

Yakima MSA (Yakima County) Labor Area Summary July 2024



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Overview

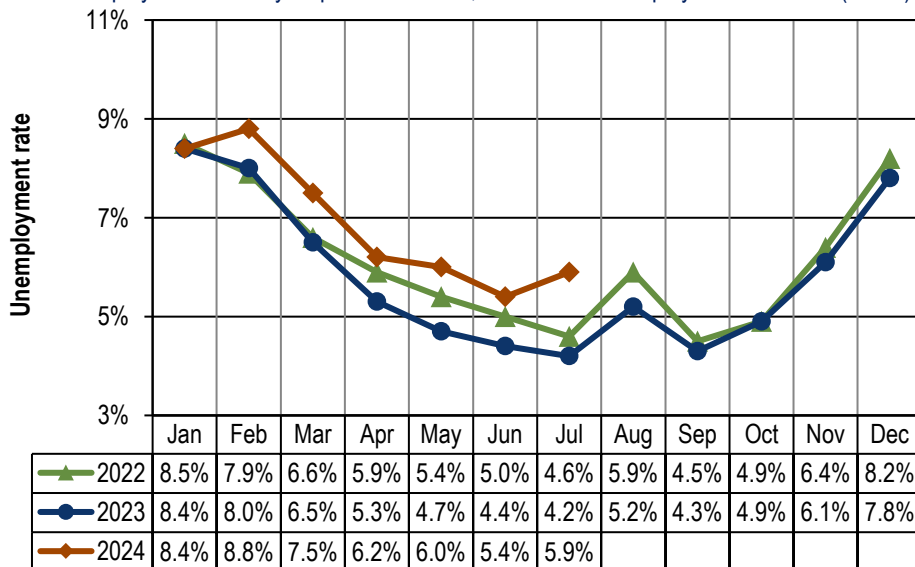
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (July 2023 through July 2024) and average annual data changes (between 2022 and 2023).

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 3.8% in July 2023 to 5.1% in July 2024, a one and three-tenths percentage points increase.

In Yakima County, the not seasonally adjusted average annual unemployment rate declined from 6.1% to 5.8% between 2022 and 2023. The 5.8% unemployment rate in 2023 was the lowest annual unemployment rate since 1990, when data began to be recorded electronically. But monthly rates have risen, year over year, since February 2024, and the 5.9% reading this July was one and seven-tenths points above the 4.2% rate in July 2023 (*Figure 1*).

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



Yakima County’s unemployment rate rose one and seven-tenths percentage points, from 4.2% in July 2023 to 5.9% this July.

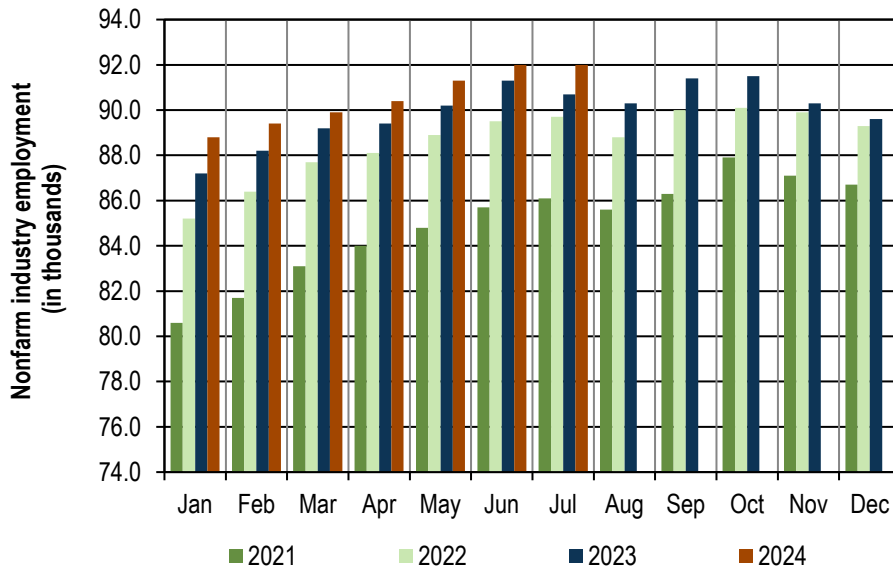
Total nonfarm employment

Between 2022 and 2023, Washington’s job market netted 64,700 new nonfarm jobs, an average annual increase of 1.8%. Although this 1.8% 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 40 consecutive months (April 2021 through July 2024). In July 2024, business and government organizations across the state tallied 3,678,000 jobs (not seasonally adjusted) compared with 3,615,500 in July 2023, up by 62,500 jobs and by 1.7% (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 1.8% job growth pace last year. Year over year, nonfarm employment in Yakima County has expanded for 40 months (April 2021 through July 2024), as partially shown in Figure 2. However, local job growth rates have lagged statewide growth rates from March through July 2024 (Figure 4). Current Employment Statistics (CES) estimates indicate that total nonfarm employment advanced from 90,700 jobs in July 2023 to 92,000 in July 2024, up by 1,300 jobs and 1.4% (Figure 3).

