



Kittitas County

Labor Area Summary

February 2016

Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Yakima WorkSource, 306 Division Street, Yakima, WA 98902
 Phone: (509) 573-4564; E-mail: dmeseck@esd.wa.gov
 Website: <https://fortress.wa.gov/esd/employmentdata/>

Overview

This report provides an update on the Kittitas County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between the Februaries of 2015 and 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

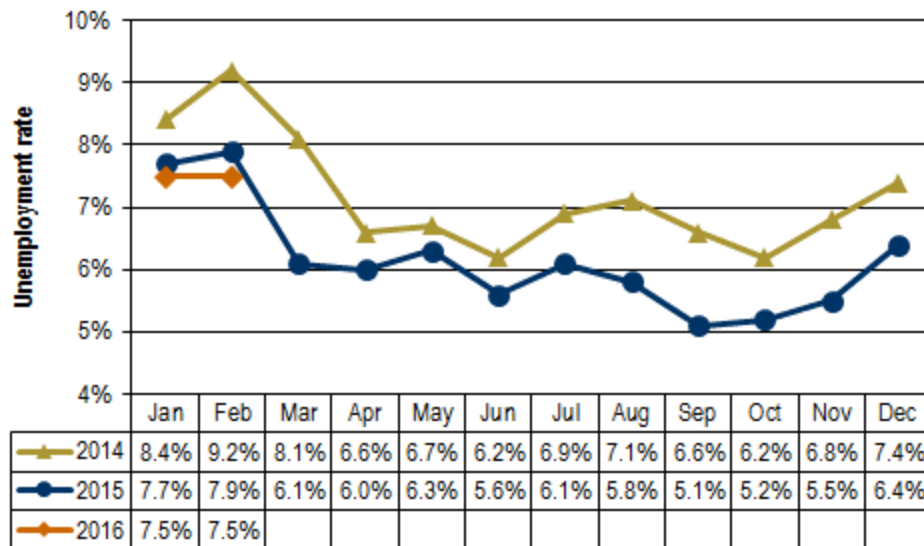
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Februaries of 2015 and 2016 the rate stabilized at 6.3 percent.

In Kittitas County, the average unemployment rate dipped from 7.2 to 6.1 percent between 2014 and 2015, a one and one-tenths percentage points drop. The rate decreased four-tenths of a percentage point this February to 7.5 percent from 7.9 percent reading in February 2015. The last time a February unemployment rate was this low in Kittitas County was in February 2008 (seven years ago) when the rate was 6.8 percent.

Figure 1. Unemployment rates, not seasonally adjusted

Kittitas County, January 2014 through February 2016

Source: Employment Security Department/LMPA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



The Kittitas County unemployment rate declined four-tenths of a percentage point between February 2015 and February 2016.

Total nonfarm employment

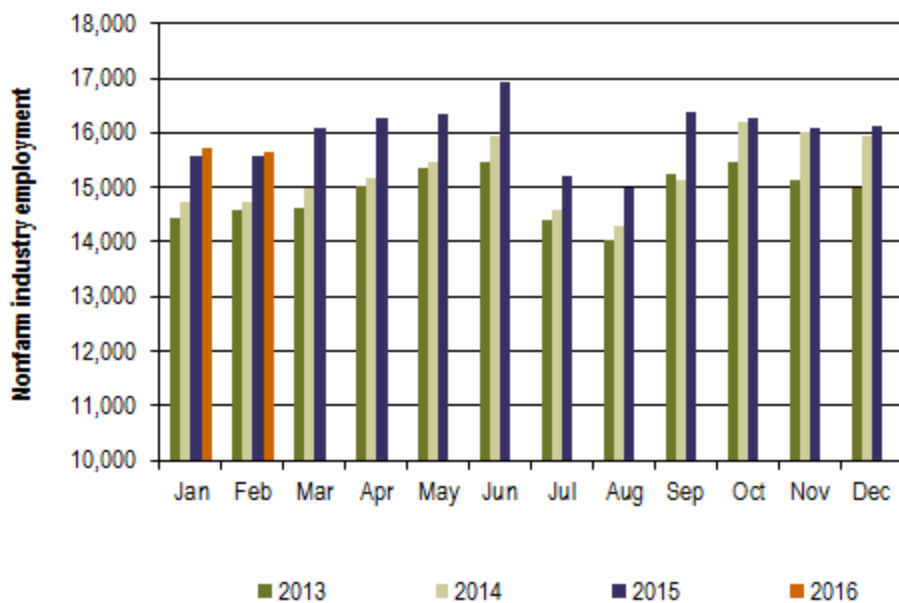
Between 2014 and 2015, Washington's labor market provided 88,800 new nonfarm jobs, an annual average increase of 2.9 percent. This February, businesses and government organizations across Washington supplied 3,183,500 nonfarm jobs (not seasonally adjusted), compared to 3,084,400 jobs in February 2015, a 3.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 65 consecutive months (October 2010 through February 2016).

