



Yakima MSA (Yakima County) Labor Area Summary September 2014

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Overview

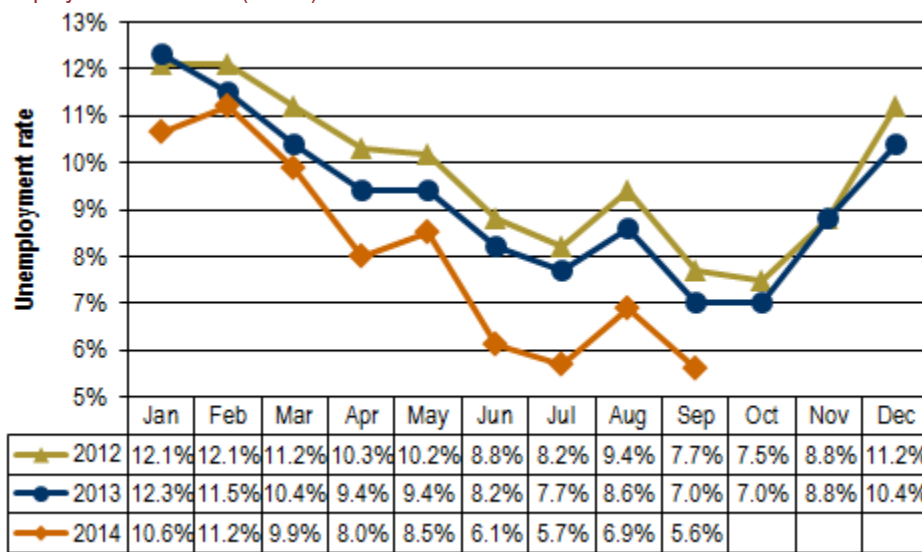
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between September 2013 and September 2014) and average annual (between 2012 and 2013) changes in the labor market.

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 Septembers of 2013 and 2014 the rate decreased from 6.4 to 5.4 percent, a drop of one full percentage point.

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 four-tenths percentage points in September 2014 to 5.6 percent, from the 7.0 percent reading in September 2013 (as shown in *Figure 1*). The last time a September unemployment rate was this low in the Yakima MSA was six years ago (in September 2008) when the unemployment rate was 5.2 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2012 through September 2014
 Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



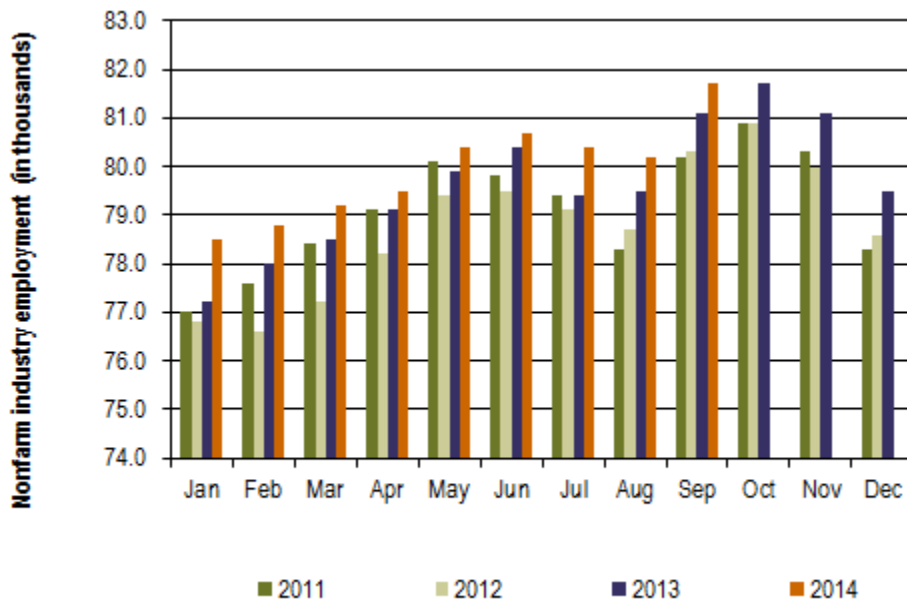
Yakima County's unemployment rate decreased one and four-tenths percentage points between September 2013 and September 2014.

