

Yakima MSA (Yakima County) Labor Area Summary May 2024



Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Kittitas County WorkSource, 510 N. Pine Street, Ellensburg, WA 98926
 Phone: 509-607-3267
 Email: don.meseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

Overview

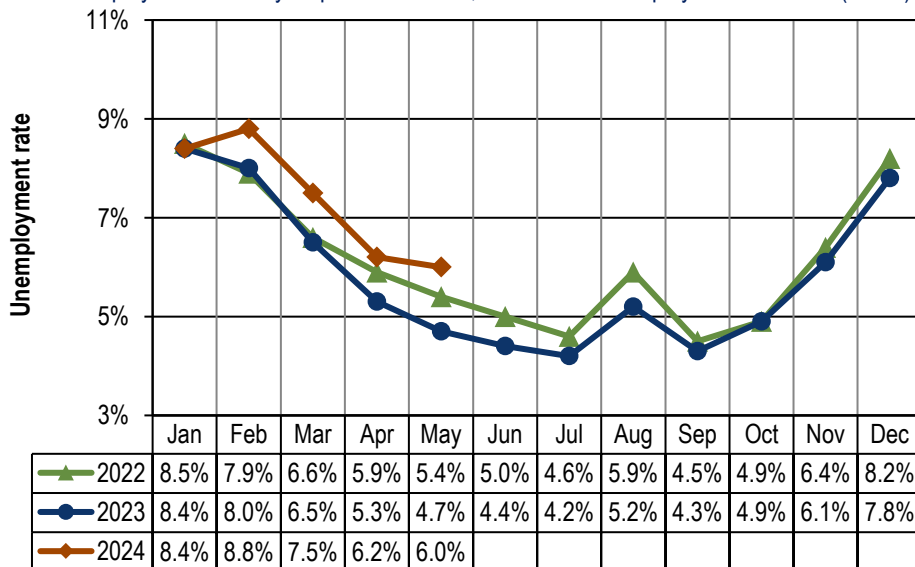
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (May 2023 through May 2024) and average annual data changes (between 2022 and 2023).

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 3.6% in May 2023 to 4.6% in May 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 4.7% in May 2023 to 6.0% in May 2024 (*Figure 1*), up by one and three-tenths percentage points. However, the 4.7% reading in May 2023 was the lowest unemployment rate for May 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 May 2024
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate rose one and three-tenths percentage points, from 4.7% in May 2023 to 6.0% in May 2024.

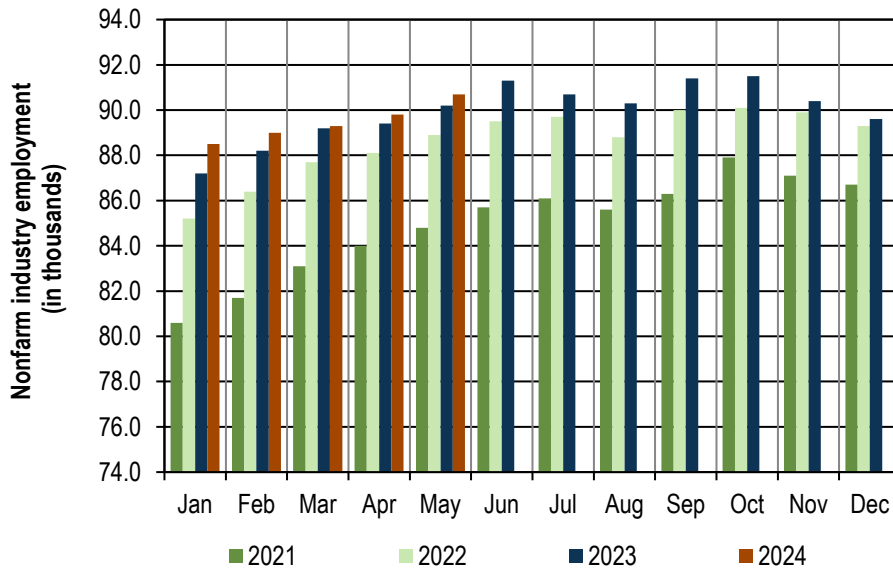
Total nonfarm employment

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 38 consecutive months (April 2021 through May 2024). In May 2024, business and government organizations across the state tallied 3,657,800 jobs (not seasonally adjusted) compared with 3,609,000 in May 2023, up by 48,800 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 bit slower than Washington’s 1.9% job growth pace last year. Year over year, nonfarm employment in Yakima County has expanded for 38 months (April 2021 through May 2024) as partially shown in *Figure 2*. However, local job growth rates have lagged statewide growth rates from February through May 2024 (*Figure 4*). Current Employment Statistics (CES) estimates indicate that total nonfarm employment advanced from 90,200 jobs in May 2023 to 90,700 in May 2024, up by 500 jobs and 0.6% (*Figure 3*).

