



Yakima MSA (Yakima County) Labor Area Summary June 2014

Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Yakima WorkSource, 306 Division Street, Yakima, WA 98902
 Phone: (509) 573-4564; E-mail: dmeseck@esd.wa.gov
 Website: <https://fortress.wa.gov/esd/employmentdata/>

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 June 2013 and June 2014) and on annual average changes in the labor market.

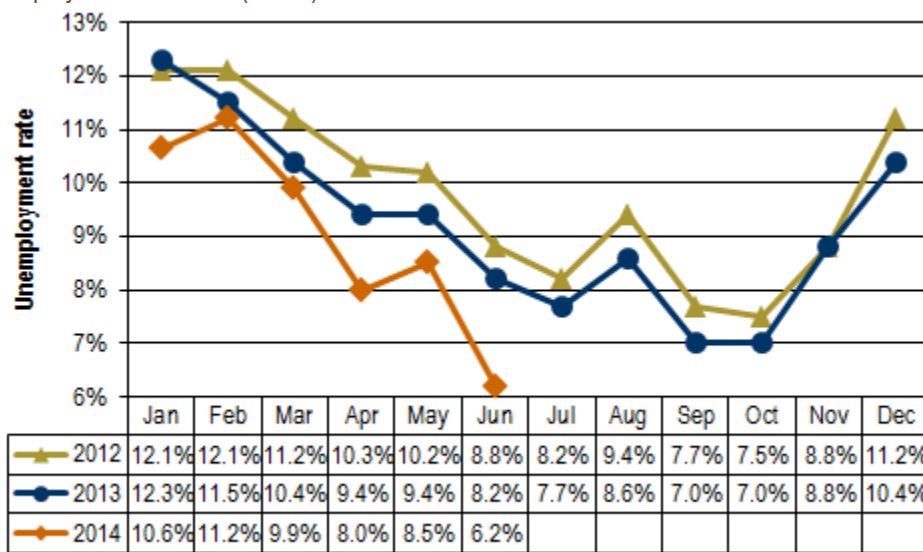
Unemployment rates

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 Junes of 2013 and 2014 the rate decreased from 7.1 to 5.4 percent, a one and seven-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 two percentage points in June 2014 to 6.2 percent, from the 8.2 percent reading in June 2013 (as shown in *Figure 1*). Countywide, the number of unemployed residents plummeted from 10,820 in June 2013 to 7,920 this June, certainly a good sign for the local economy.

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2012 through June 2014

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



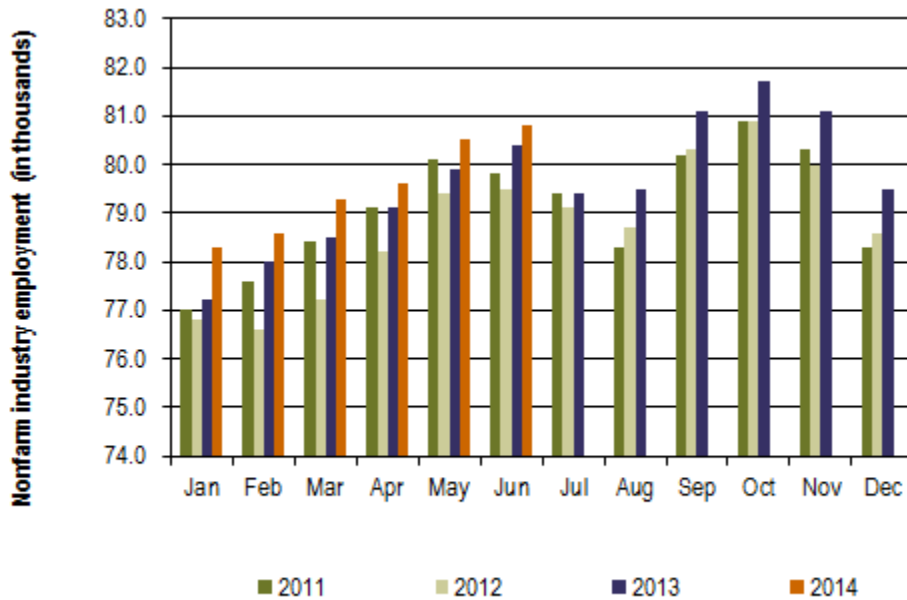
Yakima County's unemployment rate decreased two percentage points between June 2013 and June 2014.

Total nonfarm employment

Businesses and government organizations across Washington supplied 3,092,000 nonfarm jobs this June (not seasonally adjusted), compared to 3,007,300 jobs in June 2013. This equated to a 2.8 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 45 months (October 2010 through June 2014). In 2013, Washington's labor market provided 68,700 new jobs, an annual average increase of 2.4 percent.

Between the Junes of 2013 and 2014, the local nonfarm market registered a 0.5 percent and 400 job upturn as employers provided 80,800 jobs in June 2014 and 80,400 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 19 months (December 2012 through June 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 June 2014
Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 0.5 percent from June 2013 to June 2014.

Employment and unemployment

Washington's Civilian Labor Force (CLF) shrank by 23,600 residents (a 0.7 percent downturn) in 2013. Between June 2013 and June 2014 the state's labor force declined 0.2 percent. This June, Washington's CLF tallied 3,483,270 residents versus 3,490,640 in June 2013, equating to 7,370 fewer Washingtonians in the labor force.

