

Yakima MSA (Yakima County) Labor Area Summary August 2024



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Overview

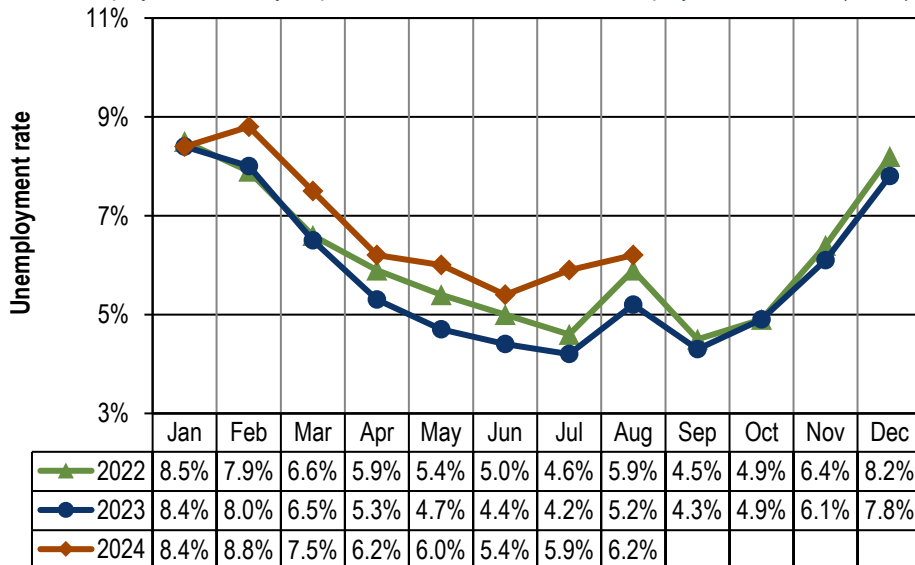
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (August 2023 through August 2024) and average annual data changes (between 2022 and 2023).

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 4.3% in August 2023 to 4.9% in August 2024, a six-tenths 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. 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 been rising, year over year, since February 2024, and the 6.2% reading this August was one percentage point above the 5.2% rate in August 2023 (*Figure 1*).

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



Yakima County’s unemployment rate rose one percentage point, from 5.2% in August 2023 to 6.2% this August.

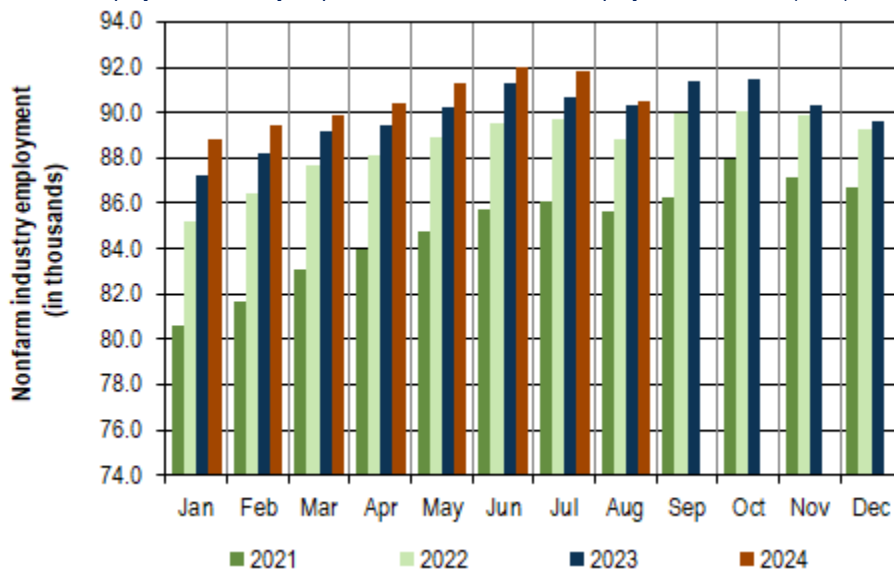
Total nonfarm employment

Between 2022 and 2023, Washington’s labor 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 41 consecutive months (April 2021 through August 2024). In August 2024, business and government organizations across the state tallied 3,668,500 jobs (not seasonally adjusted) compared with 3,610,000 in August 2023, up by 58,500 jobs and by 1.6% (*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 1.8% job growth pace last year. Year over year, nonfarm employment in Yakima County has expanded for 41 months (April 2021 through August 2024), as partially shown in *Figure 2*. However, local job growth rates have lagged statewide growth rates from March through August 2024 (*Figure 4*). Current Employment Statistics (CES) estimates indicate that total nonfarm employment advanced from 90,300 jobs in August 2023 to 90,500 in August 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 August 2024

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



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

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. However, Washington state’s labor force has either stagnated or contracted for seven months (February through August 2024) - expanding only in May 2024. This August there were 4,000,536 Washington residents in the CLF versus 4,039,283 in August 2023, a -1.0% contraction.