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

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



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

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023, but monthly growth rates gradually subsided from 1.8% between the Januaries of 2022 and 2023 to 1.0% between the Decembers of 2022 and 2023. As we move into the first five 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, and 0.1% in May. Hence, year over year, Washington’s labor force vacillated in the first five months of 2024. In May 2024, there were 4,012,553 residents in the Evergreen State’s CLF versus 4,009,108 in May 2023, a marginal 0.1% expansion.

Yakima County’s CLF decreased by -0.8% between 2022 (130,551 residents) and 2023 (129,466 residents). This May there were 127,420 residents in the labor force versus 128,567 in May 2023 (*Figure 3*), hence the local labor force lost 1,147 residents (-0.9%). Simultaneously, the number of unemployed jumped from 5,993 Yakima County residents in May 2023 to 7,647 unemployed in May 2024 (up 27.6%). This increase in

the number of unemployed coupled with the labor force contraction caused Yakima County’s unemployment rate to rise to 6.0% in May 2024, one and three-tenths percentage points above the 4.7% reading in May 2023 (*Figure 3*).

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

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

Yakima County	Preliminary May-24	Revised Apr-24	Revised May-23	Change (in #)		Change (in %)
				Apr-24	May-23	May-23
				May-24	May-24	May-24
Labor force and unemployment						
Civilian labor force	127,420	126,866	128,567	554	-1,147	-0.9%
Resident employment	119,773	118,987	122,574	786	-2,801	-2.3%
Unemployment	7,647	7,879	5,993	-232	1,654	27.6%
Unemployment rate	6.0	6.2	4.7	-0.2	1.3	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.7	89.8	90.2	0.9	0.5	0.6%
Total private	72.1	71.2	71.6	0.9	0.5	0.7%
Goods producing	12.6	12.4	12.8	0.2	-0.2	-1.6%
Mining, logging and construction	4.6	4.5	4.7	0.1	-0.1	-2.1%
Manufacturing	8.0	7.9	8.1	0.1	-0.1	-1.2%
Nondurable goods	5.3	5.1	5.3	0.2	0.0	0.0%
Service providing	78.1	77.4	77.4	0.7	0.7	0.9%
Private service providing	59.5	58.8	58.8	0.7	0.7	1.2%
Trade, transportation and utilities	19.8	19.7	20.1	0.1	-0.3	-1.5%
Wholesale trade	4.4	4.4	4.4	0.0	0.0	0.0%
Retail trade	11.5	11.4	11.6	0.1	-0.1	-0.9%
Transportation and utilities	3.9	3.9	4.1	0.0	-0.2	-4.9%
Professional and business services	5.0	4.9	5.0	0.1	0.0	0.0%
Education and health services	20.2	20.0	19.4	0.2	0.8	4.1%
Health care and social assistance	18.6	18.4	18.0	0.2	0.6	3.3%
Leisure and hospitality	8.4	8.2	8.4	0.2	0.0	0.0%
Food services	6.5	6.3	6.6	0.2	-0.1	-1.5%
Government	18.6	18.6	18.6	0.0	0.0	0.0%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.6	2.5	0.0	0.1	4.0%
Local government	14.7	14.7	14.8	0.0	-0.1	-0.7%
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.

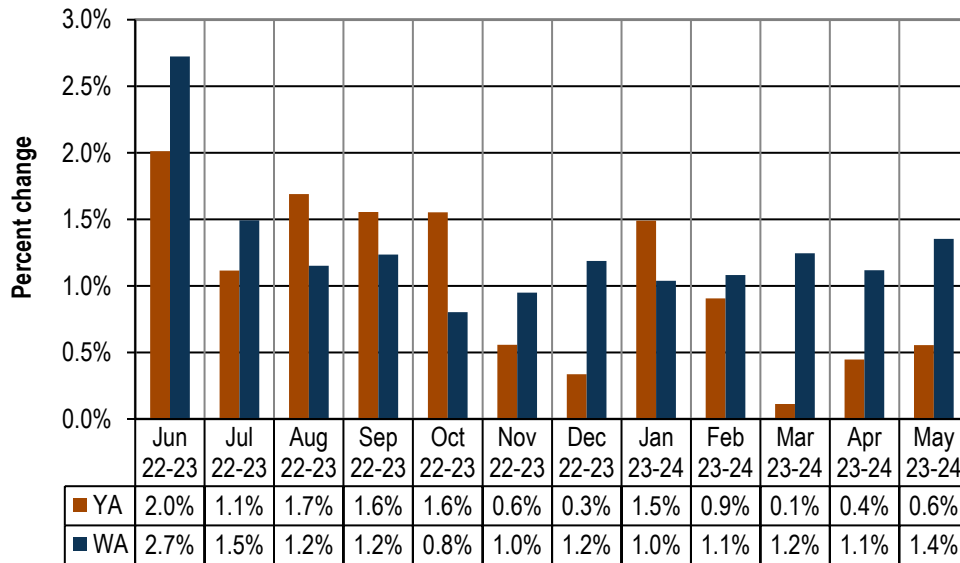
Between May 2023 and May 2024, the Yakima County nonfarm labor market expanded by 0.6%.

