



# Yakima MSA (Yakima County) Labor Area Summary May 2015

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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 May 2014 and May 2015) and average annual (between 2013 and 2014) changes in the labor market.

## Unemployment rates

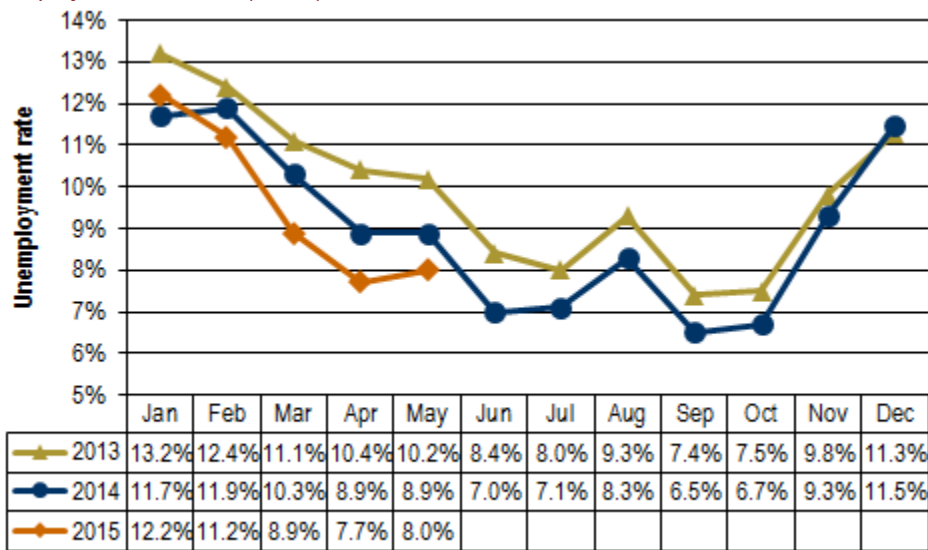
Preliminary labor force data show that Washington state’s average annual not seasonally adjusted unemployment rate decreased eight-tenths of a percentage point between 2013 and 2014, from 7.0 percent to 6.2 percent. Between the Mays of 2014 and 2015 the rate declined seven-tenths of a point, from 6.0 to 5.3 percent.

In Yakima County, benchmarked data indicate that the average annual unemployment rate decreased one percentage point between 2013 and 2014, from 9.9 to 8.9 percent. The not seasonally adjusted unemployment rate declined nine-tenths of a point in May 2015 to 8.0 percent, from 8.9 percent in May 2014 (as shown in *Figure 1*).

**Figure 1.** Unemployment rates, not seasonally adjusted

Yakima County, January 2013 through May 2015

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



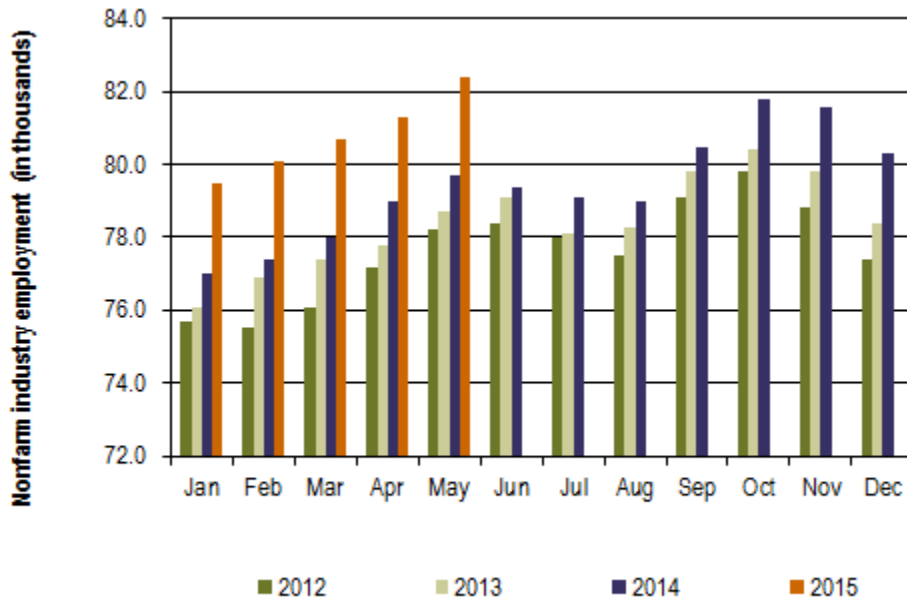
Yakima County’s unemployment rate decreased nine-tenths of a percentage point between May 2014 and May 2015.

