

Yakima MSA (Yakima County) Labor Area Summary September 2023



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Overview

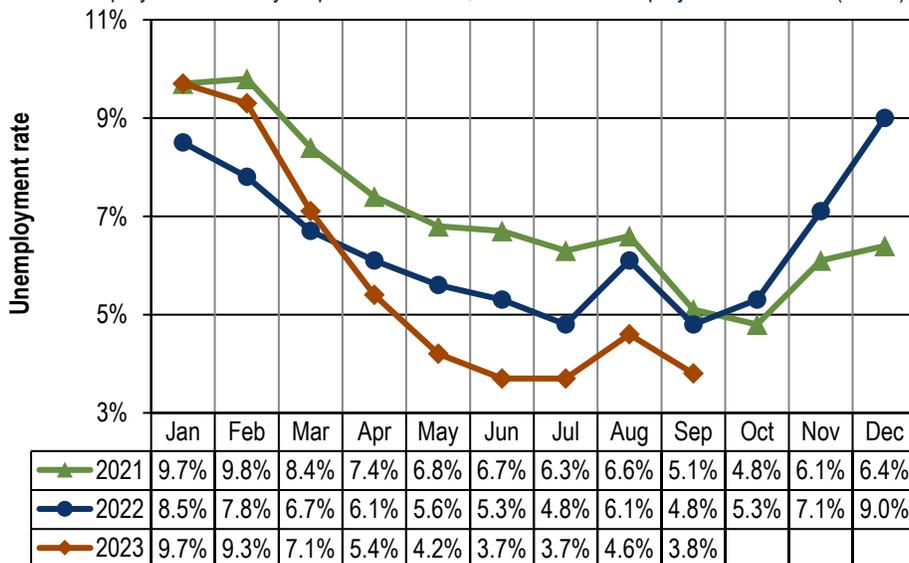
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year over year (September 2022 through September 2023) and average annual data changes (between 2021 and 2022).

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 September 2022 (4.0 percent) and September 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 have declined during the past six months (April through September 2023), as shown in *Figure 1*. The 3.8 percent unemployment rate this September is the lowest reading for the month of September 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 September 2023
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



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

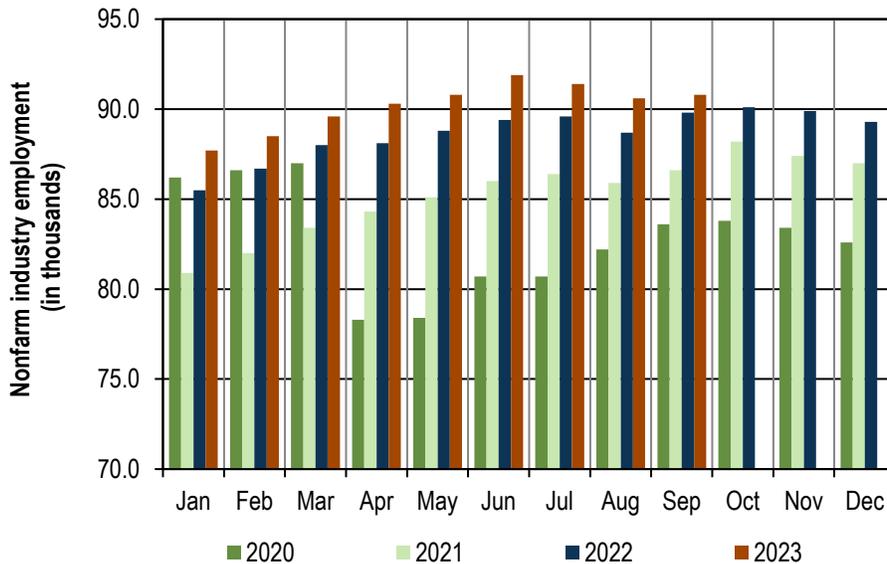
Total nonfarm employment

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 30 months (April 2021 through September 2023). This September, business and government organizations statewide tallied 3,625,800 jobs (not seasonally adjusted) compared with 3,570,500 in September 2022, up by 55,300 jobs and by 1.5 percent. Although this 1.5 percent year-over-year growth rate in September 2023 is still good news for Washington’s labor market, it should be noted that job growth rates have generally been decelerating during 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 30 months (April 2021 through September 2023). However, the growth pace has been slowing since the 1st Quarter of 2022. Preliminary estimates indicate that local nonfarm employment advanced by 1,000 jobs (up 1.1 percent) between September 2022 (89,800 jobs) and September 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 September 2023

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



In September 2023, nonfarm employment increased to 90,800, a 1,000-job advance from the 89,800 jobs tallied in September 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 for the past 25 months (September 2021 through September 2023). Washington’s labor force grew modestly by 32,342 residents (up 0.8 percent), from 4,011,679 residents in September 2022 to 4,044,021 in September 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 shrank by -3.0 percent this September. In September 2022 there were 139,0165 residents in the local CLF and this number fell to 134,818 in September 2023, down by 4,198 residents and -3.0 percent. Simultaneously, the number of unemployed plummeted by 1,533 (-23.1 percent), from 6,632 unemployed residents in September 2022 to 5,099 in September 2023. This decrease in the number of unemployed surmounted the labor force contraction causing the unemployment rate to fall to 3.8 percent this September from the 4.8 percent reading in September 2022 (*Figures 1 and 3*).

