



Yakima MSA (Yakima County) Labor Area Summary January 2021

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Overview

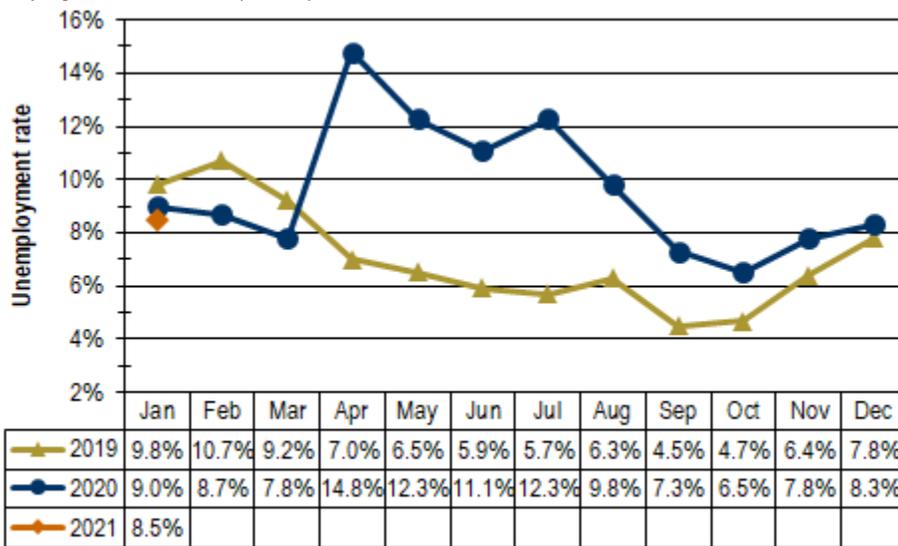
This report provides an update on the Yakima County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between January 2020 and January 2021) and average annual changes (between 2019 and 2020) in the labor market.

Unemployment rates

Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate increased from 4.1 percent in 2019 to 8.4 percent in 2020. Between the Januarys of 2020 and 2021 the rate escalated by two and two-tenths percentage points, from 4.6 to 6.8 percent.

In Yakima County, the not seasonally adjusted average annual unemployment rate increased two and seven-tenths percentage points between 2019 and 2020, from 7.0 to 9.7 percent. Year over year, COVID-19 related layoffs pushed monthly unemployment rates upwards from April 2020 through December 2020; but, in January 2021 the unemployment rate in Yakima County dipped by five-tenths of a percentage point, from 9.0 percent in January 2020 to 8.5 percent this January (see *Figure 1*).

Figure 1. Unemployment rates, not seasonally adjusted
 Yakima County, January 2019 through January 2021
 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 five-tenths of a percentage point between the Januarys of 2020 and 2021.

Total nonfarm employment

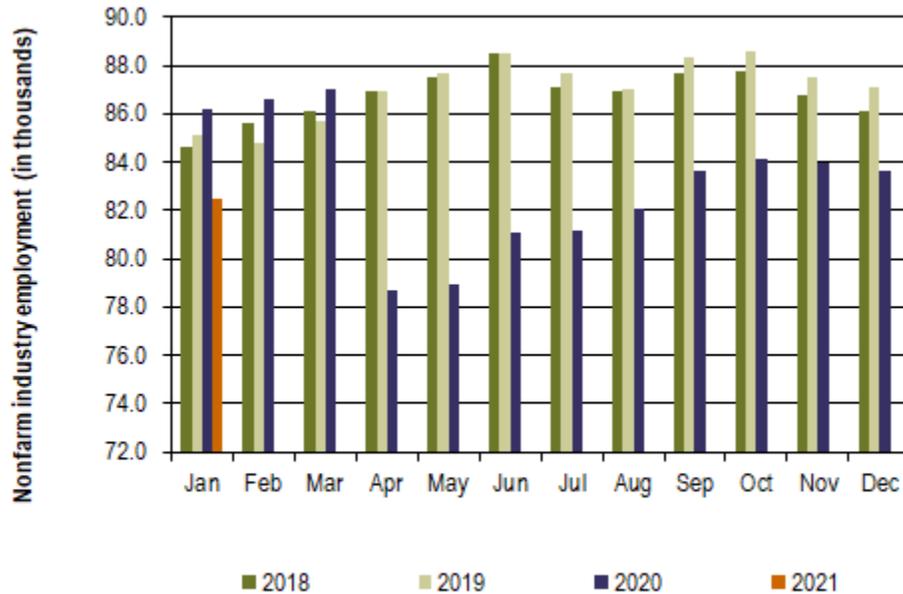
Between 2019 and 2020, estimates indicate that Washington's labor market provided 184,000 fewer nonfarm jobs, an annual average decrease of 5.3 percent. In January 2021, business and government organizations statewide tallied only 3,231,800 jobs (not seasonally adjusted) compared with 3,465,800 in January 2020, a substantial loss of 234,000 jobs and a 6.8-percent downturn. Washington's nonfarm job loss-rates have become mired in this minus-range for the past ten months (April 2020 through January 2021).