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

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



In July 2024, nonfarm employment increased to 92,000, a 1,300-job advance from the 90,700 jobs tallied in July 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. However, year-over-year labor force growth in the Evergreen State has been “lethargic” in the first seven months of 2024. Specifically, in January and May 2024 Washington’s labor force edged upwards by only 0.1% over January and May 2023. In February and June 2024, the state’s labor force stabilized versus February and June 2023. In March, April, and July 2024, the state’s CLF declined below these corresponding months in 2023. Current labor force estimates indicate that in July 2024, there were 4,011,026 residents in the Washington’s CLF versus 4,039,036 in July 2023, a -0.7% downturn.

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. However, year over year Yakima County’s labor force has decreased in each of the past four months (April through July 2024). By July of 2024, there were only 125,512 residents in the local labor force

versus 135,469 in July 2023, a -7.4% downturn (*Figure 3*). Some of this downturn is likely due to baby boomers retiring and exiting the labor force – a local and national trend. Simultaneously, the number of unemployed jumped from 5,741 Yakima County residents out of work in July 2023 to 7,427 unemployed this July (up 29.4%). This increase in the number of unemployed coupled with the labor force contraction caused Yakima County’s unemployment rate to rise to 5.9% in July 2024, one and seven-tenths percentage points above the 4.2% reading in July 2023 (*Figure 3*).

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

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

Yakima County	Preliminary Jul-24	Revised Jun-24	Revised Jul-23	Change (in #)		Change (in %)
				Jun-24	Jul-23	Jul-23
				Jul-24	Jul-24	Jul-24
Labor force and unemployment						
Civilian labor force	125,512	126,876	135,469	-1,364	-9,957	-7.4%
Resident employment	118,085	120,008	129,728	-1,923	-11,643	-9.0%
Unemployment	7,427	6,868	5,741	559	1,686	29.4%
Unemployment rate	5.9	5.4	4.2	0.5	1.7	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	92.0	92.0	90.7	0.0	1.3	1.4%
Total private	73.2	72.9	72.2	0.3	1.0	1.4%
Goods producing	12.7	12.6	13.1	0.1	-0.4	-3.1%
Mining, logging and construction	4.7	4.7	4.9	0.0	-0.2	-4.1%
Manufacturing	8.0	7.9	8.2	0.1	-0.2	-2.4%
Nondurable goods	5.3	5.3	5.4	0.0	-0.1	-1.9%
Service providing	79.3	79.4	77.6	-0.1	1.7	2.2%
Private service providing	60.5	60.3	59.1	0.2	1.4	2.4%
Trade, transportation and utilities	20.1	20.2	20.3	-0.1	-0.2	-1.0%
Wholesale trade	4.6	4.6	4.5	0.0	0.1	2.2%
Retail trade	11.7	11.8	11.7	-0.1	0.0	0.0%
Transportation and utilities	3.8	3.8	4.1	0.0	-0.3	-7.3%
Professional and business services	5.5	5.4	5.1	0.1	0.4	7.8%
Education and health services	19.9	19.7	19.2	0.2	0.7	3.6%
Health care and social assistance	18.4	18.2	18.0	0.2	0.4	2.2%
Leisure and hospitality	8.7	8.7	8.5	0.0	0.2	2.4%
Food services	6.7	6.7	6.7	0.0	0.0	0.0%
Government	18.8	19.1	18.5	-0.3	0.3	1.6%
Federal government	1.4	1.3	1.3	0.1	0.1	7.7%
State government	2.6	2.7	2.5	-0.1	0.1	4.0%
Local government	14.8	15.1	14.7	-0.3	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.

