



Yakima MSA (Yakima County) Labor Area Summary December 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 December 2013 and December 2014) and average annual (between 2013 and 2014) changes in the labor market.

Unemployment rates

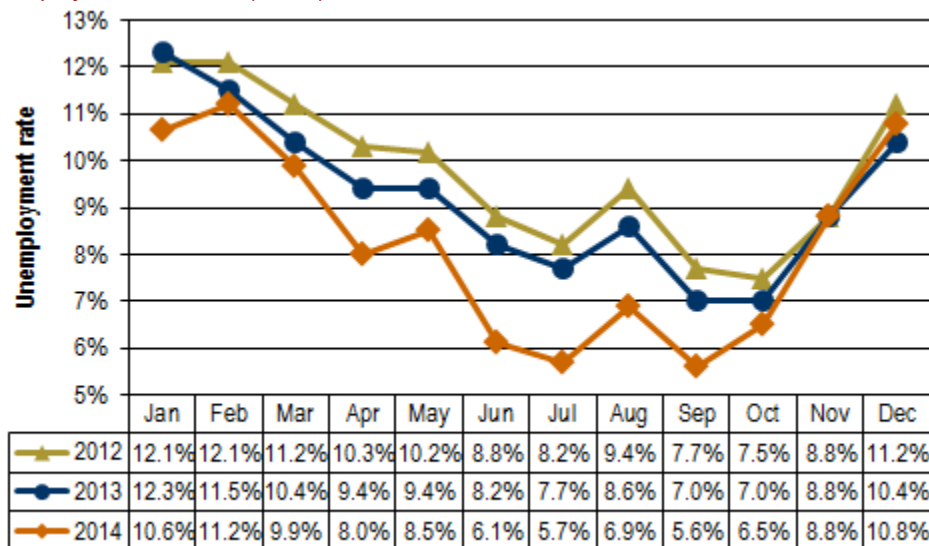
Preliminary labor force data show that Washington state's average annual not seasonally adjusted unemployment rate decreased one percentage point between 2013 and 2014, from 7.0 percent to 6.0 percent. Between the Decembers of 2013 and 2014 the rate decreased from 6.6 to 6.2 percent, a drop of four-tenths of a percentage point.

In Yakima County, preliminary data indicate that the average annual unemployment rate decreased one and one-tenths percentage points between 2013 and 2014, from 9.2 to 8.1 percent. However, the not seasonally adjusted unemployment rate rose four-tenths of a point in December 2014 to 10.8 percent, from 10.4 percent in December 2013 (as shown in *Figure 1*). Why? The number of unemployed residents grew more rapidly than the labor force, hence this four-tenths point year-over-year rise in the rate.

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2012 through December 2014

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



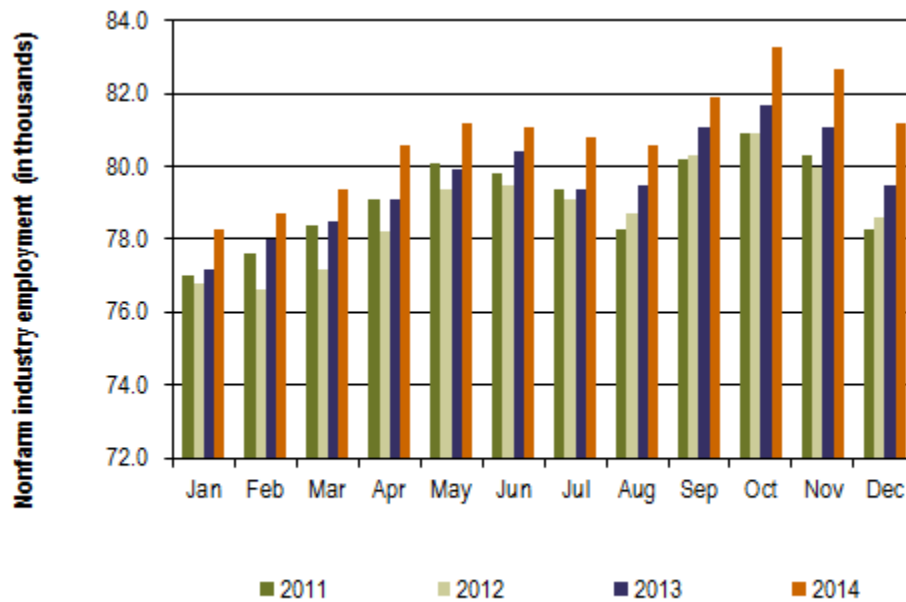
Yakima County's unemployment rate increased four-tenths of a percentage point between December 2013 and December 2014.