Despite historically low unemployment rates in Yakima County over the past few months (good news) there are concerns reference a shrinking local labor force. Specifically, a comparison of labor force changes countywide during the past seven months (March through September 2023) versus corresponding months in the pre-COVID era (March through September 2019) shows that the CLF decreased this year, in five of these seven months. The number of residents in the local CLF edged upwards marginally only in April 2023 (up 0.4 percent) and in August 2023 (up 0.7 percent) versus these pre-COVID months in 2019.

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

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

Yakima County	Preliminary Sep-23	Revised Aug-23	Revised Sep-22	Change (in #)		Change (in %)
				Aug-23	Sep-22	Sep-22
				Sep-23	Sep-23	Sep-23
Labor force and unemployment						
Civilian labor force	134,818	139,033	139,016	-4,215	-4,198	-3.0%
Resident employment	129,719	132,595	132,384	-2,876	-2,665	-2.0%
Unemployment	5,099	6,438	6,632	-1,339	-1,533	-23.1%
Unemployment rate	3.8	4.6	4.8	-0.8	-1.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.8	90.6	89.8	0.2	1.0	1.1%
Total private	73.1	73.2	72.2	-0.1	0.9	1.2%
Goods producing	13.1	13.0	13.9	0.1	-0.8	-5.8%
Mining, logging and construction	4.8	4.8	4.7	0.0	0.1	2.1%
Manufacturing	8.3	8.2	9.2	0.1	-0.9	-9.8%
Nondurable goods	5.6	5.4	6.3	0.2	-0.7	-11.1%
Service providing	77.7	77.6	75.9	0.1	1.8	2.4%
Private service providing	60.0	60.2	58.3	-0.2	1.7	2.9%
Trade, transportation and utilities	20.4	20.4	19.9	0.0	0.5	2.5%
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	4.1	0.0	0.0	0.0%
Professional and business services	5.1	5.2	5.1	-0.1	0.0	0.0%
Education and health services	19.7	19.7	19.0	0.0	0.7	3.7%
Health care and social assistance	18.3	18.2	17.6	0.1	0.7	4.0%
Leisure and hospitality	8.6	8.7	8.4	-0.1	0.2	2.4%
Food services	6.7	6.8	6.6	-0.1	0.1	1.5%
Government	17.7	17.4	17.6	0.3	0.1	0.6%
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	13.9	13.6	13.9	0.3	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 September 2022 and September 2023, the Yakima County nonfarm labor market grew by 1.1 percent.

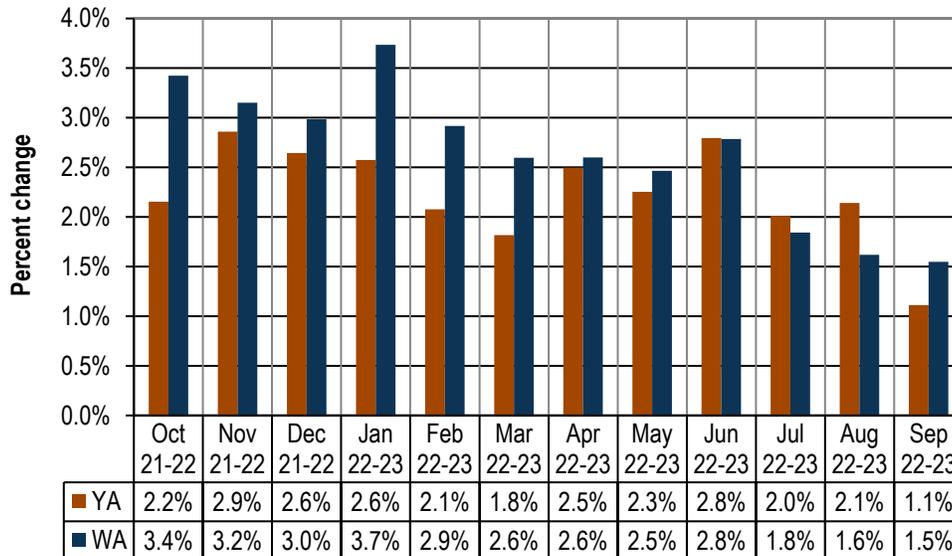
Nonfarm industry employment

In September of 2023, total nonfarm employment in Yakima County rose to 90,800 jobs, up 1.1 percent from the 89,800 jobs tallied in September of last year. A year-over-year expansion in Yakima County’s nonfarm market has been underway for 30 months (April 2021 through September 2023) but with monthly job growth rates slowing since the 1st Quarter of 2022 as partially shown in *Figure 4*. This September, year-over-year job growth countywide was robust in healthcare and social assistance (up 700 jobs) and in retail trade (up 500 jobs) while nondurable goods manufacturing netted 700 fewer jobs (*Figure 3*).

