

Yakima MSA (Yakima County) Labor Area Summary April 2023



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Overview

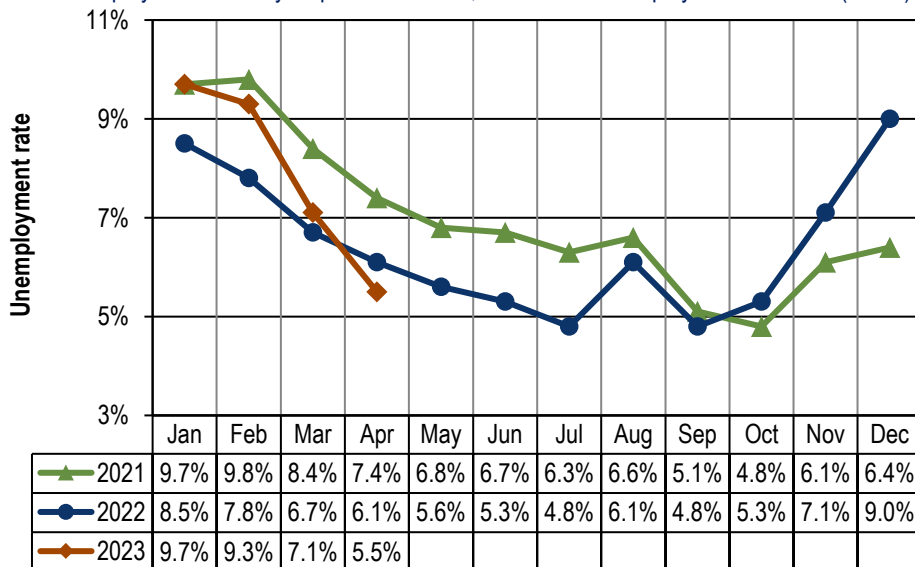
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (April 2022 through April 2023) and average annual data changes (between 2021 and 2022).

Unemployment rates

Washington’s not seasonally adjusted average annual unemployment rate fell from 5.2 percent in 2021 to 4.2 percent in 2022. Monthly unemployment rates stabilized at 4.2 percent in March 2022 and March 2023 before decreasing two-tenths of a point between April 2022 (3.7 percent) and April 2023 (3.5 percent).

In Yakima County, the not seasonally adjusted average annual unemployment rate dropped from 7.0 percent to 6.4 percent between 2021 and 2022. Year over year, monthly rates declined from April 2021 through September 2022, rose from October 2022 through March 2023, and then dropped in April 2023 (*Figure 1*). The 5.5 percent unemployment rate this April is the lowest reading for April since county-level unemployment data began to be recorded electronically in 1990.

Figure 1. Yakima County unemployment rates, not seasonally adjusted
 Washington state, January 2021 through April 2023
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate declined by six-tenths of a percentage point between April 2022 and April 2023.

