



# Yakima MSA (Yakima County) Labor Area Summary May 2014

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## Overview

This report provides a current 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 2013 and May 2014) and on annual average changes in the labor market.

## Unemployment rates

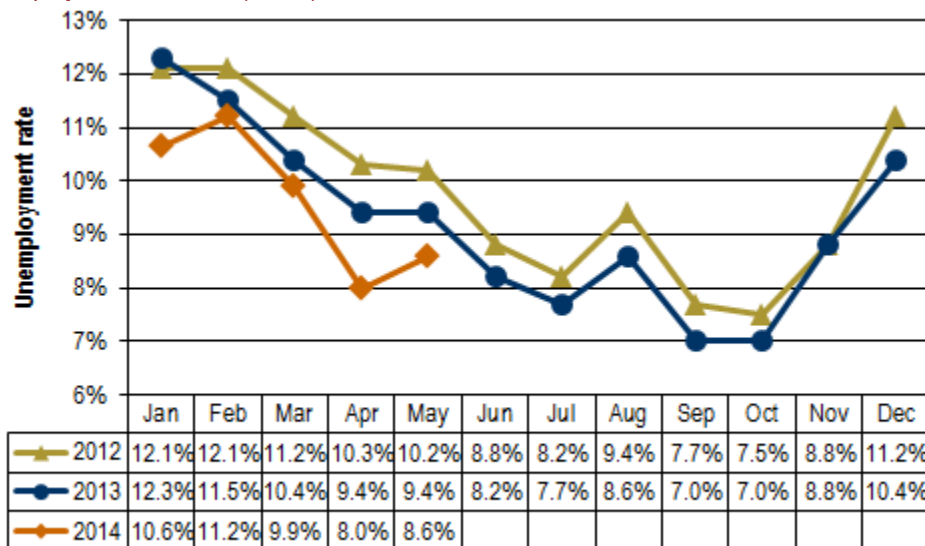
Washington state's annual average not seasonally adjusted unemployment rate decreased one and one-tenths percentage points between 2012 and 2013, from 8.1 percent to 7.0 percent. Between the Mays of 2013 and 2014 the rate decreased from 6.9 to 6.1 percent, an eight-tenths percentage point decline.

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. The unemployment rate fell eight-tenths of a point in May 2014 to 8.6 percent, from the 9.4 percent reading in May 2013 (as shown in *Figure 1*). Countywide, the number of unemployed residents declined from 11,520 in May 2013 to 10,330 this May.

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

Yakima County, January 2012 through May 2014

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



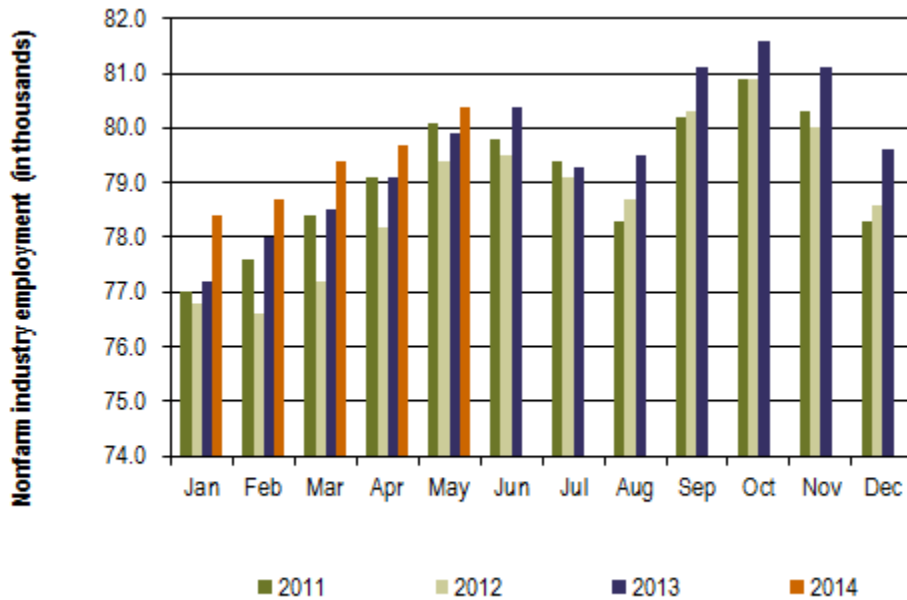
*Yakima County's unemployment rate decreased eight-tenths of a point between May 2013 and May 2014.*