Kittitas County's total nonfarm labor market averaged 15,990 jobs in 2015, a 720 job or a 4.7 percent upturn compared to the 2.9 percent statewide growth rate during 2015. The local economy has grown year over year for the past 17 months (October 2014 through February 2016). Between the Februaries of 2015 and 2016 the number of nonfarm jobs rose 0.3 percent, from 15,590 to 15,640 respectively (see *Figure 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2013 through February 2016

Source: Employment Security Department/LMPA



Employers in Kittitas County provided 15,640 nonfarm jobs in February 2016, a modest 0.3 percent expansion since February 2015.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 50,156 residents (a 1.4 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 26 months (January 2014 through February 2016). In February 2016, Washington's CLF tallied 3,615,858 residents versus 3,527,209 in February 2015 equating to 88,649 more Washingtonians in the labor force (up 2.5 percent).

Kittitas County averaged 20,012 residents in the labor force 2014 and 20,816 in 2015, a strong 4.0 percent expansion. But, the growth pace tapered off in the 4th Quarter of 2015 and in the first two months of 2016. Specifically, 20,738 Kittitas County residents were in the labor force in February 2015 versus 20,999 in the CLF in February of this year, a more modest 1.3 percent upturn. Concurrently, the number of unemployed decreased by 59, with 1,639 residents out of work in February 2015 versus 1,580 in February 2016. The result: the monthly local unemployment rate fell from 7.9 percent between the Februaries of 2015 and 2016 – a four-tenths percentage point drop.

Figure 3. Labor force and industry employment, not seasonally adjusted
 Kittitas County, February 2015, January and February 2016
 Source: Employment Security Department/LMPA

Kittitas County	Preliminary Feb-16	Revised Jan-16	Revised Feb-15	Change		
				Jan-16 Feb-16	Feb-15 Feb-16	Feb-15 Feb-16 %
Labor force and unemployment						
Civilian labor force	20,999	21,134	20,738	-135	261	1.3%
Resident employment	19,419	19,552	19,099	-133	320	1.7%
Unemployment	1,580	1,582	1,639	-2	-59	-3.6%
Unemployment rate	7.5	7.5	7.9	0.0	-0.4	
Industry employment						
Total nonfarm ¹	15,640	15,740	15,590	-100	50	0.3%
Total private	9,050	9,040	8,930	10	120	1.3%
Goods producing	1,200	1,180	1,330	20	-130	-9.8%
Mining, logging and construction	760	760	840	0	-80	-9.5%
Manufacturing	440	420	490	20	-50	-10.2%
Service providing	14,440	14,560	14,260	-120	180	1.3%
Trade, transportation and utilities	2,510	2,500	2,370	10	140	5.9%
Wholesale trade	580	560	540	20	40	7.4%
Retail trade	1,700	1,710	1,600	-10	100	6.3%
Transportation, warehousing and utilities	230	230	230	0	0	0.0%
Information and financial activities	660	660	640	0	20	3.1%
Professional and business services	490	490	460	0	30	6.5%
Education and health services	1,500	1,500	1,430	0	70	4.9%
Leisure and hospitality	2,270	2,290	2,320	-20	-50	-2.2%
Government	6,590	6,700	6,660	-110	-70	-1.1%
Federal government	100	100	110	0	-10	-9.1%
State and local government	6,490	6,600	6,550	-110	-60	-0.9%
State & local government education	4,850	4,950	4,850	-100	0	0.0%
Workers in labor/management disputes	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.						