Preliminary estimates indicate that Yakima County's nonfarm economy lost 4,000 jobs in 2020, an average annual decrease of 4.6 percent. Year-over-year job loss rates were severe countywide (in the minus-seven to minus-ten percent range) during the first four months (April through July 2020) of COVID-19 related layoffs, but since then loss rates have hovered in the minus-four to minus-five percent range (i.e., from August 2020 through January 2021). Between the Januarys of 2020 and 2021, the County's economy shed 3,700 nonfarm jobs (down 4.3 percent) as employment fell from 86,200 jobs to 82,500, respectively (see *Figures 2 and 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2018 through January 2021

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



In January 2021 nonfarm employment decreased to 82,500, a 3,700-job decrease from the 86,200 jobs tallied in January 2020.

Employment and unemployment

Washington's Civilian Labor Force (CLF) edged upwards by 5,550 residents (a marginal 0.1-percent upturn) from 2019 to 2020. Virtually all this expansion occurred in the first half of 2020. Across Washington, the labor force has contracted in the two-percent range in each of the past three months (November 2020 through January 2021); certainly not a good way to exit calendar year 2020 and usher in the New Year.

Yakima County's CLF declined 0.7 percent between 2019 (131,779 residents) and 2020 (130,867 residents). However, preliminary estimates indicate that, year-over-year, Yakima County's labor force stabilized in January 2021 following seven consecutive months (June through December 2020) of declines. Local Area Unemployment Statistics (LAUS) estimates indicate that there were 127,152 residents in the County's CLF in January 2021, virtually no change from the 127,092 residents in the local CLF in January 2020. Simultaneously, the number of unemployed decreased by 5.5 percent in this period as 626 fewer residents

were out of work in January 2021 versus in January 2020 (see *Figure 3*). This labor force stability coupled with a drop in the number of residents unemployed helped lower Yakima County's unemployment rate five-tenths point between the Januarys of 2020 (9.0 percent) and 2021 (8.5 percent).

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

Yakima County, January 2020, December 2020, and January 2021

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 Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20 Jan-21	Jan-20 Jan-21	Jan-20 Jan-21 %
Labor force and unemployment						
Civilian labor force	127,152	124,708	127,092	2,444	60	0.0%
Resident employment	116,388	114,352	115,702	2,036	686	0.6%
Unemployment	10,764	10,356	11,390	408	-626	-5.5%
Unemployment rate	8.5	8.3	9.0	0.2	-0.5	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	82.5	83.6	86.2	-1.1	-3.7	-4.3%
Total private	65.3	66.5	67.9	-1.2	-2.6	-3.8%
Goods producing	11.7	12.4	12.0	-0.7	-0.3	-2.5%
Mining, logging and construction	3.7	4.1	4.0	-0.4	-0.3	-7.5%
Manufacturing	8.0	8.3	8.0	-0.3	0.0	0.0%
Nondurable goods	5.0	5.2	5.1	-0.2	-0.1	-2.0%
Service providing	70.8	71.2	74.2	-0.4	-3.4	-4.6%
Private service providing	53.6	54.1	55.9	-0.5	-2.3	-4.1%
Trade, transportation and utilities	19.5	19.9	18.7	-0.4	0.8	4.3%
Wholesale trade	4.5	4.5	4.4	0.0	0.1	2.3%
Retail trade	11.3	11.6	10.7	-0.3	0.6	5.6%
Transportation and utilities	3.7	3.8	3.6	-0.1	0.1	2.8%
Professional and business services	4.2	4.3	4.3	-0.1	-0.1	-2.3%
Education and health services	18.8	18.5	18.5	0.3	0.3	1.6%
Health care and social assistance	17.2	17.2	17.2	0.0	0.0	0.0%
Leisure and hospitality	5.6	5.7	8.0	-0.1	-2.4	-30.0%
Food services	4.6	4.7	6.2	-0.1	-1.6	-25.8%
Government	17.2	17.1	18.3	0.1	-1.1	-6.0%
Federal government	1.2	1.3	1.2	-0.1	0.0	0.0%
State government	2.6	2.4	2.7	0.2	-0.1	-3.7%
Local government	13.4	13.4	14.4	0.0	-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 Januarys of 2020 and 2021, the Yakima County nonfarm labor market lost 3,700 jobs, a 4.3-percent downturn.

