

Yakima MSA (Yakima County) Labor Area Summary November 2023



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Overview

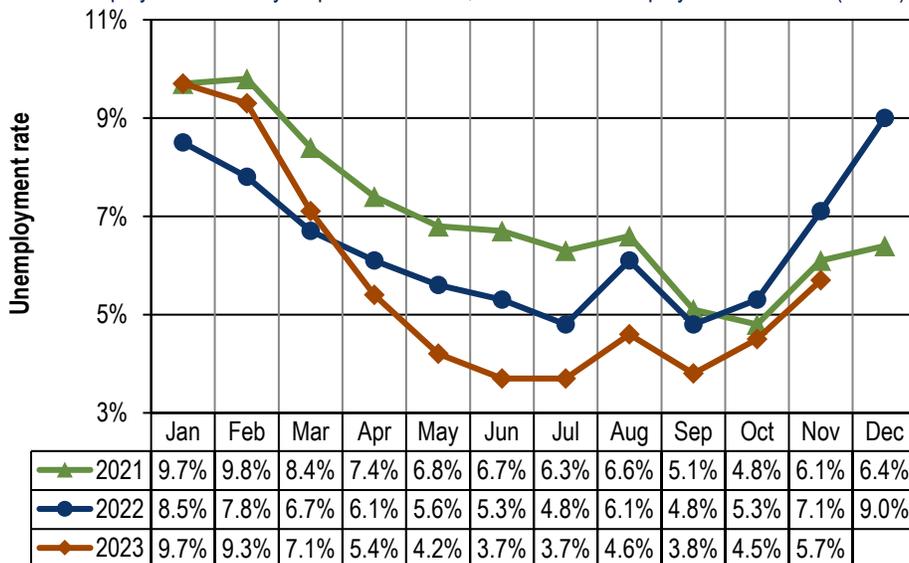
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (November 2022 through November 2023) and average annual data changes (between 2021 and 2022).

Unemployment rates

Washington’s not seasonally adjusted average annual unemployment rate fell one full point, from 5.2% in 2021 to 4.2% in 2022. The monthly unemployment rate dipped two-tenths of a percentage point between November 2022 (4.4%) and November 2023 (4.2%).

In Yakima County, the not seasonally adjusted average annual unemployment rate dropped from 7.0% to 6.4% between 2021 and 2022. Year over year, monthly rates have declined during the past eight months (April through November 2023), as shown in *Figure 1*. The 5.7% unemployment rate for November 2023 is the lowest reading for November 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 November 2023
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate declined by one and four-tenths points between November 2022 and November 2023.

