



Yakima MSA (Yakima County) Labor Area Summary December 2020

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Overview

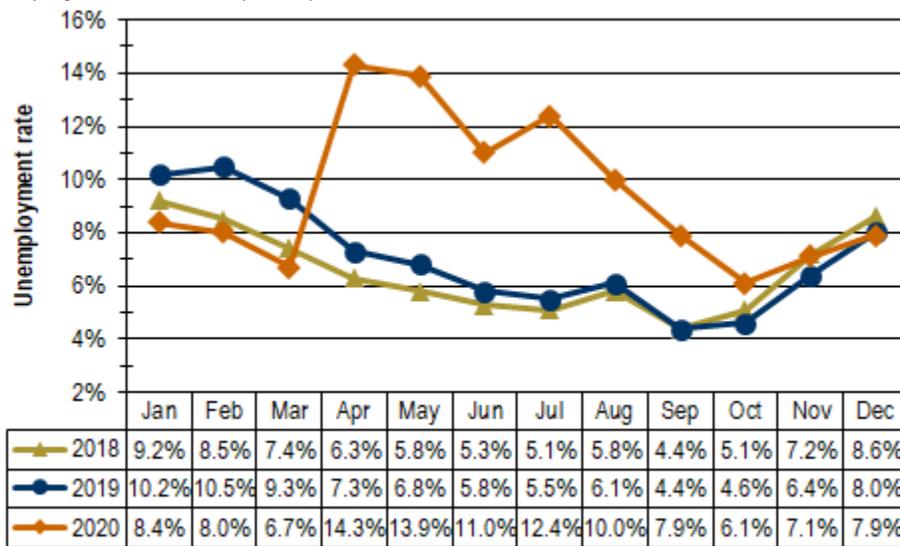
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between December 2019 and December 2020) and average annual changes (between 2019 and 2020) in the labor market.

Unemployment rates

Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate increased from 4.3 percent in 2019 to 8.3 percent in 2020. Between the Decembers of 2019 and 2020 the rate escalated by three and two-tenths percentage points, from 4.0 to 7.2 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate increased two and five-tenths percentage points between 2019 and 2020, from 7.0 to 9.5 percent. Year over year, COVID-19 related layoffs pushed monthly unemployment rates upwards from April through November 2020. In December 2020, the unemployment rate in Yakima County dipped by a marginal one-tenth percentage point, from 8.0 percent in December 2019 to 7.9 percent in December 2020 (see *Figure 1*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2018 through December 2020
 Source: Employment Security Department/LMEA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



Yakima County’s unemployment rate dipped one-tenth of a percentage point between the Decembers of 2019 and 2020.

Total nonfarm employment

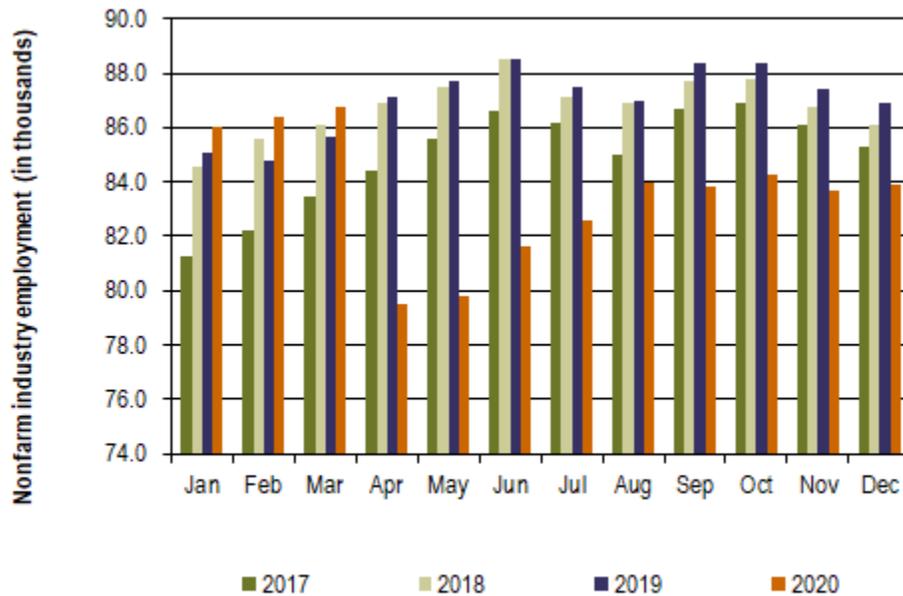
Between 2019 and 2020, preliminary estimates indicate that Washington's labor market provided 160,900 fewer nonfarm jobs, an annual average decrease of 4.6 percent. In December 2020, business and government organizations statewide tallied 3,318,500 jobs (not seasonally adjusted) compared with 3,507,500 in December 2019, a substantial loss of 189,000 jobs and a 5.4-percent downturn. For the past five months (August through December 2020) Washington's nonfarm job loss-rates have shown little improvement and, in fact, have "plateaued" in the minus-five-percent range during this timeframe.