Yakima County's CLF shrank by 1,330 residents in 2013 (a 1.1 percent downturn) and by 4,190 residents between the Junes of 2013 and 2014. Year over year, the local labor force has been shrinking for the past nine months (from October 2013 through June 2014). Fortunately, other labor force indicators are positive. For example, 2,900 fewer residents were unemployed this June versus the same month in 2013. In June 2013, Yakima County had 10,820 unemployed residents compared with 7,920 this June. Although the CLF shrank between the Junes of 2013 and 2014, the number of unemployed decreased more rapidly and the unemployment rate fell by two percentage points during this timeframe (see *Figure 3*).

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

| Yakima County | Preliminary Jun-14 | Revised May-14 | Revised Jun-13 | Change | | |
|--|-----------------------|-------------------|-------------------|--------|--------|----------|
| | | | | May-14 | Jun-13 | Jun-13 |
| | | | | Jun-14 | Jun-14 | Jun-14 % |
| Labor force and unemployment | | | | | | |
| Civilian labor force | 127,250 | 119,770 | 131,440 | 7,480 | -4,190 | -3.2% |
| Resident employment | 119,330 | 109,620 | 120,620 | 9,710 | -1,290 | -1.1% |
| Unemployment | 7,920 | 10,150 | 10,820 | -2,230 | -2,900 | -26.8% |
| Unemployment rate | 6.2 | 8.5 | 8.2 | -2.3 | -2.0 | |
| Industry employment (numbers are in thousands) | | | | | | |
| Total nonfarm ¹ | 80.8 | 80.5 | 80.4 | 0.3 | 0.4 | 0.5% |
| Total private | 63.7 | 63.0 | 63.1 | 0.7 | 0.6 | 1.0% |
| Goods producing | 11.8 | 11.4 | 11.6 | 0.4 | 0.2 | 1.7% |
| Mining, logging and construction | 3.6 | 3.3 | 3.3 | 0.3 | 0.3 | 9.1% |
| Manufacturing | 8.2 | 8.1 | 8.3 | 0.1 | -0.1 | -1.2% |
| Nondurable goods | 5.1 | 4.9 | 5.3 | 0.2 | -0.2 | -3.8% |
| Service providing | 69.0 | 69.1 | 68.8 | -0.1 | 0.2 | 0.3% |
| Private service providing | 51.9 | 51.6 | 51.5 | 0.3 | 0.4 | 0.8% |
| Trade, transportation and utilities | 18.6 | 18.2 | 18.0 | 0.4 | 0.6 | 3.3% |
| Wholesale trade | 4.4 | 4.3 | 4.5 | 0.1 | -0.1 | -2.2% |
| Retail trade | 10.8 | 10.5 | 10.2 | 0.3 | 0.6 | 5.9% |
| Transportation and utilities | 3.4 | 3.4 | 3.3 | 0.0 | 0.1 | 3.0% |
| Professional and business services | 4.0 | 3.9 | 4.1 | 0.1 | -0.1 | -2.4% |
| Education and health services | 16.4 | 16.6 | 16.4 | -0.2 | 0.0 | 0.0% |
| Health care and social assistance | 15.4 | 15.4 | 15.3 | 0.0 | 0.1 | 0.7% |
| Leisure and hospitality | 7.3 | 7.1 | 6.8 | 0.2 | 0.5 | 7.4% |
| Food services | 5.3 | 5.1 | 4.9 | 0.2 | 0.4 | 8.2% |
| Government | 17.1 | 17.5 | 17.3 | -0.4 | -0.2 | -1.2% |
| Federal government | 1.2 | 1.2 | 1.2 | 0.0 | 0.0 | 0.0% |
| State government | 2.4 | 2.8 | 2.8 | -0.4 | -0.4 | -14.3% |
| Local government | 13.5 | 13.5 | 13.3 | 0.0 | 0.2 | 1.5% |
| 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 Junes of 2013 and 2014, the Yakima County nonfarm labor market gained 400 jobs, a 0.5 percent increase.

Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County’s employment rose to 80,800 in June 2014 from the 80,400 jobs tallied in June 2013, a 400 job and 0.5 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment grew by 300 (up 9.1 percent) countywide between June 2013 and June 2014. Mining, logging and construction registered 3,600 jobs across Yakima County in June 2014 and 3,300 jobs in June 2013, with construction accounting for the lion's share of the jobs in this combined category. This industry has posted year-over-year growth in the last two months (in May and June 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 9.0 percent between the Junes of 2013 and 2014 and has grown for 28 months (from March 2012 through June 2014). Commercial and residential sales have also been faring well. The June 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 six months of 2014 compared with the first six of 2013. Specifically, the number of commercial and residential real estate sales countywide rose from 1,326 from January through June 2013 to 1,530 during the first six months of 2014, a 15.4 percent upturn. The value of these sales increased 23.9 percent, from \$263.5-million from January through June 2013 to \$326.5-million in the corresponding six-month period this year. The average home price in Yakima County increased 1.1 percent between the first six calendar months of 2013 and 2014, from \$166,463 to \$168,226.
- Manufacturing employment decreased to 8,200 jobs in June 2014 compared with the 8,300 tallied in June 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."
- Transportation and utilities (primarily trucking companies) rose from 3,300 jobs in June 2013 to 3,400 in June 2014, a 3.0 percent upturn.
- Professional and business services decreased by 100 jobs between June of 2013 (4,100 jobs) and June 2014 (4,000), a 2.4 percent downturn. This employment category includes legal offices, accounting and tax preparation firms, call centers, temporary job placement agencies, etc.
- Food services (primarily at restaurants) climbed from 4,900 part- and full-time jobs in June 2013 to 5,300 in June 2014, a substantial 400 job and 8.2 percent increase.
- State government plummeted 14.3 percent, from 2,800 to 2,400 jobs between the Junes of 2013 and 2014.