

Yakima MSA (Yakima County) Labor Area Summary August 2023



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Overview

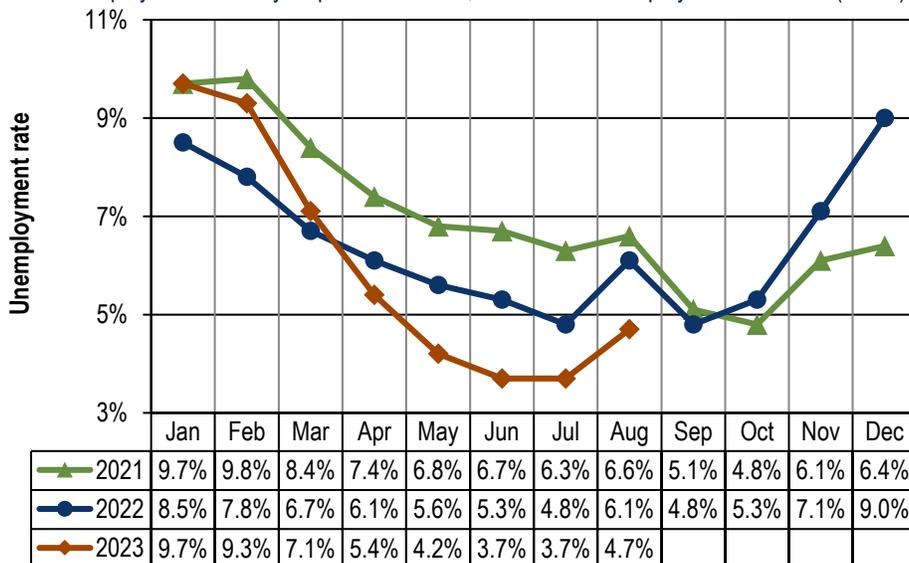
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year over year (August 2022 through August 2023) and average annual data changes (between 2021 and 2022).

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 five-tenths of a percentage point between August 2022 (4.5 percent) and August 2023 (4.0 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 have declined during the past five months (April through August 2023), as shown in *Figure 1*. The 4.7 percent unemployment rate this August is the lowest reading for the month of August 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 August 2023
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate dropped by one and four-tenths percentage points between August 2022 and August 2023.

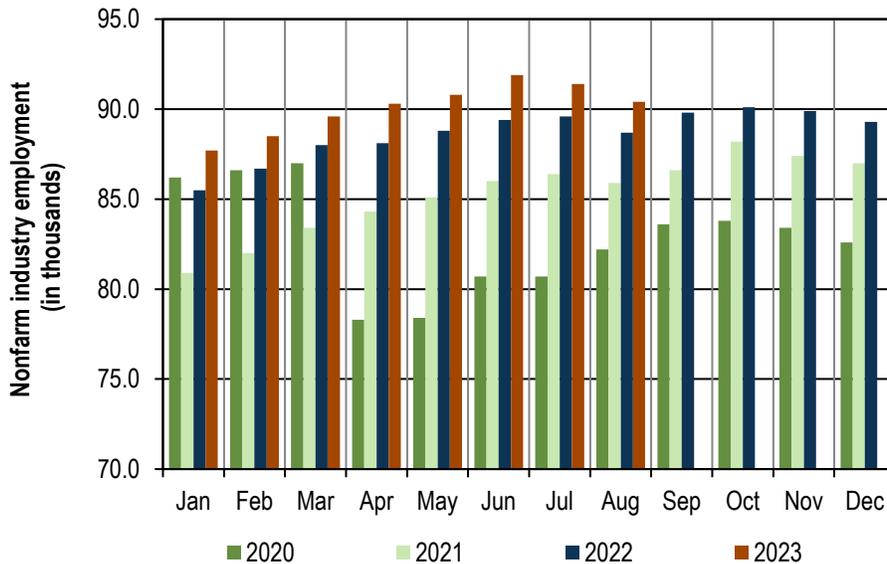
Total nonfarm employment

Between 2021 and 2022, Washington’s labor market provided 157,900 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 29 months (April 2021 through August 2023). This August, business and government organizations statewide tallied 3,623,000 jobs (not seasonally adjusted) compared with 3,567,800 in August 2022, up by 55,200 jobs and by 1.5 percent. Although this 1.5 percent year-over-year growth rate in August 2023 is good news for Washington’s labor market, it should be noted that total nonfarm job growth rates have generally been decelerating for at least the past 12 months (*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 29 months (April 2021 through August 2023) but the growth pace has been slowing since the 1st Quarter of 2022. Preliminary estimates indicate that local nonfarm employment advanced by 1,700 jobs (up 1.9 percent) between August 2022 (88,700 jobs) and August 2023 (90,400 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 August 2023

