

Yakima MSA (Yakima County) Labor Area Summary September 2024



Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Kittitas County WorkSource, 1100 W. University Way, Suite 200, Ellensburg, WA 98926
 Phone: 509-607-3267
 Email: don.meseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

Overview

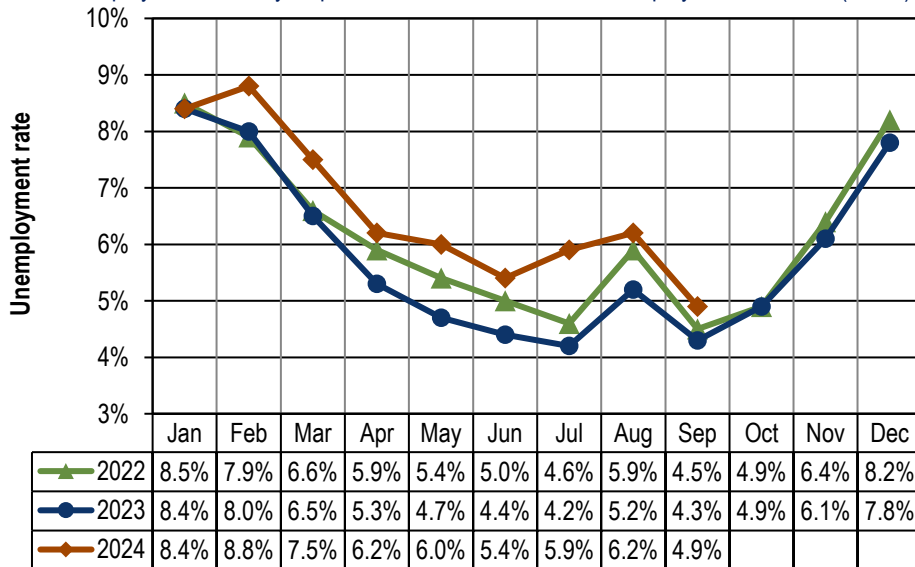
This report provides an update on the Yakima Metropolitan Statistical Area (MSA) economy using not seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (September 2023 through September 2024) and average annual data changes (between 2022 and 2023).

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 4.0% in September 2023 to 4.2% in September 2024, a two-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 4.9% reading this September was six-tenths of a percentage point above the 4.3% rate in September 2023 (*Figure 1*).

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



Yakima County’s unemployment rate rose six-tenths of a percentage point, from 4.3% in September 2023 to 4.9% this September.