On an average annual basis, Yakima County’s CLF decreased by -0.8% between 2022 (130,551 residents) and 2023 (129,466 residents). Year over year, the local labor force has been slip-sliding away in the past five months (April through August 2024). By August of 2024, there were only 123,378 residents in the local labor force versus 138,198 in August 2023, a -10.7% 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 increased from 7,214 Yakima County residents out of work in August 2023 to 7,699 unemployed this August (up 6.7%). This increase in the number of unemployed coupled with the labor

force contraction caused Yakima County’s unemployment rate to rise to 6.2% in August 2024, one percentage point above the 5.2% reading in August 2023 (*Figure 3*).

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

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

Yakima County	Preliminary Aug-24	Revised Jul-24	Revised Aug-23	Change (in #)		Change (in %)
				Jul-24	Aug-23	Aug-23
				Aug-24	Aug-24	Aug-24
Labor force and unemployment						
Civilian labor force	123,378	125,390	138,198	-2,012	-14,820	-10.7%
Resident employment	115,679	118,008	130,984	-2,329	-15,305	-11.7%
Unemployment	7,699	7,382	7,214	317	485	6.7%
Unemployment rate	6.2	5.9	5.2	0.3	1.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	90.5	91.8	90.3	-1.3	0.2	0.2%
Total private	73.0	72.9	72.6	0.1	0.4	0.6%
Goods producing	12.7	12.6	13.2	0.1	-0.5	-3.8%
Mining, logging and construction	4.7	4.7	4.9	0.0	-0.2	-4.1%
Manufacturing	8.0	7.9	8.3	0.1	-0.3	-3.6%
Nondurable goods	5.3	5.3	5.5	0.0	-0.2	-3.6%
Service providing	77.8	79.2	77.1	-1.4	0.7	0.9%
Private service providing	60.3	60.3	59.4	0.0	0.9	1.5%
Trade, transportation and utilities	20.1	20.2	20.2	-0.1	-0.1	-0.5%
Wholesale trade	4.6	4.6	4.6	0.0	0.0	0.0%
Retail trade	11.7	11.8	11.7	-0.1	0.0	0.0%
Transportation and utilities	3.8	3.8	3.9	0.0	-0.1	-2.6%
Professional and business services	5.5	5.4	5.2	0.1	0.3	5.8%
Education and health services	19.8	19.8	19.5	0.0	0.3	1.5%
Health care and social assistance	18.4	18.3	18.3	0.1	0.1	0.5%
Leisure and hospitality	8.8	8.7	8.6	0.1	0.2	2.3%
Food services	6.8	6.7	6.7	0.1	0.1	1.5%
Government	17.5	18.9	17.7	-1.4	-0.2	-1.1%
Federal government	1.3	1.4	1.3	-0.1	0.0	0.0%
State government	2.4	2.6	2.5	-0.2	-0.1	-4.0%
Local government	13.8	14.9	13.9	-1.1	-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.

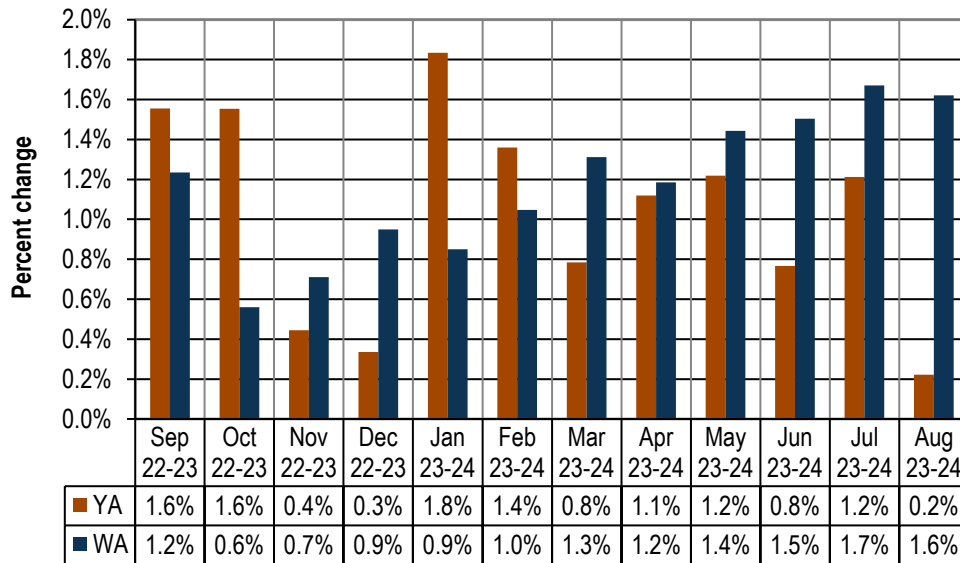
Between August 2023 and August 2024, the Yakima County nonfarm job market expanded by 0.2%.

