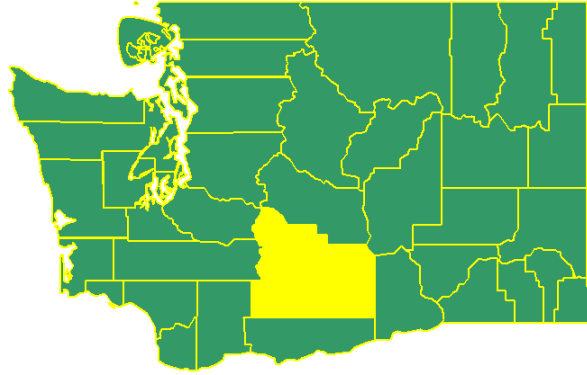


The Yakima County Labor Economy (November 2006)



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Employment

Nonagricultural employers in Yakima County provided 80,100 jobs in November 2006, a 3,600-job increase over the corresponding month in 2005 (see Table 1). Statewide, employment added 90,000 jobs between November 2005 and November 2006, a 3.2-percent growth rate versus a stronger 4.7-percent clip in Yakima County. The local labor market has been faring well since the 3rd Quarter of 2006 when the number of jobs rose 4.1 percent above the 3rd Quarter of 2005 (see Figure 1). This exceeded the already robust 3.5-percent quarterly job growth rate across Washington. Although December 2006 employment data is not yet available, this trend is projected to continue. In the 4th Quarter of 2006, the local labor market should grow at a 4.6-percent clip versus a 3.2-percent statewide pace.

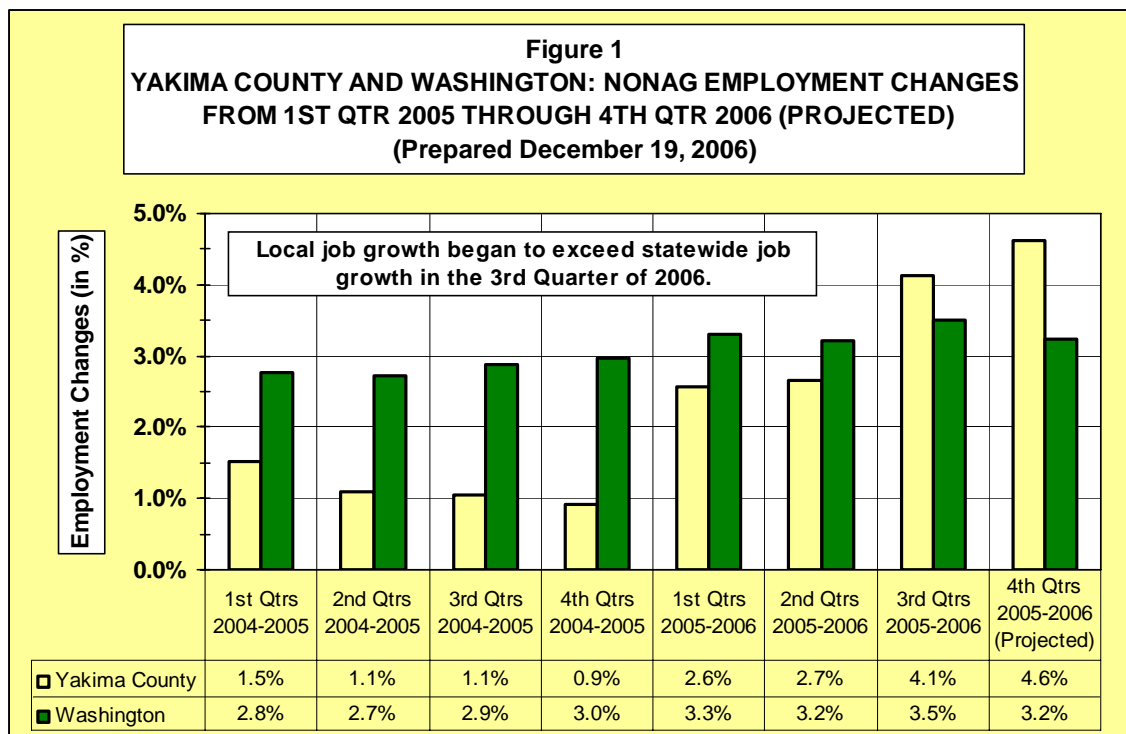
What industries are driving this economic activity? A fair amount of Yakima County's job growth is being driven by "nonagricultural" industries that are dependent on the fortunes of agriculture: Wholesale Trade (i.e., fresh fruit packinghouses); Transportation, Warehousing, and Utilities (i.e., trucking); and Non-Durable Goods Manufacturing (i.e., food processing). This year's statewide apple harvest was smaller than last year's harvest, but it was quite profitable. Hence, between November 2005 and November 2006: Wholesale Trade skyrocketed by 17.9 percent; Transportation, Warehousing, and Utilities jumped 10.3 percent; and Non-Durable Goods increased 7.5-percent (again, see Table 1). Other industries helped. Natural Resources, Mining, and Construction provided 400 more jobs, a strong 10.5-percent job growth pace. Local Government jumped by 600. Health Services rose by 300. However, Durable Goods Manufacturing slipped by 100 due to the closure of the Yakima Resources plywood mill in August 2006.