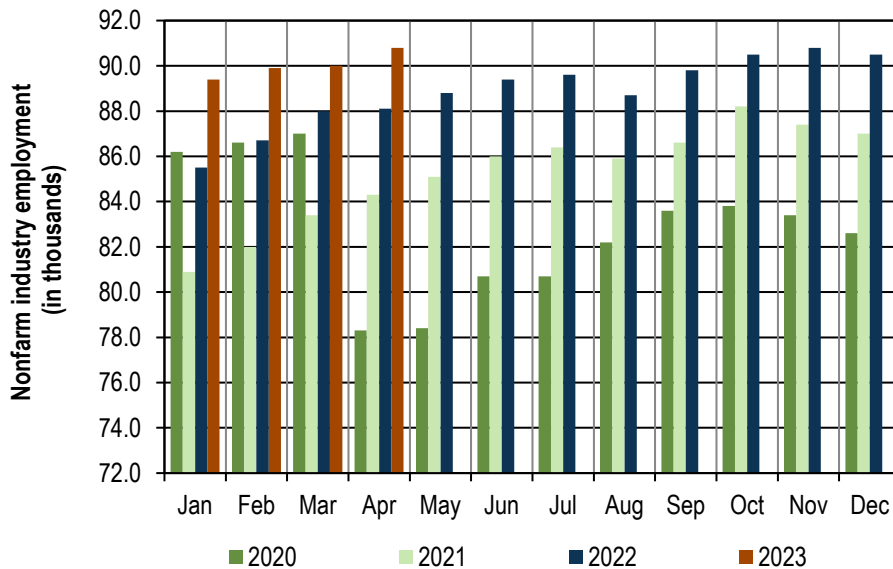
Total nonfarm employment

Between 2021 and 2022, estimates indicate that Washington’s labor market provided 159,800 more nonfarm jobs, an average annual increase of 4.7 percent. Year over year, Washington's nonfarm market has expanded in each of the past 25 months (April 2021 through April 2023). This April, business and government organizations statewide tallied 3,617,100 jobs (not seasonally adjusted) compared with 3,500,400 in April 2022, up by 116,700 jobs and by 3.3 percent.

Yakima County’s nonfarm economy added 3,600 jobs between 2021 and 2022, an average annual increase of 4.2 percent. Nonfarm employment has risen, year over year, during the past 25 months (April 2021 through April 2023). Preliminary estimates indicate that employment advanced by 2,700 jobs (up 3.1 percent) between April 2022 (88,100 jobs) and April 2023 (90,800 jobs), as shown in *Figures 2 and 3*.

Figure 2. Yakima County nonfarm industry employment, not seasonally adjusted, in thousands Washington state, January 2020 through April 2023

Source: Employment Security Department/ DATA; Current Employment Statistics (CES)



In April 2023, nonfarm employment increased to 90,800, a 2,700-job advance from the 88,100 jobs tallied in April 2022.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 91,636 residents (a 2.4 percent upturn) between 2021 and 2022. Year over year, the state’s CLF has expanded during the past 20 months (September 2021 through April 2023). Recently, Washington’s labor force grew by 88,831 residents (up 2.2 percent), from 3,951,368 residents in April 2022 to 4,040,199 in April 2023.

Yakima County’s CLF increased by 1.3 percent between 2021 (130,753 residents) and 2022 (132,442 residents). Year over year, the local labor force grew for 12 months (March 2022 through February 2023), retrenched by -0.3 percent in March 2023, and expanded by 1.1 percent in April 2023 (*Figure 3*). Also, the number of unemployed decreased by 684 (-8.7 percent), from 7,829 residents out of work in April of last year to 7,145 in April 2023 (*Figure 3*). This year-over-year decrease in the number of unemployed coupled with the recent year-over-year CLF expansion caused the Yakima County unemployment rate to fall to 5.5 percent in April 2023 from the 6.1 percent reading in April 2022 (*Figures 1 and 3*).

A comparison of labor force changes in Yakima County in the past 12 months (May 2022 through April 2023) versus the corresponding 12 months in the pre-COVID and early COVID-eras (May 2019 through April 2020) to determine whether the CLF has fully recovered yields a mix of “good” and “not so good”

news. Specifically, from May through October 2022 Yakima County's CLF was smaller than in the pre-COVID months of April through October 2019. From November 2022 through February 2023 the CLF expanded. But, in March and April 2023 the CLF retrenched below these corresponding months in 2020. April 2023 Current Local Area Unemployment Statistics (LAUS) estimates show 130,282 residents in the local labor force (*Figure 3*), a -4.5 percent downturn from the 136,436 residents in the CLF in April 2020 (at the onset of the COVID-19 pandemic).

