

Yakima MSA (Yakima County) Labor Area Summary March 2024



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Overview

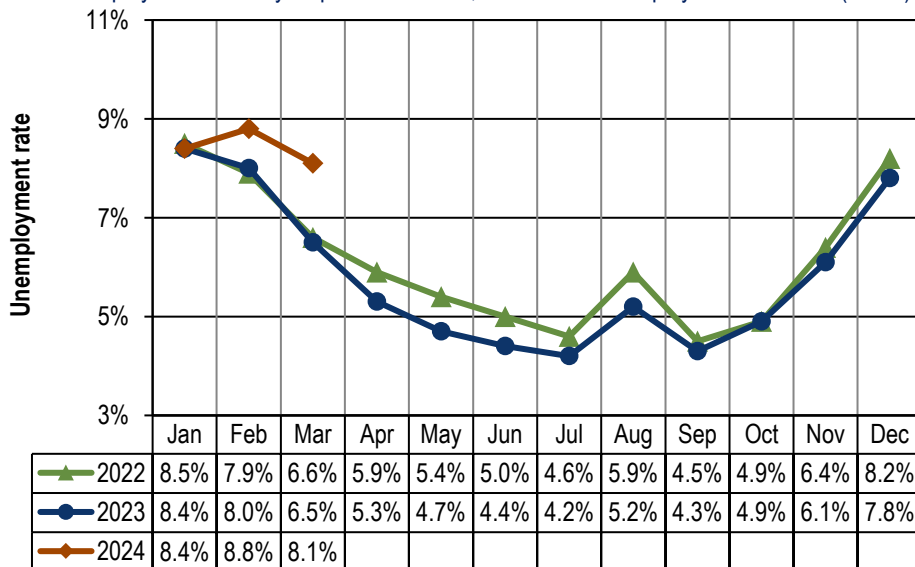
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (March 2023 through March 2024) and average annual data changes (between 2022 and 2023).

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 4.1% in March 2023 to 5.1% in March 2024, an upturn of one percentage point.

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 unemployment rate elevated from 6.5% in March 2023 to 8.1% this March (Figure 1), a one and six-tenths points increase. However, the 6.5% reading in March 2023 was the lowest unemployment rate for March in Yakima County since county-level data began to be recorded electronically in 1990.

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



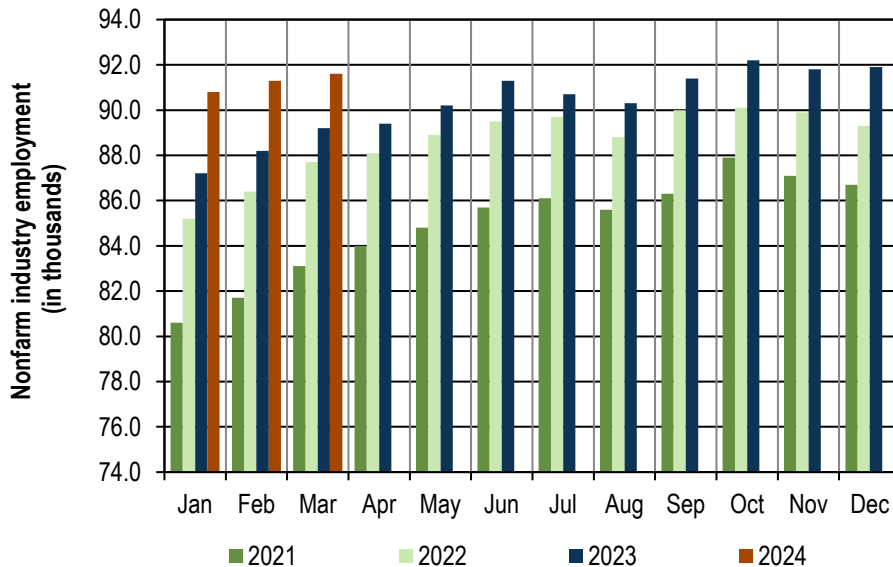
Yakima County’s unemployment rate rose one and six-tenths percentage points, from 6.5% in March 2023 to 8.1% in March 2024.

Total nonfarm employment

Between 2022 and 2023, Washington’s labor market netted 71,300 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 36 consecutive months (April 2021 through March 2024). In March 2024, business and government organizations across the state tallied 3,619,200 jobs (not seasonally adjusted) compared with 3,561,400 in March 2023, up by 57,800 jobs and by 1.6% (*Figure 4*).

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 36 months (April 2021 through March 2024), as partially shown in *Figure 2*. Current Employment Statistics (CES) estimates indicate that total nonfarm employment advanced from 89,200 jobs in March 2023 to 91,600 in March 2024, up by 2,400 jobs and 2.7% (*Figures 3 and 4*).

