

# Yakima MSA (Yakima County) Labor Area Summary July 2023



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## Overview

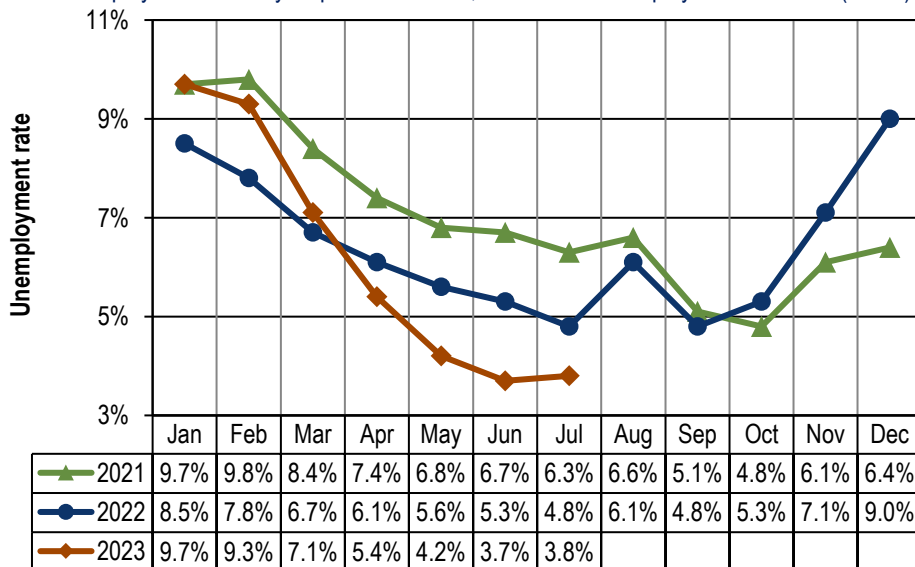
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (July 2022 through July 2023) and average annual data changes (between 2021 and 2022).

## Unemployment rates

Washington’s not seasonally adjusted average annual unemployment rate fell one full point, from 5.2 percent in 2021 to 4.2 percent in 2022. The monthly unemployment rate decreased four-tenths of a percentage point between July 2022 (4.0 percent) and July 2023 (3.6 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 rose from October 2022 through March 2023 before declining from April through July 2023 (*Figure 1*). The 3.8 percent unemployment rate in July 2023 is the lowest reading for the month of July 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 July 2023  
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



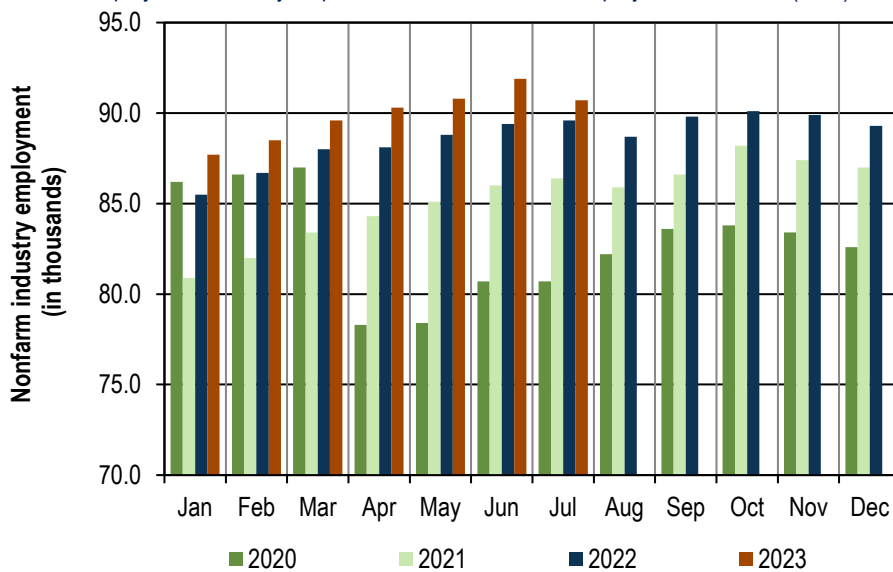
*Yakima County’s unemployment rate dropped by one percentage point between July 2022 and July 2023.*

