

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



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## Overview

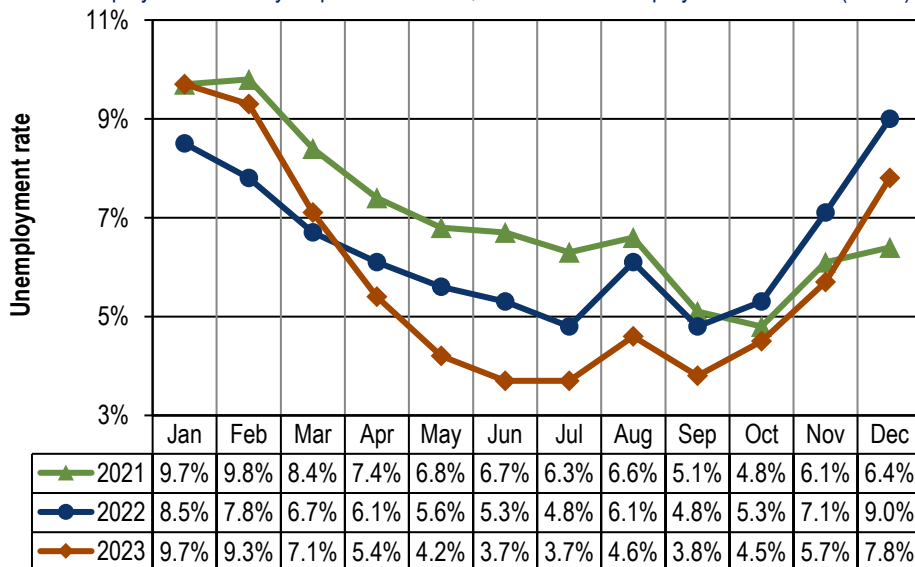
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (December 2022 through December 2023) and average annual data changes (between 2022 and 2023).

## Unemployment rates

Preliminary estimates indicate that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point, from 4.2% in 2022 to 4.0% in 2023. The monthly unemployment rate stabilized at 4.6% in the Decembers of 2022 and 2023.

In Yakima County, the not seasonally adjusted average annual unemployment rate dropped from 6.4% to 5.8% between 2022 and 2023. Year over year, monthly rates have declined during the past nine months (April through December 2023), as shown in *Figure 1*. Although the 7.8% unemployment rate in December 2023 was one and two-tenths points below the 9.0% rate in December 2022, it was higher than the historic low December rate of 6.4% recorded in December 2021.

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



*Yakima County’s unemployment rate declined by one and two-tenths points between December 2022 and December 2023.*

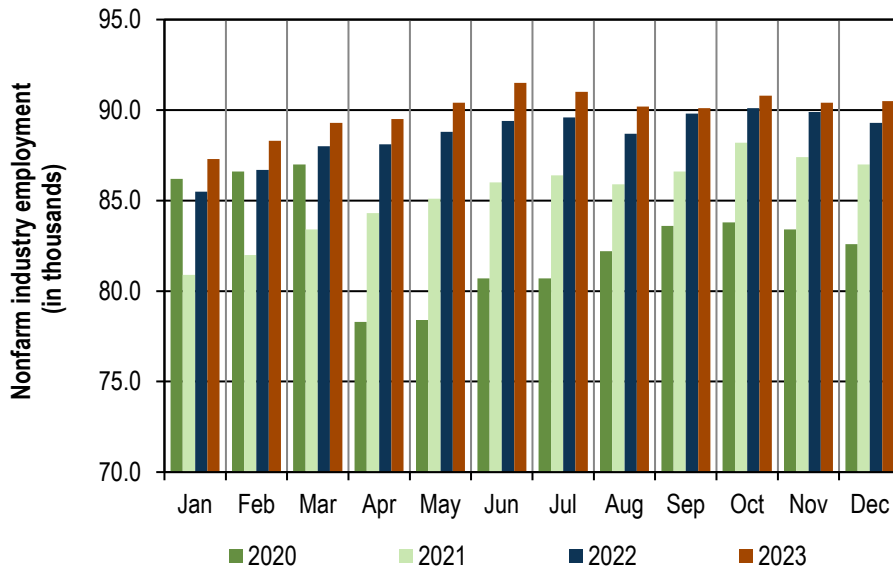
## Total nonfarm employment

Preliminary estimates indicate that between 2022 and 2023, Washington’s labor market netted 75,400 new nonfarm jobs, an average annual increase of 2.1%. Although this 2.1% growth rate in 2023 is good news for Washington’s labor market, it should be noted that the average annual increase in 2022 was a more robust 4.7%. Year over year, Washington’s nonfarm market has expanded for 33 consecutive months (April 2021 through December 2023). In December 2023, business and government organizations across the state tallied 3,627,600 jobs (not seasonally adjusted) compared with 3,573,400 in December 2022, up by 54,200 jobs and by 1.5% (Figure 4).

