



Kittitas County

Labor Area Summary

May 2016

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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 Mays of 2015 and 2016) and average annual (between 2014 and 2015) changes in the labor market.

Unemployment rates

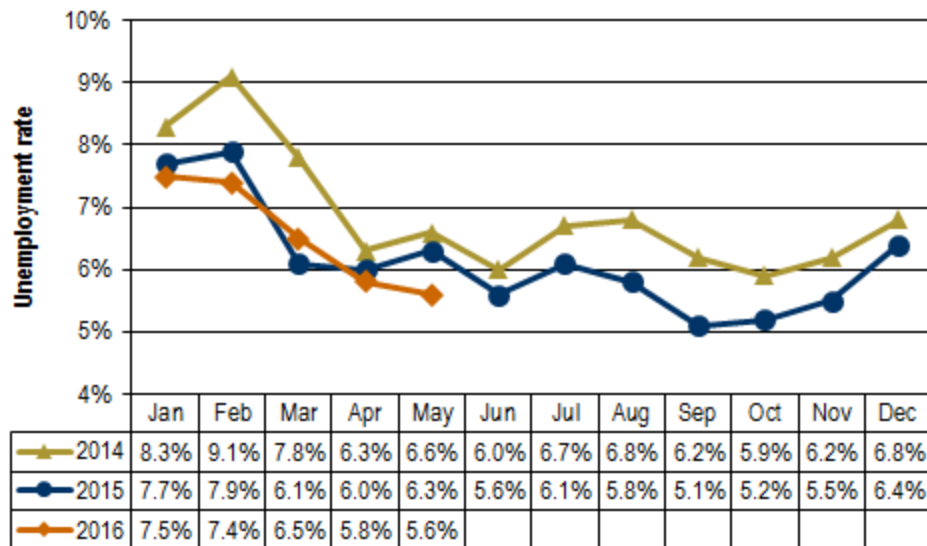
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Mays of 2015 and 2016 the rate dipped from 5.6 to 5.5 percent, down one-tenth of a point.

In Kittitas County, the average unemployment rate dipped from 6.9 to 6.1 percent between 2014 and 2015, an eight-tenths percentage point drop. The rate decreased seven-tenths of a percentage point this May to 5.6 percent from 6.3 percent reading in May 2015 (see *Figure 1*) as the labor force expanded and the number of unemployed decreased (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted

Kittitas County, January 2014 through May 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 seven-tenths of a percentage point between May 2015 and May 2016.

Total nonfarm employment

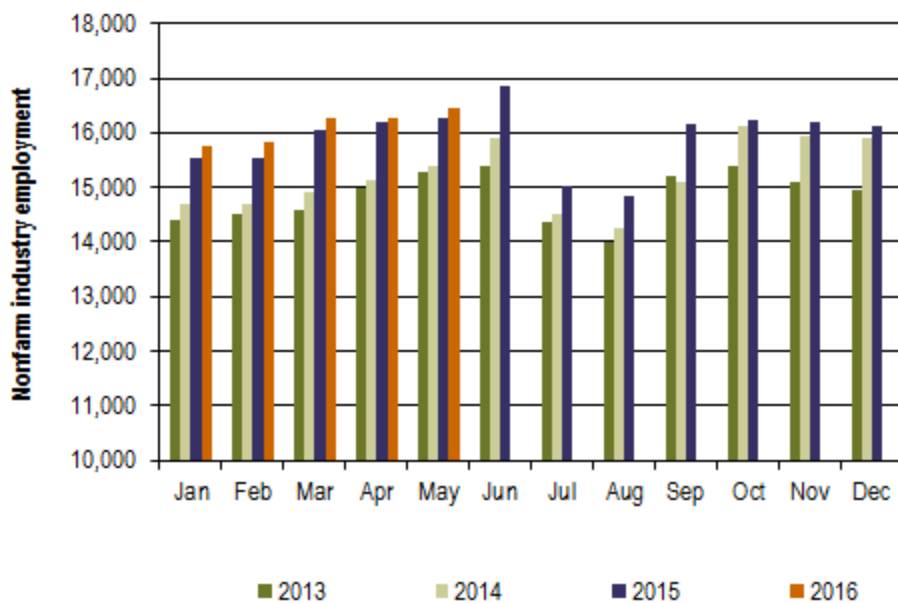
Between 2014 and 2015, Washington's labor market provided 85,100 new nonfarm jobs, an annual average increase of 2.8 percent. This May, businesses and government organizations across Washington supplied 3,248,000 nonfarm jobs (not seasonally adjusted), compared to 3,146,300 jobs in May 2015, a 3.2 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 68 consecutive months (October 2010 through May 2016).