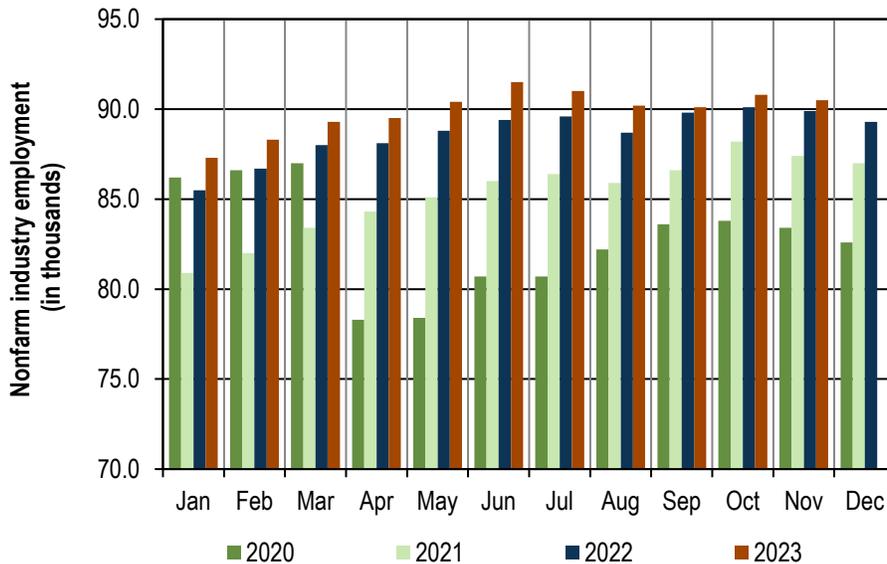
Total nonfarm employment

Between 2021 and 2022, Washington’s labor market provided 157,900 more nonfarm jobs, an average annual increase of 4.7%. Year over year, Washington’s nonfarm market has expanded in each of the past 32 months (April 2021 through November 2023). This November, business and government organizations statewide tallied 3,618,800 jobs (not seasonally adjusted) compared with 3,578,100 in November 2022, up by 40,700 jobs and by 1.1%. Although this 1.1% year-over-year growth rate in November 2023 is good news for Washington’s labor market, it should be noted that job growth rates have 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%, slightly less than Washington’s job growth pace of 4.7%. Nonfarm employment has risen, year over year, during the past 32 months (April 2021 through November 2023), as shown in *Figure 2*. Preliminary estimates indicate that local nonfarm employment advanced by 600 jobs (up 0.7%) between November 2022 (89,900 jobs) and November 2023 (90,500 jobs), as shown in *Figure 3*.

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

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



In November 2023, nonfarm employment increased to 90,500, a 600-job advance from the 89,900 jobs tallied in November 2022.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 91,636 residents (a 2.4% upturn) between 2021 and 2022. Year over year, the state’s CLF expanded in each of the past 27 months (September 2021 through November 2023). Recently, Washington’s labor force grew by 55,952 residents (up 1.4%), from 4,016,778 residents in November 2022 to 4,072,730 in November 2023.

Yakima County’s CLF grew by 1.3% between 2021 (130,753 residents) and 2022 (132,442 residents). Year over year, the local labor force decreased from June through November 2023 apart from a 1.3 percent upturn this August. In November 2022 there were 129,655 residents in the CLF versus 125,436 in November 2023, down by 4,219 residents and -3.3%. During this time, the number of unemployed plummeted by 2,040 (-22.1%), from 9,219 unemployed residents in November 2022 to 7,179 this November. This decrease in the number of unemployed surmounted the labor force contraction causing the unemployment rate to fall to 5.7% in November 2023 from the 7.1% reading in November 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 six of the past seven months from May through November 2023, Yakima County's CLF was smaller than in the pre-pandemic months of May through November 2019. The local labor force grew slightly only in August 2023 (over the pre-COVID month of August 2019). A shrinking labor force is not considered encouraging economic news.

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

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

Yakima County	Preliminary Nov-23	Revised Oct-23	Revised Nov-22	Change (in #)		Change (in %)
				Oct-23	Nov-22	Nov-22
				Nov-23	Nov-23	Nov-23
Labor force and unemployment						
Civilian labor force	125,436	126,988	129,655	-1,552	-4,219	-3.3%
Resident employment	118,257	121,252	120,436	-2,995	-2,179	-1.8%
Unemployment	7,179	5,736	9,219	1,443	-2,040	-22.1%
Unemployment rate	5.7	4.5	7.1	1.2	-1.4	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.5	90.8	89.9	-0.3	0.6	0.7%
Total private	71.7	72.1	71.7	-0.4	0.0	0.0%
Goods producing	12.7	13.0	13.2	-0.3	-0.5	-3.8%
Mining, logging and construction	4.5	4.7	4.6	-0.2	-0.1	-2.2%
Manufacturing	8.2	8.3	8.6	-0.1	-0.4	-4.7%
Nondurable goods	5.3	5.6	5.7	-0.3	-0.4	-7.0%
Service providing	77.8	77.8	76.7	0.0	1.1	1.4%
Private service providing	59.0	59.1	58.5	-0.1	0.5	0.9%
Trade, transportation and utilities	20.7	20.5	20.6	0.2	0.1	0.5%
Wholesale trade	4.4	4.5	4.6	-0.1	-0.2	-4.3%
Retail trade	12.0	11.8	11.8	0.2	0.2	1.7%
Transportation and utilities	4.3	4.2	4.2	0.1	0.1	2.4%
Professional and business services	4.9	5.0	5.0	-0.1	-0.1	-2.0%
Education and health services	19.5	19.6	19.1	-0.1	0.4	2.1%
Health care and social assistance	18.3	18.2	17.6	0.1	0.7	4.0%
Leisure and hospitality	8.4	8.5	8.2	-0.1	0.2	2.4%
Food services	6.5	6.6	6.4	-0.1	0.1	1.6%
Government	18.8	18.7	18.2	0.1	0.6	3.3%
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	15.0	14.9	14.5	0.1	0.5	3.4%
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.

