

Yakima MSA (Yakima County) Labor Area Summary June 2024



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Overview

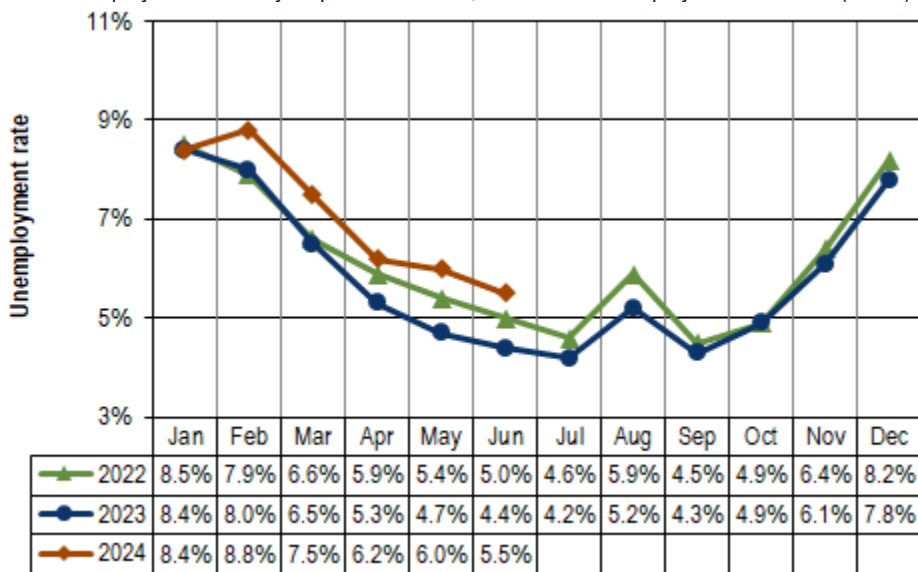
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (June 2023 through June 2024) and average annual data changes (between 2022 and 2023).

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 3.7% in June 2023 to 4.7% in June 2024, a one percentage point increase.

In Yakima County, the not seasonally adjusted average annual unemployment rate declined from 6.1% to 5.8% between 2022 and 2023. Year over year, the monthly unemployment rate elevated from 4.4% in June 2023 to 5.5% in June 2024 (*Figure 1*), up by one and one-tenth percentage points. Rates have been edging upwards, year over year, for the past five months (February through June 2024).

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



Yakima County’s unemployment rate rose one and one-tenth percentage points, from 4.4% in June 2023 to 5.5% this June.