## Total nonfarm employment

Between 2021 and 2022, estimates indicate that Washington’s labor market provided 157,100 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 28 months (April 2021 through July 2023). This July, business and government organizations statewide tallied 3,620,800 jobs (not seasonally adjusted) compared with 3,562,900 in July 2022, up by 57,900 jobs and by 1.6 percent (*Figure 4*).

Yakima County’s nonfarm economy added 3,400 jobs between 2021 and 2022, an average annual increase of 4.0 percent. Nonfarm employment has risen, year over year, during the past 28 months (April 2021 through July 2023) but the growth pace has been slowing since the 1st Quarter of 2022. Preliminary estimates indicate that employment advanced by 1,100 jobs (up 1.2 percent) between July 2022 (89,600 jobs) and July 2023 (90,700 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 July 2023  
Source: Employment Security Department/ DATA; Current Employment Statistics (CES)



In July 2023, nonfarm employment increased to 90,700, a 1,100-job advance from the 89,600 jobs tallied in July 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 23 months (September 2021 through July 2023). Recently, Washington’s labor force grew by 82,336 residents (up 2.1 percent), from 3,995,954 residents in July 2022 to 4,078,290 in July 2023.

Yakima County’s CLF increased by 1.3 percent between 2021 (130,753 residents) and 2022 (132,442 residents). Year over year, Yakima County's labor force receded by -4.1 percent in June 2023 and by -1.2 percent in July 2023. In July of 2022 there were 138,453 residents in the local CLF, but this number fell to 136,735 in July 2023, down by 1,718 residents and -1.2 percent. Simultaneously, the number of unemployed plummeted by 1,551 (-23.2 percent), from 6,681 unemployed residents in July 2022 to 5,130 in July 2023 (*Figure 3*). This sharp drop in the number of unemployed compensated for the CLF contraction and caused the Yakima County unemployment rate to fall to 3.8 percent in July 2023 from the 4.8 percent reading in July 2022 (*Figures 1 and 3*).

A comparison of labor force changes in Yakima County in the past 12 months (August 2022 through July

2023) versus the corresponding 12 months in the pre-COVID era (August 2018 through August 2019) yields a mix of good and bad news. From August 2022 through February 2023 Yakima County's CLF was larger than in the pre-pandemic months from August 2018 through February 2019; but starting in March 2023 the local CLF has generally decreased below corresponding months in the pre-COVID era (March through July 2019). These local labor force trends will bear watching in forthcoming months.