Figure 3. Yakima County Labor force and industry employment, not seasonally adjusted
Washington state, April 2023

Source: Employment Security Department/ DATA; Local Area Unemployment Statistics (LAUS), Current Employment Statistics (CES)

Yakima County	Preliminary Apr-23	Revised Mar-23	Revised Apr-22	Change (in #)		Change (in %)
				Mar-23	Apr-22	Apr-22
				Apr-23	Apr-23	Apr-23
Labor force and unemployment						
Civilian labor force	130,282	128,731	128,818	1,551	1,464	1.1%
Resident employment	123,137	119,532	120,989	3,605	2,148	1.8%
Unemployment	7,145	9,199	7,829	-2,054	-684	-8.7%
Unemployment rate	5.5	7.1	6.1	-1.6	-0.6	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.8	90.0	88.1	0.8	2.7	3.1%
Total private	71.9	71.1	70.2	0.8	1.7	2.4%
Goods producing	13.5	13.3	12.9	0.2	0.6	4.7%
Mining, logging and construction	4.5	4.4	4.4	0.1	0.1	2.3%
Manufacturing	9.0	8.9	8.5	0.1	0.5	5.9%
Nondurable goods	5.9	5.8	5.6	0.1	0.3	5.4%
Service providing	77.3	76.7	75.2	0.6	2.1	2.8%
Private service providing	58.4	57.8	57.3	0.6	1.1	1.9%
Trade, transportation and utilities	19.8	19.7	19.5	0.1	0.3	1.5%
Wholesale trade	4.4	4.5	4.2	-0.1	0.2	4.8%
Retail trade	11.4	11.2	11.3	0.2	0.1	0.9%
Transportation and utilities	4.0	4.0	4.0	0.0	0.0	0.0%
Professional and business services	5.0	4.9	4.8	0.1	0.2	4.2%
Education and health services	19.2	19.1	19.0	0.1	0.2	1.1%
Health care and social assistance	17.9	17.8	17.6	0.1	0.3	1.7%
Leisure and hospitality	8.5	8.4	8.2	0.1	0.3	3.7%
Food services	6.7	6.6	6.4	0.1	0.3	4.7%
Government	18.9	18.9	17.9	0.0	1.0	5.6%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.5	2.5	2.4	0.0	0.1	4.2%
Local government	15.1	15.1	14.2	0.0	0.9	6.3%
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 April 2022 and April 2023, the Yakima County nonfarm labor market expanded by 3.1 percent.

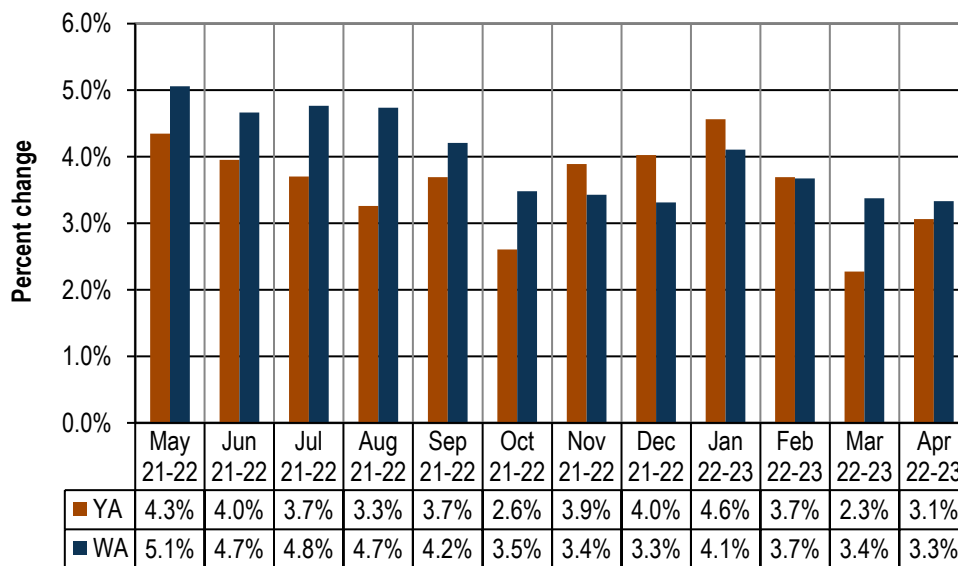
Nonfarm industry employment

In April of 2023, total nonfarm employment in Yakima County rose to 90,800 jobs, up by 3.1 percent from the 88,100 jobs tallied in April of last year. This year-over-year expansion in Yakima County’s nonfarm market has been going on now for 25 consecutive months (April 2021 through April 2023), as partially shown in *Figure 4*. Also, all major sectors of the local economy either stabilized or added jobs between April 2022 and April 2023.

