

Yakima MSA (Yakima County) Labor Area Summary January 2024



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Overview

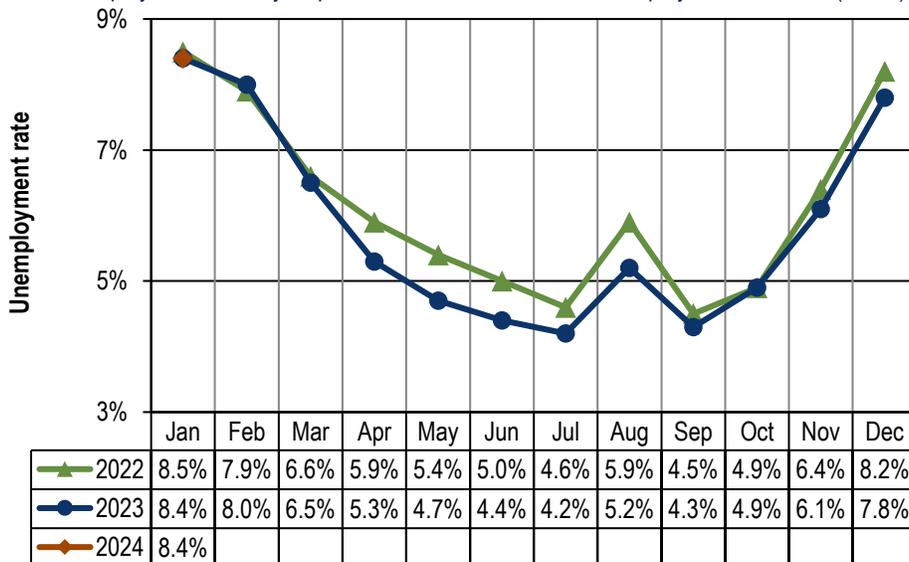
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (January 2023 through January 2024) and average annual data changes (between 2022 and 2023).

Unemployment rates

Preliminary estimates indicate that Washington’s not seasonally adjusted average annual unemployment rate stabilized at 4.1% in 2022 and 2023. However, the monthly unemployment rate rose from 4.5% in January 2023 to 5.4% in January 2024.

In Yakima County, the not seasonally adjusted average annual unemployment rate dropped from 6.1% to 5.8% between 2022 and 2023. Year over year, the monthly rate stabilized at 8.4% in January 2023 and January 2024 (Figure 1). Although this current 8.4% unemployment rate is a relatively low rate for January, it was two-tenths of a point higher than the historic low January rate of 8.2% recorded in January of 2020.

Figure 1. Yakima County unemployment rates, not seasonally adjusted
 Washington state, January 2022 through January 2024
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate stabilized at 8.4% between January 2023 and January 2024.