Nonfarm industry employment

In August 2024, total nonfarm employment across Yakima County escalated to 90,500 jobs, a modest 0.2 percent gain over the 90,300 jobs tallied in August 2023 (*Figures 3 and 4*). Year over year, nonfarm

employment in Yakima County has expanded for 41 months (April 2021 through July 2024), but job growth rates have lagged statewide growth rates from March through August 2024 (*Figure 4*). Construction, manufacturing, transportation and utilities, and even state and local government (*Figure 3*) provided fewer jobs this August than in August 2023. On the positive side, professional and business services along with private education and health services (*Figure 3*) tallied more jobs in August 2024 than in August 2023.

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



Year over year, nonfarm employment in Yakima County has expanded for 41 months (April 2021 through August 2024), but local job growth rates have lagged statewide growth rates from March through August 2024. Washington's nonfarm job market has also posted year-over-year growth in each of the past 41 months.

The following paragraphs summarize employment changes in construction, manufacturing, and private education and health services between August 2023 and August 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 to 4,300 in 2021 (up by 3.5%), to 4,500 in 2022 (up by 5.5%), and to 4,600 in 2023 (up by 3.3%). The bottom line is that, by 2023, construction employment stood at 4,600 - a level which was 10.5% and approximately 400 jobs above the 4,200-job average in the pre-pandemic year of 2019. However, we are now into the eighth month of calendar year 2024 and estimates indicate that employment amongst Yakima County construction contractors has decreased, year over year, from February through August 2024 (*Figure 5*). Recently, in August 2024, construction provided 4,700 jobs countywide, down -4.1% and 200 jobs below the 4,900 jobs reported in August 2023 (*Figure 3*).

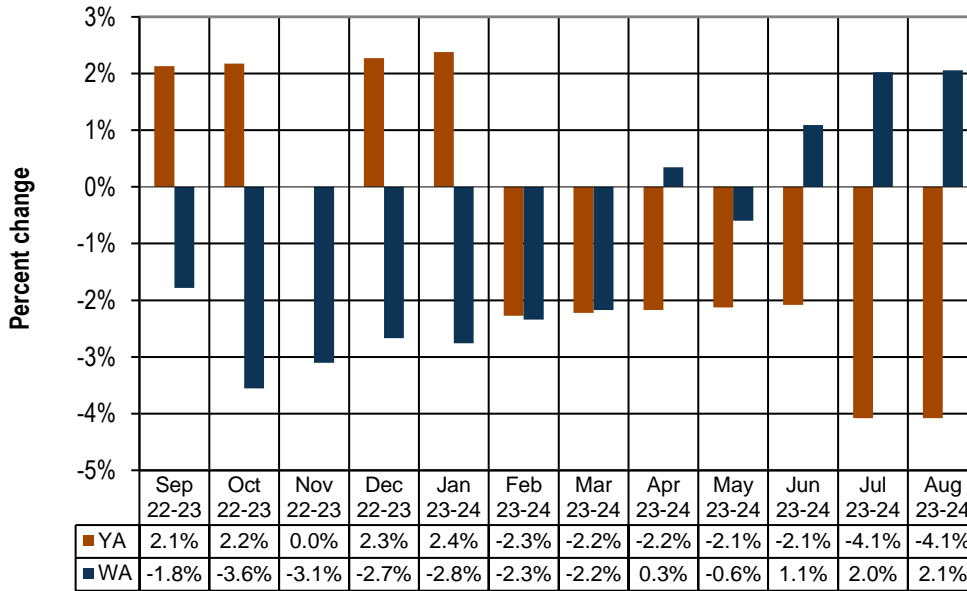
Statewide, construction employment seems to be getting back on track. Washington's construction contractors have netted year-over-year job gains for the past three months (June through August 2024), as shown in *Figure 5*. This is an encouraging sign, after a dry spell of year-over-year contractions lasting from July 2023 through May 2024, except for a 0.3 percent upturn in April 2024. Between the Augusts of 2023 and 2024, the number of construction jobs across Washington elevated from 238,500 to 243,400, a 4,900-job and 2.1% upturn. A major driver of this statewide expansion between August 2023 and August 2024 was hiring at residential building construction companies. Residential building construction employment rose from 39,800 to 42,000, a 2,200-job

and 5.5% increase, accounting for 44.9% of all new construction jobs in Washington between the Augusts of 2023 and 2024.