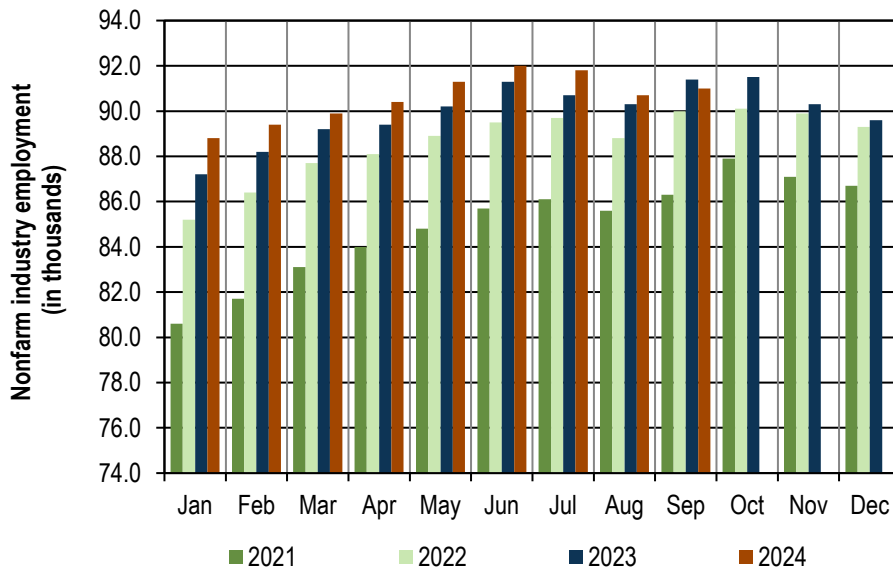
Total nonfarm employment

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%. On a monthly basis, Washington’s nonfarm market has expanded, year over year, for 42 consecutive months (April 2021 through September 2024). In September 2024, business and government organizations across the state tallied 3,661,500 jobs (not seasonally adjusted) compared with 3,616,900 in September 2023, up by 44,600 jobs and by 1.2% (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. Year over year, nonfarm employment expanded for 41 months (April 2021 through August 2024), but it sank by -0.4% this September, as partially shown in Figure 2. Also, local job growth rates lagged statewide growth rates from March through September 2024 (Figure 4). Current estimates indicate that total nonfarm employment dipped from 91,400 jobs in September 2023 to 91,000 in September 2024, down by 400 jobs and -0.4% (Figure 3).

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

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



In September 2024, nonfarm employment decreased to 91,000, a 400-job retrenchment from the 91,400 jobs tallied in September 2023.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. However, except for a marginal 0.1% upturn in the CLF between the Mays of 2023 and 2024, Washington’s labor force has stagnated or contracted in each of the past eight months (February through September 2024). Of course, a shrinking labor force is seldom considered good economic news. Current labor force estimates indicate that in September 2024, there were 3,979,535 residents in Washington’s CLF versus 4,037,073 in September 2023, a -1.4% downturn.

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 dwindled from April through September 2024) – although it should be noted that recent estimates are preliminary and will likely be revised upwards. This September, there were 120,686 residents in the CLF versus 134,703 in September 2023, a -10.4% 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 increased from 5,787 Yakima County residents in September 2023 to 5,909 unemployed this September (up 2.1%). This increase in the number of unemployed coupled with the labor force contraction caused the local unemployment rate to rise to 4.9% in September 2024, six-tenths of a point above the 4.3% reading in September 2023.

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

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

Yakima County	Preliminary Sep-24	Revised Aug-24	Revised Sep-23	Change (in #)		Change (in %)
				Aug-24	Sep-23	Sep-23
				Sep-24	Sep-24	Sep-24
Labor force and unemployment						
Civilian labor force	120,686	123,111	134,703	-2,425	-14,017	-10.4%
Resident employment	114,777	115,464	128,916	-687	-14,139	-11.0%
Unemployment	5,909	7,647	5,787	-1,738	122	2.1%
Unemployment rate	4.9	6.2	4.3	-1.3	0.6	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	91.0	90.7	91.4	0.3	-0.4	-0.4%
Total private	72.9	73.0	73.3	-0.1	-0.4	-0.5%
Goods producing	12.7	12.8	13.4	-0.1	-0.7	-5.2%
Mining, logging and construction	4.7	4.8	4.8	-0.1	-0.1	-2.1%
Manufacturing	8.0	8.0	8.6	0.0	-0.6	-7.0%
Nondurable goods	5.3	5.3	5.8	0.0	-0.5	-8.6%
Service providing	78.3	77.9	78.0	0.4	0.3	0.4%
Private service providing	60.2	60.2	59.9	0.0	0.3	0.5%
Trade, transportation and utilities	20.3	20.0	20.5	0.3	-0.2	-1.0%
Wholesale trade	4.5	4.5	4.7	0.0	-0.2	-4.3%
Retail trade	12.0	11.7	11.8	0.3	0.2	1.7%
Transportation and utilities	3.8	3.8	4.0	0.0	-0.2	-5.0%
Professional and business services	5.4	5.5	5.3	-0.1	0.1	1.9%
Education and health services	19.9	19.8	19.8	0.1	0.1	0.5%
Health care and social assistance	18.4	18.4	18.4	0.0	0.0	0.0%
Leisure and hospitality	8.4	8.7	8.4	-0.3	0.0	0.0%
Food services	6.5	6.7	6.7	-0.2	-0.2	-3.0%
Government	18.1	17.7	18.1	0.4	0.0	0.0%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.6	2.5	2.6	0.1	0.0	0.0%
Local government	14.2	13.9	14.2	0.3	0.0	0.0%
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 September 2023 and September 2024, the Yakima County nonfarm job market contracted by -0.4%.