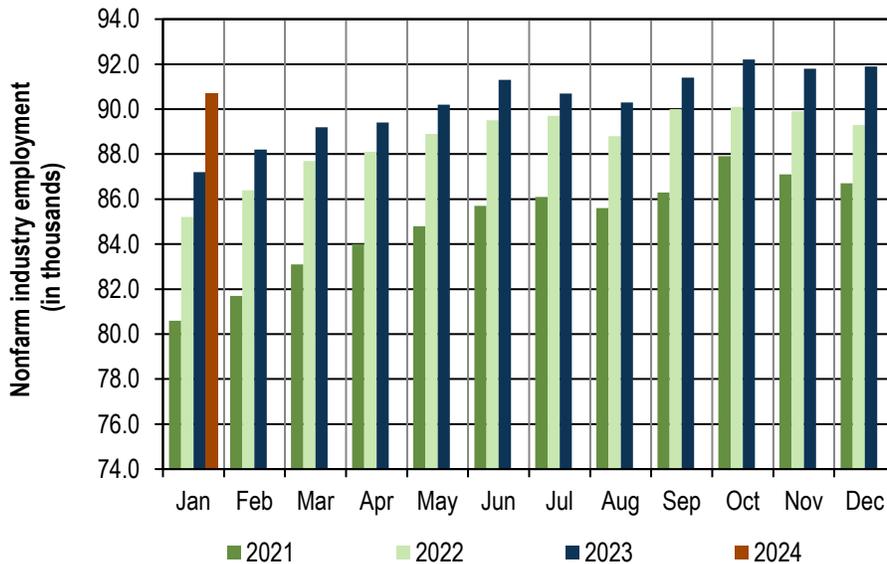
Total nonfarm employment

Preliminary estimates indicate that between 2022 and 2023, Washington’s labor market netted 71,400 new nonfarm jobs, an average annual increase of 2.0%. Although this 2.0% 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 34 consecutive months (April 2021 through January 2024). In January 2024, business and government organizations across the state tallied 3,577,900 jobs (not seasonally adjusted) compared with 3,527,800 in January 2023, up by 50,100 jobs and by 1.4% (*Figure 4*).

Preliminary estimates show that Yakima County’s nonfarm economy added 1,700 jobs between 2022 and 2023, an average annual increase of 1.9%, a tad slower than Washington’s 2.0% job growth pace last year. Nonfarm employment has risen, year over year, during the past 34 months (April 2021 through January 2024), as shown in *Figure 2*. Total nonfarm employment advanced from 87,200 jobs in January 2023 to 90,700 in January 2024, up by 3,500 jobs and 4.0% (*Figures 3 and 4*).

Figure 2. Yakima County nonfarm industry employment, not seasonally adjusted, in thousands Washington state, January 2021 through January 2024

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



In January 2024, nonfarm employment increased to 90,700, a 3,500-job advance from the 87,200 jobs tallied in January 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023, according to estimates. Year over year, the state’s CLF expanded in each of the past 32 months (June 2021 through January 2024). Washington’s labor force elevated by 43,788 residents, a 1.1% upturn, from 3,985,362 residents in January 2023 to 4,029,150 in January 2024.

Yakima County’s CLF shrank by -0.8% between 2022 (130,551 residents) and 2023 (129,466 residents). Moving forward, after year-over-year contractions from September through November 2023, the CLF expanded in December 2023 and January 2024. In January 2024 there were 2,740 more residents in the local labor force than in January 2023 (124,609 residents). However, the number of unemployed also elevated, from 10,481 Yakima County residents out of work in January 2023 to 10,678 unemployed in January 2024 (up 1.9%). This increase in the number of unemployed thwarted the labor force expansion causing the local unemployment rate to stagnate at 8.4% in January 2023 and January 2024 (*Figure 3*).

It should also be noted that in each of the past 12 months (February 2023 through January 2024) Yakima County's labor force shrank below the labor force during the pre-pandemic months of February 2019 through January 2020. It is likely that some of this labor force shrinkage is attributable to baby boomers retiring and dropping out of the CLF. Conversely, from February 2023 through January 2024, Washington's labor force expanded above levels from February 2019 through January 2020 (i.e., in the pre-COVID era).

Figure 3. Yakima County Labor force and industry employment, not seasonally adjusted
Washington state, January 2024

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

Yakima County	Preliminary Jan-24	Revised Dec-23	Revised Jan-23	Change (in #)		Change (in %)
				Dec-23	Jan-23	Jan-23
				Jan-24	Jan-24	Jan-24
Labor force and unemployment						
Civilian labor force	127,349	126,108	124,609	1,241	2,740	2.2%
Resident employment	116,671	116,235	114,128	436	2,543	2.2%
Unemployment	10,678	9,873	10,481	805	197	1.9%
Unemployment rate	8.4	7.8	8.4	0.6	0.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.7	91.9	87.2	-1.2	3.5	4.0%
Total private	71.9	73.1	69.2	-1.2	2.7	3.9%
Goods producing	12.6	12.9	12.1	-0.3	0.5	4.1%
Mining, logging and construction	4.3	4.5	4.2	-0.2	0.1	2.4%
Manufacturing	8.3	8.4	7.9	-0.1	0.4	5.1%
Nondurable goods	5.3	5.5	5.1	-0.2	0.2	3.9%
Service providing	78.1	79.0	75.1	-0.9	3.0	4.0%
Private service providing	59.3	60.2	57.1	-0.9	2.2	3.9%
Trade, transportation and utilities	20.3	21.0	19.8	-0.7	0.5	2.5%
Wholesale trade	4.6	4.6	4.4	0.0	0.2	4.5%
Retail trade	11.7	12.2	11.4	-0.5	0.3	2.6%
Transportation and utilities	4.0	4.2	4.0	-0.2	0.0	0.0%
Professional and business services	5.0	5.1	4.7	-0.1	0.3	6.4%
Education and health services	19.9	20.0	19.0	-0.1	0.9	4.7%
Health care and social assistance	18.5	18.5	17.5	0.0	1.0	5.7%
Leisure and hospitality	8.2	8.4	7.9	-0.2	0.3	3.8%
Food services	6.4	6.7	6.2	-0.3	0.2	3.2%
Government	18.8	18.8	18.0	0.0	0.8	4.4%
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	15.0	14.3	0.0	0.7	4.9%
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 January 2023 and January 2024, the Yakima County nonfarm labor market grew by 4.0%.