During each of the past 12 months (May 2022 through April 2023) total nonfarm employment in Yakima County has consistently expanded above these corresponding pre-COVID or early COVID months from May 2019 through April 2020. This indicates that although the local labor force has is still struggling to rebound to pre-pandemic levels (see the *Employment and unemployment* section), total nonfarm employment has recovered.

Figure 4. Yakima County and Washington, total nonfarm employment changes Washington state, May 2022 through April 2023

Source: Employment Security Department/ DATA, Current Employment Statistics (CES)



Nonfarm employment in Yakima County has risen, year over year, during the past 25 months (April 2021 through April 2023). Washington's nonfarm job market has also expanded for 25 months (April 2021 through April 2023).

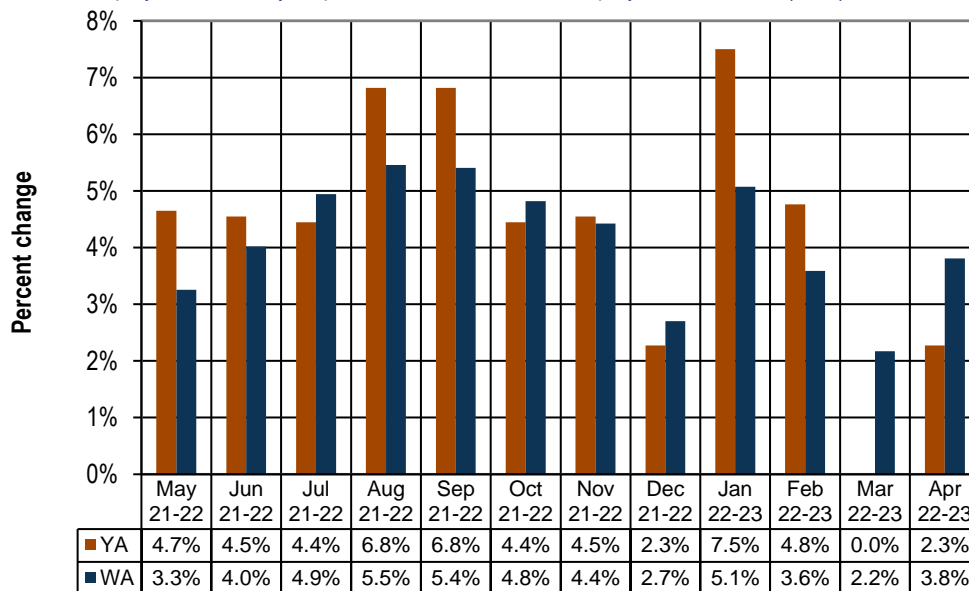
The following paragraphs summarize employment trends and changes in three local industries (construction, health care and social assistance, and local government) between April 2022 and April 2023:

- Year over year, construction employment in Yakima County has stabilized or increased for 25 months (April 2021 through April 2023). Between the Aprils of 2022 and 2023 the number of construction jobs increased from 4,400 to 4,500 (*Figures 3 and 5*). However, it seems that rising interest rates are “putting the dampers on” commercial and residential sales which may, in turn, slow down hiring in the local construction industry in forthcoming months. Current real estate sales trends suggest this possibility. For example, the number of commercial and residential sales in Yakima County from January through April of this year decreased to 832, a sharp -32.2 percent decline from the 1,228 sales recorded in the first four calendar quarter of 2022, per the April 2023 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, Washington. The value of these commercial and residential sales countywide also plummeted, from \$459.7 million as of April 2022 to \$328.0 million in April 2023, a contraction of -28.7 percent. The residential market yielded 329 fewer sales in the first four months of 2023 (544 residential sales)

