 million to expand its Yakima Valley operations. Peninsula Packaging, which manufactures plastic containers for bakery and produce items, has signed a lease for 188,000 square feet at the former Ace Hardware building at 2801 River Road. . . The company plans to hire 50 additional workers initially, but Peninsula Packaging CEO Ed Byrne sees the potential to hire even more over the next five years."

- Wholesale trade businesses fared very well in March 2012. The number of jobs elevated to 4,300; up 10.3 percent from the 3,900 jobs provided in the same month one-year prior. This sector consists of durable goods wholesalers (i.e., motor vehicle parts, furniture, lumber, construction supplies, etc.) and nondurable goods wholesalers (i.e., clothing, dairy products, fresh fruits and vegetables, petroleum and petroleum products, etc.). In Yakima County, the majority of wholesale trade jobs are in the latter category, primarily at fresh fruit packinghouses.

- Retail trade businesses also fared well in March 2012. The number of jobs grew to 10,100; up from 9,900 in the same month one-year prior. The recent announcements in the *Yakima Herald Republic* that Cabela's will open a 40,000-square foot "Cabela's Outpost Store" at Washington Plaza in Union Gap this autumn, to join a 66,000-square foot J.C. Penny store opening about the same time – indicates retail employment will probably continue to grow during calendar year 2012.

- Health services also saw employment rise over the year; from 13,000 in March 2011 to 13,200 in March 2012. This industrial sector is comprised of four subsectors: ambulatory health care services, hospitals, nursing and residential care facilities, and social assistance.

- Leisure and hospitality declined by 200 jobs since March 2011, a 3.0-percent over-the-year downturn.

- Government continues to retrench; but contractions are generally more pronounced at the federal and state levels. Specifically, of the 300 government jobs lost over the year; 100 were at the federal level, and 200 were with Washington State government. The number of local government jobs stabilized at 13,300 in March 2011 and in March 2012.

Summary Table

Labor Market Information for the Yakima Metropolitan Statistical Area (Yakima County)						
Not Seasonally Adjusted/*Updated with ***QCEW Data: September 2011						
				Change		
	Prelim	Revised	Revised	Feb-12	Mar-11	Mar-11
Employment by Place of Residence	Mar-12	Feb-12	Mar-11	Mar-12	Mar-12	Mar-12%
Civilian Labor Force	122,860	122,730	120,680	130	2,180	1.8%
Resident Employment	108,740	108,430	107,490	310	1,250	1.2%
Unemployment	14,120	14,300	13,190	-180	930	7.1%
Unemployment Rate	11.5	11.6	10.9	-0.1	0.6	
Employment by Place of Work (**NAICS Industry Titles, numbers in thousands)						
Total Nonfarm **1**/	76.2	75.3	75.6	0.9	0.6	0.8%
Total Private	59.1	57.9	58.2	1.2	0.9	1.5%
Goods Producing	10.2	10.1	10.3	0.1	-0.1	-1.0%
Mining, Logging, and Construction	2.8	2.7	2.8	0.1	0.0	0.0%
Manufacturing	7.4	7.4	7.5	0.0	-0.1	-1.3%
Nondurable Goods	4.8	4.8	4.9	0.0	-0.1	-2.0%
Service Providing	66.0	65.2	65.3	0.8	0.7	1.1%
Private Service Providing	48.9	47.8	47.9	1.1	1.0	2.1%
Trade, Transportation, and Warehousing	17.6	17.6	16.9	0.0	0.7	4.1%
Wholesale Trade	4.3	4.3	3.9	0.0	0.4	10.3%
Retail Trade	10.1	10.1	9.9	0.0	0.2	2.0%
Transportation, Warehousing, and Utilities	3.2	3.2	3.1	0.0	0.1	3.2%
Professional and Business Services	4.1	4.0	4.0	0.1	0.1	2.5%
Education and Health Services	14.3	14.2	14.2	0.1	0.1	0.7%
Health Services	13.2	13.2	13.0	0.0	0.2	1.5%
Leisure and Hospitality	6.5	6.4	6.7	0.1	-0.2	-3.0%
Food Services	4.7	4.6	4.7	0.1	0.0	0.0%
Government	17.1	17.4	17.4	-0.3	-0.3	-1.7%
Federal Government	1.2	1.2	1.3	0.0	-0.1	-7.7%
State Government	2.6	2.8	2.8	-0.2	-0.2	-7.1%
Local Government	13.3	13.4	13.3	-0.1	0.0	0.0%
Workers in Labor/Management Disputes	0.0	0.0	0.0			

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. 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. *Prepared by the Labor Market and Economic Analysis branch using a Quarterly Benchmark process. This process uses the most recent quarter from the Unemployment Insurance Tax Reports (currently, the third quarter 2011) and estimates employment from that point to present.

**North American Industry Classification System. ***QCEW = Quarterly Census of Employment and Wages