



Yakima MSA (Yakima County) Labor Area Summary July 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 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 July 2013 and July 2014) and annual average (between 2012 and 2013) changes in the labor market.

Unemployment rates

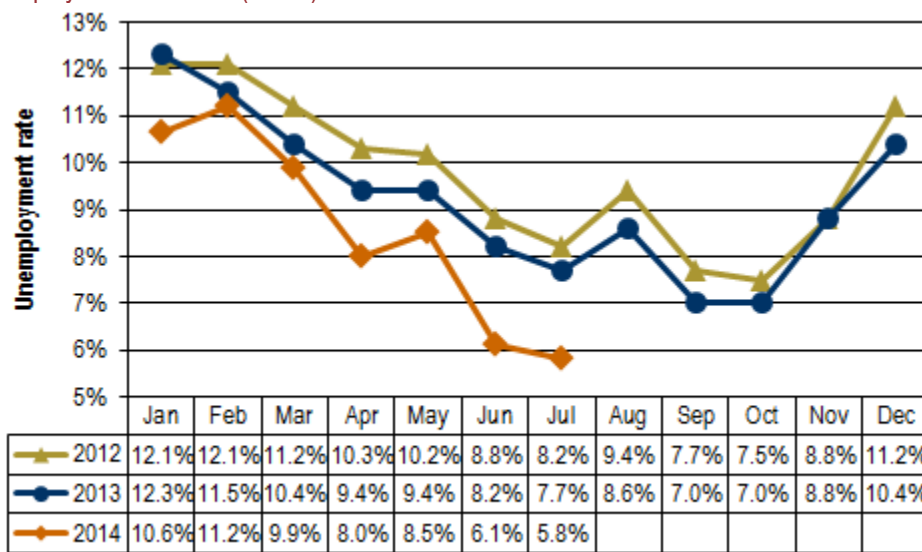
Washington state's annual average not seasonally adjusted unemployment rate decreased one and one-tenths percentage points between 2012 and 2013, from 8.1 percent to 7.0 percent. Between the Julys of 2013 and 2014 the rate decreased from 6.8 to 5.4 percent, a one and four-tenths percentage points decline.

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 one and nine-tenths percentage points in July 2014 to 5.8 percent, from the 7.7 percent reading in July 2013 (as shown in *Figure 1*). The last time a July unemployment rate was this low in the Yakima MSA was seven years ago (in July 2007) when the unemployment rate was 5.4 percent.

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2012 through July 2014

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



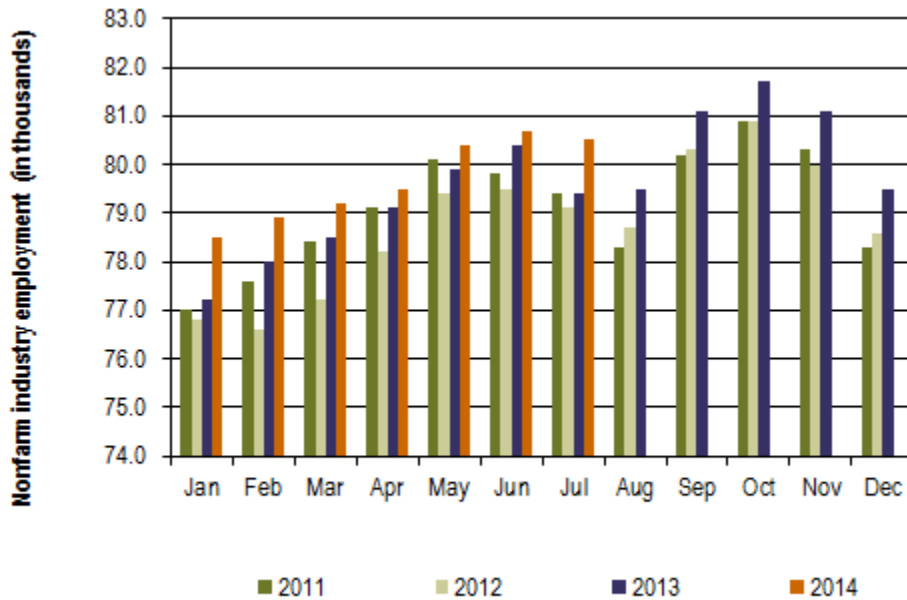
Yakima County's unemployment rate decreased one and nine-tenths percentage points between July 2013 and July 2014.

Total nonfarm employment

Between 2012 and 2013, Washington's labor market provided 68,500 new nonfarm jobs, an annual average increase of 2.3 percent. This July, businesses and government organizations across Washington supplied 3,093,600 nonfarm jobs (not seasonally adjusted), compared to 3,000,400 jobs in July 2013, a 3.1 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 46 consecutive months (October 2010 through July 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 Julys of 2013 and 2014, the local nonfarm market registered a 1.4 percent and 1,100 job upturn. Employers provided 80,500 jobs in July 2014 versus 79,400 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 20 consecutive months (December 2012 through July 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 July 2014
 Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 1.4 percent from July 2013 to July 2014.

Employment and unemployment

Washington's Civilian Labor Force (CLF) shrank by 23,600 residents (a 0.7 percent downturn) between 2012 and 2013. However, from July 2013 to July 2014, the state's labor force increased 0.3 percent. This July, Washington's CLF tallied 3,496,080 residents versus 3,484,590 in July 2013, equating to 11,490 more Washingtonians in the labor force.