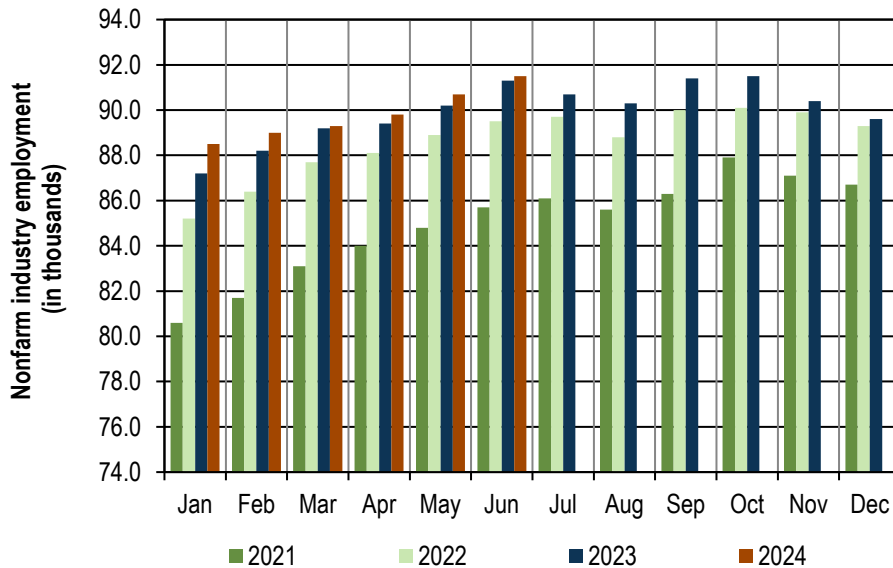
Total nonfarm employment

Between 2022 and 2023, Washington’s labor market netted 66,900 new nonfarm jobs, an average annual increase of 1.9%. Although this 1.9% 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 39 consecutive months (April 2021 through June 2024). In June 2024, business and government organizations across the state tallied 3,689,600 jobs (not seasonally adjusted) compared with 3,638,600 in June 2023, up by 51,000 jobs and by 1.4% (*Figure 4*).

Yakima County’s nonfarm economy added 1,300 jobs between 2022 and 2023, an average annual increase of 1.5%, a tad slower than Washington’s 1.9% job growth pace last year. Year over year, nonfarm employment in Yakima County has expanded for 39 months (April 2021 through June 2024) as partially shown in *Figure 2*. However, local job growth rates have lagged statewide growth rates from February through June 2024 (*Figure 4*). Current Employment Statistics (CES) estimates indicate that total nonfarm employment advanced from 91,300 jobs in June 2023 to 91,500 in June 2024, up by 200 jobs and 0.2% (*Figure 3*).

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

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



In June 2024, nonfarm employment increased modestly to 91,500, a 200-job advance from the 90,300 jobs tallied in June 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023, but year-over-year growth rates have stalled in the past six months (January through June 2024). Specifically, in the first six months of 2024, year-over-year labor force growth rates were 0.1% in January, 0.0% in February, -0.6% in March, -0.1% in April, 0.1% in May, and 0.0% in June. In June 2024, there were 4,024,331 residents in the Evergreen State’s CLF versus 4,024,332 in June 2023. Hence, the Evergreen state’s labor force has stagnated during the first half of 2024.

On an average annual basis, Yakima County’s CLF decreased by -0.8% between 2022 (130,551 residents) and 2023 (129,466 residents). Moving forward, in the 1st Quarter of 2024 the local labor force expanded, year over year - but it retrenched in the 2nd Quarter of 2024. By June of 2024, there were only 126,950 residents in the local labor force versus 131,077 in June 2023, a -3.1% downturn (*Figure 3*). Simultaneously, the number of unemployed jumped from 5,715 Yakima County residents out of work in June 2023 to 6,932

unemployed this June (up 21.3%). This increase in the number of unemployed coupled with the labor force contraction caused Yakima County's unemployment rate to rise to 5.5% in June 2024, one and one-tenth percentage points above the 4.4% reading in June 2023 (Figure 3).

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

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

Yakima County	Preliminary Jun-24	Revised May-24	Revised Jun-23	Change (in #)		Change (in %)
				May-24	Jun-23	Jun-23
				Jun-24	Jun-24	Jun-24
Labor force and unemployment						
Civilian labor force	126,950	127,354	131,077	-404	-4,127	-3.1%
Resident employment	120,018	119,765	125,362	253	-5,344	-4.3%
Unemployment	6,932	7,589	5,715	-657	1,217	21.3%
Unemployment rate	5.5	6.0	4.4	-0.5	1.1	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	91.5	90.7	91.3	0.8	0.2	0.2%
Total private	72.8	72.1	72.1	0.7	0.7	1.0%
Goods producing	12.8	12.6	13.0	0.2	-0.2	-1.5%
Mining, logging and construction	4.7	4.6	4.8	0.1	-0.1	-2.1%
Manufacturing	8.1	8.0	8.2	0.1	-0.1	-1.2%
Nondurable goods	5.3	5.3	5.4	0.0	-0.1	-1.9%
Service providing	78.7	78.1	78.3	0.6	0.4	0.5%
Private service providing	60.0	59.5	59.1	0.5	0.9	1.5%
Trade, transportation and utilities	20.0	19.8	20.4	0.2	-0.4	-2.0%
Wholesale trade	4.5	4.4	4.5	0.1	0.0	0.0%
Retail trade	11.6	11.5	11.7	0.1	-0.1	-0.9%
Transportation and utilities	3.9	3.9	4.2	0.0	-0.3	-7.1%
Professional and business services	5.1	5.0	5.0	0.1	0.1	2.0%
Education and health services	20.1	20.2	19.3	-0.1	0.8	4.1%
Health care and social assistance	18.6	18.6	18.0	0.0	0.6	3.3%
Leisure and hospitality	8.4	8.3	8.6	0.1	-0.2	-2.3%
Food services	6.5	6.5	6.7	0.0	-0.2	-3.0%
Government	18.7	18.6	19.2	0.1	-0.5	-2.6%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.6	2.7	0.0	-0.1	-3.7%
Local government	14.8	14.7	15.2	0.1	-0.4	-2.6%
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.

