



Yakima MSA (Yakima County) Labor Area Summary February 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 the Februarys of 2020 and February 2021) and average annual (between 2019 and 2020) in the labor market.

Unemployment rates

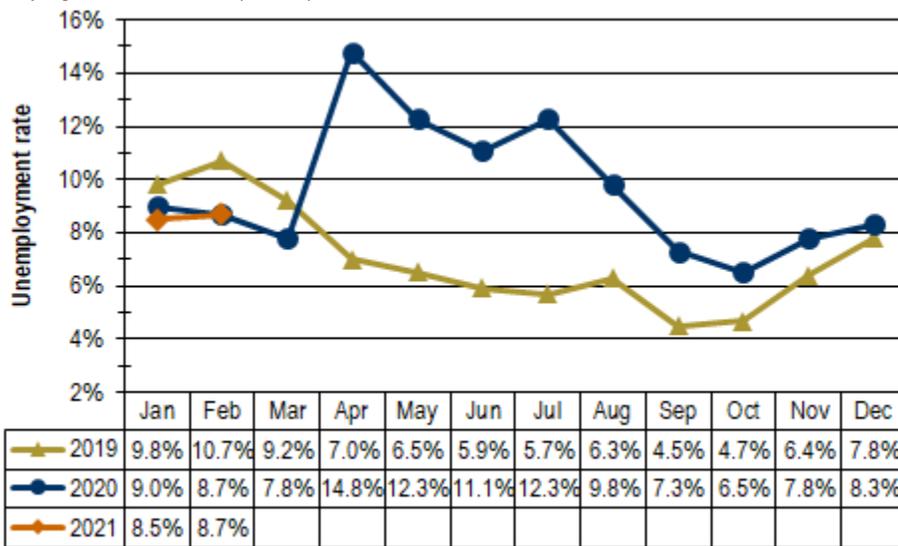
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate jumped from 4.1 percent in 2019 to 8.4 percent in 2020. Between the Februarys of 2020 and 2021 the rate escalated by one and nine-tenths percentage points, from 4.5 to 6.4 percent.

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 local monthly unemployment rates upwards from April 2020 through December 2020; but, in January 2021 the unemployment rate fell five-tenths of a percentage point below the January 2020 reading. The rate then stabilized at 8.7 percent in the Februarys of 2020 and 2021 (see *Figure 1*).

Figure 1. Unemployment rates, not seasonally adjusted

Yakima County, January 2019 through February 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 stabilized at 8.7 percent between the Februarys of 2020 and 2021.

Total nonfarm employment

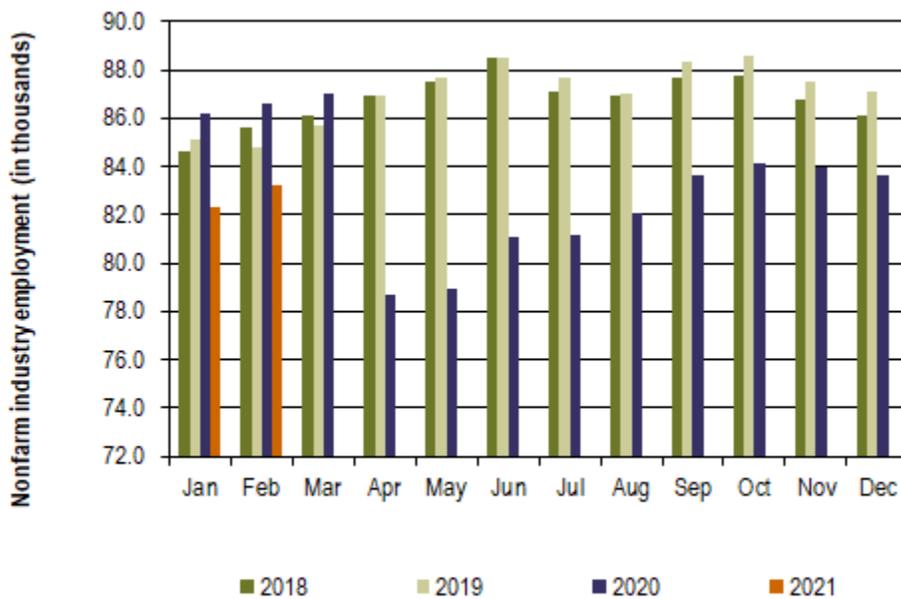
Between 2019 and 2020, estimates indicate that Washington's labor market provided 184,000 fewer nonfarm jobs, an annual average decrease of 5.3 percent. In February 2021, business and government organizations statewide tallied only 3,265,000 jobs (not seasonally adjusted) compared with 3,478,800 in February 2020, a substantial loss of 213,800 jobs and a 6.1-percent downturn. Washington's nonfarm job loss-rates have become mired in this minus-range for the past eleven months (April 2020 through February 2021).