Total nonfarm employment

Between 2013 and 2014, Washington's labor market provided 82,900 new nonfarm jobs, an annual average increase of 2.8 percent. This December, businesses and government organizations across Washington supplied 3,115,700 nonfarm jobs (not seasonally adjusted), compared to 3,032,800 jobs in December 2013, a 2.7 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 51 consecutive months (October 2010 through December 2014).

The Yakima County nonfarm labor market added approximately 1,200 jobs between 2013 and 2014, an annual average upturn of 1.5 percent. Between the Decembers of 2013 and 2014, the local nonfarm market registered a 2.1 percent and 1,700 job upturn. Employers provided 81,200 jobs in December 2014 versus 79,500 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 25 consecutive months (December 2012 through December 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 December 2014
Source: Employment Security Department/LMPA



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

Employment and unemployment

Preliminary data indicate that Washington's Civilian Labor Force (CLF) expanded by 18,090 residents (a 0.5 percent upturn) between 2013 and 2014. In effect, the State's labor force finished the year strong, by posting year-over-year increase in each of the last six months of 2014. Between the Decembers of 2013 and 2014 the state's labor force increased 1.4 percent. This December, Washington's CLF tallied 3,485,880 residents versus 3,437,660 in December 2013, equating to 48,220 more Washingtonians in the labor force.

Preliminary data indicate that Yakima County's CLF stabilized between 2013 and 2014, at 124,360 residents. After a weak start from January through June 2014, the local labor force finished the year strong and posted year-over-year gains in each of the last six months of 2014. Between the Decembers of 2013 and 2014 the CLF grew 4.3 percent, from 117,140 to 122,210 residents (meaning that 5,070 more residents were in the labor force). However, the number of unemployed also grew; 930 more County residents were out of work this December than in December 2013 (see *Figure 3*). The result: Yakima County's unemployment rate rose four-tenths of a percentage point between the Decembers of 2013 and 2014.