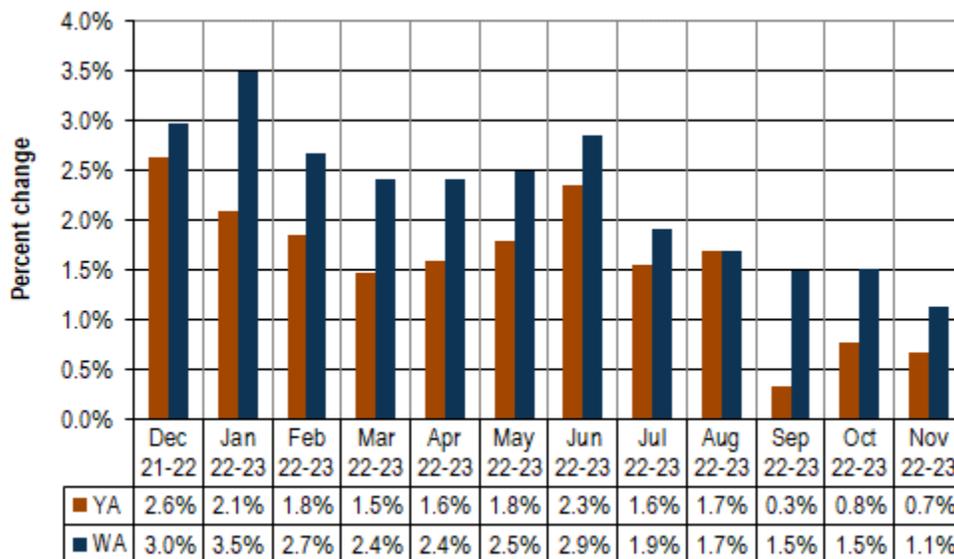
Between November 2022 and November 2023, the Yakima County nonfarm labor market grew by 0.7%.

Nonfarm industry employment

In November of 2023, total nonfarm employment in Yakima County rose to 90,500 jobs, up 0.6% from the 89,900 jobs tallied in November of last year. Yakima County’s nonfarm market has been expanding, year over year, for 32 months (April 2021 through November 2023). However, time series analysis reveals that monthly job growth rates in total nonfarm employment have been slowing, year over year, since the first quarter of 2022, as partially shown in *Figure 4*.

Recently, in November 2023, year-over-year job growth was positive in retail trade (up 200 jobs), transportation and utilities (up 100 jobs), healthcare and social assistance (up 700 jobs), leisure and hospitality (up 200 jobs), state government (up 100 jobs) and local government (up 500 jobs). Conversely, year-over-year employment numbers declined in construction (down 100 jobs), nondurable goods manufacturing (down 400 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, December 2022 through November 2023
Source: Employment Security Department/ DATA, Current Employment Statistics (CES)



Year over year, nonfarm employment in Yakima County has expanded for 31 months (April 2021 through October 2023). Washington's nonfarm job market has also expanded from April 2021 through October 2023.