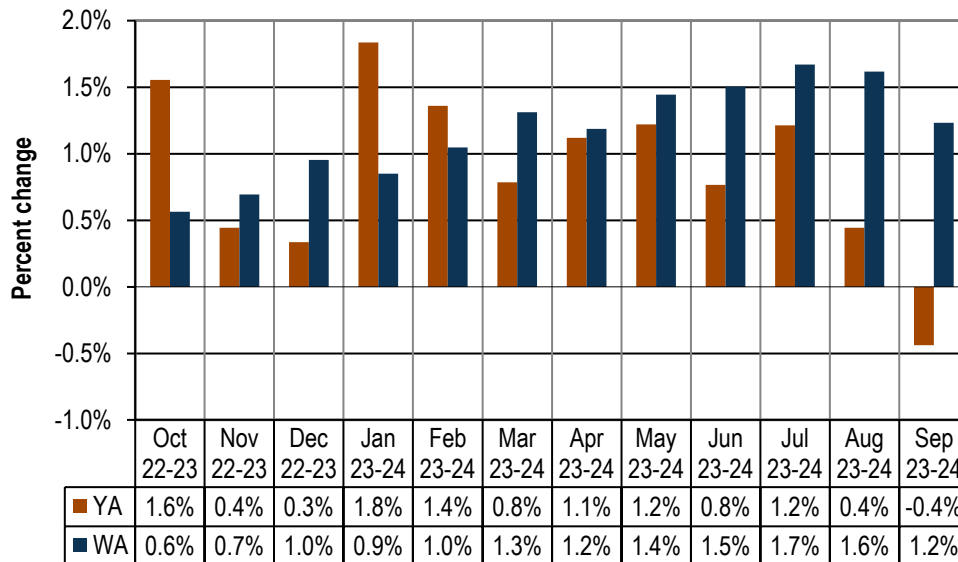
Nonfarm industry employment

In September 2024, total nonfarm employment across Yakima County deescalated to 91,000 jobs, a -0.4% reduction from the 91,400 jobs tallied in September 2023 (*Figure 3*). In fact, local job growth rates have lagged statewide growth rates from March through September 2024 (*Figure 4*). Construction, manufacturing, wholesale trade, transportation and utilities, and food services provided fewer jobs this September than in September 2023 (*Figure 3*) – certainly not encouraging economic news. On the positive side, retail trade, professional and business services, and (private) education and health services (*Figure 3*) tallied more jobs in September 2024 than in September 2023.

Figure 4. Yakima County and Washington, total nonfarm employment changes

Washington state, October 2023 through September 2024

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



Year over year, nonfarm employment in Yakima County expanded for 41 months (April 2021 through August 2024), but it sank by -0.4% this September. Washington's nonfarm job market has expanded for 42 months (April 2021 through September 2024).

The following paragraphs summarize employment changes in construction, manufacturing, and private education and health services between September 2023 and September 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% abatement. 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 ninth month of calendar year 2024 and estimates indicate that employment amongst Yakima County construction contractors has decreased, year over year, from February through September 2024. Specifically, in September 2024, construction provided 4,700 jobs countywide, down -2.1% and 100 jobs below the 4,800 jobs reported in September 2023 (*Figure 3*).