Nonfarm industry employment

In May 2024, total nonfarm employment in Yakima County rose to 90,700 jobs, a net gain of 0.6% above

the 90,200 jobs tallied in May 2023 (Figures 3 and 4). Year over year, nonfarm employment in Yakima County has expanded for 38 months (April 2021 through May 2024), but local job growth rates have lagged statewide growth rates from February through May 2024 (Figure 4). On the downside, construction, manufacturing, retail trade, transportation and utilities, food services, and local government provided fewer jobs this May than in May 2023 (Figure 3). On the positive side, the healthcare and social assistance and state government sectors tallied more jobs in May 2024 than in May of last year.

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



Year over year, nonfarm employment in Yakima County has expanded for 38 months (April 2021 through April 2024), but local job growth rates have lagged statewide growth rates from February through May 2024. Washington's nonfarm job market has also expanded in each of the past 38 months.

The following paragraphs summarize employment changes in construction, retail trade, and health care and social assistance between May 2023 and May 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 – but the number of construction jobs has tapered off recently. Employment in this industry either stagnated or decreased in the past seven months (November 2023 through May 2024), as shown in Figure 5. Construction provided 4,600 jobs countywide in May 2024, down -2.1% and 100 jobs below the 4,700 jobs tallied in May 2023 (Figure 3). It is likely that relatively high interest rates have been putting the dampers on construction hiring in Yakima County.

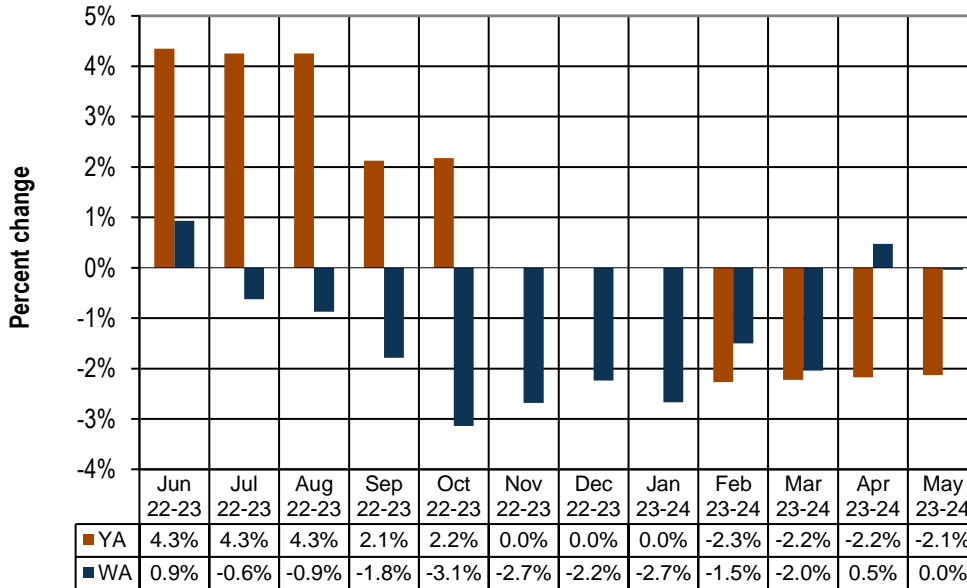
Statewide, construction employment contracted, year over year, for nine months (July 2023 through March 2024), expanded in April 2024, and virtually stagnated between the Mays of 2023 and 2024 (Figure 5). There were 235,000 construction jobs across Washington in May 2023 versus 234,900 this May, a marginal 100-job abatement (rounded to no change during this period). Within this broad construction sector, the residential building subsector expanded from 38,900 jobs to 41,100, a 2,200-job and 5.7% increase between the Mays of 2023 and 2024. Conversely, Washington's specialty trade contractors (a subsector which includes concrete, masonry, roofing, electrical, plumbing, drywall, and painting contractors, etc.) saw payrolls contract from 150,700 jobs in May 2023 to 148,700 in

May 2024, a 2,000-job and -1.3% downturn.