Figure 2. Yakima County nonfarm industry employment, not seasonally adjusted, in thousands Washington state, January 2021 through March 2024
Source: Employment Security Department/ DATA; Current Employment Statistics (CES)



In March 2024, nonfarm employment increased to 91,600, a 2,400-job advance from the 89,200 jobs tallied in March 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. Year over year, Washington’s labor force expanded for 32 consecutive months (June 2021 through January 2024), before stagnating in February 2024, and retrenching in March 2024. Specifically, this March there were only 4,003,685 Washington residents in the CLF versus 4,025,445 in March 2023, a -0.5% contraction.

Yakima County’s CLF decreased by -0.8% between 2022 (130,551 residents) and 2023 (129,466 residents). Between March 2023 and March 2024, the local labor force shrank by 8,409 residents, a -6.6% downturn. Specifically, this March there were 118,680 residents in the CLF versus 127,089 in March 2023 (*Figure 3*). Simultaneously, the number of unemployed jumped from 8,227 Yakima County residents out of work in March 2023 to 9,618 unemployed in March 2024 (up 16.9%). This increase in the number of unemployed coupled with the labor force contraction caused Yakima County’s unemployment rate to rise to 8.1% in March 2024, one and five-tenths points above the 6.5 percent reading in March 2023.

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

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

Yakima County	Preliminary Mar-24	Revised Feb-24	Revised Mar-23	Change (in #)		Change (in %)
				Feb-24	Mar-23	Mar-23
				Mar-24	Mar-24	Mar-24
Labor force and unemployment						
Civilian labor force	118,680	128,325	127,089	-9,645	-8,409	-6.6%
Resident employment	109,062	117,050	118,862	-7,988	-9,800	-8.2%
Unemployment	9,618	11,275	8,227	-1,657	1,391	16.9%
Unemployment rate	8.1	8.8	6.5	-0.7	1.6	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	91.6	91.3	89.2	0.3	2.4	2.7%
Total private	72.6	72.3	70.6	0.3	2.0	2.8%
Goods producing	12.9	12.8	12.5	0.1	0.4	3.2%
Mining, logging and construction	4.5	4.4	4.5	0.1	0.0	0.0%
Manufacturing	8.4	8.4	8.0	0.0	0.4	5.0%
Nondurable goods	5.5	5.5	5.1	0.0	0.4	7.8%
Service providing	78.7	78.5	76.7	0.2	2.0	2.6%
Private service providing	59.7	59.5	58.1	0.2	1.6	2.8%
Trade, transportation and utilities	20.3	20.2	19.9	0.1	0.4	2.0%
Wholesale trade	4.6	4.6	4.4	0.0	0.2	4.5%
Retail trade	11.7	11.6	11.5	0.1	0.2	1.7%
Transportation and utilities	4.0	4.0	4.0	0.0	0.0	0.0%
Professional and business services	5.1	5.1	4.9	0.0	0.2	4.1%
Education and health services	20.2	20.1	19.3	0.1	0.9	4.7%
Health care and social assistance	18.5	18.5	17.7	0.0	0.8	4.5%
Leisure and hospitality	8.4	8.3	8.3	0.1	0.1	1.2%
Food services	6.6	6.5	6.4	0.1	0.2	3.1%
Government	19.0	19.0	18.6	0.0	0.4	2.2%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.5	2.5	2.5	0.0	0.0	0.0%
Local government	15.2	15.2	14.8	0.0	0.4	2.7%
Workers in labor/management disputes	0.0	0.0	0.0	0.0	0.0	

¹Excludes 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 March 2023 and March 2024, the Yakima County nonfarm labor market grew by 2.7%.