## Total nonfarm employment

Businesses and government organizations across Washington supplied 3,069,300 nonfarm jobs this May (not seasonally adjusted), compared to 2,995,400 jobs in May 2013. This equated to a 2.5 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 44 months (October 2010 through May 2014). In 2013, Washington's labor market provided 68,700 new jobs, an annual average increase of 2.4 percent.

Between the Mays of 2013 and 2014, the local nonfarm market registered a 0.6 percent and 500 job upturn as employers provided 80,400 jobs in May 2014 and 79,900 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 18 months (December 2012 through May 2014) although local job growth rates have consistently been less robust than growth rates statewide. The Yakima County nonfarm labor market added approximately 800 jobs in 2013, an annual average upturn of 1.1 percent.

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



*Nonfarm employment in Yakima County increased 0.6 percent from May 2013 to May 2014.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) shrank by 23,600 residents (a 0.7 percent downturn) in 2013. Although Washington's CLF shrank 0.7 percent in 2013, it expanded 0.2 percent between the Februarys of 2013 and 2014 and 0.4 percent between the Marches of 2013 and 2014, stabilized between April 2013 and April 2014 and rose 0.1 percent between the Mays of 2013 and 2014. This May the state's labor force tallied 3,470,160 residents versus 3,466,730 in May 2013, equating to 3,430 more Washingtonians in the CLF.

Yakima County's CLF shrank by 1,330 residents in 2013 (a 1.1 percent downturn) and by 2,280 residents between the Mays of 2013 and 2014. The CLF has retrenched for the past eight months (from October 2013 through May 2014). Fortunately, other labor force indicators have generally been positive. For example, 1,190 fewer residents were unemployed this May versus the same month in 2013. In May 2013, Yakima County had 11,520 unemployed residents compared with 10,330 this May. Although the CLF shrank between the Mays of 2013 and 2014, the number of unemployed decreased more rapidly and the unemployment rate fell by one and three-tenths percentage point (see *Figure 3*).

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

Yakima County	Preliminary May-14	Revised Apr-14	Revised May-13	Change		
				Apr-14	May-13	May-13
				May-14	May-14	May-14 %
<b>Labor force and unemployment</b>						
Civilian labor force	119,820	117,400	122,100	2,420	-2,280	-1.9%
Resident employment	109,490	108,010	110,580	1,480	-1,090	-1.0%
Unemployment	10,330	9,390	11,520	940	-1,190	-10.3%
Unemployment rate	8.6	8.0	9.4	0.6	-0.8	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	80.4	79.7	79.9	0.7	0.5	0.6%
Total private	63.0	62.4	62.6	0.6	0.4	0.6%
Goods producing	11.5	11.2	11.4	0.3	0.1	0.9%
Mining, logging and construction	3.5	3.2	3.2	0.3	0.3	9.4%
Manufacturing	8.0	8.0	8.2	0.0	-0.2	-2.4%
Nondurable goods	4.9	5.0	5.3	-0.1	-0.4	-7.5%
Service providing	68.9	68.5	68.5	0.4	0.4	0.6%
Private service providing	51.5	51.2	51.2	0.3	0.3	0.6%
Trade, transportation and utilities	18.1	17.9	17.7	0.2	0.4	2.3%
Wholesale trade	4.3	4.2	4.4	0.1	-0.1	-2.3%
Retail trade	10.4	10.4	10.2	0.0	0.2	2.0%
Transportation and utilities	3.4	3.3	3.1	0.1	0.3	9.7%
Professional and business services	3.7	3.7	3.9	0.0	-0.2	-5.1%
Education and health services	16.7	16.7	16.6	0.0	0.1	0.6%
Health care and social assistance	15.4	15.4	15.4	0.0	0.0	0.0%
Leisure and hospitality	7.1	6.9	6.8	0.2	0.3	4.4%
Food services	5.1	5.0	4.9	0.1	0.2	4.1%
Government	17.4	17.3	17.3	0.1	0.1	0.6%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.8	2.8	2.8	0.0	0.0	0.0%
Local government	13.4	13.3	13.3	0.1	0.1	0.8%
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 2013 and 2014, the Yakima County nonfarm labor market gained 500 jobs, a 0.6 percent increase.

## Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County's employment rose to 80,400 in May 2014 from the 79,900 jobs tallied in May 2013, a 500 job and 0.6 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction hiring accounted for 300 of the 500 total nonfarm jobs gained countywide between May 2013 and May 2014. Mining, logging and construction registered 3,500 jobs across Yakima County in May 2014 and 3,200 jobs in May 2013, with construction accounting for the lion's share of these jobs. This industry has either stabilized or posted year-over-year growth for 20 months (from October 2012 through May 2014). An article in the June 13-27, 2014 edition of the Yakima Valley Business Times entitled "Columbia River Steel Has Lots of Dairy Background" illustrates the fact that some construction contractors are hiring because Yakima County's agricultural industry is flourishing. The article quotes John Flodin (who owns Grandview based Columbia River Steel and Construction with partner Rex Dilbert): "The last two years I'd say 85 percent of our business has been agriculture-related. . . Not just dairy – we've been doing a lot of food processing plants and work for agriculture as a whole." Columbia River Steel runs a crew of 35 to 50 workers during peak production periods, according to the article. Statewide, construction employment rose 8.0 percent between the Mays of 2012 and 2013 and has grown for 27 months (from March 2012 through May 2014). Commercial and residential sales have also been faring well. The May 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 five months of 2014 compared with the first five of 2013. Specifically, the number of commercial and residential real estate sales countywide rose from 1,057 from January through May 2013 to 1,229 during the first five months of 2014, a 16.3 percent upturn. The value of these sales increased 24.9 percent, from \$204.9-million from January through May 2013 to \$255.9-million in the corresponding five-month period this year. The average home price in Yakima County increased 1.2 percent between the first five calendar months of 2013 and 2014, from \$164,551 to \$166,571.
- Manufacturing employment decreased to 8,000 jobs in May 2014 compared with the 8,200 tallied in May of last year. Nondurable goods manufacturers (primarily food processing) netted all of this decline (*see Table 3*). On an annual average basis, food processors account for 60-70 percent of all manufacturing jobs countywide. The importance of this industry was recently highlighted in a May 19, 2014 article in Washington Manufacturing Alert, which stated: "The Yakima Valley is another of the state's major food production and processing centers and officials there are looking at ways to encourage growth in the sector. The city of Yakima has issued a request for proposals for a consultant to study the feasibility of setting up a public market and small business incubator and expects to pick a firm this month. The business incubator would have a specific emphasis on food entrepreneurs and would include a commercial kitchen. In an application for funding from the county Supporting Investments in Economic Diversification (SIED) Board, the city noted incubators in Ellensburg, Walla Walla and Wenatchee. "There are a number of small emerging food companies within the region and Yakima sees opportunities for growth in this segment as people show more interest in specialty and locally sourced food products," wrote Dave McFadden, president of Yakima County Development Association."
- Professional and business services decreased by 200 jobs between May of 2013 (3,900 jobs) and May 2014 (3,700), a 5.1 percent downturn. This employment category includes legal offices, accounting and tax preparation firms, call centers, temporary job placement agencies, etc.
- Leisure and hospitality (primarily at hotels and restaurants) rose from 6,800 part- and full-time jobs in May 2013 to 7,100 in May 2014, a 300 job and 4.4 percent increase.