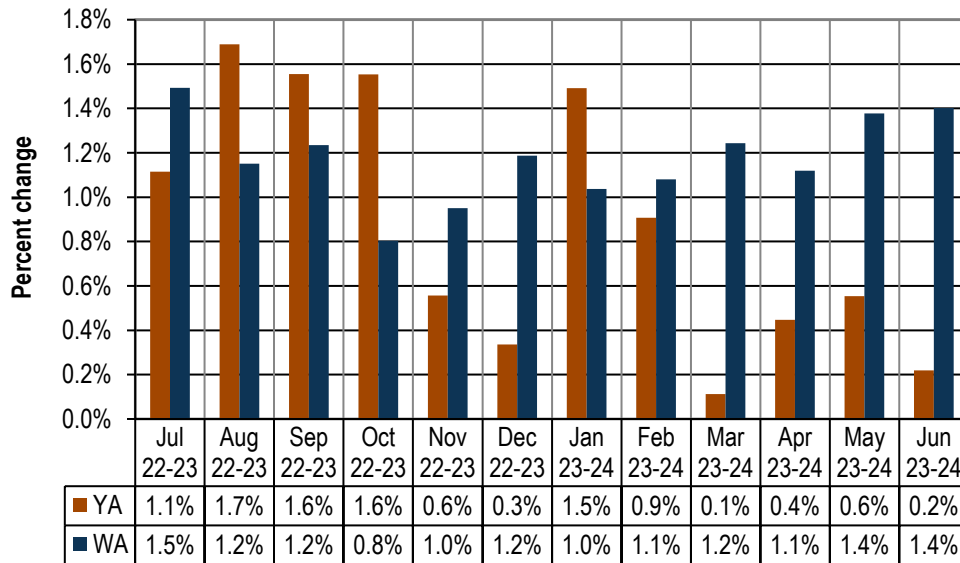
Between June 2023 and June 2024, the Yakima County nonfarm labor market expanded by 0.2%.

Nonfarm industry employment

In June 2024, total nonfarm employment in Yakima County rose to 91,500 jobs, a modest gain of 0.2%

above the 91,300 jobs tallied in June 2023 (Figures 3 and 4). Year over year, nonfarm employment in Yakima County has expanded for 39 months (April 2021 through June 2024), but local job growth rates have fallen behind statewide growth rates from February through June 2024 (Figure 4). Construction, manufacturing, retail trade, transportation and utilities, food services, state government and local government provided fewer jobs this June than in June 2023 (Figure 3). On the positive side, professional and business services and healthcare and social assistance tallied more jobs in June 2024 than in June of last year.

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



Year over year, nonfarm employment in Yakima County has expanded for 39 months (April 2021 through June 2024), but local job growth rates have lagged statewide growth rates from February through June 2024. Washington's nonfarm job market has also expanded in each of the past 39 months.