**Figure 3. Yakima County Labor force and industry employment, not seasonally adjusted**

Washington state, July 2023

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

Yakima County	Preliminary Jul-23	Revised Jun-23	Revised Jul-22	Change (in #)		Change (in %)
				Jun-23	Jul-22	Jul-22
				Jul-23	Jul-23	Jul-23
<b>Labor force and unemployment</b>						
Civilian labor force	136,735	132,692	138,453	4,043	-1,718	-1.2%
Resident employment	131,605	127,766	131,772	3,839	-167	-0.1%
Unemployment	5,130	4,926	6,681	204	-1,551	-23.2%
Unemployment rate	3.8	3.7	4.8	0.1	-1.0	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	90.7	91.9	89.6	-1.2	1.1	1.2%
Total private	73.3	73.1	71.4	0.2	1.9	2.7%
Goods producing	13.1	13.2	13.4	-0.1	-0.3	-2.2%
Mining, logging and construction	4.8	4.9	4.7	-0.1	0.1	2.1%
Manufacturing	8.3	8.3	8.7	0.0	-0.4	-4.6%
Nondurable goods	5.3	5.3	5.7	0.0	-0.4	-7.0%
Service providing	77.6	78.7	76.2	-1.1	1.4	1.8%
Private service providing	60.2	59.9	58.0	0.3	2.2	3.8%
Trade, transportation and utilities	20.3	20.4	20.1	-0.1	0.2	1.0%
Wholesale trade	4.4	4.4	4.4	0.0	0.0	0.0%
Retail trade	11.9	11.9	11.5	0.0	0.4	3.5%
Transportation and utilities	4.0	4.1	4.2	-0.1	-0.2	-4.8%
Professional and business services	5.1	5.1	4.8	0.0	0.3	6.3%
Education and health services	19.8	19.5	18.6	0.3	1.2	6.5%
Health care and social assistance	18.2	18.1	17.4	0.1	0.8	4.6%
Leisure and hospitality	8.7	8.6	8.6	0.1	0.1	1.2%
Food services	6.8	6.8	6.7	0.0	0.1	1.5%
Government	17.4	18.8	18.2	-1.4	-0.8	-4.4%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.4	2.7	2.4	-0.3	0.0	0.0%
Local government	13.7	14.8	14.5	-1.1	-0.8	-5.5%
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 12<sup>th</sup> of the month. Columns may not add due to rounding.

*Between July 2022 and July 2023, the Yakima County nonfarm labor market grew by 1.2 percent.*

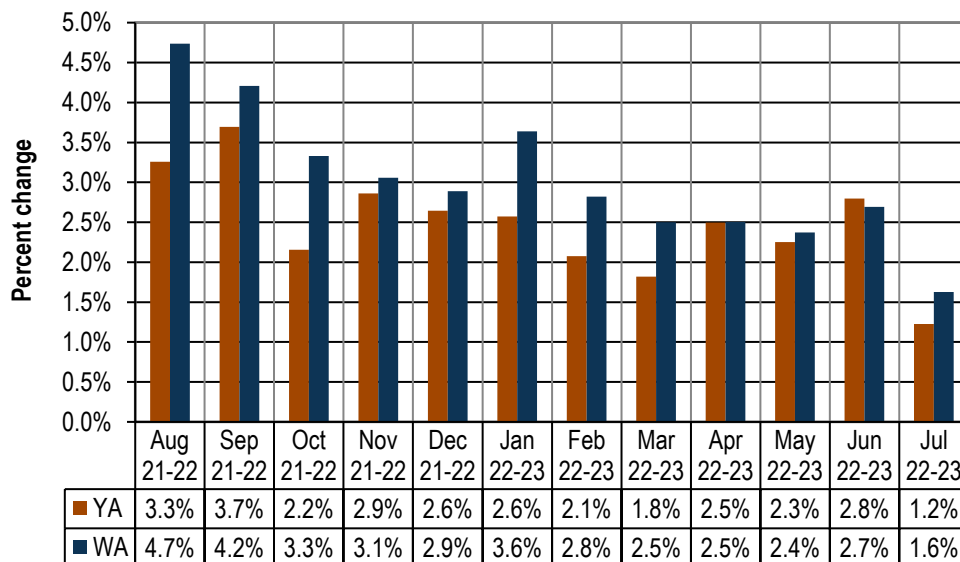
## Nonfarm industry employment

In July of 2023, total nonfarm employment in Yakima County rose to 90,700 jobs, up 1.2 percent from the 89,600 jobs tallied in July of last year. This year-over-year expansion in Yakima County’s nonfarm market has been underway for 28 consecutive months (April 2021 through July 2023) but with monthly job growth rates slowing since the 1<sup>st</sup> Quarter of 2022, as partially shown in *Figure 4*. Year-over-year job growth this July was robust in healthcare and social assistance (up 800 jobs) and retail trade (up 400 jobs) while nondurable goods manufacturing netted 400 fewer jobs and transportation and private utilities dropped by 200 since July 2022 (*Figure 3*).