The following paragraphs summarize employment changes in construction, nondurable goods manufacturing, and health care and social assistance between the Novembers of 2022 and 2023:

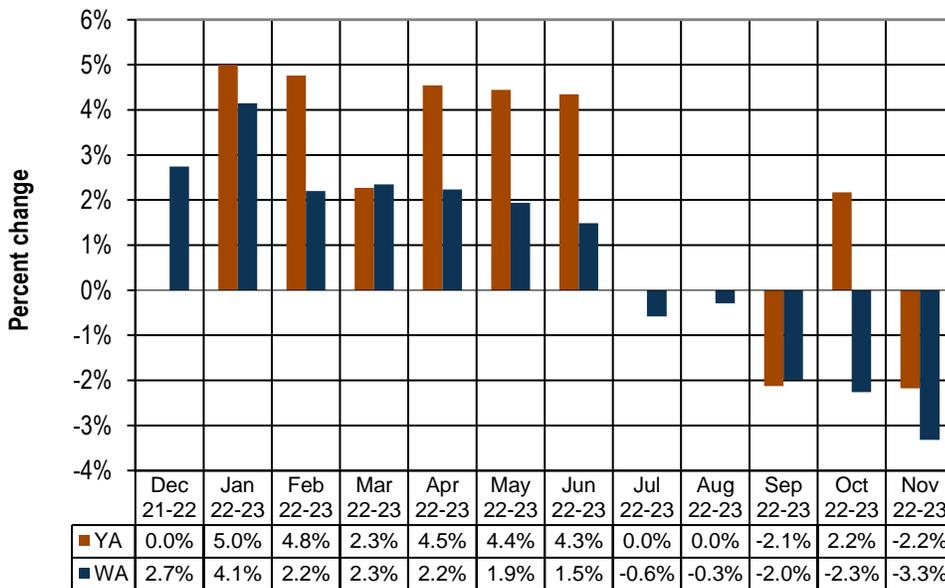
- The local construction industry did not lose as many jobs as some other employment categories (i.e., leisure and hospitality, local government, etc.) during the COVID-19 pandemic of 2020. Employment dipped from an average of 4,200 jobs in 2019 to 4,100 in 2020, a loss of 100 jobs and a -2.0% downturn. 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’s construction industry rose from 4,200 jobs to 4,500 – up 300 jobs and 6.9%.

Year over year, construction employment in Yakima County has been vacillating since July 2023, and recent estimates show a loss of 100 jobs (-2.2%) between the Novembers 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 first 11 months of this year has slowed compared with January through November 2022. The number of commercial and residential sales in

Yakima County from January through November 2023 was 2,662, a sharp -25.8% decline from the 3,588 sales recorded in the first 11 calendar months of 2022, per the November 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 \$1.47 billion Year-to-Date (YTD) in November 2022 to \$1.02 billion in November 2023, a contraction of -30.6%. The residential market yielded 774 fewer sales in the first 11 months of 2023 (1,904 residential sales) versus in the first 11 months of 2022 (2,678 residential sales), a -28.9% retrenchment. The value of these sales declined from \$947.9 million to \$682.2 million during this timeframe, a -28.0% decrease. Only average home prices advanced. Specifically, the average home price in Yakima County from January through November 2022 was \$353,955, whereas the average home price in November 2023 was \$358,318, a modest 1.2% upturn.

Statewide, construction employment has contracted in each of the past five months (July through November 2023). Recently, between November 2022 and November 2023, the number of construction jobs statewide decreased by -3.3% (*Figure 5*) and by 7,800 jobs, from 235,100 jobs to 227,300. Residential construction lost 2,000 jobs statewide between November 2022 (39,400 jobs) and November 2023 (37,400 jobs) while nonresidential trade contractors inched ahead by 100 jobs between November 2022 (23,400 jobs) and November 2023 (23,500 jobs). But the lion’s share of the 7,800-job construction employment downturn in Washington state between the Novembers of 2022 and 2023 was in specialty trade contractors. This sector provided 5,400 fewer jobs in November 2023 (145,400 jobs) than in November 2022 (151,800 jobs), a -3.6% 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, December 2022 through November 2023
 Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, construction employment in Yakima County has been vacillating since July 2023, and recent estimates show a loss of 100 jobs (-2.2%) between the Novembers of 2022 and 2023. Statewide, construction employment has contracted in the past five months (July through November 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% downturn. In 2021 average nondurable goods manufacturing