Kittitas County's total nonfarm labor market averaged 15,920 jobs in 2015, a 700 job or a 4.6 percent upturn compared to the 2.8 percent statewide growth rate during 2015. The local economy has grown year over year for the past 20 months (October 2014 through May 2016). Between the Mays of 2015 and 2016 the number of nonfarm jobs rose 1.2 percent, from 16,280 to 16,470 respectively.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2013 through May 2016

Source: Employment Security Department/LMPA



Employers in Kittitas County provided 16,470 nonfarm jobs in May 2016, 1.2 percent expansion since May 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 29 months (January 2014 through May 2016). In May 2016, Washington's CLF tallied 3,607,404 residents versus 3,545,995 in May 2015 equating to 61,409 more Washingtonians in the labor force (up 1.7 percent).

Kittitas County averaged 20,176 residents in the labor force 2014 and 20,816 in 2015, a 3.2 percent expansion and the local CLF has posted year-over-year growth for the past six months (December 2014 through May 2016). This May, 21,533 Kittitas County residents were in the labor force versus 21,024 in May of 2015, a 2.4 percent upturn. Concurrently, the number of unemployed decreased by 114, with 1,320 residents out of work in May 2015 versus 1,206 in May 2016. The result: the monthly local unemployment rate fell from 6.3 percent in May of last year to 5.6 percent in May 2016 – a substantial seven-tenths percentage point drop (see *Figure 3*).

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

Kittitas County	Preliminary May-16	Revised Apr-16	Revised May-15	Change		
				Apr-16	May-15	May-15
				May-16	May-16	May-16 %
Labor force and unemployment						
Civilian labor force	21,533	21,887	21,024	-354	509	2.4%
Resident employment	20,327	20,623	19,704	-296	623	3.2%
Unemployment	1,206	1,264	1,320	-58	-114	-8.6%
Unemployment rate	5.6	5.8	6.3	-0.2	-0.7	
Industry employment						
Total nonfarm ¹	16,470	16,260	16,280	210	190	1.2%
Total private	9,630	9,350	9,700	280	-70	-0.7%
Goods producing	1,530	1,450	1,450	80	80	5.5%
Mining, logging and construction	980	910	890	70	90	10.1%
Manufacturing	550	540	560	10	-10	-1.8%
Service providing	14,940	14,810	14,830	130	110	0.7%
Trade, transportation and utilities	2,440	2,420	2,480	20	-40	-1.6%
Wholesale trade	520	520	540	0	-20	-3.7%
Retail trade	1,720	1,700	1,700	20	20	1.2%
Transportation, warehousing and utilities	200	200	240	0	-40	-16.7%
Information and financial activities	660	650	600	10	60	10.0%
Professional and business services	530	520	530	10	0	0.0%
Education and health services	1,370	1,380	1,460	-10	-90	-6.2%
Leisure and hospitality	2,690	2,540	2,780	150	-90	-3.2%
Government	6,840	6,910	6,580	-70	260	4.0%
Federal government	140	130	140	10	0	0.0%
State and local government	6,700	6,780	6,440	-80	260	4.0%
State & local government education	5,040	5,120	4,730	-80	310	6.6%
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 1.2 percent, a modest gain of 190 jobs between May 2015 and May 2016.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 190 more jobs in May 2016 than in May 2015, a 1.2 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) has increased for the past three months (March through May 2016). This May, mining, logging and construction tallied 980 jobs countywide versus the 890 provided in May 2015, equating to a 90 job and a 10.1 percent year over year employment increase. Statewide, construction has been

adding workers for the past 51 consecutive months (from March 2012 through May 2016). However, home sales were not as brisk year-to-date (YTD) countywide when comparing the number of homes sold during the first five months of 2016 versus 2015. According to the *Real Review Data Report: May 2016*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold countywide YTD from January through May 2016 was 318. This was down 5.1 percent from the 335 homes sold during the first five months of 2015. Conversely, the dollar value of home sales in Kittitas County rose 4.6 percent YTD, from \$91.6 million in the first five months of last year versus \$95.8 million from January to May 2016.

- Leisure and hospitality employment in Kittitas County (primarily at hotels and restaurants) took a step back between the Mays of 2015 and 2016. This industry provided 2,690 part- and full-time jobs in May 2016, a 3.2 percent and 90-job downturn from the corresponding month in 2015. Although the County's leisure and hospitality businesses averaged 130 more jobs in 2015 than in 2014 (up 5.1 percent), estimates indicate that this industry has been trimming jobs for the past three months (from March through May 2016). Washington's leisure and hospitality industry has grown for 68 months (October 2010 through May 2016) with year-over-year job growth generally hovering in the four-percent range during each of the past twelve months.
- State and local government education tallied 5,040 jobs in May 2016 versus 4,730 in May 2015, a strong 6.6 percent and 310 job increase, as shown in Figure 3. This employment category includes student employment at Central Washington University. Although Kittitas County's state and local government education sector has expanded for the past seven months (November 2015 through May 2016), growth rates have not been as robust as during calendar year 2015 when employment bounded ahead by 9.9 percent (up 410 jobs). Washington's state and local government education sector has been growing for 45 months (from September 2012 through May 2016).

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. An analysis of employment changes from 2004 through 2014 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 this eleven-year (inclusive) period.
- 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 this eleven-year (inclusive) period.