Preliminary estimates show that Yakima County’s nonfarm economy added 1,300 jobs between 2022 and 2023, an average annual increase of 1.4%, slightly less than Washington’s 2.1% job growth pace. Nonfarm employment has risen, year over year, during the past 33 months (April 2021 through December 2023), as shown in Figure 2. Total nonfarm employment advanced from 89,300 jobs in December 2022 to 90,500 in December 2023, up by 1,200 jobs and 1.3% (Figure 3).

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

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



In December 2023, nonfarm employment increased to 90,500, a 1,200-job advance from the 89,300 jobs tallied in December 2022.

## Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 68,190 residents (a 1.7% upturn) between 2022 and 2023, according to preliminary estimates. Year over year, the state’s CLF expanded in each of the past 28 months (September 2021 through December 2023). Washington’s labor force elevated by 17,492 residents, a 0.4% upturn, from 4,027,238 residents in December 2022 to 4,044,730 in December 2023. On a cautionary note, year-over-year CLF growth rates decelerated statewide during the 12 months of 2023.

Yakima County’s CLF shrank by -1.1% between 2022 (132,442 residents) and 2022 (130,976 residents). Year over year, the labor force also decreased from September through December 2023. In December 2022 the CLF was comprised of 130,062 residents versus 126,143 in December 2023, a -3.0% and 3,919-resident slackening in the local labor force. Fortunately, the number of unemployed plummeted by 1,775 (-15.2%), from 11,677 unemployed residents in December 2022 to 9,902 in December 2023. This decrease in the number of unemployed surmounted the labor force contraction causing the unemployment rate to fall to

7.8% in December 2023 from the 9.0% reading in December 2022 (Figure 3).

Despite historically low unemployment rates in Yakima County over the past few months there are concerns due to the shrinking labor force. Specifically, in seven of the past eight months from May through December 2023, Yakima County's CLF was smaller than in the pre-COVID months of May through December 2019. This will be a trend worth watching in forthcoming months.

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

Washington state, December 2023

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

Yakima County	Preliminary Dec-23	Revised Nov-23	Revised Dec-22	Change (in #)		Change (in %)
				Nov-23	Dec-22	Dec-22
				Dec-23	Dec-23	Dec-23
<b>Labor force and unemployment</b>						
Civilian labor force	126,143	125,236	130,062	907	-3,919	-3.0%
Resident employment	116,241	118,098	118,385	-1,857	-2,144	-1.8%
Unemployment	9,902	7,138	11,677	2,764	-1,775	-15.2%
Unemployment rate	7.8	5.7	9.0	2.1	-1.2	
<b>Industry employment (numbers are in thousands)</b>						
Total nonfarm <sup>1</sup>	90.5	90.4	89.3	0.1	1.2	1.3%
Total private	71.9	71.7	71.2	0.2	0.7	1.0%
Goods producing	12.6	12.7	12.7	-0.1	-0.1	-0.8%
Mining, logging and construction	4.4	4.5	4.4	-0.1	0.0	0.0%
Manufacturing	8.2	8.2	8.3	0.0	-0.1	-1.2%
Nondurable goods	5.2	5.2	5.3	0.0	-0.1	-1.9%
Service providing	77.9	77.7	76.6	0.2	1.3	1.7%
Private service providing	59.3	59.0	58.5	0.3	0.8	1.4%
Trade, transportation and utilities	20.8	20.8	20.5	0.0	0.3	1.5%
Wholesale trade	4.4	4.5	4.6	-0.1	-0.2	-4.3%
Retail trade	12.1	12.0	11.7	0.1	0.4	3.4%
Transportation and utilities	4.3	4.3	4.2	0.0	0.1	2.4%
Professional and business services	4.9	4.9	5.0	0.0	-0.1	-2.0%
Education and health services	19.6	19.6	19.1	0.0	0.5	2.6%
Health care and social assistance	18.3	18.3	17.6	0.0	0.7	4.0%
Leisure and hospitality	8.4	8.4	8.2	0.0	0.2	2.4%
Food services	6.6	6.5	6.4	0.1	0.2	3.1%
Government	18.6	18.7	18.1	-0.1	0.5	2.8%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.4	2.4	2.4	0.0	0.0	0.0%
Local government	14.9	15.0	14.4	-0.1	0.5	3.5%
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 December 2022 and December 2023, the Yakima County nonfarm labor market grew by 1.3%.*