## 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 May, businesses and government organizations across Washington supplied 3,179,000 nonfarm jobs (not seasonally adjusted), compared to 3,067,500 jobs in May 2014, a 3.6 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 56 consecutive months (October 2010 through May 2015).

The Yakima County nonfarm labor market added approximately 1,000 jobs between 2013 and 2014, an average annual increase of 1.3 percent. Between the Mays of 2014 and 2015, the local nonfarm market registered a 3.4 percent and 2,700 job upturn, slightly less than Washington's 3.6 job growth rate during this timeframe. Local employers provided 82,400 jobs in May 2015 versus 79,700 in the corresponding month in 2014 (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 30 consecutive months (December 2012 through May 2015).

**Figure 2. Nonfarm industry employment**  
Yakima County, January 2012 through May 2015  
Source: Employment Security Department/LMPA



*Nonfarm employment in Yakima County increased 3.4 percent from May 2014 to May 2015.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 28,140 residents (a 0.8 percent upturn) from 2013 to 2014. The state's labor force has increased for the past 16 months (February 2014 through May 2015). Between the Mays of 2014 and 2015 the state's labor force grew by 2.1 percent. This May, Washington's CLF tallied 3,545,440 residents versus 3,472,300 in May 2014 equating to 73,140 more Washingtonians in the labor force.

Benchmarked data indicate that Yakima County's CLF expanded 0.6 percent between 2013 (118,570 residents) and 2014 (119,320 residents). The County's labor force has been growing for the past ten months (from August 2014 through May 2015). Between the Mays of 2014 and 2015, the CLF advanced 2.5 percent, from 116,620 to 119,480 residents (meaning that 2,860 more residents were in the labor force). Simultaneously, the number of unemployed fell by 840 (see *Figure 3*). The result: Yakima County's unemployment rate declined nine-tenths of a percentage point, from 8.9 percent in May 2014 to 8.0 percent this May, a step in the right direction for the local economy.

**Figure 3. Labor force and industry employment, not seasonally adjusted**  
 Yakima County, May 2014, April and May 2015  
 Source: Employment Security Department/LMPA

Yakima County	Preliminary May-15	Revised Apr-15	Revised May-14	Change		
				Apr-15	May-14	May-14
				May-15	May-15	May-15 %
<b>Labor force and unemployment</b>						
Civilian labor force	119,480	116,660	116,620	2,820	2,860	2.5%
Resident employment	109,960	107,690	106,260	2,270	3,700	3.5%
Unemployment	9,520	8,970	10,360	550	-840	-8.1%
Unemployment rate	8.0	7.7	8.9	0.3	-0.9	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	82.4	81.3	79.7	1.1	2.7	3.4%
Total private	64.5	63.5	62.4	1.0	2.1	3.4%
Goods producing	12.2	11.8	11.5	0.4	0.7	6.1%
Mining, logging and construction	3.6	3.4	3.2	0.2	0.4	12.5%
Manufacturing	8.6	8.4	8.3	0.2	0.3	3.6%
Nondurable goods	5.4	5.3	5.4	0.1	0.0	0.0%
Service providing	70.2	69.5	68.2	0.7	2.0	2.9%
Private service providing	52.3	51.7	50.9	0.6	1.4	2.8%
Trade, transportation and utilities	17.9	17.7	17.6	0.2	0.3	1.7%
Wholesale trade	4.6	4.5	4.4	0.1	0.2	4.5%
Retail trade	9.7	9.7	10.0	0.0	-0.3	-3.0%
Transportation and utilities	3.6	3.5	3.2	0.1	0.4	12.5%
Professional and business services	3.8	3.8	3.6	0.0	0.2	5.6%
Education and health services	17.3	16.9	16.8	0.4	0.5	3.0%
Health care and social assistance	15.9	15.8	15.6	0.1	0.3	1.9%
Leisure and hospitality	6.9	6.7	6.8	0.2	0.1	1.5%
Food services	5.0	5.0	5.1	0.0	-0.1	-2.0%
Government	17.9	17.8	17.3	0.1	0.6	3.5%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.7	2.8	2.8	-0.1	-0.1	-3.6%
Local government	14.0	13.8	13.3	0.2	0.7	5.3%
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 Mays of 2014 and 2015, the Yakima County nonfarm labor market gained 2,700 jobs, a 3.4 percent increase.*

## Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County's employment rose to 82,400 in May 2015 from the 79,700 jobs tallied in May 2014, a 2,700 job and 3.4 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment forged ahead by 400 jobs (up 12.5 percent) countywide between May 2014 and May 2015. Mining, logging and construction registered 3,200 jobs across Yakima County in May 2014 versus 3,600 this May, with construction accounting for the lion's share of the jobs in this combined category. This industry has posted year-over-year growth for the last 22 months (from August 2013 through May 2015). Statewide, construction employment also rose 12.5 percent between the Mays of 2014 and 2015, but it has been in the growth mode for 39 months (from March 2012 through May 2015). Commercial and residential sales were also on the rise in Yakima County in May 2015 versus May 2014. The May 2015 edition of Headwaters – the Source newsletter published by KMW Enterprises LLC in Selah, WA stated that commercial and residential sales increased in the first five months of 2015 versus the corresponding period last year. The number of commercial and residential real estate sales countywide grew from 1,229 during January through May 2014 to 1,369 during the first five months of 2015, an 11.4 percent upturn. The value of these sales during the first five months of the calendar quarter also increased, by 20.3 percent, from \$255.9-million in May 2014 to \$307.8-million in May 2015.
- Manufacturing rose 3.6 percent (up 300 jobs), from 8,300 in May 2014 to 8,600 in May 2015. Manufacturing has been posting year-over-year gains now for the past seven months (October 2014 through May 2015). Employment at Yakima County's nondurable goods manufacturers (i.e., food processing, paper, plastics and rubber products, etc.) was unchanged year over year. Hence, the 300 new jobs were with durable goods manufacturers (i.e., of wood products, fabricated metal products, machinery, transportation equipment, etc.). In calendar year 2013, the most current year for which average annual Quarterly Census Employment and Wage (QCEW) data are available; durable goods manufacturers accounted for only about one-third of total covered manufacturing employment (8,222 jobs) countywide – with an annual average wage of \$41,934. The other two-thirds of manufacturing jobs in the County were with nondurable goods manufacturers – with an annual average wage of \$40,506.
- Countywide, local government employment has been increasing for eight months (October 2014 through May 2015). It grew 5.3 percent, a strong 700 job increase, from 13,300 jobs in May 2014 to 14,000 in May 2015. Local government includes city and county jobs (i.e., with public school districts, police and fire departments, jails, libraries, etc.) plus employment with tribal enterprises/organizations.

## **Agricultural employment/production**

On April 17, 2015, Governor Jay Inslee declared 13 more Washington state river basins in drought, according to the Department of Ecology's website (see <http://www.ecy.wa.gov/drought>). This brought the total number of river basins in Washington in drought emergencies to 24 (of the state's 62 watersheds) and qualified these 13 Water Resource Inventory Areas (WRIAs) for drought relief funds. One of the watersheds added to the list on April 17 was identified as: WIRA 40 - Alkali-Squillchuck (Kittitas, Benton, Chelan and Yakima counties)."

On May 15, 2015 the Governor declared a statewide drought as snowpack shrank to historic lows, river flow began to dwindle and irrigation districts started cutting off water to some farmers. Washington's Department of Ecology provided the following information reference this drought on their website: "We're really starting to feel the pain from this snowpack drought," Inslee said. "Impacts are already severe in several areas of the state. Difficult decisions are being made about what crops get priority water and how best to save fish." The Washington Department of Agriculture is projecting a \$1.2 billion crop loss this year as a result of the drought. As things continue to dry out, the Department of Natural Resources expects more early-season and higher-elevation wildfires. "This drought is unlike any we've ever experienced," said Washington Department of Ecology Director Maia Bellon. "Rain amounts have been normal but snow has been scarce. And we're watching what little snow we have quickly disappear."