Total nonfarm employment

Between 2012 and 2013, Washington's labor market provided 68,600 new nonfarm jobs, an annual average increase of 2.3 percent. This September, businesses and government organizations across Washington supplied 3,094,200 nonfarm jobs (not seasonally adjusted), compared to 3,018,400 jobs in September 2013, a 2.5 percent year-over-year employment increase. The state's economy has posted nonfarm employment increases for the past 48 consecutive months (October 2010 through September 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 Septembers of 2013 and 2014, the local nonfarm market registered a 0.7 percent and 600 job upturn. Employers provided 81,700 jobs in September 2014 versus 81,100 in the corresponding month one-year prior (see *Figure 3*). Yakima County's employment has increased, year over year, for the past 22 consecutive months (December 2012 through September 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 September 2014
Source: Employment Security Department/LMPA



Nonfarm employment in Yakima County increased 0.7 percent from September 2013 to September 2014.

Employment and unemployment

Washington's Civilian Labor Force (CLF) shrank by 23,600 residents (a 0.7 percent downturn) between 2012 and 2013 and it continued to decline during the first six months of 2014. However, the CLF expanded year over year in July, August and September 2014. Most recently, from September 2013 to September 2014, the state's labor force increased 0.4 percent. This September, Washington's CLF tallied 3,479,250 residents versus 3,465,480 in September 2013, equating to 13,770 more Washingtonians in the labor force.

Yakima County's CLF shrank by 1,330 residents from 2012 to 2013 (a 1.1 percent downturn). The County's labor force continued to contract during the first six months of 2014, before posting year over year expansions in July, August and September 2014. Between the Septembers of 2013 and 2014 the CLF advanced 0.6 percent, from 131,440 to 132,260 residents (meaning that 820 more residents were in the labor force) while the number of unemployed declined from 9,210 in September 2013 to 7,460 in September 2014 (meaning that 1,750 fewer residents were out of work). The result was that Yakima County's unemployment rate fell one and four-tenths percentage points between the Septembers of 2013 and 2014 (see *Figure 3*).

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

Yakima County	Preliminary Sep-14	Revised Aug-14	Revised Sep-13	Change		
				Sep-14	Aug-13	Sep-13
				Sep-14	Sep-14	Sep-14 %
Labor force and unemployment						
Civilian labor force	132,260	128,300	131,440	3,960	820	0.6%
Resident employment	124,800	119,420	122,230	5,380	2,570	2.1%
Unemployment	7,460	8,880	9,210	-1,420	-1,750	-19.0%
Unemployment rate	5.6	6.9	7.0	-1.3	-1.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	81.7	80.2	81.1	1.5	0.6	0.7%
Total private	65.2	64.8	64.7	0.4	0.5	0.8%
Goods producing	12.3	12.3	12.4	0.0	-0.1	-0.8%
Mining, logging and construction	4.0	4.1	3.4	-0.1	0.6	17.6%
Manufacturing	8.3	8.2	9.0	0.1	-0.7	-7.8%
Nondurable goods	5.5	5.1	6.1	0.4	-0.6	-9.8%
Service providing	69.4	67.9	68.7	1.5	0.7	1.0%
Private service providing	52.9	52.5	52.3	0.4	0.6	1.1%
Trade, transportation and utilities	18.2	18.2	18.5	0.0	-0.3	-1.6%
Wholesale trade	4.5	4.5	4.6	0.0	-0.1	-2.2%
Retail trade	10.4	10.4	10.4	0.0	0.0	0.0%
Transportation and utilities	3.3	3.3	3.5	0.0	-0.2	-5.7%
Professional and business services	3.9	3.9	4.1	0.0	-0.2	-4.9%
Education and health services	16.5	16.4	16.5	0.1	0.0	0.0%
Health care and social assistance	15.6	15.5	15.4	0.1	0.2	1.3%
Leisure and hospitality	7.3	7.6	6.9	-0.3	0.4	5.8%
Food services	5.4	5.4	5.0	0.0	0.4	8.0%
Government	16.5	15.4	16.4	1.1	0.1	0.6%
Federal government	1.2	1.3	1.2	-0.1	0.0	0.0%
State government	2.5	2.4	2.5	0.1	0.0	0.0%
Local government	12.8	11.7	12.7	1.1	0.1	0.8%
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 Septembers of 2013 and 2014, the Yakima County nonfarm labor market gained 600 jobs, a 0.7 percent increase.