The following paragraphs summarize employment changes in construction, transportation and utilities, and health care and social assistance between June 2023 and June 2024:

- The Yakima County construction industry experienced a modest slowdown during the COVID-19 pandemic in 2020, as employment dropped from an average of 4,200 jobs in 2019 to 4,100 in 2020, a -2.0% downturn. Employment then rose by 3.5% in 2021, 5.5% in 2022, and by 3.2% in 2023. By 2023, employment in the County's construction sector stood at 4,600, a level which was 10.3% and 400 jobs above the 4,200-job average for this industry in the pre-pandemic year of 2019. However, year-over-year job growth amongst Yakima County construction contractors began to cool in November of 2023. In fact, employment in this industry has either stagnated or decreased in each of the past eight months (November 2023 through June 2024), as shown in Figure 5. In June 2024, construction provided 4,700 jobs countywide, down -2.1% and 100 jobs below the 4,800 jobs tallied in June 2023 (Figure 3). It is likely that relatively high interest rates have been putting the dampers on construction hiring in Yakima County.

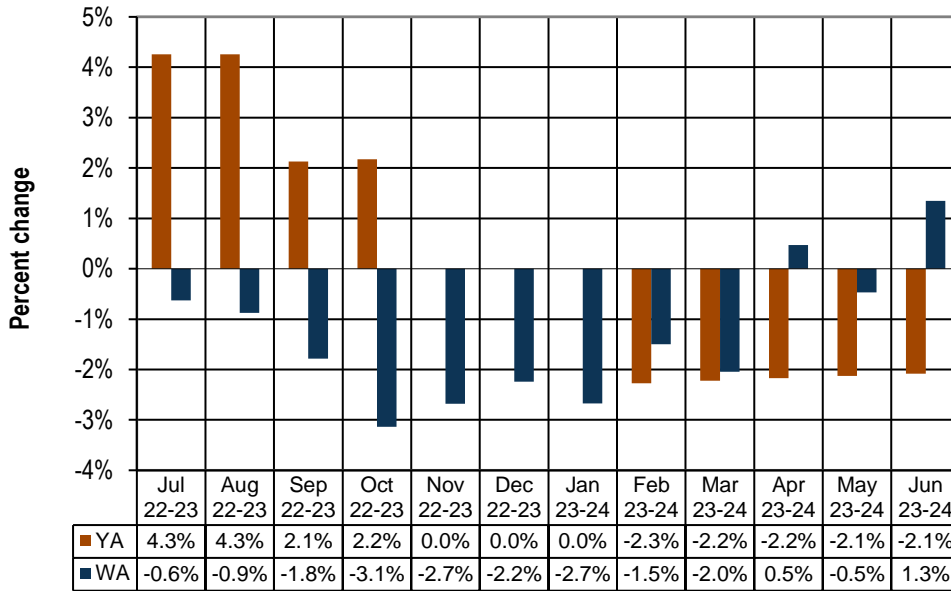
Statewide, construction employment contracted from July 2023 through March 2024, rose in April 2024, dropped in May, and elevated in June 2024 (Figure 5). There were 237,900 construction jobs across Washington in June 2023 versus 241,100 this June, a 3,200-job expansion. Whether this indicates a rebounding of Washington's construction sector or is just a one-month upturn remains to be seen. Within the construction sector, the residential building subsector expanded from 39,600 jobs to 42,000, a large 2,400-job and 6.1% increase between the Junes of 2023 and 2024. Conversely,

Washington state’s nonresidential building contractors saw payrolls contract from 23,900 jobs in June 2023 to 22,900 in June 2024, a 1,000-job and -4.2% downturn.

Figure 5. Yakima County and Washington, construction employment changes

Washington state, July 2023 through June 2024

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



Year over year, construction employment in Yakima County either stagnated or decreased in the past eight months (November 2023 through June 2024). Statewide, construction employment contracted from July 2023 through March 2024, rose in April 2024, dropped in May, and elevated this June.