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



In August 2023, nonfarm employment increased to 90,400, a 1,700-job advance from the 88,700 jobs tallied in August 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 24 months (September 2021 through August 2023). Recently, Washington’s labor force grew by 53,611 residents (up 1.3 percent), from 4,010,385 residents in August 2022 to 4,063,996 in August 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 grew by 1.2 percent this August after losses in June and July 2023. In August of 2022 there were 137,245 residents in the local CLF and this number rose to 138,949 in August 2023, up by 1,704 residents and 1.2 percent. Simultaneously, the number of unemployed plummeted by 1,950 (-23.1 percent), from 8,438 unemployed residents in August 2022 to 6,488 in August 2023. This drop in the number of unemployed and the labor force expansion caused the unemployment rate to dip to 4.7 percent this August from the 6.1 percent reading in August 2022 (*Figures 1 and 3*).

A comparison of labor force changes in Yakima County in the past four months (May through August 2023) versus the corresponding four months in the pre-COVID era (May through August 2019) yields a mix of good and bad labor market news. From May 2023 through July 2023 Yakima County's CLF was smaller than in the pre-pandemic months of May through July 2019. But in August 2023 the local CLF registered a modest 0.6 percent expansion over the corresponding pre-COVID month of August 2019.

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

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

Yakima County	Preliminary Aug-23	Revised Jul-23	Revised Aug-22	Change (in #)		Change (in %)
				Jul-23	Aug-22	Aug-22
				Aug-23	Aug-23	Aug-23
Labor force and unemployment						
Civilian labor force	138,949	137,226	137,245	1,723	1,704	1.2%
Resident employment	132,461	132,139	128,807	322	3,654	2.8%
Unemployment	6,488	5,087	8,438	1,401	-1,950	-23.1%
Unemployment rate	4.7	3.7	6.1	1.0	-1.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.4	91.4	88.7	-1.0	1.7	1.9%
Total private	73.2	73.3	71.4	-0.1	1.8	2.5%
Goods producing	13.0	13.1	13.5	-0.1	-0.5	-3.7%
Mining, logging and construction	4.8	4.8	4.7	0.0	0.1	2.1%
Manufacturing	8.2	8.3	8.8	-0.1	-0.6	-6.8%
Nondurable goods	5.4	5.3	5.8	0.1	-0.4	-6.9%
Service providing	77.4	78.3	75.2	-0.9	2.2	2.9%
Private service providing	60.2	60.2	57.9	0.0	2.3	4.0%
Trade, transportation and utilities	20.4	20.4	19.8	0.0	0.6	3.0%
Wholesale trade	4.4	4.4	4.4	0.0	0.0	0.0%
Retail trade	11.9	11.9	11.4	0.0	0.5	4.4%
Transportation and utilities	4.1	4.1	4.0	0.0	0.1	2.5%
Professional and business services	5.1	5.1	4.9	0.0	0.2	4.1%
Education and health services	19.6	19.7	18.8	-0.1	0.8	4.3%
Health care and social assistance	18.1	18.2	17.4	-0.1	0.7	4.0%
Leisure and hospitality	8.7	8.7	8.6	0.0	0.1	1.2%
Food services	6.8	6.8	6.7	0.0	0.1	1.5%
Government	17.2	18.1	17.3	-0.9	-0.1	-0.6%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.4	2.5	2.3	-0.1	0.1	4.3%
Local government	13.5	14.3	13.7	-0.8	-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 August 2022 and August 2023, the Yakima County nonfarm labor market grew by 1.9 percent.