Nonfarm industry employment

Not seasonally adjusted estimates indicate that Yakima County's employment rose to 81,700 in September 2014 from the 81,100 jobs tallied in September 2013, a 600 job and 0.7 percent increase. Highlights of year-over-year changes follow (as shown in *Figure 3*):

- Construction employment jumped by 600 (up 17.1 percent) countywide between September 2013 and September 2014. Mining, logging and construction registered 4,000 jobs across Yakima County in September 2014 and 3,400 jobs in September 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 nine months (from January to September 2014). Statewide, construction employment rose 7.3 percent between the Septembers of 2013 and 2014 and has grown for 31 months (from March 2012 through September 2014). Commercial and residential sales have also been faring well in Yakima County. The September 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 nine months of 2014 compared with the first nine of 2013. Specifically, the number of commercial and residential real estate sales countywide rose from 2,227 from January through September 2013 to 2,387 during the first nine months of 2014, a 7.2 percent upturn. The value of these sales increased 10.6 percent, from \$456.7-million from January through September 2013 to \$505.2-million in the corresponding nine-month period this year. The average home price in Yakima County increased 1.5 percent between the first nine calendar months of 2013 and 2014, from \$170,327 to \$172,831.
- Manufacturing employment decreased 7.8 percent (down 700 jobs) between the Septembers of 2013 and 2014, due to a downturn amongst nondurable goods manufacturers (primarily food processors). Nondurable goods employment retrenched to 5,500 jobs in September 2014 compared with the 6,100 tallied in September of last year (*see Table 3*). On an annual average basis, food processors account for 60-70 percent of all manufacturing jobs countywide.
- In aggregate, health care and social assistance increased by 200 jobs (up 1.3 percent) between the Septembers of 2013 and 2014. This industry has posted year over year gains for the past ten months in Yakima County. However, not all health care providers have been faring well. The Yakima Valley Business Times announced in their October 3-17, 2014 edition that Prestige Care, an assisted living facility located in Grandview, WA is in the process of closing. According to Jacob White, the company's community liaison: "Its final day would be near the start of November." The article mentioned that this facility is not closing on account of the level of service it offered but rather due to finances. The article stated: "The building is primarily funded through Medicaid payments, made to support the care of residents. Medicaid reimbursement rates are insufficient, 'Medicaid reimbursement rates are \$180 a day, which hasn't changed since 2007 or 2008,' he said. He figures the center loses \$20 a day of each patient." This 47-bed health care provider is currently relocating the last few of its residents. The Business Times article mentioned: "Prestige has also attempted to relocate its Grandview employees, White said. 'Grandview had 54 employees.'" This may not just be a local phenomenon. Although Washington's health care and social assistance providers have added jobs for the past 21 consecutive months (from January 2013 through September 2014), between the Septembers of 2013 and 2014, nursing and residential care facilities statewide declined from 63,000 jobs to 62,900, a 100 job and 0.2 percent downturn. Conversely, ambulatory care services rose 3.6 percent and hospital employment increased 2.5 percent during this timeframe.
- Yakima County's food services sector expanded from 5,000 to 5,400 jobs between the Septembers of 2013 and 2014 (up 8.0 percent). 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.