- Year over year, employment in Yakima County's transportation and utilities sector has contracted for 12 months (July 2023 through June 2024). Note that although the title of this employment category is transportation and utilities (*Figure 3*), the category also tallies warehousing business jobs. Hence “transportation and utilities” is also sometimes referred to as “transportation, warehousing, and utilities (TWU).” This June, transportation and utilities, or TWU, provided 3,900 jobs countywide, a 300-job and -7.1% drop from the 4,200 jobs recorded in June 2023 (*Figure 3*).

Statewide, TWU employment decreased in August 2023, October 2023, and again in December 2023 and January 2024. But since then, payrolls in this industry have lengthened for five months (February through June 2024). Current Employment Statistics (CES) estimates indicate that Washington’s TWU firms netted 137,800 jobs in June 2023 versus 140,600 in June 2024, a 2,800-job and 2.0% upturn.

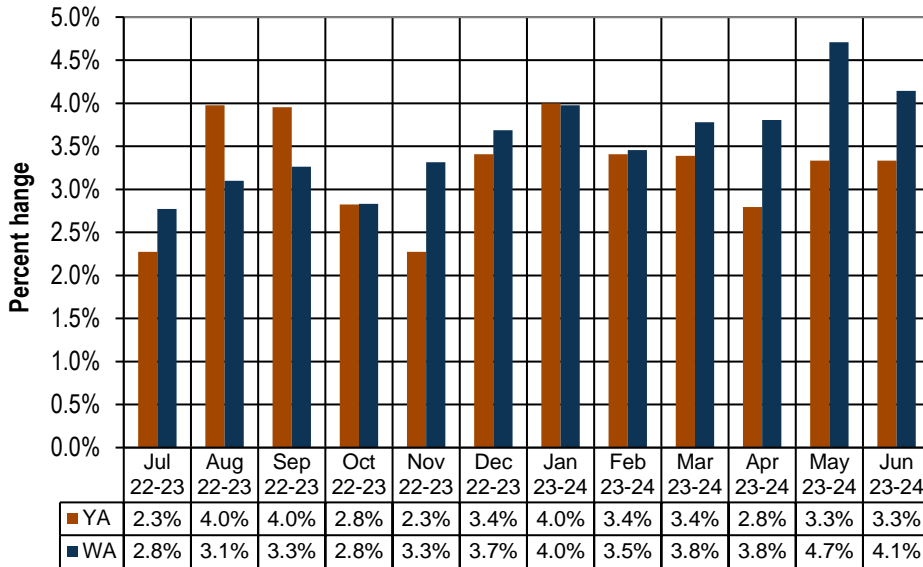
- Private health care and social assistance employment in Yakima County has been increasing year over year for 30 consecutive months (January 2022 through June 2024). Current Employment Statistics (CES) estimates indicate that this industry provided 18,600 jobs in June 2024, up 600 jobs and 3.3% from the 18,000 jobs tallied in June 2023 (*Figure 3*). This gain of 600 jobs meant that private healthcare and social assistance providers added more jobs between the Junes of 2023 and 2024 than any other major Yakima County industry.

Across Washington state, the health care and social assistance sector added jobs in each of the 39 months between April 2021 and June 2024. In this sector, payrolls lengthened from 460,800 jobs in June 2023 to 479,900 in June 2024, a 19,100-job and 4.9% upturn (*Figure 6*). Health care and social assistance accounted for over one-third (37.5%) of all nonfarm jobs added statewide during this period. Across Washington state, this advance in health care and social assistance employment was

led by hiring at social assistance organizations (i.e., child day care services, vocational rehabilitation services, individual and family services, etc.) which rose from 135,800 jobs in June 2023 to 142,900 in June 2024, up by 7,100 jobs and 5.2%. Ambulatory health care providers (i.e., offices of physicians, pharmacists, occupational therapists, physical therapists, etc.) came in close behind, advancing from 171,700 jobs in June 2023 to 178,600 in June 2024, up by 6,900 jobs and 4.0%.

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, July 2023 through June 2024

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



Year over year, private health care and social assistance employment in Yakima County has been growing for 30 consecutive months (January 2022 through June 2024). Statewide, this industry has added jobs for 39 months (April 2021 through June 2024).