Figure 5. Yakima County and Washington, construction employment changes

Washington state, September 2023 through August 2024

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



Year over year, construction employment in Yakima County decreased in the past seven months (February through August 2024). Statewide, construction employment added jobs, year over year, in the past three months (June through August 2024).

- Year over year, manufacturing employment in Yakima County has decreased in each of the 21 months from December 2022 through August 2024. This August, manufacturing businesses tallied 8,000 jobs countywide, a 300-job and -3.6% abatement from the 8,300 jobs recorded in August 2023 (Figure 3). As a rule of thumb, nondurable goods manufacturing accounts for two-thirds of all manufacturing jobs in Yakima County (with durable goods manufacturers accounting for one-third of the County’s manufacturing jobs). Employment estimates for August 2024 confirmed this “rule of thumb.” Approximately 200 of the 300 manufacturing jobs lost between the Augusts of 2023 and 2024 were in nondurable goods manufacturing, primarily at local food processing facilities (Figure 3).

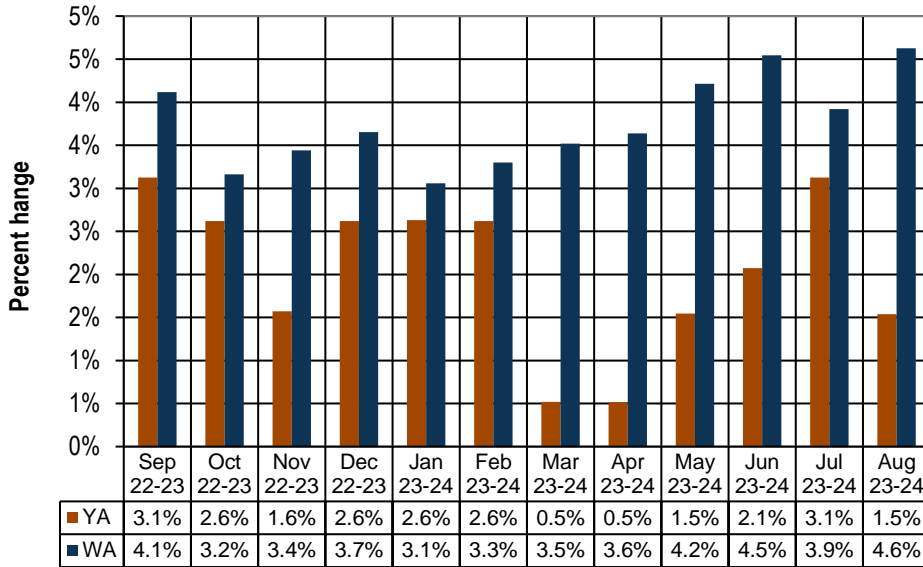
Statewide, manufacturing employment had increased or stabilized for 34 months (October 2021 through July 2024) before contracting between the Augusts of 2023 and 2024. Specifically, Current Employment Statistics (CES) estimates indicate that Washington’s manufacturing firms netted 277,400 jobs in August 2023 versus 275,700 in August 2024, a 1,700-job and -0.6% downturn.

- In 2019 (before the COVID-19 pandemic) private education and health service providers tallied 18,200 jobs in Yakima County. By 2023, average annual employment in private education and health services reached 19,400. 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 education and health services category. Year over year, education and health services employment has expanded for 41 consecutive months (April 2021 through August 2024) but at slower growth rates than in this sector statewide, as partially shown in Figure 6. Current estimates indicate that education and health services registered 19,800 jobs this August, up 300 jobs and 1.5% from the 19,500 jobs recorded in August 2023 (Figure 3).

Across Washington state, education and health services has expanded for 41 consecutive months (April 2021 through August 2024) as employment rose from 527,600 jobs to 552,000, a 24,400-job and 4.6% increase (Figure 6). Educational services (i.e., private education) accounted for only a fraction of this 24,400-job increase, elevating from 65,300 jobs in August of last year to 66,700 in August 2024, a modest 1,400-job and 2.1% upturn. However, 94.3% of new jobs in Washington’s education and health services category were in the health care and social assistance sector. Employment in this sector increased from 462,300 jobs in August 2023 to 485,300 in August 2024, a 23,000-job and 5.0% upturn. On a percentage basis, the fastest growing subsector in this broad health care and social assistance sector was nursing and residential care facilities which provided 61,500 jobs in Washington state in August 2023 compared to 66,100 this August, a robust 4,600-job and 7.5% increase.

Figure 6. Yakima County and Washington, education and health services employment changes Washington state, September 2023 through August 2024

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



Year over year, employment in Yakima County's education and health services sector has expanded for 41 consecutive months (April 2021 through August 2024) but at slower growth rates than in this sector statewide. Across Washington education and health services employment also expanded from April 2021 through August 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>