Figure 5. Yakima County & WA, construction employment changes

Washington state, June 2023 through May 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 seven months (November 2023 through May 2024). Statewide, construction employment contracted for nine months (July 2023 through March 2024), expanded in April 2024, and stagnated between the Mays of 2023 and 2024.

- Year over year, employment amongst Yakima County's retail trade businesses has decreased for five months (January through May 2024). This May, retail trade firms (i.e., motor vehicle and parts dealers, building material and garden supply stores, food and beverage stores, general merchandise stores, etc.) provided 11,500 jobs in Yakima County, a 100-job and -0.9% retrenchment from the 11,600 jobs recorded in May 2023 (Figure 3).

Employment in Washington's retail trade sector has been losing jobs for 11 consecutive months (July 2023 through May 2024). Current Employment Statistics (CES) estimates indicate that Washington's retail trade employers tallied 337,400 jobs in May 2023 versus 333,500 in May 2024, a 3,900-job and -1.2% downturn. The number of jobs in general merchandise stores contracted from 72,800 in May 2023 to 70,900 jobs in May 2024, a 1,900-job and -2.6% loss rate, accounting for nearly half (48.7%) of all retail trade jobs lost during this period.

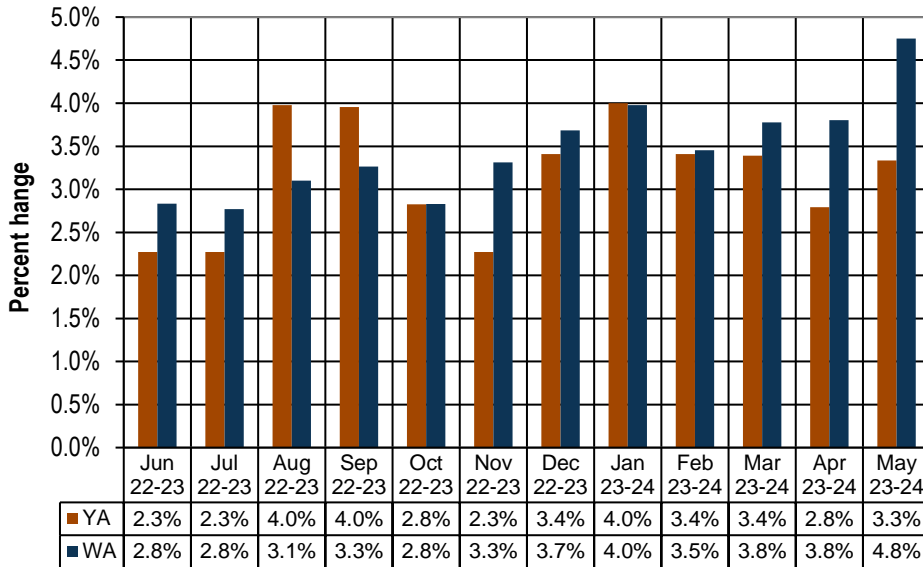
- Private health care and social assistance employment in Yakima County has been increasing year over year for 29 consecutive months (January 2022 through May 2024). Current Employment Statistics (CES) estimates indicate that this industry provided 18,600 jobs in May 2024, up 600 jobs and 3.3% from the 18,000 jobs tallied in May 2023 (Figure 3). Private healthcare and social assistance providers added more jobs between the Mays 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 38 months between April 2021 and May 2024. Payrolls lengthened in this sector from 458,700 jobs in May 2023 to 480,500 in May 2024, a 21,800-job and 4.8% upturn (Figure 6). This advance in health care and social assistance employment was greatly assisted by hiring at nursing and residential care facilities which netted 5,700 new jobs between May 2023 (59,900 jobs) and May 2024 (65,600 jobs) for a robust growth pace of 9.5%. Also contributing were ambulatory health care providers (i.e.,

offices of physicians, pharmacists, occupational therapists, physical therapists, etc.) which netted 8,000 new jobs, a 4.7% upturn, between May 2023 (171,100 jobs) and May 2024 (179,100 jobs). Job gains at nursing and residential care facilities and in ambulatory health care accounted for 62.8% of all health care and social assistance jobs added between the Mays of 2023 and 2024.

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, June 2023 through May 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 29 consecutive months (January 2022 through May 2024). Statewide, this industry has added jobs for 38 months (April 2021 through May 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 three-tenths of a percentage point (from 19.2 to 19.5%) during this period.

- One could generalize that in this most recent 10-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>