Yakima County's nonfarm economy lost 4,000 jobs in 2020, an average annual decrease of 4.6 percent. In fact, the local nonfarm market has contracted for eleven consecutive months (April 2020 through February 2021). However, this February's 3.9 percent loss-rate was the lowest since the start of COVID-19 related layoffs last April. Between the Februarys of 2020 and 2021, the County's economy shed 3,400 nonfarm jobs (down 3.9 percent) as employment fell from 86,600 jobs to 83,200, respectively (see *Figures 2 and 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Yakima County, January 2018 through February 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 February 2021 nonfarm employment decreased to 83,200, a 3,400-job decrease from the 86,600 jobs tallied in February 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 minus-two-percent range in each of the past four months (November 2020 through February 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). Preliminary estimates indicate that the local labor force has been shrinking for the past nine months (June 2020 through February 2021). However, during each of the past three months year-over-year CLF contractions have been less severe than across Washington. Local Area Unemployment Statistics (LAUS) estimates indicate that there were 127,873 residents in the County's CLF in February 2021 versus 129,442 in February 2020, a 1,569-resident and 1.2-percent downturn. Simultaneously, the number of unemployed decreased by 0.9 percent in this period as 99 fewer residents were out of work in February 2021 versus in February 2020 (see *Figure 3*). The labor force downturn (bad news) effectively countered this drop in the

number of residents unemployed (good news). The result: Yakima County's not seasonally adjusted unemployment rate stabilized at 8.7 percent in February 2020 and in February 2021.

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

Yakima County, February 2020, January and February 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 Feb-21	Revised Jan-21	Revised Feb-20	Change		
				Jan-21	Feb-20	Feb-20
				Feb-21	Feb-21	Feb-21 %
Labor force and unemployment						
Civilian labor force	127,873	126,635	129,442	1,238	-1,569	-1.2%
Resident employment	116,771	115,878	118,241	893	-1,470	-1.2%
Unemployment	11,102	10,757	11,201	345	-99	-0.9%
Unemployment rate	8.7	8.5	8.7	0.2	0.0	
Industry employment (numbers are in thousands)						
Total nonfarm ¹	83.2	82.3	86.6	0.9	-3.4	-3.9%
Total private	66.0	65.1	68.3	0.9	-2.3	-3.4%
Goods producing	12.0	11.7	12.4	0.3	-0.4	-3.2%
Mining, logging and construction	3.7	3.7	4.1	0.0	-0.4	-9.8%
Manufacturing	8.3	8.0	8.3	0.3	0.0	0.0%
Nondurable goods	5.2	5.0	5.4	0.2	-0.2	-3.7%
Service providing	71.2	70.6	74.2	0.6	-3.0	-4.0%
Private service providing	54.0	53.4	55.9	0.6	-1.9	-3.4%
Trade, transportation and utilities	19.2	19.1	18.7	0.1	0.5	2.7%
Wholesale trade	4.6	4.5	4.5	0.1	0.1	2.2%
Retail trade	10.9	10.9	10.7	0.0	0.2	1.9%
Transportation and utilities	3.7	3.7	3.5	0.0	0.2	5.7%
Professional and business services	4.3	4.2	4.4	0.1	-0.1	-2.3%
Education and health services	19.2	18.9	18.5	0.3	0.7	3.8%
Health care and social assistance	17.4	17.4	17.1	0.0	0.3	1.8%
Leisure and hospitality	6.1	5.6	8.2	0.5	-2.1	-25.6%
Food services	5.0	4.6	6.3	0.4	-1.3	-20.6%
Government	17.2	17.2	18.3	0.0	-1.1	-6.0%
Federal government	1.2	1.2	1.2	0.0	0.0	0.0%
State government	2.6	2.6	2.7	0.0	-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 Februarys of 2020 and 2021, the Yakima County nonfarm labor market lost 3,400 jobs, a 3.9-percent downturn.