Preliminary estimates indicate that Yakima County's nonfarm economy lost 3,500 jobs in 2020, an average annual decrease of 4.0 percent. Although year-over-year job loss rates were severe (in the minus-seven to minus-nine percent range) during the first three months (April through June 2020) of COVID-19 related layoffs, nonfarm job loss-rates countywide have still hovered in the minus-three to minus-five percent range from July through December 2020. This persistent sluggishness in the labor market is cause for concern. Recently, between the Decembers of 2019 and 2020, the County's economy shed 3,000 jobs (down 3.5 percent) as employment fell from 86,900 jobs to 83,900, respectively (see *Figures 2 and 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2017 through December 2020

Source: Employment Security Department/Labor Market and Economic Analysis (LMEA); U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES)



In December 2020 nonfarm employment decreased to 83,900, a 3,000-job decrease from the 86,900 jobs tallied in December 2019.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 18,131 residents (a modest 0.5-percent upturn) from 2019 to 2020, with most of this upturn occurring in the first half of 2020. The State's labor force had a noticeably slow finish to 2020, retrenching year-over-year by a minus-3.3 percent in November 2020 and by minus-2.4 percent in December 2020.

Yakima County's CLF increased 1.3 percent between 2019 (132,466 residents) and 2020 (134,122 residents), a growth-pace greater than Washington's 0.5-percent CLF growth rate in 2020. Preliminary estimates indicate that, year-over-year, Yakima County's labor force expanded in eight of the twelve months of 2020. This labor force growth pace increased by 7.5 percent in December 2020 with 9,677 more residents in the County's CLF than in December 2019. On the downside, the number of unemployed increased by 6.8

percent in this period, as 704 more residents were out of work in December 2020 than in December 2019 (see *Figure 3*). This upturn in the number of residents unemployed virtually countered the growth in the labor force. The result: Yakima County’s unemployment rate declined only “a tick” (down one-tenth percentage point) between the Decembers of 2019 (8.0 percent) and 2020 (7.9 percent).

Figure 3. Labor force and industry employment, not seasonally adjusted

Yakima County, December 2019, November and December 2020

Source: Employment Security Department/Labor Market and Economic Analysis (LMEA); U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)

Yakima County	Preliminary Dec-20	Revised Nov-20	Revised Dec-19	Change		
				Nov-20	Dec-19	Dec-19
				Dec-20	Dec-20	Dec-20 %
Labor force and unemployment						
Civilian labor force	138,639	128,102	128,962	10,537	9,677	7.5%
Resident employment	127,657	118,961	118,684	8,696	8,973	7.6%
Unemployment	10,982	9,141	10,278	1,841	704	6.8%
Unemployment rate	7.9	7.1	8.0	0.8	-0.1	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	83.9	83.7	86.9	0.2	-3.0	-3.5%
Total private	66.8	67.0	68.7	-0.2	-1.9	-2.8%
Goods producing	11.8	11.8	12.6	0.0	-0.8	-6.3%
Mining, logging and construction	3.9	3.9	4.2	0.0	-0.3	-7.1%
Manufacturing	7.9	7.9	8.4	0.0	-0.5	-6.0%
Nondurable goods	5.1	5.1	5.5	0.0	-0.4	-7.3%
Service providing	72.1	71.9	74.3	0.2	-2.2	-3.0%
Private service providing	55.0	55.2	56.1	-0.2	-1.1	-2.0%
Trade, transportation and utilities	20.1	19.9	19.5	0.2	0.6	3.1%
Wholesale trade	4.5	4.5	4.5	0.0	0.0	0.0%
Retail trade	11.5	11.4	11.2	0.1	0.3	2.7%
Transportation and utilities	4.1	4.0	3.8	0.1	0.3	7.9%
Professional and business services	4.4	4.4	4.1	0.0	0.3	7.3%
Education and health services	18.3	18.4	18.3	-0.1	0.0	0.0%
Health care and social assistance	16.8	16.8	17.0	0.0	-0.2	-1.2%
Leisure and hospitality	6.4	6.9	8.1	-0.5	-1.7	-21.0%
Food services	5.1	5.6	6.3	-0.5	-1.2	-19.0%
Government	17.1	16.7	18.2	0.4	-1.1	-6.0%
Federal government	1.3	1.3	1.3	0.0	0.0	0.0%
State government	2.4	2.4	2.5	0.0	-0.1	-4.0%
Local government	13.4	13.0	14.4	0.4	-1.0	-6.9%
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 the Decembers of 2019 and 2020, the Yakima County nonfarm labor market lost 3,000 jobs, a 3.5-percent downturn.