Local government also reported 800 fewer jobs this July than in July 2022. However, employment in Yakima County's local government sector had been posting year-over-year gains for 27 months (April 2021 through June 2023) prior to this 800-job downturn in July 2023. It is likely that this -5.5 percent drop (*Figure 3*) was caused by a timing difference in reporting public-school non-teaching support staff. Specifically, many support staff (i.e., bus drivers, cafeteria, and maintenance workers, etc.) are laid off each July and rehired each September. Some of these employees were likely retained longer and tallied in the local government payroll in July 2022, but not in July 2023. Hence the 800-job drop between the Julys of 2022 and 2023 was probably a one-time event and it is expected that local government employment will return to “normal” when August 2023 job estimates are published.

**Figure 4.** Yakima County and Washington, total nonfarm employment changes Washington state, August 2022 through July 2023

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



Year over year, nonfarm employment in Yakima County has expanded for 28 months (April 2021 through July 2023) but the growth pace has been slowing since the 1<sup>st</sup> Quarter of 2022. Washington’s nonfarm job market has also expanded for 28 months (April 2021 through July 2023).

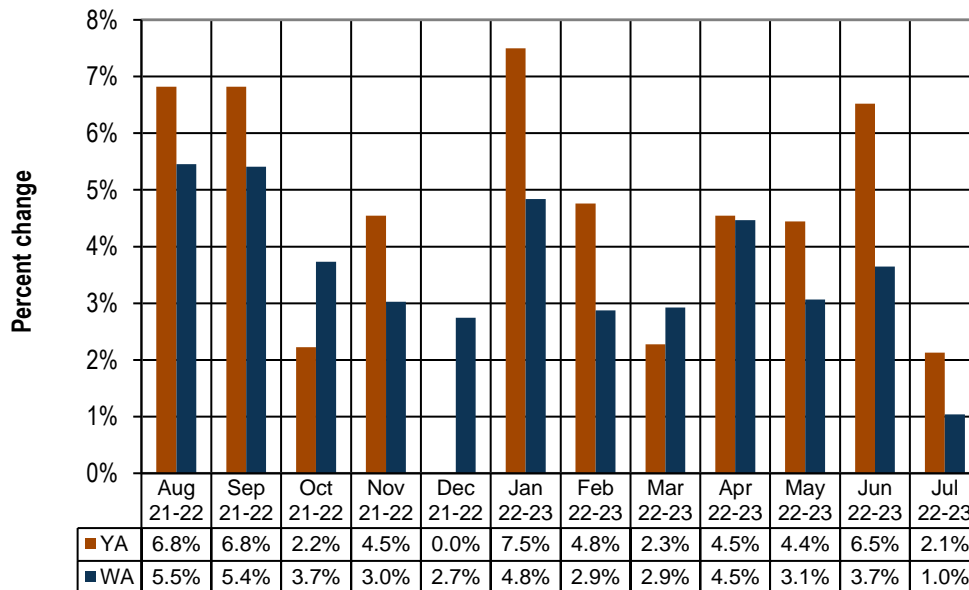
The following paragraphs summarize employment trends and changes in three local industries (construction, manufacturing and education and health services) between July 2022 and July 2023:

- Year over year, construction employment in Yakima County has stagnated or increased in the past 28 months (April 2021 through July 2023), as shown in *Figure 5*. Between July 2022 and July 2023, the number of construction jobs edged upwards from 4,700 to 4,800 across Yakima County, a 100 job and 2.1 percent upturn (*Figures 3 and 5*). However, commercial and residential sales activity during the first seven months of this year has slowed compared to January through July 2022.