Nonfarm employment in Kittitas County increased 0.3 percent, a marginal gain of 50 jobs between February 2015 and February 2016.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied only 50 more jobs in February 2016 than in February 2015, a marginal 0.3 percent upturn, less brisk than Washington’s 3.2 percent job-growth pace during this timeframe. Above (see *Figure 3*) is a summary of over-the-month and over-the-year changes, by industry:

- Mining, logging and construction employment in Kittitas County (with the majority of these jobs in construction) posted year-over-year job growth for 13 months (from June 2014 through June 2015) before stagnating in July 2015 and then registering year-over-year losses for the last seven months (August 2015 through February 2016). This February, mining, logging and construction tallied 760

jobs countywide versus the 840 provided in February 2015, equating to an 80 job and a 9.5 percent year over year employment decrease. Statewide, construction has been adding workers for the past 48 consecutive months (from March 2012 through February 2016). However, home sales are still brisk year-to-date (YTD) countywide when comparing the number of homes sold and the dollar value of homes sold during the first two month of 2015 versus 2016. According to the Real Review Data Report: February 2016, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold countywide YTD during January and February 2016 was 101. This was up 11.0 percent from the 91 homes sold during the first two months of 2015. The dollar value of home sales YTD jumped 23.3 percent, from \$23.4 million in the first two months of last year versus \$28.9 million during the corresponding period in 2016.

- The number of jobs in Kittitas County's wholesale trade sector is estimated to have increased 7.4 percent this February (580 jobs) versus the 540 jobs reported in February 2015. Approximately three-quarters of Kittitas County's wholesale trade jobs are with "merchant wholesalers of nondurable goods" (North American Industry Classification System or NAICS subsector 424). The lion's share of these jobs are at firms engaged in the wholesale distribution of timothy hay.
- Retail trade employment has been posting year-over-year gains for the past 14 months (January 2015 through February 2016). This industry provided 1,700 part- and full-time jobs in February 2016, a 6.3 percent and 100-job upturn from the corresponding month in 2015. In fact, Kittitas County's retailers had a good year in 2015. Average annual employment in Kittitas County's retail trade stores also advanced 6.3 percent during 2015, from 1,600 jobs in 2014 to 1,700 jobs in 2015.
- Private education and health services provided 1,500 jobs this February versus 1,430 in February 2015, a 4.9 percent and 70 job increase. It should be noted that this employment category does not include jobs at Kittitas Valley Hospital (KVH) which are tallied under "State and local government" (see *Figure 3*).

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 August 2015 preliminary annual average QCEW data for calendar year 2014 became available. A ten-year analysis (from 2004 through 2014) of these data show that in Kittitas County:

- Total covered employment rose from 12,494 in 2004 to 13,908 in 2014, a 1,414-job increase or 11.3 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 640 in 2004 to 928 in 2014, a 288-job increase or 45.0 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 5.1 percent of total covered employment. In 2014 agricultural employment accounted for 6.7 percent of total covered employment countywide. Hence, agricultural employment rose 1.6 percentage points (from 5.1 to 6.7 percent) in Kittitas County during the past ten years.
- Total covered wages rose from \$327.7 million (in 2004) to \$488.8 million (in 2014) a \$161.1 million increase or 49.2 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$14.0 million in 2004 to \$29.5 million in 2014, a \$15.5 million increase or 111.7 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 4.3 percent of total covered wages. In 2014 agricultural wages accounted for 6.0 percent of total covered payroll countywide. Hence, agricultural wages rose 1.7 percentage points (from 4.3 to 6.0 percent) in Kittitas County during the past ten years.