Nonfarm industry employment

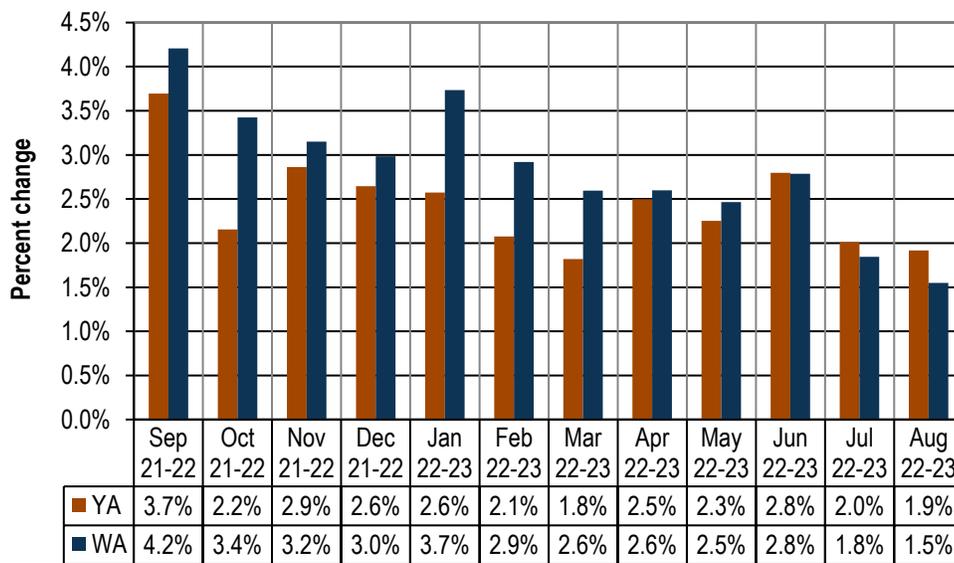
In August of 2023, total nonfarm employment in Yakima County rose to 90,400 jobs, up 1.9 percent from the 88,700 jobs tallied in August of last year. This year-over-year expansion in Yakima County’s nonfarm market has been underway for 29 consecutive months (April 2021 through August 2023) but with monthly job growth rates slowing since the 1st Quarter of 2022, as partially shown in *Figure 4*. Year-over-year job growth this August was especially robust in healthcare and social assistance (up 700 jobs) and in retail trade (up 500 jobs) while nondurable goods manufacturing netted 400 fewer jobs (*Figure 3*).

Employment in Yakima County's local government sector posted year-over-year gains for 27 months (April 2021 through June 2023) before backsliding by -1.4 percent this July and by -1.5 percent this August. 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 assessor’s offices, roads crews, courts, and corrections; and Native American organizations/enterprises. Preliminary Current Employment Statistics (CES) estimates indicate that between the Augusts of 2022 and 2023 employment at local government organizations contracted from 13,700 jobs to 13,500, a 200 job and -1.5 percent downturn (*Figure 3*). Across Washington, local government employment increased from 345,300 jobs in August 2022 to 354,800 in August 2023, up by 9,500 jobs and 2.8 percent.

Figure 4. Yakima County and Washington, total nonfarm employment changes

Washington state, September 2022 through August 2023

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



Year over year, nonfarm employment in Yakima County has expanded for 29 months (April 2021 through August 2023) but the growth pace has been slowing since the 1st Quarter of 2022. Washington's nonfarm job market has also expanded for 29 months (April 2021 through August 2023).

The following paragraphs summarize employment trends and changes in three local industries (construction, nondurable goods manufacturing, and health care and social assistance between August 2022 and August 2023:

- The local construction industry did not lose as many jobs as some other employment categories (i.e., leisure and hospitality, local government, etc.) during the COVID-19 pandemic of 2020. Employment dipped from an average of 4,200 jobs in 2019 to 4,100 in 2020, a loss of 100 jobs and a -2.0 percent downturn. But construction employment bounced back quickly, averaging 4,300 jobs in 2021 and 4,500 jobs in 2022. Hence, between the pre-COVID pandemic era of 2019 and 2022

Yakima County construction industry rose from 4,200 jobs to 4,500 – up 300 jobs and 6.9 percent.

On a monthly basis, construction employment in Yakima County has stagnated or increased, year over year, for the past 29 months (April 2021 through August 2023). Between August 2022 and August 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 eight months of this year has slowed compared with January through August 2022. The number of commercial and residential sales in Yakima County from January through August of this year was 1,947, a sharp -28.4 percent decline from the 2,720 sales recorded in the first eight calendar months of 2022, per the August 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 \$1.08 billion Year-to-Date (YTD) in August 2022 to \$717.0 million in August 2023, a contraction of -33.4 percent. The residential market yielded 636 fewer sales in the first eight months of 2023 (1,378 residential sales) versus in the first eight months of 2022 (2,014 residential sales), a -31.6 percent retrenchment. The value of these sales declined from \$710.2 million to \$492.8 million during this timeframe, a -30.6 percent decrease. Only average home prices advanced. Specifically, the average home price in Yakima County from January through August 2022 was \$352,631, whereas the average home price in August 2023 was \$357,652, a modest 1.4 percent increase. These recent subdued commercial and residential sales data in Yakima County suggest that year-over-year construction employment growth rates may soon follow suit.