Specifically, the number of commercial and residential sales in Yakima County from January through July of this was 1,659, a sharp -29.5 percent decline from the 2,352 sales recorded in the first seven calendar months of 2022, per the July 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 \$887.1 million Year-to-Date (YTD) in July 2022 to \$615.2 million in July 2023, a contraction of -30.6 percent. The residential market yielded 570 fewer sales in the first seven months of 2023 (1,165 residential sales) versus in the first seven months of 2022 (1,735 residential sales), a -32.9 percent retrenchment. The value of these sales declined from \$606.7 million to \$411.0 million during this timeframe, a -32.3 percent decrease. Only average home prices advanced. Specifically, the average home price in Yakima County from January through July 2022 was \$349,707, whereas the average home price in July 2023 was \$352,827, a modest 0.9 percent increase. These recent subdued commercial and residential sales data in Yakima County suggest that construction employment may soon follow suit. Time will tell.

Across Washington, construction employment has posted year-over-year increases for 28 consecutive months (April 2021 through July 2023). Between July 2022 and July 2023, the number of construction jobs statewide elevated by 1.0 percent (*Figure 5*) and by 2,500 jobs, from 240,000 jobs to 242,500 (*Figure 5*). This 1.0 percent construction employment upturn is the lowest year-over-year employment growth rate experienced in Washington since this industry began recovering from the COVID-19 pandemic and registering job gains in April 2021.

**Figure 5.** Yakima County and Washington, construction employment changes Washington state, August 2022 through July 2023  
 Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, construction employment in Yakima County has stagnated or increased in the past 28 months (April 2021 through July 2023). Statewide, construction employment has expanded for 28 months (April 2021 through July 2023).

- Manufacturing employment in Yakima County has stagnated or contracted in each of the past eight months (December 2022 through July 2023). Current estimates indicate that the local manufacturing sector provided 8,300 jobs in July 2023, 400 fewer jobs than the 8,700 tallied in July 2022, a -4.6 percent downturn (*Figure 3*). This 400-job loss was attributable to fewer jobs in the County’s nondurable goods manufacturing industry (primarily in food processing) this July 2023 (5,700 jobs) versus in July 2022 (5,300 jobs), a -7.0 percent setback (*Figure 3*).

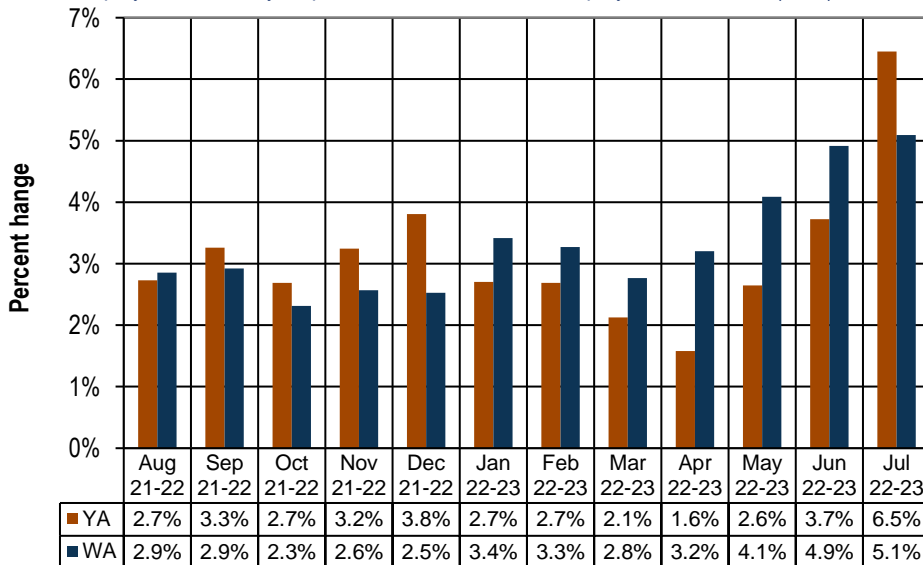
Statewide, manufacturing employment has increased for 21 months (November 2021 through July 2023). Between the Julys of 2022 and 2023, employment in this sector across Washington rose from 273,000 jobs to 275,400, a 2,400-job and 0.9 percent increase. Aerospace products and part manufacturing rose 9.9 percent, from 72,000 to 79,100 jobs, leading this expansion. Conversely, nondurable goods manufacturing (primarily food processing) saw employment dwindle statewide from 89,900 jobs in July 2022 to 84,800 this July.