Agricultural employment fell in Yakima County from 15,620 jobs in November 2005 to an estimated 14,440 this November, a 7.6-percent downturn. Washington's apple crop shrank from 100.1-million fresh-packed boxes during the 2005 harvest to an estimated 92.4-million fresh-packed boxes in 2006; windstorms and hailstorms pelted many apple orchards across Washington in 2006; and the labor supply was tighter, hence the over-the-year drop in agricultural employment.

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Table 1 NOVEMBER 2006 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT IN YAKIMA COUNTY (in Thousands) (Prepared December 19, 2006)							
	Nov 2006 ¹	Oct 2006	Nov 2005	CHANGE ³ Oct 06 Nov 06	Nov 05 Nov 06	% CHANGE Oct 06 Nov 06	Nov 05 Nov 06
TOTAL NONFARM²	80.1	81.3	76.5	-1.2	3.6	-1.5%	4.7%
TOTAL PRIVATE	62.4	63.7	59.5	-1.3	2.9	-2.0%	4.9%
GOODS PRODUCING	13.7	14.4	13.0	-0.7	0.7	-4.9%	5.4%
NATURAL RESOURCES, MINING, AND CONSTRUCTION	4.2	4.3	3.8	-0.1	0.4	-2.3%	10.5%
MANUFACTURING	9.5	10.1	9.2	-0.6	0.3	-5.9%	3.3%
Durable Goods	3.8	3.8	3.9	0.0	-0.1	0.0%	-2.6%
Non-Durable Goods	5.7	6.3	5.3	-0.6	0.4	-9.5%	7.5%
SERVICES PROVIDING	66.4	66.9	63.5	-0.5	2.9	-0.7%	4.6%
WHOLESALE TRADE	4.6	4.7	3.9	-0.1	0.7	-2.1%	17.9%
RETAIL TRADE	9.9	9.8	9.7	0.1	0.2	1.0%	2.1%
TRANSPORTATION, WAREHOUSING, and UTILITIES	3.2	3.3	2.9	-0.1	0.3	-3.0%	10.3%
PROFESSIONAL AND BUSINESS SERVICES	4.2	4.3	4.2	-0.1	0.0	-2.3%	0.0%
HEALTH SERVICES	11.9	12.0	11.6	-0.1	0.3	-0.8%	2.6%
LEISURE AND HOSPITALITY	6.6	6.7	6.6	-0.1	0.0	-1.5%	0.0%
GOVERNMENT	17.7	17.6	17.0	0.1	0.7	0.6%	4.1%
Federal Government	1.4	1.4	1.3	0.0	0.1	0.0%	7.7%
State Government	3.0	3.0	3.0	0.0	0.0	0.0%	0.0%
Local Government	13.3	13.2	12.7	0.1	0.6	0.8%	4.7%
Workers in Labor Disputes	0.0	0.0	0.0	0.0	0.0	XXX	XXX

¹ Preliminary employment estimates.
² Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes all full and part-time wage and salary workers receiving pay during the pay period including the 12th of the month, by place of work.
³ Differences in industry employment of 100 or less may not be significant due to rounding.



Unemployment

This November the 7.6-percent unemployment rate (not seasonally adjusted) in the Yakima MSA fell two-tenths of a percentage point below the November 2005 reading of 7.8 percent. Approximately 8,600 Yakima County residents were out of work in November 2006 versus 9,000 in the corresponding month during 2005, a 400-person decrease in the number of people unemployed (see Figure 2). The current 7.6-percent unemployment rate is the lowest unemployment rate on record for the month of November in recent economic history (i.e., all the way back to 1990). Washington's unemployment rate (not seasonally adjusted) in November 2006 was 5.0 percent. This was a remarkable four-tenths of a point drop below the November 2005 figure of 5.4 percent. Statewide unemployment rates have consistently declined over-the-year so far in every month of 2006 whereas local unemployment rates have been more "touch-and-go" with 2005 rates, since May of 2006 (again, see Figure 2).