Nonfarm industry employment

Year over year, not seasonally adjusted total nonfarm employment in Yakima County decreased by 4.3 percent in January 2021, as employment fell to 82,500 from the 86,200 jobs tallied in January 2020 (see *Figure 3*). The following paragraphs highlight job changes in several local industries between the Januarys of 2020 and 2021:

- Preliminary estimates for Yakima County indicate that construction employment declined 7.5 percent in January 2021 versus in January 2020, as employment fell from 4,000 jobs to 3,700. Year over year, construction employment in Yakima County has decreased for ten consecutive months (April 2020 through January 2021). The number of commercial and residential sales (combined) decreased by 3.6 percent in Yakima County in the first month of 2021 versus 2020, from 277 to 267 per the January 2021 edition of *Headwaters – the Source* newsletter published by KMW Enterprises LLC in Selah, WA. However, the value of these commercial and residential sales countywide jumped from \$68.4 million in January 2020 to \$98.6 million in January 2021, a 44.2-percent upturn. Conversely, the residential market showed a bit less activity than the commercial market during the first month of 2021. The number of residences sold decreased from 215 to 197 when comparing the Januarys of 2020 to 2021 (down 8.4 percent). But, the value of residential sales escalated from \$54.4 million to \$59.3 million, a 9.0 percent increase. Also, average home prices rose even more substantially in Yakima County during this timeframe, from \$252,879 to \$300,856 (between the Januarys of 2020 and 2021, a strong 19.0 percent increase. Statewide, construction employment retrenched by 15.3 percent in April 2020. However, loss-rates decelerated through December 2020 and in January 2021 a modest, 0.4-percent hiring rebound occurred in this industry.
- Between the Januarys of 2020 and 2021 leisure and hospitality (primarily hotels, eating and drinking places, and amusement and recreation) lost 2,400 jobs across Yakima County, a sharp 30.0-percent downturn, as employment dropped from 8,000 jobs to 5,600. Employment in Yakima County’s leisure and hospitality businesses has contracted in each of the past ten months (April 2020 through January 2021) although loss-rates have generally been slightly less severe than statewide job loss-rates. This industry has been 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. In Yakima County, nearly two thirds (2,400 jobs) of the total nonfarm employment downturn of 3,700 jobs between the Januarys of 2020 and 2021 occurred at leisure and hospitality businesses. Washington’s leisure and hospitality sector also experienced ten consecutive months (April 2020 through January 2021) of dramatic COVID-19 related layoffs. In fact, job loss-rates worsened between November 2020 (minus-27.1 percent) and December 2020 and January 2021 (minus-34.8 percent and minus-33.4 percent, respectively).
- Local government employment has also suffered because of the COVID-19 pandemic. The number of jobs in this sector dropped from 14,400 jobs in Yakima County in January 2020 to 13,400 in January 2021, 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 ten months (April 2020 through January 2021). Across Washington state, local government has also contracted during the past ten months. In 2020, almost half (48.3 percent) of “total local government” jobs statewide were in “local government education services” (primarily at public elementary, middle, and high schools). In January 2021, Current Employment Statistics (CES) estimates show that “total local government” in Washington lost 35,900 jobs between the Januarys of 2019 and 2020 (down 9.8 percent) with “local government education services” dropping by 27,100 (down 14.9 percent). A little over three quarters (75.5 percent) of all local government jobs lost this January were at local government schools. It is safe to assume that a similar ratio holds for the January 2020 to January 2021 downturn in local government in Yakima County. Hence, the lion’s share of local government job losses is attributable to COVID-19 related layoffs at local public schools – statewide and countywide.

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>