versus in the first four months of 2022 (873 residential sales), a retrenchment of -37.7 percent. The value of these sales declined from \$291.6 million to \$188.4 million during this timeframe, a -35.4 percent decrease. Only average home prices advanced. Specifically, the average home price in Yakima County in April 2022 was \$334,033, whereas the average home price in April 2023 was \$346,386, a 3.7 percent increase. Suffice it to say that (although this report contains only four months of sales data) commercial and residential sales across Yakima County are off to a “lackluster” start in 2023. Across Washington, construction employment has posted year-over-year increases for 25 consecutive months (April 2021 through April 2023). Between April 2022 and April 2023, the number of construction jobs statewide advanced by 3.8 percent (up 8,700 jobs) from 228,300 jobs to 237,000 (Figure 5). Washington’s residential building construction contractors saw employment climb by an appreciable 10.0 percent, from 37,900 jobs in April 2022 to 41,700 in April 2023.

Figure 5. Yakima County and Washington, construction employment changes
Washington state, May 2022 through April 2023

Source: Employment Security Department/DATA, Current Employment Statistics (CES)



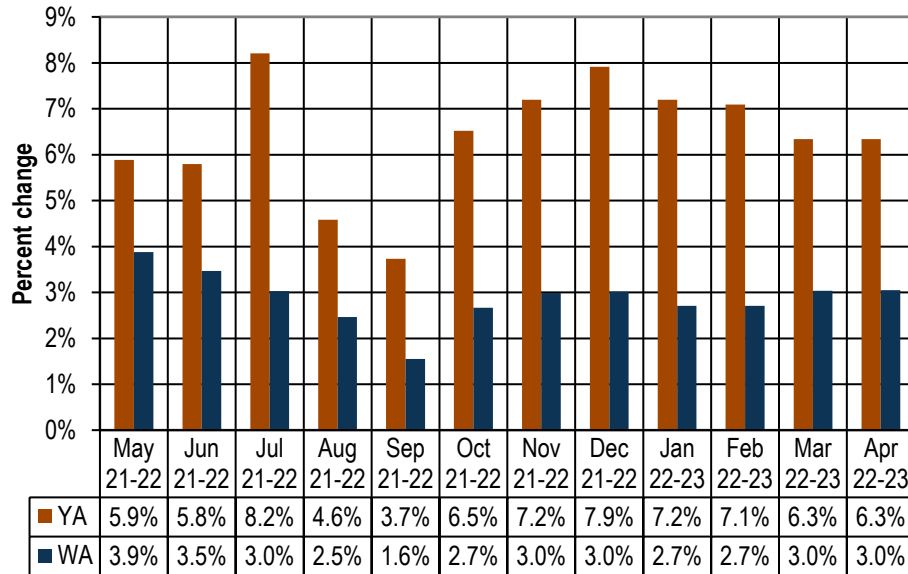
Year over year, construction employment in Yakima County has stabilized or increased for 25 months (April 2021 through April 2023). Statewide, construction employment has risen in each of the 25 months from April 2021 through April 2023).

- Year over year, health care and social assistance employment in Yakima County has increased in each of the past 16 months (January 2022 through April 2023). The health care and social assistance sector comprises establishments providing health care and social assistance for individuals. The industries in this sector include physician's offices, hospitals, medical laboratories, nursing homes, and youth and family service centers (to include child day care services). Current estimates indicate that health care and social assistance employment in Yakima County in April 2023 provided 17,900 jobs, 300 jobs more than the 17,600 tallied in April 2022, a 1.7 percent upturn (Figure 3). Statewide, this sector has added jobs during each of the past 25 months (April 2021 through April 2023). Between the Aprils of 2022 and 2023, employment in health care and social assistance across Washington rose from 445,500 to 467,900, a 22,400-job and 5.0 percent increase.
- Local government tallies jobs at the county or municipal level in a diverse array of organizations such as: public school, fire, police, parks, library, and health districts; auditor and accessor’s offices, roads crews, courts, and corrections; and Native American organizations/enterprises. Current