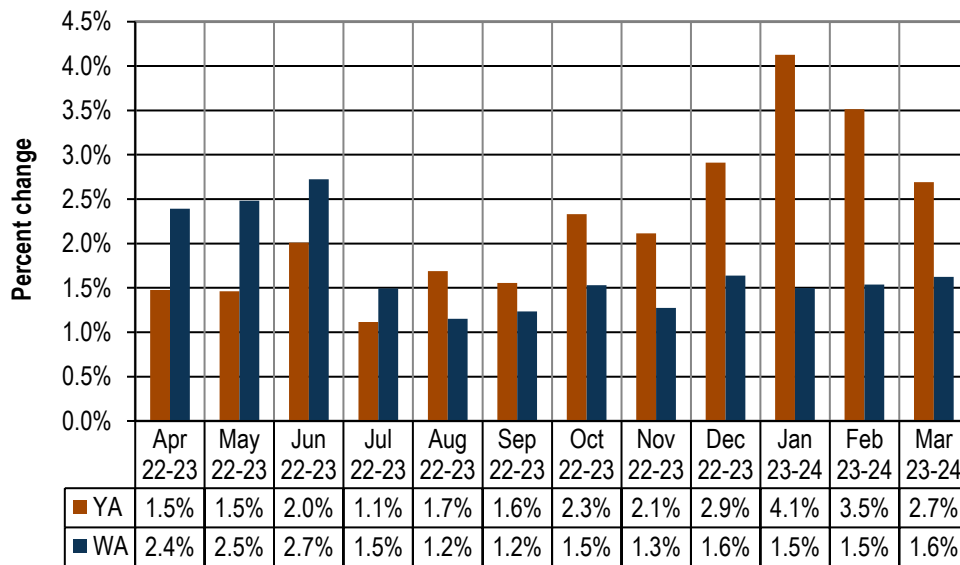
Nonfarm industry employment

In March 2024, total nonfarm employment in Yakima County rose to 91,600 jobs, up 2.7% from the 89,200 jobs tallied in March 2023. Year over year, nonfarm employment in Yakima County has expanded for 36 months (April 2021 through March 2024), as partially shown in *Figures 2 and 4*.

Year over year, as of March 2024, nonfarm employment in all major Yakima County industries either

stabilized or increased. Job growth was robust in manufacturing (up 400 jobs), healthcare and social assistance (up 800 jobs), and in local government (up 400 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. Yakima County’s construction, transportation and utilities, and federal and state government sectors tallied the same number of jobs in March 2024 as in March 2023 (Figure 3).

Figure 4. Yakima County and Washington, total nonfarm employment changes
 Washington state, April 2023 through March 2024
 Source: Employment Security Department/ DATA, Current Employment Statistics (CES)



Year over year, nonfarm employment in Yakima County has expanded for 36 months (April 2021 through March 2024). Washington's nonfarm job market has also expanded from April 2021 through March 2024.

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

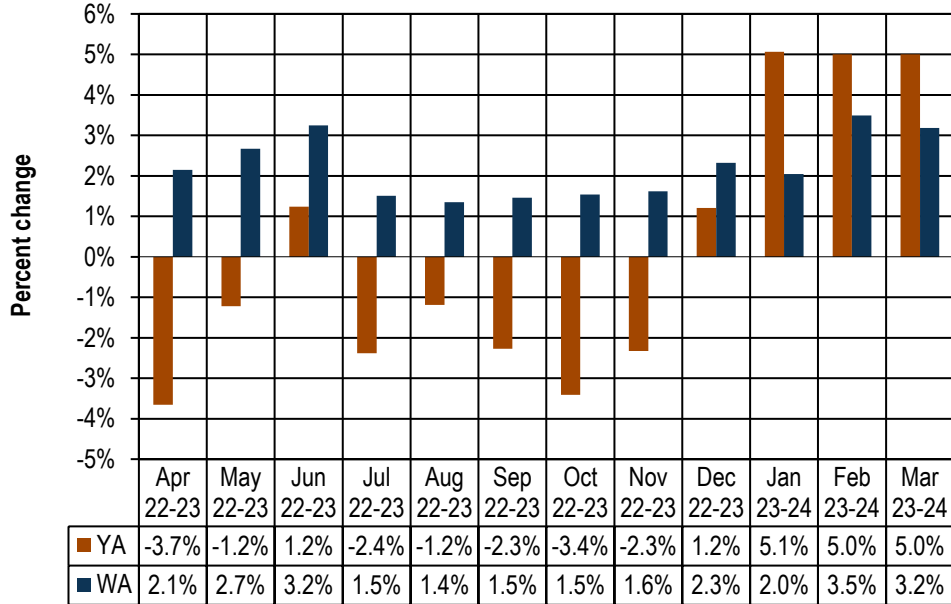
- The Yakima County manufacturing industry experienced severe job losses during the COVID-19 pandemic in 2020. Employment dropped from an average of 8,700 jobs in 2019 to 8,100 in 2020, a 600-job and -6.2% downturn. Employment inched ahead in 2021 to 8,200 jobs (up 0.6%) and to 8,400 jobs in 2022 (up 3.0%) before backsliding to 8,200 jobs in 2023 (-2.6%). Hence, by 2023, employment in the County’s manufacturing sector 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 from December 2023 through March 2024 (Figure 5). Between March 2023 and March 2024 local manufacturing employment climbed from 8,000 jobs to 8,400, a 400-job and 5.0% upturn (Figure 3). In fact, virtually all the 400 jobs added to the manufacturing sector during this time were in the nondurable goods manufacturing category (Figure 3). However, according to a Worker Adjustment and Retraining Notification (WARN) posted on the Washington State 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 closed its Union Gap facility on March 31, 2024 and laid off 66 employees – certainly not good news for the local manufacturing sector.