Nonfarm industry employment

Year over year, not seasonally adjusted total nonfarm employment in Yakima County decreased by 3.9 percent in February 2021, as employment fell to 83,200 from the 86,600 jobs tallied in February 2020 (see *Figure 3*). The following paragraphs highlight job changes in several local industries between the Februarys of 2020 and 2021:

- Preliminary estimates for Yakima County indicate that construction employment declined 9.8 percent in February 2021 versus in February 2020, as employment fell from 4,100 jobs to 3,700. Year over year, construction employment in Yakima County has decreased for eleven consecutive months (April 2020 through February 2021). The number of commercial and residential sales (combined) stabilized at 525 during the first two months of 2021 versus 2020 per the February 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 \$146.1 million in January and February 2020 to \$179.2 million in these first two months of 2021, a 22.7-percent upturn. The residential market showed considerable activity during the first two months of 2021. The number of residences sold increased modestly from 386 to 391 when comparing the Januarys and Februarys of 2020 to 2021 (up 1.3 percent), but the value of these residential sales advanced from \$95.1 million to \$113.6 million, a 19.4 percent increase. Average home prices also escalated in Yakima County during the first two months of 2020 versus the first two months of this year, from \$246,392 to \$290,446, a robust 17.9 percent increase. Across Washington, construction employment retrenched by minus-15.3 percent in April 2020, but loss-rates decelerated through December 2020. By January and February 2021 Washington's construction contractors were again netting year-over-year gains in employment.
- Year over year, employment in Yakima County's nondurable goods manufacturing (primarily food processing) industry has either stagnated or decreased for 18 months (September 2019 through February 2021). Between the Februarys of 2020 and 2021 employment in this industry shrank from 5,400 to 5,200, a 200-job and 3.7-percent downturn. Washington's nondurable goods manufacturers have been shedding jobs, year over year, since March 2020 (the past 12 months).
- Year over year, retail trade employment in Yakima County has increased from August 2020 through February 2021. Between the Februarys of 2020 and 2021 employment in this industry rose from 10,700 to 10,900, a 200-job and 1.9-percent upturn. Statewide, retail trade employment decreased from April through July 2020, stabilized in August 2020, and increased from September 2020 through February 2021. Recently, Washington state's retail sector increased from 388,900 jobs in February 2020 to 396,500 in February 2021 (up 2.0 percent). Retail trade subsectors posting gains: building material and garden supply stores, food and beverage stores, health and personal care stores, general merchandise stores, and "other" retail trade establishments (i.e., internet shopping). Hiring in these subsectors more than countered layoffs amongst Washington's motor vehicle and parts dealers, furniture and home furnishings stores, and clothing and accessories stores. The result was this 2.0-percent advance (up 7,600 jobs) in retail trade employment across Washington state between the Februarys of 2020 and 2021.
- Between the Februarys of 2020 and 2021 leisure and hospitality (primarily hotels, eating and drinking places, and amusement and recreation) lost 2,100 jobs across Yakima County, a sharp 25.6-percent downturn, as employment dropped from 8,200 jobs to 6,100 (see *Figure 3*). Employment in Yakima County's leisure and hospitality businesses has contracted in each of the past eleven months (April 2020 through February 2021) - although these loss-rates have generally been slightly less severe than statewide job loss-rates. Leisure and hospitality businesses have 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, 61.8 percent of the total nonfarm employment downturn of 3,400 jobs between the Februarys of 2020 and 2021 occurred at leisure

and hospitality businesses. Employment in Washington state's leisure and hospitality industry has retrenched for twelve months (March 2020 through February 2021).

- 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 February 2020 to 13,400 in February 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 eleven months (April 2020 through February 2021). Across Washington state, local government has also contracted during the past eleven 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 February 2021, Current Employment Statistics (CES) estimates show that "total local government" in Washington lost 36,000 jobs between the Februarys of 2020 and 2021 (down 9.8 percent) with "local government education services" dropping by 26,700 (down 14.6 percent). Hence, nearly three quarters (74.2 percent) of all local government jobs lost statewide this February were at local government schools. It is safe to assume that a similar ratio holds for the February 2020 to February 2021 local government downturn in Yakima County.

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>