Statewide, construction employment has expanded in each of the past four months (June through September 2024 (*Figure 5*)). There were 236,600 construction jobs across Washington in September 2023 versus 241,900 this September, a 5,300-job and 2.2% expansion. Within this broad construction sector, the residential building subsector expanded from 39,800 jobs to 41,100, a 1,300-job and 3.3% increase between the Septembers of 2023 and 2024. Also, specialty trade contractors (a

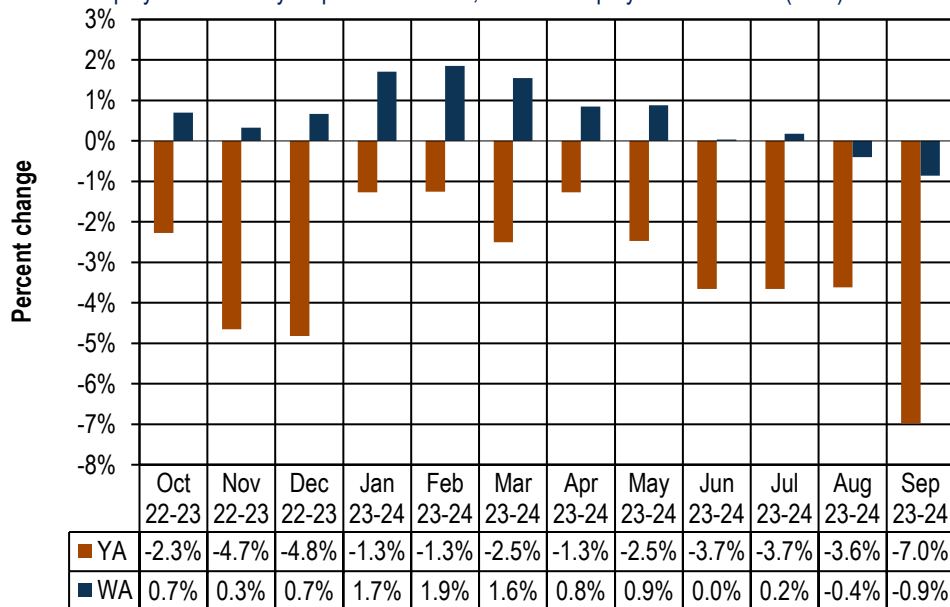
large construction subsector which includes concrete, masonry, roofing, electrical, plumbing, drywall, and painting contractors, etc.), saw payrolls advance from 151,200 jobs in September 2023 to 154,300 in September 2024, a 3,100-job and 2.1% upturn.

- Year over year, manufacturing employment in Yakima County has decreased for 15 months (July 2022 through September 2024), as partially shown in *Figure 5*. This September, manufacturing businesses tallied 8,000 jobs countywide, a substantial 600-job and -7.0% abatement from the 8,600 jobs recorded in September 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 providing one-third of the County’s manufacturing jobs). Employment estimates for September 2024 roughly confirmed this “rule of thumb.” Approximately 500 of the 600 manufacturing jobs lost between the Septembers of 2023 and 2024 were in nondurable goods manufacturing, primarily at local food manufacturing/processing facilities (*Figure 3*).

Statewide, manufacturing employment increased or stabilized for 34 months (October 2021 through July 2024) before contracting this August and September (*Figure 5*). Current Employment Statistics (CES) estimates indicate that manufacturing firms netted 278,300 jobs in September 2023 versus 275,900 in September 2024, a 2,400-job and -0.9% downturn. Washington state’s fruit/vegetable preserving and specialty businesses (classified within the food manufacturing or NAICS 311 subsector) provided 13,000 jobs across Washington state in September 2023 but tallied only 11,100 in September 2024, a loss of 1,900 jobs (-14.6%).

Figure 5. Yakima County and Washington, manufacturing employment changes
Washington state, October 2023 through September 2024

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



Year over year, manufacturing employment in Yakima County has decreased for 15 months (July 2022 through September 2024). Statewide, manufacturing employment increased or stabilized for 34 months (October 2021 through July 2024) before contracting this August and September.