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 29 consecutive months (November 2021 through March 2024). Between March 2023 and March 2024, the number of manufacturing jobs statewide advanced by 3.2% and by 8,600 jobs, from 270,500 jobs to 279,100. This expansion in Washington’s manufacturing sector was dominated by hiring in aerospace products and parts manufacturing, which accelerated by 10.7% between March 2023 (74,900 jobs) and March 2024 (82,900 jobs) – a solid gain of 8,000 jobs.

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



Year over year, manufacturing employment in Yakima County has expanded from December 2023 through March 2024. Statewide, manufacturing employment has increased in each of the past 29 months (November 2021 through March 2024).

- Private health care and social assistance employment in Yakima County has been increasing year over year for 27 consecutive months (January 2022 through March 2024). Current Employment Statistics (CES) estimates indicate that this industry provided 18,500 jobs in March 2024, up 800 jobs and 4.5% from the 17,700 jobs tallied in March 2023 (*Figure 3*). Private healthcare and social assistance providers added more jobs between March 2023 and March 2024 than any other major Yakima County industry.

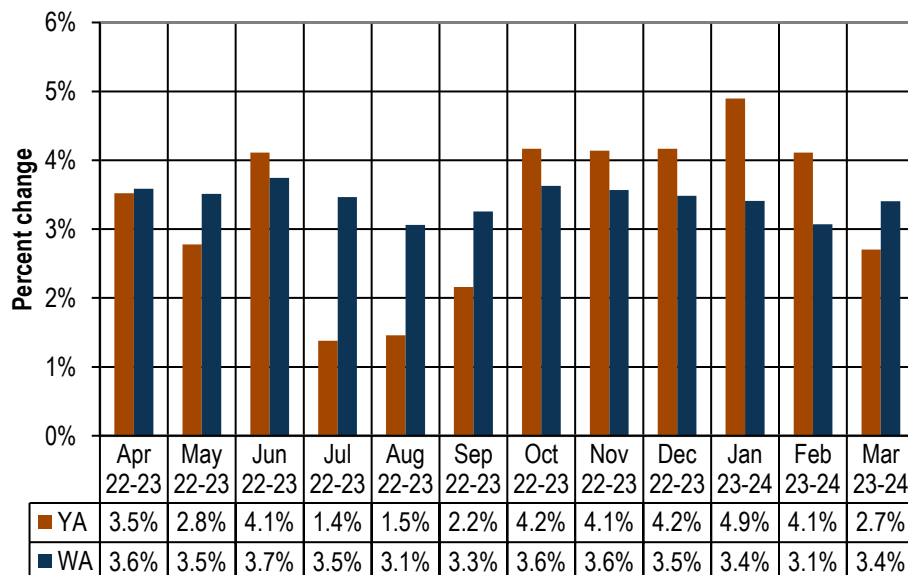
Across Washington state, the health care and social assistance sector added jobs in each of the 36 months between April 2021 and March 2024. Payrolls lengthened in this sector from 455,300 jobs in March 2023 to 471,900 in March 2024, a 16,600-job and 3.6% upturn. This advance in health care and social assistance employment was greatly assisted by hiring at ambulatory health care services (i.e., physician and dentist offices, medical and diagnostic laboratories, home health care services, etc.) which netted 8,200 new jobs (up 4.8%) between March 2023 (170,000 jobs) and March 2024 (178,200 jobs). In fact, ambulatory health care services accounted for nearly half (49.4%) of the 16,600 new jobs added between March 2023 and March 2024. Also contributing were nursing and residential care facilities, which netted 3,700 new jobs (up 6.2%) between March 2023 (59,300 jobs) and March 2024 (63,000 jobs).

- Local government in Yakima County has been growing year over year for 36 consecutive months, from April 2021 through March 2024, as partially shown in *Figure 6*. Local government organizations provided 14,800 jobs countywide in March 2023 versus 15,200 in March 2024, a 400-job and 2.7% upturn (*Figure 3*).

Statewide, the local government sector has added jobs in every month for the past 35 months (May 2021 through March 2024). Current Employment Statistics (CES) estimates indicate that Washington’s local government organizations tallied 367,100 jobs in March 2023 versus 379,600 in March 2024, a 12,500-job and 3.4% expansion (*Figure 6*).

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

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



Employment in Yakima County’s local government sector posted year-over-year gains for 36 months (April 2021 through March 2024). Statewide, local government has expanded for the past 35 months (May 2021 through March 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>