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

Washington state, October 2022 through September 2023

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



Year over year, nonfarm employment in Yakima County has expanded for 30 months (April 2021 through September 2023). Washington's nonfarm job market has also expanded from April 2021 through September 2023. However, year-over-year job growth rates have been slowing in both areas since the 1st Quarter of 2022.

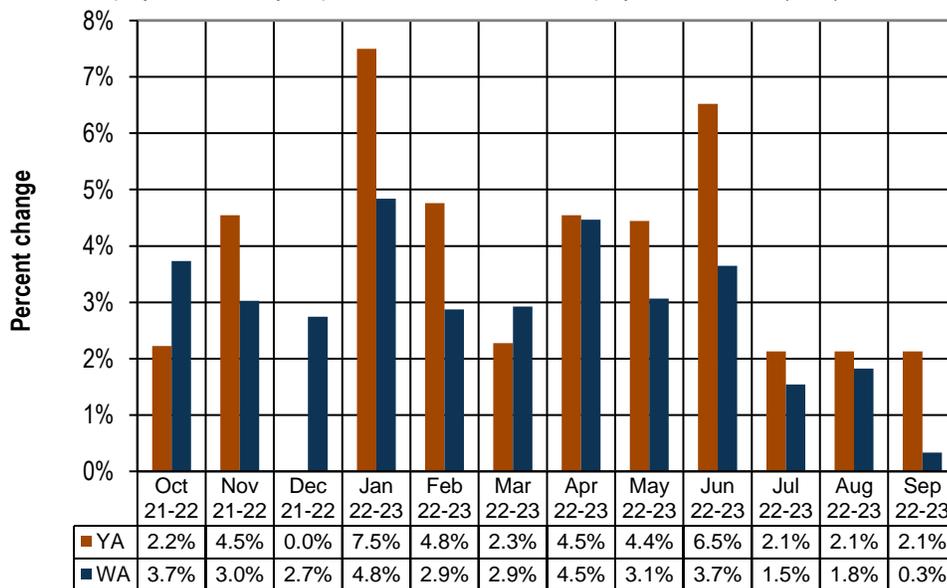
The following paragraphs summarize employment trends and changes in three local industries (construction, nondurable goods manufacturing, and health care and social assistance between September 2022 and September 2023:

- 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 stabilized or increased, year over year, for the past 30 months (April 2021 through September 2023). Between September 2022 and September 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 nine months of this year has slowed compared with January through September 2022. The number of commercial and residential sales in Yakima County from January through September of this year was 2,202, a sharp -27.6 percent decline from the 3,042 sales recorded in the first nine calendar months of 2022, per the September 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 \$1.20 billion Year-to-Date (YTD) in September 2022 to \$835.6 million in September 2023, a contraction of -30.2 percent. The residential market yielded 706 fewer sales in the first nine months of 2023 (1,558 residential sales) versus in the first nine months of 2022 (2,267 residential sales), a -31.3 percent retrenchment. The value of these sales declined from \$797.8 million to \$558.2 million during this timeframe, a -30.0 percent decrease. Only average home prices advanced. Specifically, the average home price in Yakima County from January through September 2022 was \$351,933, whereas the average home price in September 2023 was \$358,276, a modest 1.8 percent increase. These recent subdued commercial and residential sales trends 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 30 months (April 2021 through September 2023). Between September 2022 and September 2023, the number of construction jobs statewide elevated by 0.3 percent and by 800 jobs, rising from 241,700 jobs to 242,500. Washington’s *nonresidential* construction subsector gained 600 jobs between September 2022 (23,900 jobs) and September 2023 (24,500 jobs) while the *residential* construction subsector lost 1,000 jobs between September 2022 (40,500 jobs) and September 2023 (39,500 jobs). Employment amongst specialty trade contractors grew at a modest 1.4 percent pace, rising by 2,200 jobs from September 2022 (154,400 jobs) to September 2023 (156,600 jobs). A note of concern in evaluating Washington’s construction employment growth trends is that job growth rates are decelerating. Specifically, the September 2022 to September 2023 construction job growth rate of 0.3 percent (*Figure 5*) is rather lethargic versus the hardy job growth rates in the fourth Quarter of 2022 (approximately 3.1 percent) and in the first Quarter of 2023 (approximately 3.5 percent).