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

				Change		
Yakima County	Preliminary	Revised	Revised	Nov-14	Dec-13	Dec-13
	Dec-14	Nov-14	Dec-13	Dec-14	Dec-14	Dec-14 %
Labor force and unemployment						
Civilian labor force	122,210	124,270	117,140	-2,060	5,070	4.3%
Resident employment	109,060	113,330	104,920	-4,270	4,140	3.9%
Unemployment	13,150	10,940	12,220	2,210	930	7.6%
Unemployment rate	10.8	8.8	10.4	2.0	0.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	81.2	82.7	79.5	-1.5	1.7	2.1%
Total private	64.2	65.4	62.6	-1.2	1.6	2.6%
Goods producing	11.1	12.1	10.7	-1.0	0.4	3.7%
Mining, logging and construction	3.3	3.5	3.0	-0.2	0.3	10.0%
Manufacturing	7.8	8.6	7.7	-0.8	0.1	1.3%
Nondurable goods	5.3	5.9	5.0	-0.6	0.3	6.0%
Service providing	70.1	70.6	68.8	-0.5	1.3	1.9%
Private service providing	53.1	53.3	51.9	-0.2	1.2	2.3%
Trade, transportation and utilities	18.4	18.5	18.7	-0.1	-0.3	-1.6%
Wholesale trade	4.5	4.5	4.3	0.0	0.2	4.7%
Retail trade	10.5	10.6	11.0	-0.1	-0.5	-4.5%
Transportation and utilities	3.4	3.4	3.4	0.0	0.0	0.0%
Professional and business services	3.9	3.9	3.9	0.0	0.0	0.0%
Education and health services	16.9	16.9	16.4	0.0	0.5	3.0%
Health care and social assistance	15.8	15.7	15.3	0.1	0.5	3.3%
Leisure and hospitality	6.7	6.7	6.8	0.0	-0.1	-1.5%
Food services	5.0	5.1	5.0	-0.1	0.0	0.0%
Government	17.0	17.3	16.9	-0.3	0.1	0.6%
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	13.2	13.3	13.2	-0.1	0.0	0.0%
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 Decembers 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 81,200 in December 2014 from the 79,500 jobs tallied in December 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 300 (up 10.0 percent) countywide between December 2013 and December 2014. Mining, logging and construction registered 3,300 jobs across Yakima County in December 2014 and 3,000 jobs in December 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 12 months (from January through December 2014). Statewide, construction employment rose 7.9 percent between the Decembers of 2013 and 2014 and has grown for 34 months (from March 2012 through December 2014). Commercial and residential sales have also been faring well in Yakima County. The December 2014 edition of Headwaters – the Source newsletter published by KMW Enterprises LLC in Selah, WA stated that commercial and residential sales increased in each of the 12 months of 2014 compared with this 12-month period in 2013. The number of commercial and residential real estate sales countywide rose from 2,955 from January through December 2013 to 3,238 during the 12 months of 2014, a 9.6 percent upturn. The value of these sales also increased, to 13.0 percent, from \$622.6-million in 2013 to \$703.7-million in 2014. The average home price in Yakima County rose 3.2 percent between 2013 and 2014, from \$168,090 to \$174,359.
- Retail trade employment fell 4.5 percent (down 500 jobs), from 11,000 in December 2013 to 10,500 in December 2014. Countywide, this sector averaged 100 fewer jobs during 2014 than during 2013. Statewide, retail trade has increased for 51 months (October 2010 through December 2014).
- Wholesale trade employment (primarily at fresh fruit packinghouses) rose 4.7 percent (up 200 jobs), from 4,300 in December 2013 to 4,500 in December 2014.
- Health care and social assistance provided 500 more jobs (up 3.3 percent) in Yakima County between the Decembers of 2013 and 2014 (*see Table 3*). This industry has posted year-over-year job gains for the past 13 months, and it averaged 300 more jobs (up 2.1 percent) in 2014 than in 2013. Washington's health care and social assistance providers have also fared well, adding jobs for the past 24 consecutive months (from January 2013 through December 2014).
- Although the Yakima County food services sector stagnated at 5,000 between the Decembers of 2013 and 2014, this sector netted 200 more jobs in 2014 (5,100 jobs) than in 2013 (4,900 jobs). The only limitation to this good economic news is that the food service industry has a relatively high proportion of part-time and below family wage jobs.

Agricultural employment/production

Although the 2014 bumper apple crop was great news for Central Washington's economy, the recent labor dispute affecting 29 West Coast seaports has hurt local fruit and hay exporters. The International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) have been in contract negotiations since May 2014 and the six-year contract expired in July, according to the Seattle Times.

Examples of Central Washington firms affected by the slowdown were provided in a December 17, 2014 Seattle Times article entitled "More layoffs as slowdown at West Coast ports continues," as follows: "Chelan Fresh, one of Washington's major apple and pear exporters and based in Chelan, usually ships 120 containers of fruit through the ports each week. Running at only half speed for almost two months, Riggan (CEO of Chelan Fresh) could not keep 1,000 full-time employees packing and shipping boxes, he said. He has sent 250 employees home and reduced 70 from full time to part time." This article also provided information about the impact on Ellensburg-based Calaway Trading, a firm which ships grains and hay, primarily for animal feed, through the Seattle and Tacoma ports to Asia. Blaine Calaway (VP of Sales) said "he has had to reduce his employees' hours by half — at a time when his employees usually are working overtime." The article continues: "In the meantime the Washington apple industry is losing out on tens of millions of dollars a week and businesses across the state fear they will lose business permanently."