estimates indicate that local government organizations in Yakima County in April 2023 provided 15,100 jobs, 900 more than the 14,200 tallied in April 2022, a strong 6.3 percent upturn (*Figure 3*). In fact, Yakima County's local government sector has added jobs at a more rapid pace in each of the past 16 months (January 2021 through April 2023) than has the state, as partially shown in *Figure 6*. Statewide, local government has expanded, year over year, for the past 24 months (May 2021 through April 2023). Employment in Washington's local government organizations elevated by 3.0 percent (up 10,900 jobs) between April 2022 (357,400 jobs) and April 2023 (368,300), as shown in *Figure 6*.

Figure 6. Yakima County and Washington, local government employment changes Washington state, May 2022 through April 2023

Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Employment in Yakima County's local government sector has increased, year over year, in each of the past 25 months (April 2021 through April 2023). Statewide, local government has rebounded for the past 24 months (May 2021 through April 2023).

Agricultural employment/production

The Bureau of Labor Statistics' Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security Department provides agricultural and nonagricultural employment and wages for firms, organizations and individuals whose employees are covered by the Washington State Employment Security Act. Frequently termed "covered" or "QCEW" data, this information provides a reliable data set for comparing employment and wage trends in major industries at the county level. In November 2022, revised annual average QCEW data for calendar year 2021 became available. An analysis of employment changes from the most recent 10-year period (2011 through 2021) shows that in Yakima County:

- Total covered employment rose from 101,249 in 2011 to 112,315 in 2021, a 11,066 job and 10.9 percent upturn, with annualized employment growth between 2011 and 2021 of 1.0 percent. The number of agricultural jobs (a subset of total covered employment) increased from 25,073 in 2011 to 29,786 in 2021, a 4,713 job and 18.8 percent uptrend, with annualized employment growth of 1.7 percent. In 2011, Yakima County's agricultural industry accounted for 24.8 percent of total covered employment. In 2021, agricultural employment accounted for 26.5 percent of total covered employment countywide. Hence, the agricultural share of total employment rose by 1.7 percentage points (from 24.8 to 26.5 percent) in Yakima County from 2011 to 2021. Within this 10-year period,

however, this “agriculture as a percentage of total covered employment” figure was highest in 2016, at 28.1 percent.

- Total covered wages rose from \$3.27 billion in 2011 to \$5.12 billion in 2021, a \$1.85 billion and 56.6 percent upturn, with annualized payroll growth between 2011 and 2021 of 4.6 percent. The agricultural payroll (a subset of total covered wages) advanced from \$0.57 billion in 2011 to \$1.07 billion in 2021, a strong \$0.51 billion and 89.3 percent uptrend, with annualized wage growth between 2011 and 2021 of 6.6 percent. In 2011, Yakima County’s agricultural industry accounted for 17.3 percent of total covered wages. In 2021, agricultural wages accounted for 21.0 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 3.7 percentage points (from 17.3 to 21.0 percent) during this period.
- One could say that in this most recent ten-year timeframe, the agricultural industry, in terms of employment, and especially in terms of payroll, has become more “influential” in the Yakima County economy. However, it also should be noted that covered agricultural employment peaked in Yakima County in 2018 at 32,320 jobs and tapered off yearly to 31,638 jobs in 2019, to 30,767 in 2020, and to 29,786 in 2021. Anecdotal evidence suggests at least three possibilities for this more recent (i.e., 2019 through 2021) agricultural employment decline in Yakima County: automation, the gradual conversion of some seasonal agricultural jobs to year-round positions, and the increased use of H-2A agricultural labor.

Web link to Monthly Employment Report (MER) for Washington state

<https://esd.wa.gov/labormarketinfo/monthly-employment-report>