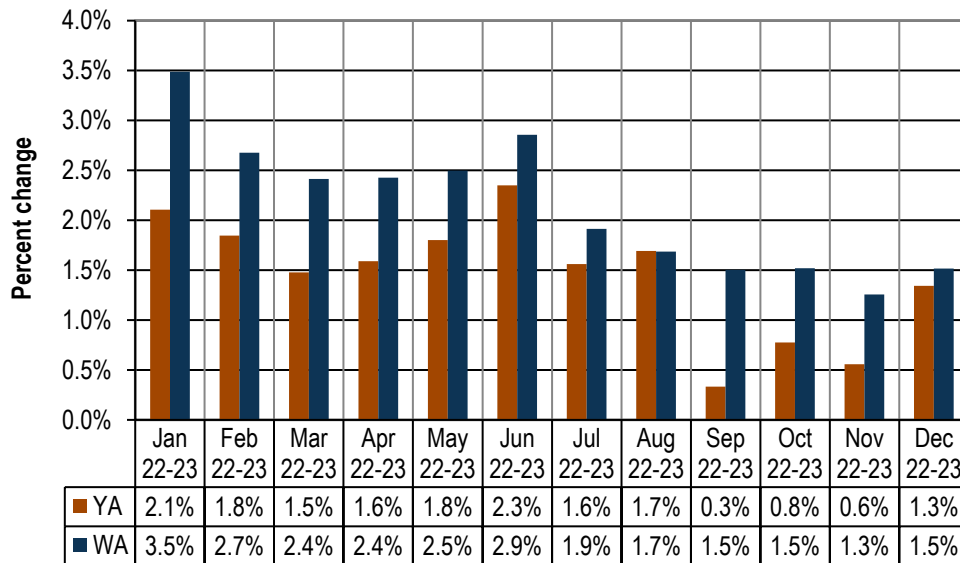
## Nonfarm industry employment

In December of 2023, total nonfarm employment in Yakima County rose to 90,500 jobs, up 1.3% from the 89,300 jobs tallied in December 2022. Yakima County’s nonfarm market has been expanding, year over year, for 33 months (April 2021 through December 2023), as partially shown in *Figure 4*.

As of December 2023, year-over-year job growth was positive in retail trade (up 400 jobs), transportation and utilities (up 100 jobs), healthcare and social assistance (up 700 jobs), leisure and hospitality (up 200 jobs), and local government (up 500 jobs). Conversely, year-over-year employment numbers declined in nondurable goods manufacturing (down 100 jobs), wholesale trade (down 200 jobs) and professional and business services (down 100 jobs) as shown in *Figure 3*.

**Figure 4.** Yakima County and Washington, total nonfarm employment changes Washington state, January 2023 through December 2023

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



Year over year, nonfarm employment in Yakima County has expanded for 33 months (April 2021 through December 2023). Washington’s nonfarm job market has also expanded from April 2021 through December 2023.

The following paragraphs summarize employment changes in construction, retail trade, and health care and social assistance between the Decembers of 2022 and 2023:

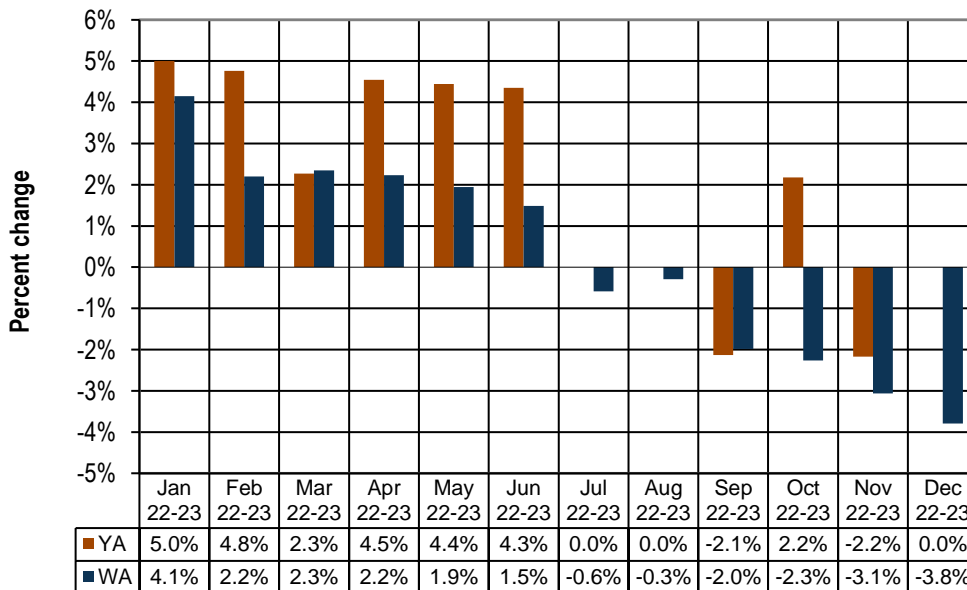
- The Yakima County construction industry did not lose as many jobs as other employment categories (i.e., leisure and hospitality, local government, etc.) during the COVID-19 pandemic of 2020. Employment dipped from an average of 4,200 jobs in the pre-pandemic year of 2019 to 4,100 during the 2020 pandemic, a loss of 100 jobs and a -2.0% downturn. Since the 4,100-job low in 2020, the number of construction jobs rose to 4,300 in 2021, to 4,500 in 2022, and to 4,600 in 2023. Hence, by 2023, the 4,600 jobs tallied in the local construction industry were 400 jobs and 8.9% above the 4,200 jobs tallied 2019 (the pre-COVID era).

Year over year, construction employment in Yakima County has vacillated from July through December 2023, with employment stagnating at 4,400 jobs between the Decembers of 2022 and 2023 (*Figures 3 and 5*). Since commercial and residential sales can influence construction hiring, it should be noted that commercial and residential sales activity during the 12 months of 2023 was not as robust as during 2022. The number of commercial and residential sales in Yakima County from January through December 2023 was 2,866, a sharp -25.2% decline from the 3,834 sales recorded in the 12 calendar months of 2022, per the December 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 \$1.59 billion in 2022 to \$1.11 billion in 2023, a contraction of -30.4%. The residential market yielded 807 fewer sales in the 12 months of 2023 (2,045 residential sales) versus in the 12 months of 2022 (2,852 residential sales), a -28.3% retrenchment. The value of these residential sales declined from \$1.01 billion in 2022 to \$734.7 million in 2023, a -27.2% decrease. Only average home prices advanced. Specifically, the average home price in Yakima County during 2022 was \$353,692, whereas the average home price in 2023 was \$359,263, a modest 1.6% upturn.

Statewide, construction employment has contracted in each of the past six months (July through December 2023). Recently, between December 2022 and December 2023, the number of construction jobs statewide decreased by -3.8% (Figure 5) and by 8,800 jobs, from 232,100 jobs to 223,300. Residential construction lost 2,200 jobs statewide between December 2022 (39,100 jobs) and December 2023 (36,900 jobs) while nonresidential trade contractors inched ahead by 400 jobs between December 2022 (23,200 jobs) and December 2023 (23,600 jobs). But the lion’s share of the 8,800-job construction employment downturn in Washington state between the Decembers of 2022 and 2023 was in specialty trade contractors. This subsector provided 6,600 fewer jobs in December 2023 (142,700 jobs) than in December 2022 (149,300 jobs), a -4.4% contraction. Relatively high interest rates are likely “putting the dampers on” construction hiring in Washington (Figure 5).

**Figure 5. Yakima County & WA, construction employment changes**  
 Washington state, January 2023 through December 2023  
 Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, construction employment in Yakima County has vacillated from July through December 2023, with employment stagnating at 4,400 jobs between the Decembers of 2022 and 2023. Statewide, construction employment has contracted in the past six months (July through December 2023).

- Year over year, retail trade employment in Yakima County has either stabilized or increased for 14 months (November 2022 through December 2023). Current estimates indicate that retail trade establishments (i.e., motor vehicle and part dealers, food and beverage stores, general merchandise retailers, etc.) provided 12,100 part- or full-time jobs in December 2023, up 400 jobs and 3.4 percent from the 11,700 jobs tallied in December 2022 (Figure 3).