Across Washington, construction employment has posted year-over-year increases for 29 consecutive months (April 2021 through August 2023). Between August 2022 and August 2023, the number of construction jobs statewide elevated by 1.7 percent and by 4,000 jobs, rising from 241,600 jobs to 245,600). Washington's *nonresidential* construction subsector gained 1,400 jobs between August 2022 (23,700 jobs) and August 2023 (25,100 jobs) while the *residential* construction subsector lost 1,300 jobs between August 2022 (40,200 jobs) and August 2023 (38,900 jobs). Specialty trade contractors experienced solid growth (up 2.8 percent), rising by 4,300 jobs from August 2022 (154,800 jobs) to August 2023 (159,100 jobs). A note of caution in evaluating Washington's construction employment growth trends is that job growth rates are decelerating. Specifically, this August 2022 to August 2023 growth rate of 1.7 percent is not as strong as the more robust construction employment growth rates towards the end of 2022 and into the first Quarter of 2023. For example, between the Septembers of 2022 and 2023 Washington's construction industry posted a 5.4 percent employment growth rate, faster than the August 2022 to August 2023 growth pace of 1.7 percent.

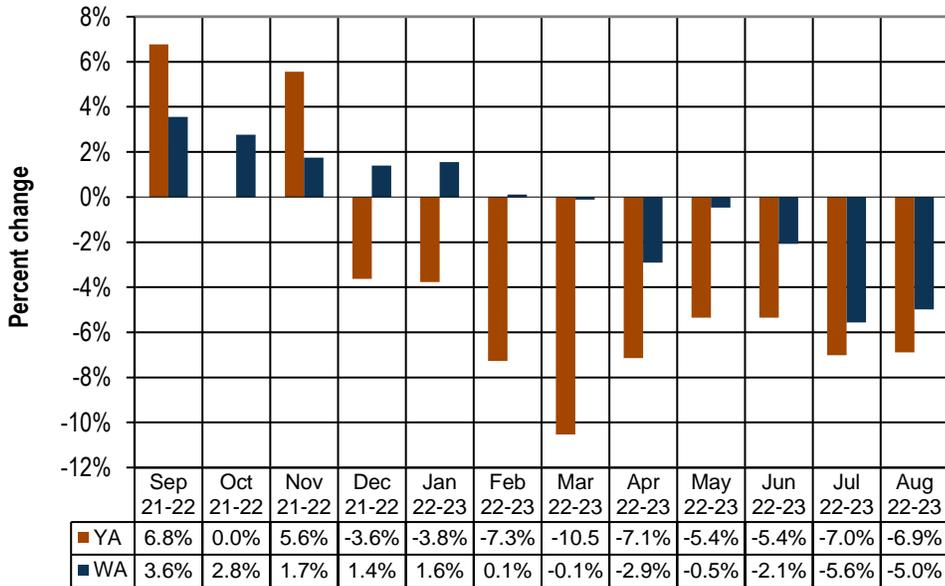
- Employment in Yakima County's nondurable goods manufacturing industry (primarily food processing) has decreased, year over year, from December 2022 through August 2023 (*Figure 5*). Current estimates indicate that nondurable goods manufacturers provided 5,400 jobs in August 2023, 400 fewer than the 5,800 jobs tallied in August of last year, a -6.9 percent downturn (*Figure 3*). This local industry was hit hard during the onslaught of the COVID-19 pandemic in 2020 as employment fell from an average of 5,700 jobs in 2019 to 5,400 in 2020, a loss of 300 jobs and a -5.3 percent downturn. In 2021 average nondurable goods manufacturing employment stabilized at 5,400. In 2022 however, employment bounced back in this Yakima County industry to an average of 5,700 jobs – the same number as in the pre-pandemic economy of 2019.

Statewide, nondurable goods manufacturing employment has also been slowing recently. In fact, employment at Washington's nondurable goods manufacturers has contracted from March through August 2023 (*Figure 5*). Between the Augusts of 2022 and 2023, employment in this sector across

Washington sank from 90,200 jobs to 85,700, a 4,500 job and -5.0 percent decrease. Specifically, the “fruit/vegetable preserving and specialty” subsector saw payrolls shrink by -14.3 percent, from 13,300 jobs in August 2022 to 11,400 jobs in August 2023, a loss of 1,900 jobs.