Nonfarm industry employment

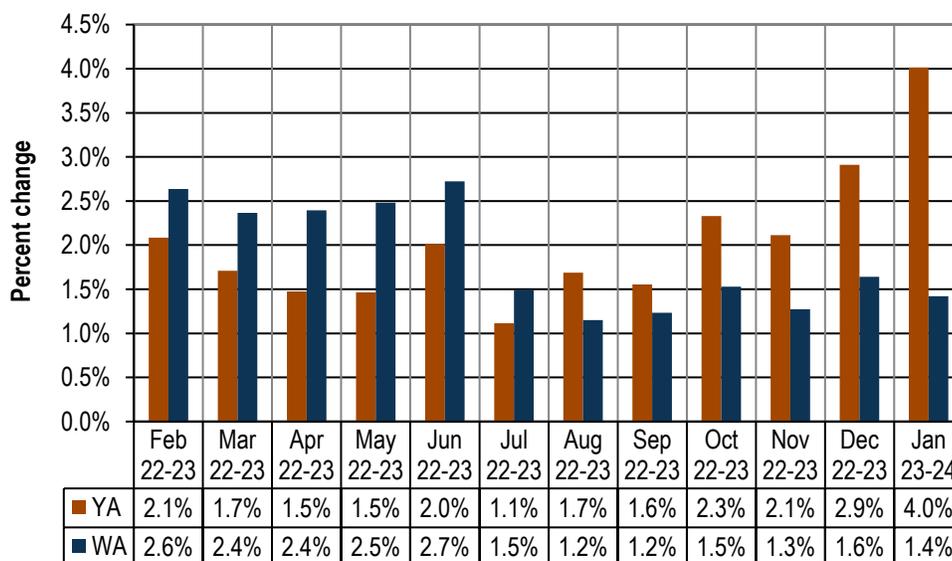
In January of 2024, total nonfarm employment in Yakima County rose to 90,700 jobs, up 4.0% from the 87,200 jobs tallied in January 2023. Year over year, nonfarm employment in Yakima County has expanded for 34 months (April 2021 through January 2024), as partially shown in *Figure 4*.

Year over year, as of January 2024, nonfarm employment in all major Yakima County industries either stabilized or increased. Job growth was particularly strong in manufacturing (up 400 jobs), healthcare and social assistance (up 1,000 jobs), and in local government (up 700 jobs). Local government includes a diverse array of organizations at the city and county levels, such as public elementary, middle, and high schools, police and fire departments, courts, road crews, parks departments, public health clinics and hospitals, Native American organizations and businesses, etc. The federal government and transportation and utilities sectors in Yakima County tallied the same number of jobs in January 2024 as in January 2023 (*Figure 3*).

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

Washington state, February 2023 through January 2024

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



Year over year, nonfarm employment in Yakima County has expanded for 34 months (April 2021 through January 2024). Washington's nonfarm job market has also expanded from April 2021 through January 2024.