Yakima County's CLF shrank by 1,330 residents from 2012 to 2013 (a 1.1 percent downturn) and the County's labor force continued to recede in each of the first six months of 2014 – not good economic news. However, between the Julys of 2013 and 2014, the County's labor force expanded 1.6 percent, from 130,940 to 133,010 residents, respectively. Some of this labor force growth was due to the abundant 2014 cherry harvest. Note that 2,330 fewer residents were unemployed this July versus the same month in 2013. In July 2013, Yakima County had 10,090 unemployed residents compared with 7,760 this July (see *Figure 3*). Let's hope this labor force expansion continues.

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

Yakima County	Preliminary Jul-14	Revised Jun-14	Revised Jul-13	Change		
				Jun-14	Jul-13	Jul-13
				Jul-14	Jul-14	Jul-14 %
Labor force and unemployment						
Civilian labor force	133,010	127,550	130,940	5,460	2,070	1.6%
Resident employment	125,250	119,810	120,850	5,440	4,400	3.6%
Unemployment	7,760	7,740	10,090	20	-2,330	-23.1%
Unemployment rate	5.8	6.1	7.7	-0.3	-1.9	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	80.5	80.7	79.4	-0.2	1.1	1.4%
Total private	64.1	63.8	63.1	0.3	1.0	1.6%
Goods producing	12.2	12.0	11.7	0.2	0.5	4.3%
Mining, logging and construction	4.1	3.9	3.4	0.2	0.7	20.6%
Manufacturing	8.1	8.1	8.3	0.0	-0.2	-2.4%
Nondurable goods	5.0	4.8	5.4	0.2	-0.4	-7.4%
Service providing	68.3	68.7	67.7	-0.4	0.6	0.9%
Private service providing	51.9	51.8	51.4	0.1	0.5	1.0%
Trade, transportation and utilities	17.6	18.0	18.0	-0.4	-0.4	-2.2%
Wholesale trade	4.4	4.5	4.3	-0.1	0.1	2.3%
Retail trade	10.0	10.3	10.4	-0.3	-0.4	-3.8%
Transportation and utilities	3.2	3.2	3.3	0.0	-0.1	-3.0%
Professional and business services	3.9	3.9	4.1	0.0	-0.2	-4.9%
Education and health services	16.3	16.5	16.3	-0.2	0.0	0.0%
Health care and social assistance	15.5	15.5	15.3	0.0	0.2	1.3%
Leisure and hospitality	7.5	7.4	6.7	0.1	0.8	11.9%
Food services	5.5	5.5	4.9	0.0	0.6	12.2%
Government	16.4	16.9	16.3	-0.5	0.1	0.6%
Federal government	1.3	1.2	1.2	0.1	0.1	8.3%
State government	2.5	2.4	2.5	0.1	0.0	0.0%
Local government	12.6	13.3	12.6	-0.7	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 Julys of 2013 and 2014, the Yakima County nonfarm labor market gained 1,100 jobs, a 1.4 percent increase.

Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County's employment rose to 80,500 in July 2014 from the 79,400 jobs tallied in July 2013, a 1,100 job and 1.4 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment jumped by 700 (up 20.6 percent) countywide between July 2013 and July 2014. Mining, logging and construction registered 4,100 jobs across Yakima County in July 2014 and 3,400 jobs in July 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 five months (from in March to July 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 July 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 seven months of 2014 compared with the first seven of 2013. Specifically, the number of commercial and residential real estate sales countywide rose from 1,645 from January through July 2013 to 1,806 during the first seven months of 2014, a 9.8 percent upturn. The value of these sales increased 20.5 percent, from \$324.2-million from January through July 2013 to \$390.6-million in the corresponding seven-month period this year. The average home price in Yakima County increased 3.1 percent between the first seven calendar months of 2013 and 2014, from \$167,461 to \$172,672.
- Nondurable goods manufacturing (primarily food processing) employment decreased to 5,000 jobs in July 2014 compared with the 5,400 tallied in July of last year (*see Table 3*). On an annual average basis, food processors account for 60-70 percent of all manufacturing jobs countywide.
- Retail trade declined from 10,400 jobs in July 2013 to 10,000 in July 2014, a 3.8 percent downturn. Statewide, retail trade store employment has increased for the past 46 months (October 2010 through July 2014).
- Health care and social assistance increased by 200 jobs (up 1.3 percent) between the Julys of 2013 and 2014. This industry has posted year over year gains for the past eight months in Yakima County. Washington's health care and social assistance providers have added jobs for the past 19 consecutive months (from January 2013 through July 2014).
- Yakima County's leisure and hospitality sector (primarily hotels and restaurants) has been growing for the last nine months (from November 2013 through July 2014). Between the Julys of 2013 this industry added 800 jobs to the local nonfarm market, more than any other industry countywide. The only limitation to this good economic news is that leisure and hospitality has a relatively high proportion of part-time and below family wage jobs. Washington's leisure and hospitality industry has grown for 46 months (from October 2010 through July 2014).

Agricultural employment/production

According to the 2012 Agricultural Census produced by the USDA's National Agricultural Statistics Service (NASS), Yakima County came in a close-second to Grant County in agricultural sales, tallying \$1.6 billion during calendar year 2012. The top position however, went to Grant County which registered the highest volume of agricultural sales (\$1.7 billion) in all of Washington's 39 counties. Crop and livestock sales there were \$1.1 billion in 2007, the last year in which NASS released county-level sales data. A July 9, 2014 Columbia Basin Herald article entitled Grant County Leads Washington State in Agricultural Sales reported: "The increase between the 2007 and 2012 census was enough to bump Grant County up one spot on the state's list of top agricultural sellers. In 2007, Grant County had the No. 2 spot on the list, coming in after Yakima County which recorded \$1.2 billion in agricultural sales that year."