Figure 5. Yakima County & WA, nondurable goods manufacturing employment changes
Washington state, September 2022 through August 2023

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



Year over year, employment in Yakima County's nondurable goods manufacturing industry has decreased from December 2022 through August 2023. Employment at Washington's nondurable goods manufacturers has contracted from March through August 2023.

- Yakima County’s private health care and social assistance sector only shed 100 jobs, a -0.6 percent abatement, during the COVID-19 pandemic of 2020, as employment retrenched from 16,800 jobs in 2019 to 16,700 in 2020. But payrolls lengthened quickly in this sector as the pandemic ebbed. Health care and social assistance employment averaged 17,100 in 2021, up 300 jobs and 2.1 percent from the 16,700-job average of 2020. The pace of hiring intensified in 2022 as average annual health care and social assistance employment rose to 17,500, up 400 jobs and 2.2 percent over calendar year 2021. The bottom line: between 2019 (the pre-pandemic era) and 2022 Yakima County’s health care and social assistance industry escalated from 16,800 jobs to 17,500 – up 600 jobs and 3.8 percent. Clearly, this has become a growth industry in the Yakima County economy.

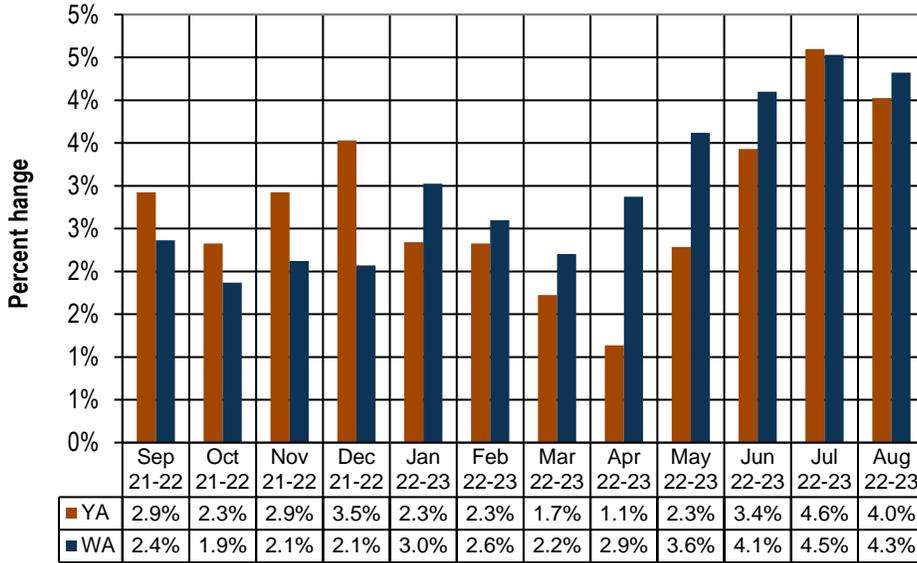
Year over year, health care and social assistance employment in Yakima County has increased in each of the past 20 months (January 2022 through August 2023), as partially shown in *Figure 6*. The health care and social assistance category is comprised of ambulatory healthcare services, private hospitals, nursing and residential care facilities, and social assistance (i.e., vocational rehabilitation services; community food, housing, and relief services; child day care services, etc.). Private health care and social assistance services provided 17,400 jobs countywide in August 2022 versus 18,100 this August, a 700 job and a 4.0 percent upturn (*Figure 3*).

Statewide this industry has added jobs in every month during the past 29 months (April 2021 through August 2023). Current Employment Statistics (CES) estimates indicate that Washington’s private healthcare and social assistance tallied 449,000 jobs in August 2022 versus 468,400 in August 2023, a 19,400 job and 4.3 percent upturn (*Figure 6*). Ambulatory and health care services, a subsector within the broader health care and social assistance sector, posted a 4.0 percent

employment growth rate during this period, advancing from 166,800 jobs in August 2022 to 173,400 jobs in August 2023 (up 6,600 jobs). Nursing and residential care facilities, another subsector within the health care and social assistance sector, posted a brisk 9.4 percent employment growth rate during this period, increasing from 57,400 jobs in August 2022 to 62,800 jobs in August 2023 (up 5,400 jobs).

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, September 2022 through August 2023

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



Year over year, private health care and social assistance employment in Yakima County has increased in each of the past 20 months (January 2022 through August 2023). Statewide, this industry has added jobs for 29 months (April 2021 through August 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 billion 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>