



Yakima MSA (Yakima County) Labor Area Summary November 2014

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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 November 2013 and November 2014) and average annual (between 2012 and 2013) changes in the labor market.

Unemployment rates

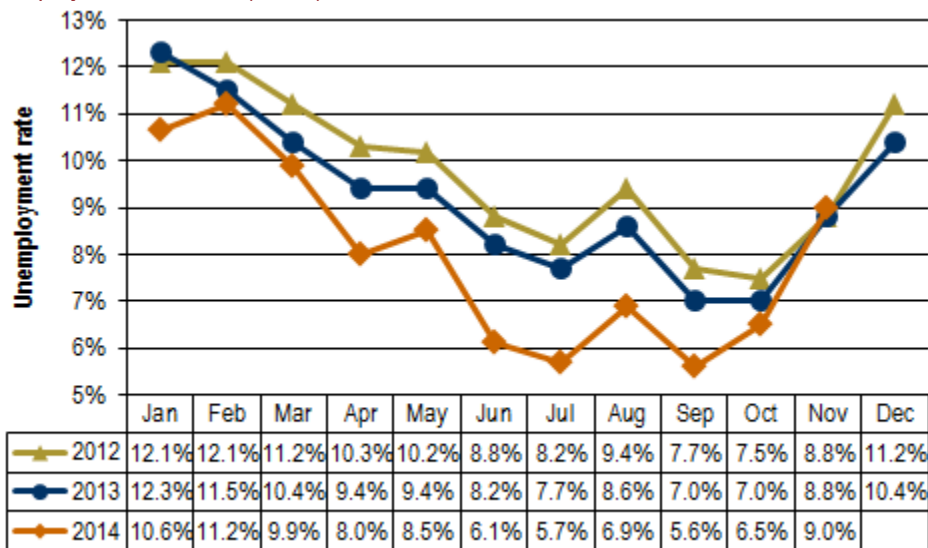
Washington state's annual average not seasonally adjusted unemployment rate decreased one and one-tenths percentage points between 2012 and 2013, from 8.1 percent to 7.0 percent. Between the Novembers of 2013 and 2014 the rate decreased from 6.5 to 6.1 percent, a drop of four-tenths of a percentage point.

In Yakima County, the annual average unemployment rate decreased five-tenths of a percentage point between 2012 and 2013, from 9.7 to 9.2 percent. However, the not seasonally adjusted unemployment rate rose two-tenths of a point in November 2014 to 9.0 percent, from 8.8 percent in November 2013 (as shown in *Figure 1*). Why? The number of unemployed and the number of residents in the labor force increased between the Novembers of 2013 and 2014. However, the number of unemployed grew more rapidly than the size of the labor force - hence the year-over-year rise in the unemployment rate.

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2012 through November 2014

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



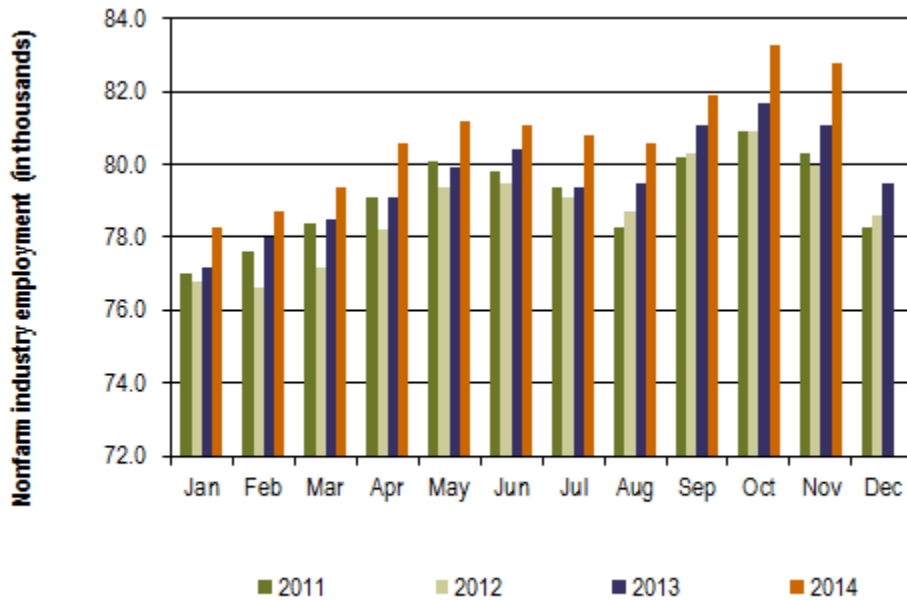
Yakima County's unemployment rate increased two-tenths of a percentage point between November 2013 and November 2014.