Across Washington state, retail trade employment has been slipping year over year from July

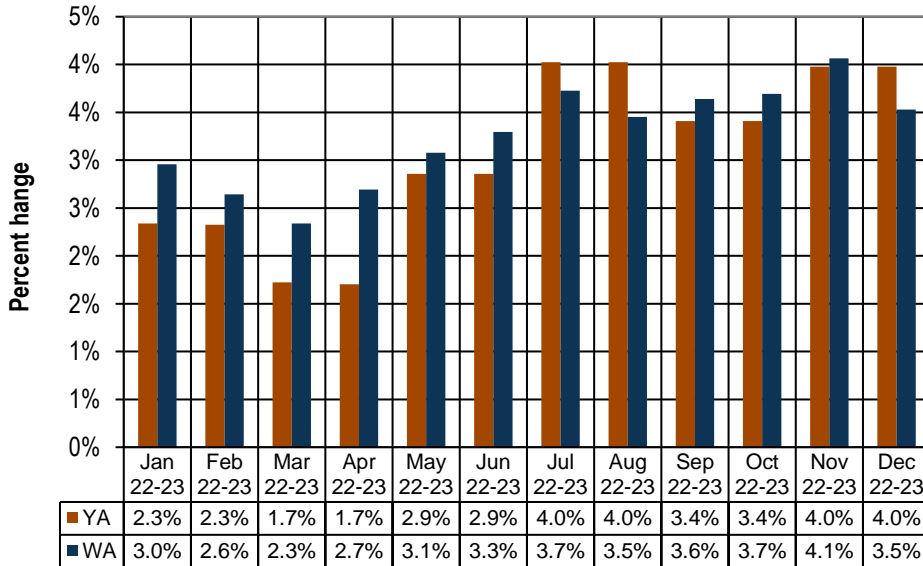
through December 2023). Washington’s retail trade establishments saw payrolls shorten from 346,000 jobs in December 2022 to 343,700 in December 2023, a 2,300 job and -0.7% retrenchment. This modest retail trade employment slowdown was primarily driven by a -4.9% decrease amongst *other retail trade* businesses (i.e., mail order houses, home delivery sales, electronic shopping, etc.) between December 2022 (59,400 jobs) and December 2023 (56,500 jobs)

- Private health care and social assistance employment in Yakima County has been growing year over year for 24 consecutive months, or from January 2022 through December 2023 (*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.). Health care and social assistance provided 17,600 jobs countywide in December 2022 versus 18,300 in December 2023, a healthy 700-job and 4.0% upturn (*Figure 3*).

Statewide this industry has added jobs in every month during the past 33 months (April 2021 through December 2023). Current Employment Statistics (CES) estimates indicate that Washington’s private healthcare and social assistance providers tallied 453,500 jobs in December 2022 versus 469,500 in December 2023, a 16,000-job and 3.5% upturn (*Figure 6*). Within this healthcare and social assistance sector, ambulatory healthcare services providers registered an appreciable employment growth rate of 4.6% by tallying 7,700 new jobs between December 2022 (168,500 jobs) and December 2023 (176,200 jobs).

**Figure 6.** Yakima County and Washington, health care and social assistance employment changes Washington state, January 2023 through December 2023

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



*Private health care and social assistance employment in Yakima County has been growing over the year for 24 consecutive months (January 2022 through December 2023). Statewide, this industry has added jobs for 33 months (April 2021 through December 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% upturn, with annualized employment growth between 2012 and 2022 of 1.2%. 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% uptrend, with annualized employment growth of 0.7%. In 2012, Yakima County's agricultural industry accounted for 26.3% of total covered employment. In 2022, agricultural employment accounted for 25.2% of total covered employment countywide. Hence, the agricultural share of total employment slipped by 1.1 percentage points (from 26.3 to 25.2%) 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%.
- Total covered wages rose from \$3.40 billion in 2012 to \$5.46 billion in 2022, a \$2.05 billion and 60.4% upturn, with annualized payroll growth between 2012 and 2022 of 4.8%. 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% uptrend, with annualized wage growth between 2012 and 2022 of 5.0%. In 2012, Yakima County's agricultural industry accounted for 19.2% of total covered wages. In 2022, agricultural wages accounted for 19.5% 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%) during this period.
- One could generalize that in this most recent ten-year period, 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>