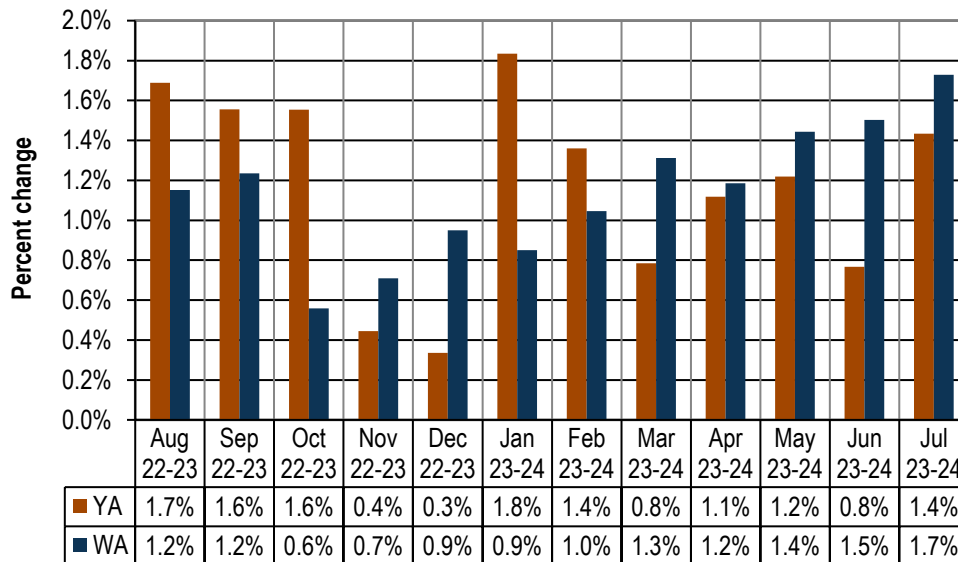
Between July 2023 and July 2024, the Yakima County nonfarm labor market expanded by 1.4%.

Nonfarm industry employment

In July 2024, total nonfarm employment in Yakima County rose to 92,000 jobs, a gain of 1.4% above the 90,700 jobs tallied in July 2023 (Figures 3 and 4). Year over year, nonfarm employment in Yakima County has expanded for 40 months (April 2021 through July 2024), but local job growth rates have lagged statewide growth rates from March through July 2024 (Figure 4). Construction, manufacturing, and transportation and utilities provided fewer jobs this July than in July 2023. On the positive side, wholesale trade, professional and business services, healthcare and social assistance, leisure and hospitality, and government tallied more jobs in July 2024 than in July 2023 (Figure 3).

Figure 4. Yakima County and Washington, total nonfarm employment changes Washington state, August 2023 through July 2024

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



Year over year, nonfarm employment in Yakima County has expanded for 40 months (April 2021 through July 2024), but local job growth rates have lagged statewide growth rates from March through July 2024. Washington's nonfarm job market has also posted year-over-year growth in each of the past 40 months.

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

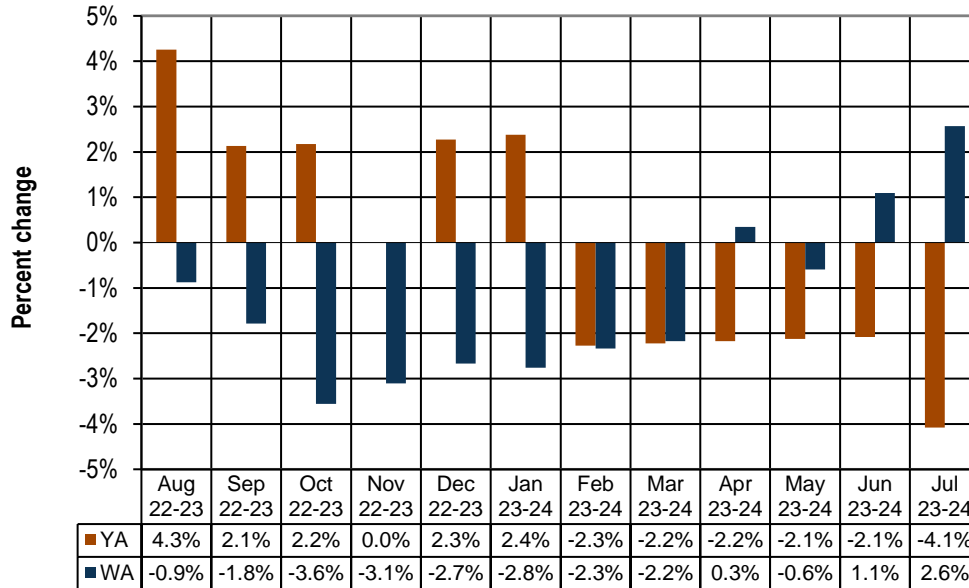
- The Yakima County construction industry experienced a modest slowdown during the COVID-19 pandemic in 2020, as employment dropped from an average of 4,200 jobs in 2019 to 4,100 in 2020, a -2.0% downturn. Employment then rose by 3.5% in 2021, 5.5% in 2022, and by 3.3% in 2023. By 2023, employment in the County's construction sector stood at 4,600, a level which was 10.5% and 400 jobs above the 4,200-job average for this industry in the pre-pandemic year of 2019. However, estimates indicate that employment amongst Yakima County construction contractors has decreased, year over year, in each of the six months from February through July 2024 (Figure 5). In July 2024, construction provided 4,700 jobs countywide, down -4.1% and 200 jobs below the 4,900 jobs tallied in July 2023 (Figure 3).