The following paragraphs summarize employment changes in manufacturing, health care and social assistance, and local government between January 2023 and January 2024:

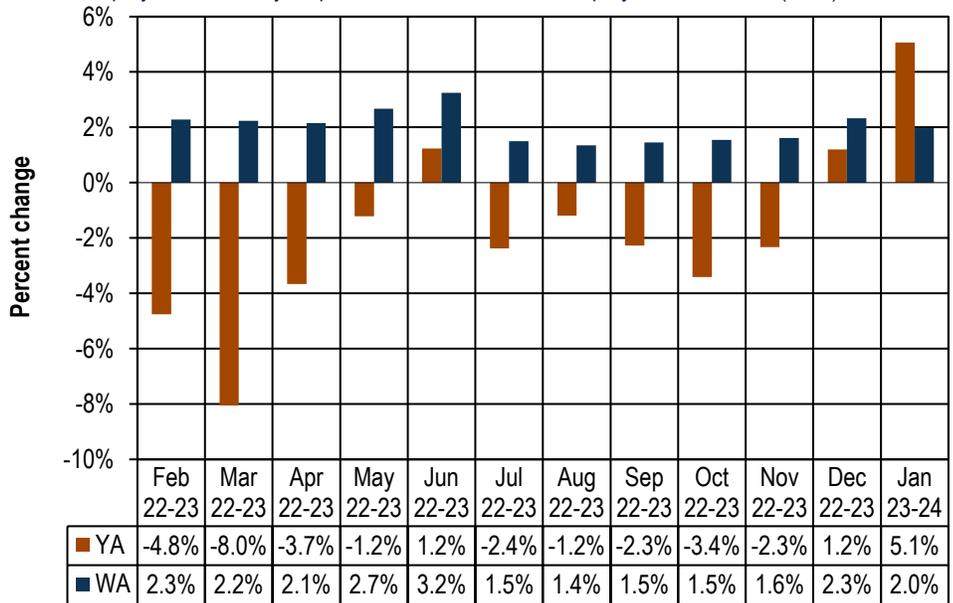
- The Yakima County manufacturing industry experienced severe job losses during the COVID-19 pandemic in 2020. Employment dropped from an average of 8,700 jobs in 2019 to 8,100 in 2020, a 600-job and -6.2% downturn. Employment inched ahead in 2021 to 8,200 jobs (up 0.6%) and to 8,400 jobs in 2022 (3.0%) before backsliding to 8,200 jobs in 2023 (-2.6%). Hence, by 2023, employment in the County's manufacturing sector (8,200 jobs) was still 500 jobs and -5.4% below the 8,700-job average in 2019 (i.e., in the pre-COVID era). It is also interesting to note that in 2023 nearly two-thirds (65.9%) of these 8,200 manufacturing jobs in Yakima County were in non-durable goods manufacturing sub-sectors (i.e., food manufacturing/processing, beverage product manufacturing, paper manufacturing, etc.).

Current estimates show that year, over year, manufacturing employment in Yakima County has expanded in the past two months (December 2023 and January 2024) as shown in *Figure 5*. Between January 2023 and January 2024 local manufacturing employment climbed from 7,900 jobs to 8,300, a

400-job and 5.1% upturn (Figure 3). However, according to a Worker Adjustment and Retraining Notification (WARN) posted on the Washington State Employment Security Department (ESD) website (<https://fortress.wa.gov/esd/file/warn/Public/SearchWARN.aspx>) Del Monte Foods, Inc. will close its food processing/manufacturing plant in Toppenish on April 26, 2024 and lay off 127 employees and Thermoforming Systems, LLC will close its Union Gap facility on March 31, 2024 and lay off 66 employees.

Across Washington, manufacturing employment trends during the past 12 months have been more stable (Figure 5). In fact, employment in this industry has increased for 27 consecutive months (November 2021 through January 2024). Between January 2023 and January 2024, the number of manufacturing jobs statewide advanced by 2.0% and by 5,300 jobs, from 269,300 jobs to 274,600. This expansion in Washington’s manufacturing sector was dominated by hiring in aerospace products and parts manufacturing which jumped by 10.4% between January 2023 (74,100 jobs) and January 2024 (81,800 jobs) – a solid gain of 7,700 jobs.