Nonfarm industry employment

Year over year, not seasonally adjusted total nonfarm employment in Yakima County decreased by 3.5 percent in December 2020, as employment fell to 83,900 from the 86,900 jobs tallied in December 2019 (see *Figure 3*). The following paragraphs highlight job changes in several local industries between the Decembers of 2019 and 2020:

- Preliminary estimates for Yakima County indicate that construction employment declined 7.1 percent in December 2020 versus in December 2019, as employment fell from 4,200 jobs to 3,900. Year over year, construction employment in Yakima County has decreased for nine consecutive months (April through December 2020). The number of commercial and residential sales (combined) rose slightly (by 0.8 percent) in Yakima County in the twelve months of 2020 versus 2019, from 3,889 to 3,922 per the December 2020 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA. However, the value of these commercial and residential sales countywide declined from \$1.199 billion in 2019 to \$1.178 billion from January through December 2020, a 1.7-percent downturn. Conversely, the residential market showed much more activity than the commercial market during calendar year 2020. The number of residences sold increased from 2,888 to 2,994 when comparing the twelve months of 2019 to 2020 (up 3.7 percent). On a percentage basis, average home prices escalated even more substantially. Specifically, the average home price countywide rose from \$248,010 (from January through December 2019) to \$279,190 (from January through December 2020, a strong 12.6 percent increase. Statewide, construction employment retrenched by 14.7 percent in April 2020. However, loss-rates decelerated through September and in each of the last three months (the 4th Quarter) of 2020 a modest year-over-year rebound in hiring has occurred in this industry.
- Between the Decembers of 2019 and 2020 leisure and hospitality (primarily hotels, eating and drinking places, and amusement and recreation) lost 1,700 jobs across Yakima County, a sharp 21.0-percent downturn, as employment dropped from 8,100 jobs to 6,400. Leisure and hospitality businesses were particularly hard-hit following Governor Inslee’s “Stay Home, Stay Healthy” directive issued on 23 March 2020 to counter the spread of the COVID-19 virus. According to the Governor’s office another COVID-19 recovery plan (“Healthy Washington – Roadmap to Recovery”) was initiated on 11 January 2021 which will follow a two-phased regional recovery approach - with every region beginning in Phase 1. Although leisure and hospitality businesses in Yakima County have shed jobs in each of the past nine months (April through December 2020) loss-rates have still been less severe than statewide job loss-rates. Washington’s year-over-year leisure and hospitality job loss rates worsened in the 4th Quarter of 2020. Specifically, the year-over-year nonfarm job loss rate in October 2020 was minus-20.7 percent, in November 2020 it was minus-21.1 percent, and by December 2020 this figure had fallen to minus-28.5 percent.
- Local government employment has also suffered as a result of the COVID-19 pandemic. The number of jobs in this sector dropped from 14,400 jobs in Yakima County in December 2019 to 13,400 in December 2020, a 1,000-job and 6.9-percent downturn. Employment in the County’s local government sector has decreased, year over year, in each of the past nine months (April through December 2020). Across Washington state, local government has also contracted during the past nine months. In 2020, nearly half (48.4 percent) of “total local government” jobs statewide were in “local government education services” (primarily at public elementary, middle, and high schools). In December 2020, Current Employment Statistics (CES) estimates show that “total local government” in Washington lost 36,100 jobs between the Novembers of 2019 and 2020 (down 9.8 percent) with “local government education services” dropping by 25,500 (down 14.0 percent). Hence, it is safe to say that much of the year-over-year downturn in local government employment is attributable to COVID-19 related layoffs at local public schools – countywide and statewide.

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 2020 revised annual average QCEW data for calendar year 2019 became available. An analysis of employment changes from 2009 through 2019 shows that in Yakima County:

- Total covered employment rose from 100,894 in 2009 to 115,904 in 2019, a 15,010-job and 14.9-percent upturn, with annualized employment growth between 2009 and 2019 of 1.4 percent. The number of agricultural jobs (a subset of total covered employment) increased from 24,659 in 2009 to 31,638 in 2019, a 6,979-job and 28.3-percent uptrend, with annualized employment growth of 2.5 percent. In 2009 Yakima County's agricultural industry accounted for 24.4 percent of total covered employment. In 2019 agricultural employment accounted for 27.3 percent of total covered employment countywide. Hence, the agricultural share of total employment rose by 2.9 percentage points (from 24.4 to 27.3 percent) in Yakima County during this ten-year period.
- Total covered wages rose from \$3.165 billion in 2009 to \$4.807 billion in 2019 a \$1.642 billion and 51.9 percent upturn, with annualized payroll growth between 2009 and 2019 of 4.3 percent. The agricultural payroll (a subset of total covered wages) advanced from \$539.6 million in 2009 to \$1.048 billion in 2019, a strong \$508.7 million and 94.3 percent uptrend, with annualized wage growth between 2009 and 2019 of 6.9 percent. In 2009 Yakima County's agricultural industry accounted for 17.1 percent of total covered wages. In 2019 agricultural wages accounted for 21.8 percent of total covered payroll countywide. Hence, the agricultural share of wages rose 4.7 percentage points (from 17.1 to 21.8 percent) during this period. One could say that in this most recent ten-year timeframe the agricultural industry, in terms of employment, and especially in terms of payroll, has become more "influential" in the Yakima County economy.

Web link to Monthly Employment Report (MER) for Washington state

- <https://esd.wa.gov/labormarketinfo/monthly-employment-report>