- Year over year, education and health services employment in Yakima County has increased in each of the past 28 months (April 2021 through July 2023). The education and health services category is comprised of ambulatory healthcare services, private hospitals, nursing and residential care facilities, social assistance (i.e., vocational rehabilitation services; community food, housing, and relief services; child day care services, etc.), and private educational services. Education and health services provided 18,600 jobs countywide in July 2022 versus 19,800 this July, a 1,200 job and a 6.5 percent upturn (Figure 3).

Statewide this industry has added jobs in every month during the past 28 months (April 2021 through July 2023). Current Employment Statistics (CES) estimates indicate that Washington’s education and health services employers tallied 534,300 jobs in July 2023 versus 508,400 in July 2022, a 25,900 job and 5.1 percent upturn (Figure 6). Private educational services, an industry within the broader education and health services category, posted a respectable 10.1 percent employment growth rate during this period, advancing from 60,200 jobs in July 2022 to 66,300 jobs in July 2023 (up 6,100 jobs).

**Figure 6.** Yakima County and Washington, education and health services employment changes Washington state, August 2022 through July 2023

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



Year over year, employment in education and health services in Yakima County has expanded in each of the past 28 months (April 2021 through July 2023). Statewide, employment in this industry has also increased for 28 consecutive months (April 2021 through July 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 June 2023, preliminary annual average QCEW data for calendar year 2022 became available. An analysis of employment changes from the most recent 10-year period (2012 through 2022) shows that in Yakima County:

- Total covered employment rose from 102,748 in 2012 to 115,409 in 2022, a 12,661 job and 12.3 percent upturn, with annualized employment growth between 2012 and 2022 of 1.2 percent. The number of agricultural jobs (a subset of total covered employment) increased from 27,029 in 2012 to 29,199 in 2022, a 2,170 job and 8.0 percent uptrend, with annualized employment growth of 0.8 percent. In 2012, Yakima County’s agricultural industry accounted for 26.3 percent of total covered employment. In 2022, agricultural employment accounted for 25.3 percent of total covered employment countywide. Hence, the agricultural share of total employment slipped by 1.0 percentage point (from 26.3 to 25.3 percent) in Yakima County from 2012 to 2022. Within this 10-year period, it should be noted that the percent of total covered employment provided by the local agricultural sector (NAICS 11) was highest in 2016, at 28.1 percent.
- Total covered wages rose from \$3.40 billion in 2012 to \$5.46 billion in 2022, a \$2.06 billion and 60.5 percent upturn, with annualized payroll growth between 2012 and 2022 of 4.8 percent. The agricultural payroll (a subset of total covered wages) advanced from \$651.9 million in 2012 to \$1.07 billion in 2022, a \$415.7 million and 63.8 percent uptrend, with annualized wage growth between 2012 and 2022 of 5.1 percent. In 2012, Yakima County’s agricultural industry accounted for 19.2 percent of total covered wages. In 2022, agricultural wages accounted for 19.6 percent of total covered payroll countywide. Hence, the share of total wages provided by the agricultural sector (NAICS 11) edged upwards by 0.4 percentage point (from 19.2 to 19.6 percent) during this period.
- One could generalize that in this most recent ten-year timeframe, the agricultural industry, in terms of *employment*, has become relatively “less influential” in the Yakima County economy, since the agricultural share of total covered employment slipped by 1.0 percentage point. However, the agricultural industry, in terms of *wages/payroll*, has become marginally “more influential” in the Yakima County economy, since the agricultural share of total covered wages inched upwards by four-tenths of a percentage point between 2012 and 2022.
- It also should be noted that covered agricultural employment peaked in Yakima County in 2018 at 32,320 jobs and tapered off yearly to 29,199 jobs in 2022. Anecdotal evidence suggests at least three possibilities for this more recent (i.e., 2018 through 2022) 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>