Figure 5. Yakima County & WA, manufacturing employment changes
 Washington state, February 2023 through January 2024
 Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, manufacturing employment in Yakima County expanded in the past two months (December 2023 and January 2024). Statewide, manufacturing employment has increased in each of the past 27 months (November 2021 through January 2024).

- Private health care and social assistance employment in Yakima County has been growing over the year for 25 consecutive months (January 2022 through January 2024). Current Employment Statistics (CES) estimates indicate that this industry provided 18,500 jobs in January 2024, up 1,000 jobs and 5.7 percent from the 17,500 jobs tallied in January 2023 (Figure 3). Hence, private healthcare and social assistance providers added more jobs between the Januarys of 2023 and 2024 than any other major Yakima County industry (Figure 3).

Across Washington state, health care and social assistance has added jobs for 34 months (April 2021 through January 2024). Payrolls lengthened in this sector from 452,700 jobs in January 2023 to 470,900 in January 2024, an 18,200-job and 4.0% upturn. This advance in health care and social assistance employment was primarily driven by a 5.8% increase amongst ambulatory health care businesses between January 2023 (168,600 jobs) and January 2024 (178,300 jobs). In fact, new ambulatory health care jobs (i.e., at physician and dentist offices, medical and diagnostic laboratories,

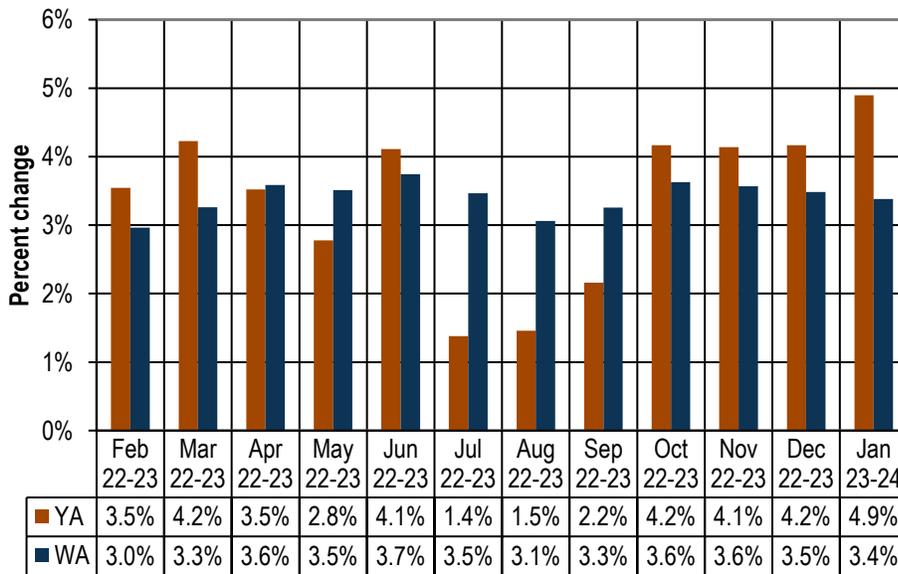
home health care services, etc.) accounted for more than half (53.3%) of the 18,200-job gain in the health care and social assistance sector between January 2023 and January 2024.

- Local government in Yakima County has been growing year over year for 34 consecutive months, or from April 2021 through January 2024 (Figure 6). Local government organizations provided 14,300 jobs countywide in January 2023 versus 15,000 in January 2024, a healthy 700-job and 4.9% upturn (Figure 3).

Statewide the local government sector has added jobs in every month during the past 33 months (May 2021 through January 2024). Current Employment Statistics (CES) estimates indicate that Washington’s local government organizations tallied 360,700 jobs in January 2023 versus 372,900 in January 2024, a 12,200-job and 3.4% expansion (Figure 6).

Figure 6. Yakima County and Washington, local government employment changes Washington state, February 2023 through January 2024

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



Employment in Yakima County’s local government sector posted year-over-year gains for 34 months (April 2021 through January 2024). Statewide, local government has expanded for the past 33 months (May 2021 through January 2024).

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>