Total nonfarm employment

Between 2012 and 2013, Washington's labor market provided 68,600 new nonfarm jobs, an annual average increase of 2.3 percent. This November, businesses and government organizations across Washington supplied 3,124,600 nonfarm jobs (not seasonally adjusted), compared to 3,041,900 jobs in November 2013, a 2.7 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 50 consecutive months (October 2010 through November 2014).

The Yakima County nonfarm labor market added approximately 800 jobs between 2012 and 2013, an annual average upturn of 1.1 percent. Between the Novembers of 2013 and 2014, the local nonfarm market registered a 2.1 percent and 1,700 job upturn. Employers provided 82,800 jobs in November 2014 versus 81,100 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 24 consecutive months (December 2012 through November 2014) although local job growth rates have consistently been less robust than growth rates statewide.

Figure 2. Nonfarm industry employment
 Yakima County, January 2011 through November 2014
 Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 2.1 percent from November 2013 to November 2014.

Employment and unemployment

Washington's Civilian Labor Force (CLF) shrank by 23,600 residents (a 0.7 percent downturn) between 2012 and 2013. It continued to decline during three of the first six months of 2014. However, the CLF has expanded year-over-year for the past five months (July through November 2014). Between the Novembers of 2013 and 2014 the state's labor force increased 1.8 percent. This November, Washington's CLF tallied 3,509,360 residents versus 3,447,760 in November 2013, equating to 61,600 more Washingtonians in the labor force.

Yakima County's CLF shrank by 1,330 residents from 2012 to 2013 (a 1.1 percent downturn). The County's labor force continued to contract during the first six months of 2014, but expanded from July through November of this year. Between the Novembers of 2013 and 2014 the CLF grew 3.2 percent, from 120,600 to 124,420 residents (meaning that 3,820 more residents were in the labor force). However, the number of unemployed also grew, from 10,640 in November of 2013 to 11,160 this November (up 4.9 percent),

meaning that 520 more County residents were out of work. The result: Yakima County's unemployment rate rose two-tenths of a percentage point between the Novembers of 2013 and 2014 (see *Figure 3*).

Figure 3. Labor force and industry employment, not seasonally adjusted
Yakima County, November 2014

Source: Employment Security Department/LMPA

Yakima County	Preliminary Nov-14	Revised Oct-14	Revised Nov-13	Change		
				Oct-14	Nov-13	Nov-13
				Nov-14	Nov-14	Nov-14 %
Labor force and unemployment						
Civilian labor force	124,420	135,560	120,600	-11,140	3,820	3.2%
Resident employment	113,260	126,770	109,960	-13,510	3,300	3.0%
Unemployment	11,160	8,790	10,640	2,370	520	4.9%
Unemployment rate	9.0	6.5	8.8	2.5	0.2	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	82.8	83.3	81.1	-0.5	1.7	2.1%
Total private	65.5	66.0	64.0	-0.5	1.5	2.3%
Goods producing	12.1	12.6	12.0	-0.5	0.1	0.8%
Mining, logging and construction	3.5	3.8	3.3	-0.3	0.2	6.1%
Manufacturing	8.6	8.8	8.7	-0.2	-0.1	-1.1%
Nondurable goods	5.9	6.1	5.9	-0.2	0.0	0.0%
Service providing	70.7	70.7	69.1	0.0	1.6	2.3%
Private service providing	53.4	53.4	52.0	0.0	1.4	2.7%
Trade, transportation and utilities	18.6	18.3	18.9	0.3	-0.3	-1.6%
Wholesale trade	4.5	4.6	4.4	-0.1	0.1	2.3%
Retail trade	10.7	10.3	11.0	0.4	-0.3	-2.7%
Transportation and utilities	3.4	3.4	3.5	0.0	-0.1	-2.9%
Professional and business services	3.9	3.9	4.0	0.0	-0.1	-2.5%
Education and health services	16.9	16.9	16.4	0.0	0.5	3.0%
Health care and social assistance	15.7	15.7	15.3	0.0	0.4	2.6%
Leisure and hospitality	6.7	6.8	6.6	-0.1	0.1	1.5%
Food services	5.1	5.1	5.0	0.0	0.1	2.0%
Government	17.3	17.3	17.1	0.0	0.2	1.2%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.8	2.8	2.7	0.0	0.1	3.7%
Local government	13.3	13.3	13.2	0.0	0.1	0.8%
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 Novembers of 2013 and 2014, the Yakima County nonfarm labor market gained 1,700 jobs, a 2.1 percent increase.

Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County's employment rose to 82,800 in November 2014 from the 81,100 jobs tallied in November 2013, a 1,700 job and 2.1 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment advanced by 200 (up 6.1 percent) countywide between November 2013 and November 2014. Mining, logging and construction registered 3,500 jobs across Yakima County in November 2014 and 3,300 jobs in November 2013, with construction accounting for the lion's share of the jobs in this combined category. This industry has posted strong year-over-year growth for the last eleven months (from January through November 2014). Statewide, construction employment rose 6.8 percent between the Novembers of 2013 and 2014 and has grown for 33 months (from March 2012 through November 2014). Commercial and residential sales have also been faring well in Yakima County. The November 2014 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA stated that commercial and residential sales increased in the first eleven months of 2014 compared with the first eleven of 2013. Specifically, the number of commercial and residential real estate sales countywide rose from 2,733 from January through November 2013 to 2,937 during the first eleven months of 2014, a 7.5 percent upturn. The value of these sales increased 13.5 percent, from \$588.1-million from January through November 2013 to \$633.3-million in the corresponding eleven-month period this year. The average home price in Yakima County increased 3.2 percent between the first eleven calendar months of 2013 and 2014, from \$168,793 to \$174,183.
- Retail trade employment fell 2.7 percent (down 300 jobs), from 11,000 in November 2013 to 10,700 in November 2014. This sector netted 200 new jobs during 2013 (up 1.6 percent) but estimates indicate that, in aggregate, retail employment has virtually stagnated during 2014. Statewide, retail trade has increased for the past 50 months (October 2010 through November 2014).
- Health care and social assistance provided 400 new jobs (up 2.6 percent) in Yakima County between the Novembers of 2013 and 2014 (*see Table 3*). Countywide, this industry has posted year over year job gains for the past 12 months. Washington's health care and social assistance providers have added jobs for the past 23 consecutive months (from January 2013 through November 2014).
- Yakima County's leisure and hospitality services sector expanded from 6,600 to 6,700 jobs between the Novembers of 2013 and 2014 (up 1.5 percent). This sector has netted year over year job gains for the last 13 months (November 2013 through November 2014). The only limitation to this good economic news is that the growth has been centered in the food service industry which has a relatively high proportion of part-time and below family wage jobs.

Agricultural employment/production

Despite the fact that the 2014 bumper apple crop is great news for Central Washington's economy, the ongoing labor dispute affecting seaports up and down the West Coast has hurt local fruit and hay exporters. The Pacific Maritime Association, or PMA, represents terminal companies and the International Longshore and Warehouse Union, or ILWU, represents about 13,600 workers at 29 West Coast ports, including Tacoma and Seattle. The two groups have lacked a contract since June 2014.

On November 23, 2014 the Yakima Herald Republic provided the following update on this labor dispute: "Washington's fruit and hay industries typically export about one-third of their harvest. Apple trade officials had hoped this year to find a home for an estimated record crop of 155 million boxes. Fruit and hay shippers now are cutting back on employees, while hundreds of containers of apples might be thrown away. "The situation is worse, not better," said Mark Powers, vice president of the Northwest Horticultural Council, which represents the fruit industry in federal government and international trade affairs. Either way, the dispute has caused a slowdown at the ports, leaving hundreds of containers full of apples and hay

either stacked on docks for more than two weeks or turned away completely. The U.S. apple industry overall has reported losses of \$19 million per week, Powers said; Washington grows more than 70 percent of the nation's apples and Yakima is the state's highest apple-packing county. "This is going to have an impact throughout the (new) year, in my opinion," Powers said."