employment across Yakima County stabilized at 5,400. But in 2022 employment advanced to 5,700 jobs, back to the same level as in the pre-pandemic economy of 2019. However, year over year, employment in Yakima County's nondurable goods manufacturing industry (primarily food processing) has decreased in each of the past 12 months (December 2022 through November 2023). Current estimates indicate that nondurable goods manufacturers provided 5,300 jobs in November 2023, 400 fewer than the 5,700 jobs tallied in November 2022, a -7.0% downturn (*Figure 3*).

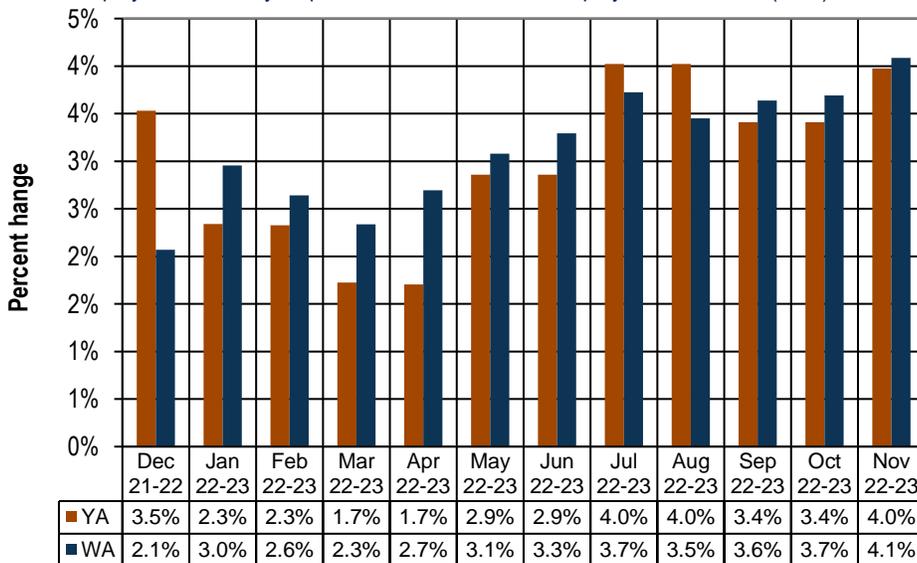
Across Washington state, nondurable goods manufacturing employment has dwindled for five consecutive months (July through November 2023). Between the Novembers of 2022 and 2023, employment in this sector sank from 87,500 jobs to 84,800, a 2,700 job and -3.1% decrease. The “fruit/vegetable preserving and specialty” subsector saw payrolls shrink by -5.7%, from 12,200 jobs in November 2022 to 11,500 jobs in November 2023, a loss of 700 jobs.

- Private health care and social assistance employment in Yakima County has been growing over the year for 23 consecutive months (January 2022 through November 2023). Statewide, this industry has added jobs for 32 months (April 2021 through November 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.). Health care and social assistance provided 17,600 jobs countywide in November 2022 versus 18,300 in November 2023, a “healthy” 700 job and a 4.0% upturn (*Figure 3*).

Statewide this industry has added jobs in every month during the past 32 months (April 2021 through November 2023). Current Employment Statistics (CES) estimates indicate that Washington’s private healthcare and social assistance tallied 452,700 jobs in November 2022 versus 471,200 in November 2023, an 18,500 job and 4.1% upturn (*Figure 6*). Within this healthcare and social assistance sector, ambulatory healthcare services providers registered a particularly strong employment growth rate of 5.5% by tallying 9,300 new jobs between November 2022 (168,300 jobs) and November 2023 (177,600 jobs).

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, December 2022 through November 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 23 consecutive months (January 2022 through November 2023). Statewide, this industry has added jobs for 32 months (April 2021 through November 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>