Figure 5. Yakima County & WA, construction employment changes
Washington state, October 2022 through September 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 30 months (April 2021 through September 2023). Statewide, construction employment has expanded for 30 months (April 2021 through September 2023).

- The local nondurable goods manufacturing 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 across Yakima County stabilized at 5,400. But in 2022 employment advanced to 5,700 jobs – the same number as in the pre-pandemic economy of 2019. However, employment in Yakima County's nondurable goods manufacturing industry (primarily food processing) has decreased, year over year, from December 2022 through September 2023. Current estimates indicate that nondurable goods manufacturers provided 5,600 jobs in September 2023, 700 fewer than the 6,300 jobs tallied in September of last year, a -11.1 percent downturn (*Figure 3*).

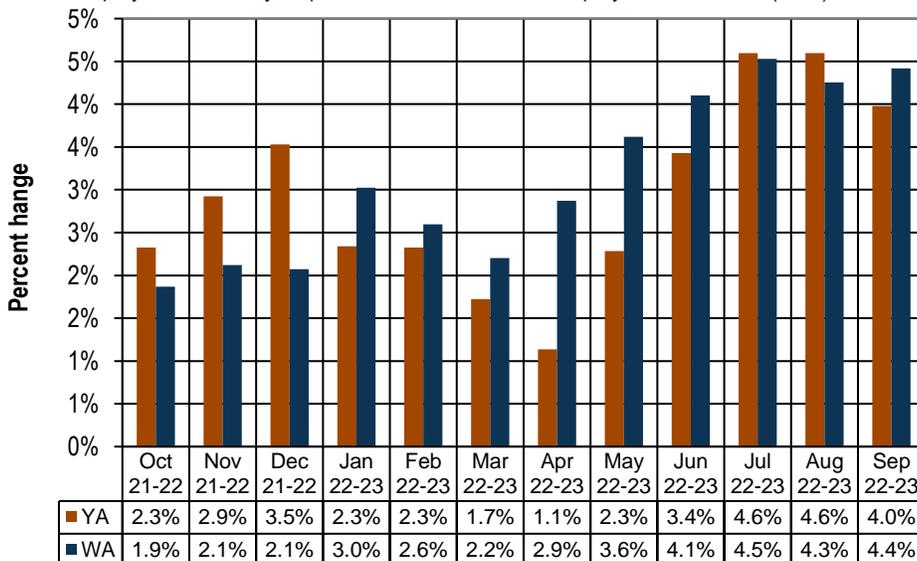
Statewide, nondurable goods manufacturing employment has also been slowing recently. In fact, employment at Washington's nondurable goods manufacturers has contracted from March through September 2023 (*Figure 5*). Between the Septembers of 2022 and 2023, employment in this sector across Washington sank from 90,300 jobs to 84,700, a 5,600 job and -6.2 percent decrease. The “fruit/vegetable preserving and specialty” subsector saw payrolls shrink by -14.2 percent, from 13,400 jobs in September 2022 to 11,500 jobs in September 2023, a loss of 1,900 jobs.

- 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 17,600 jobs countywide in September 2022 versus 18,300 this September, a “healthy” 700 job and a 4.0 percent upturn (*Figure 3*).

Statewide this industry has added jobs in every month during the past 30 months (April 2021 through August 2023). Current Employment Statistics (CES) estimates indicate that Washington’s private healthcare and social assistance tallied 450,600 jobs in September 2022 versus 470,500 in September 2023, a 19,900 job and 4.4 percent upturn (*Figure 6*). Washington’s nursing and residential care facilities registered an employment growth rate of 10.3 percent and netted 5,900 new jobs between September 2022 (57,500 jobs) and September 2023 (63,400 jobs).

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, October 2022 through September 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 21 months (January 2022 through September 2023). Statewide, this industry has added jobs for 30 months (April 2021 through September 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 September 2023, revised 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 115,247 in 2022, a 12,499 job and 12.2 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 29,091 in 2022, a 2,062 job and 7.6 percent uptrend, with annualized employment growth of 0.7 percent. In 2012, Yakima County's agricultural industry accounted for 26.3 percent of total covered employment. In 2022, agricultural employment accounted for 25.2 percent of total covered employment countywide. Hence, the agricultural share of total employment slipped by 1.1 percentage points (from 26.3 to 25.2 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 \$2.05 billion and 60.4 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 \$414.4 billion and 63.6 percent uptrend, with annualized wage growth between 2012 and 2022 of 5.0 percent. In 2012, Yakima County's agricultural industry accounted for 19.2 percent of total covered wages. In 2022, agricultural wages accounted for 19.5 percent of total covered payroll countywide. Hence, the share of total wages provided by the agricultural sector (NAICS 11) edged upwards by 0.3 percentage point (from 19.2 to 19.5 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 1.1 percentage points. 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 three-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 29,091 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>