Agricultural employment/production

The Bureau of Labor Statistics’ Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security, 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, detailed data set for comparing employment and wage trends in major industries at the county level. The only limitation is the timeliness of these data. For example, it was only in July 2024 that preliminary average annual QCEW data for calendar year 2023 became available. An analysis of employment and wage changes from 2013 through 2023 (the most recent 10-year period) shows that in Yakima County:

- Total covered employment rose from 103,585 in 2013 to 116,152 in 2023, a 12,567-job and 12.1% upturn, with annualized employment growth between 2013 and 2023 of 1.2%. The number of agricultural jobs (a subset of total covered employment) increased from 27,044 in 2013 to 28,755 in 2023, a 1,731-job and 6.4% uptrend, with annualized employment growth of 0.6%. In 2013, Yakima County’s agricultural industry accounted for 26.1% of total covered employment, but in 2023 agricultural employment accounted for 24.8% of total covered employment. Hence, the agricultural share of total employment slipped by 2.7 percentage points (from 26.1 to 24.8%) countywide during this 10-year period.

Although agricultural employment increased between 2013 and 2023, it peaked in 2018 at 32,320 jobs. In fact, this industry has shed jobs yearly since then. By 2023, Yakima County’s agricultural industry tallied 28,775 jobs, a 3,545-job and -11.0% contraction from this 2018 peak.

- Total covered wages rose from \$3.50 billion in 2013 to \$5.78 billion in 2023, a \$2.29 billion and 65.4% upturn, with annualized payroll growth between 2013 and 2023 of 5.2%. The agricultural payroll (a subset of total covered wages) advanced from \$680.0 million in 2013 to \$1.13 billion in 2023, a \$454.9 million and 66.9% uptrend, with annualized wage growth of 5.3% during this 10-year period. In 2013, Yakima County's agricultural industry accounted for 19.4% of total covered wages. In 2023, agricultural wages accounted for 19.6% of total covered payroll. Hence, the share of total wages provided by the agricultural sector edged upwards by a marginal two-tenths of a percentage point during this period.
- Amongst all Yakima County industries, the agricultural industry is still in first place when ranked by covered employment and wages/payroll. In terms of jobs, it provided 24.8% of total covered employment in 2023. In terms of wages, it accounted for 19.6% of total covered payroll in 2023. But one could generalize from these previously mentioned 10-year trends (2013 through 2023) and 5-year trends (2018 through 2023) that:
 - Agricultural employment hit its zenith in Yakima County around 2018. Also, agricultural employment posted an annualized growth rate of 0.6% from 2013 through 2023, while total covered employment posted an annualized growth rate of 1.2% during this time.
 - Conversely, agricultural wages/payroll (not adjusted for inflation) registered an annualized growth rate of 5.3% from 2013 through 2023 while total covered payroll registered a comparable annualized growth rate of 5.2%. Also, in 2013 the average annual wage in Yakima County's agricultural sector was \$25,143 or 74.5% of the average annual total covered wage (for all industries) of \$33,767. In 2023, the average annual wage in Yakima County's agricultural sector was \$39,440 or 79.2% of the average annual total covered wage (for all industries) of \$49,798. Thus, the annual average wage of an agricultural job advanced modestly from 74.5% of the average annual total covered wage in 2013 to 79.2% in 2023.
- Some possible explanations for these diverging trends between employment and wages in Yakima County's agricultural industry follow:
 - QCEW employment figures do not differentiate between full-time or part-time jobs. If relatively more workers are being hired into full-time year-round agricultural positions (with an upward pressure on wages) while fewer people are being hired into part-time/seasonal jobs, payrolls could rise while employment declines.
 - Anecdotal evidence also points to at least two more possibilities for the decline in agricultural employment from 2018 through 2023 coupled with relative stability of wages/payroll from 2013 through 2023: automation and 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>