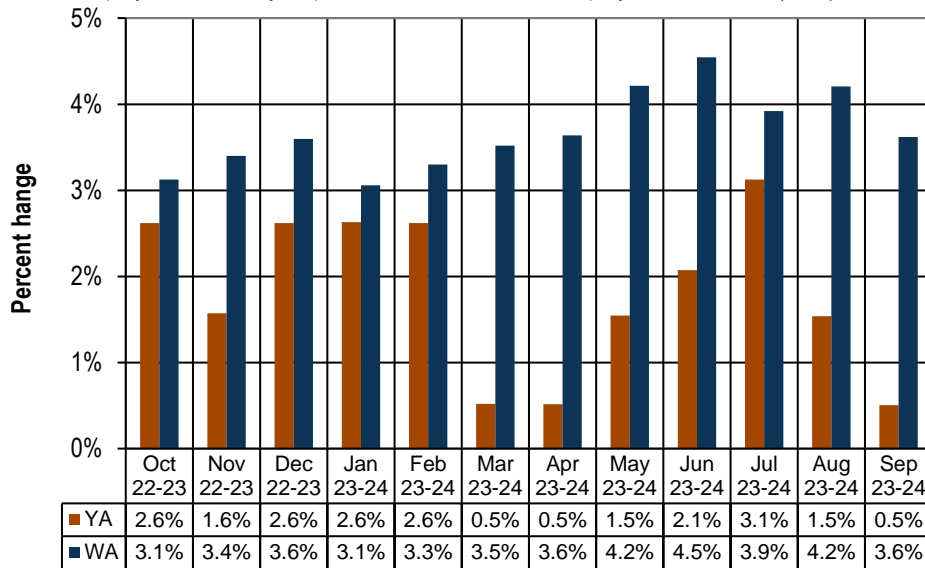
- In 2019 (before the COVID-19 pandemic) private education and health service providers tallied 18,200 jobs in Yakima County. By 2023, average annual employment in private education and health services reached 19,400. This 1,200-job and 6.8% upturn means that over one-third (38.7 percent) of total nonfarm 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 expanded for 42 consecutive months (April 2021 through September 2024) but, at least in the past 12 months (*Figure 6*), at slower growth rates than in this sector statewide. Current estimates indicate that education and health services registered 19,900 jobs this September, up 100 jobs and 0.5% from the 19,800 jobs recorded in September 2023 (*Figure 3*).

Across Washington state, private education and health services employment has consistently expanded for 42 consecutive months (April 2021 through September 2024) as employment rose from 538,700 jobs to 558,200, a 19,500-job and 3.6% increase. The fastest growing subsector in this broad category was nursing and residential care facilities which provided 62,300 jobs in Washington state in September 2023 compared to 66,100 this September, a 3,800-job and 6.1% increase.

Figure 6. Yakima County and Washington, education and health services employment changes Washington state, October 2023 through September 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 42 consecutive months (April 2021 through September 2024) but at slower growth rates than in this sector statewide. Across Washington, education and health services employment also increased from April 2021 through September 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 September 2024 that revised 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 116,064 in 2023, a 12,479-job and 12.0% upturn, with annualized employment growth between 2013 and 2023 of 1.1%. The number of agricultural jobs (a subset of total covered employment) increased from 27,044 in 2013 to 28,695 in 2023, a 1,651-job and 6.1% 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 24.7% of total covered employment. Hence, the agricultural

share of total employment slipped by 1.4 percentage points (from 26.1 to 24.7%) 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 28,695 jobs, a 3,625-job and -11.2% 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 \$453.9 million and 66.8% uptrend, with annualized wage growth of 5.2% 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 (from 19.4 to 19.6%) 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 24.7% 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 1.1% during this time.
 - Conversely, agricultural wages/payroll (not adjusted for inflation) registered an annualized growth rate of 5.2% from 2013 through 2023 while total covered payroll also registered a comparable annualized growth rate of 5.2%. Additionally, 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 \$39,516 or 79.3% of the average annual total covered wage (for all industries) of \$49,831. Thus, the annual average wage of an agricultural job advanced modestly from 74.5% of the average annual total covered wage in 2013 to 79.3% 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>