Statewide, construction employment contracted from July 2023 through March 2024, rose in April 2024, dipped in May, but bounced back this June and July (Figure 5). There were 237,500 construction jobs across Washington in July 2023 versus 243,600 this July, a 6,100-job expansion. Within this broad construction sector, the residential building subsector expanded from 39,600 jobs to 41,600, a 2,000-job and 5.1% increase between the Julys of 2023 and 2024. Also, specialty trade

contractors (a subsector which includes concrete, masonry, roofing, electrical, plumbing, drywall, and painting contractors, etc.) saw payrolls advance from 152,100 jobs in July 2023 to 155,700 in July 2024, a 3,600-job and 2.4% upturn.

Figure 5. Yakima County and Washington, construction employment changes
Washington state, August 2023 through July 2024

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



Year over year, construction employment in Yakima County decreased in the past six months (February through July 2024). Statewide, construction employment added jobs, year over year, in June and July 2024.

- Year over year, employment in Yakima County's transportation and utilities sector has contracted for 13 months (July 2023 through July 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 July, transportation and utilities, or TWU, provided only 3,800 jobs countywide, a 300-job and -7.3% decrease from the 4,100 jobs recorded in July 2023 (*Figure 3*).

Statewide, employment in this industry has increased in the past seven months (January through July 2024). Current Employment Statistics (CES) estimates indicate that Washington’s transportation and private utilities firms netted 137,000 jobs in July 2023 versus 140,000 in July 2024, a 3,000-job and 2.2% upturn.

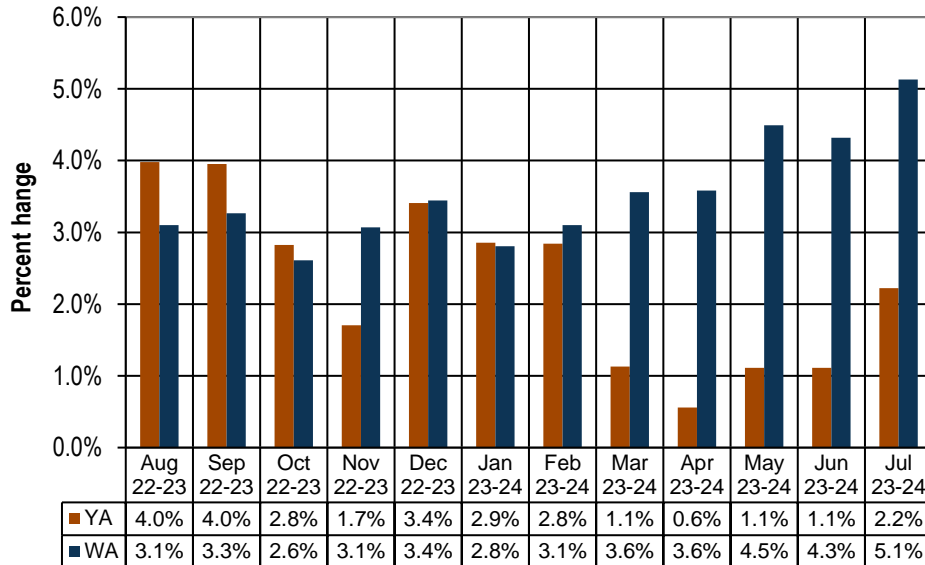
- In 2019 (before the COVID-19 pandemic) private health care and social assistance providers tallied 16,800 jobs across Yakima County. By 2023, average annual employment in health care and social assistance reached 18,000. This 1,200-job and 6.8% upturn means that over one-third (38.7 percent) of total nonfarm job growth in Yakima County between 2019 (86,900 jobs) and 2023 (89,900 jobs) was in the health care and social assistance sector. Also, employment in this industry has been growing, year over year, for 31 consecutive months (January 2022 through July 2024), as partially shown in *Figure 6*. The most current estimates indicate that health care and social assistance businesses registered 18,400 jobs this July, up 400 jobs and 2.2% from the 18,000 jobs recorded in July 2023 (*Figure 3*).

Across Washington state, the health care and social assistance sector added jobs in each of the 40

months between April 2021 and July 2024. In this sector, payrolls lengthened from 460,000 jobs in July 2023 to 483,600 in July 2024, a 23,600-job and 5.1% upturn (*Figure 6*). 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 135,300 jobs in July 2023 to 144,100 in July 2024, up by 8,800 jobs and 6.5%. Ambulatory health care providers (i.e., offices of physicians, pharmacists, occupational therapists, physical therapists, etc.) came in close behind, advancing from 171,900 jobs in July 2023 to 178,800 in July 2024, up by 6,900 jobs and 4.0%.

Figure 6. Yakima County and Washington, health care and social assistance employment changes Washington state, August 2023 through July 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 31 months (January 2022 through July 2024). Statewide, this industry has added jobs for 40 months (April 2021 through July 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>