



Kittitas County

Labor Area Summary

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

Unemployment rates

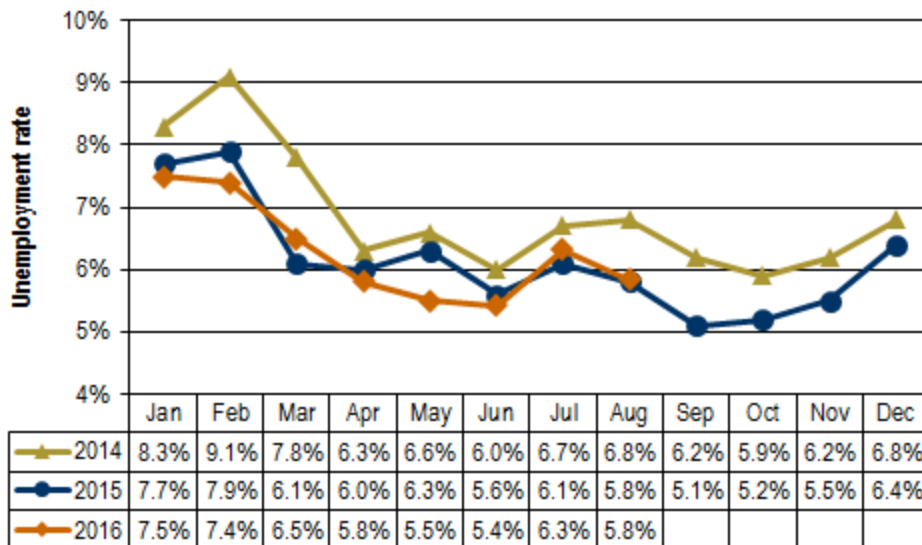
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell four-tenths of a point between 2014 and 2015, from 6.1 percent to 5.7 percent. Between the Augusts of 2015 and 2016 the rate stabilized at 5.4 percent.

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. However, the not seasonally adjusted rate stabilized between the Augusts of 2015 and 2016 at 5.8 percent (see *Figure 1*) as the resident civilian labor force expanded at roughly the same pace as the number of unemployed increased (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted

Kittitas County, January 2014 through August 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 stabilized at 5.8 percent in the Augusts of 2015 and 2016.

Total nonfarm employment

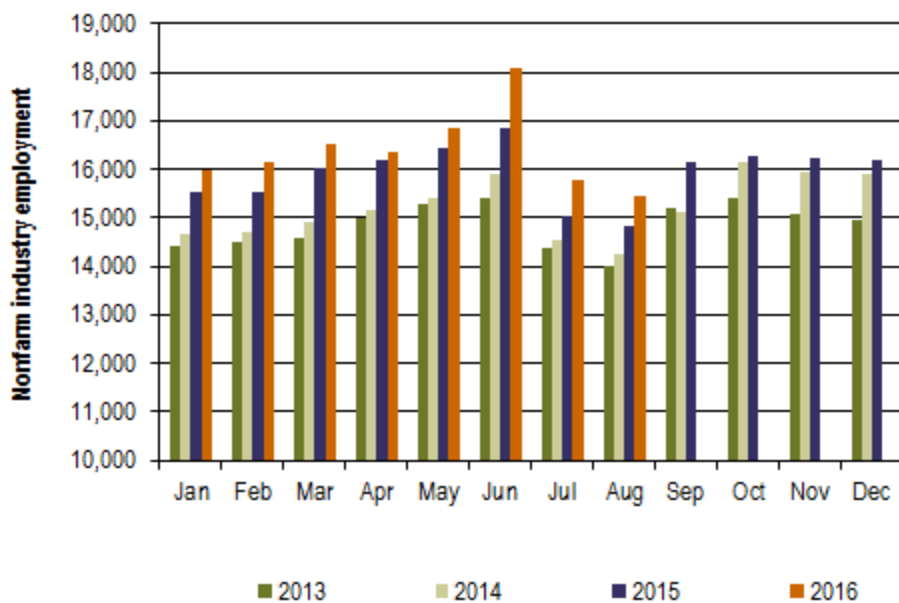
Between 2014 and 2015, Washington's labor market provided 86,200 new nonfarm jobs, an annual average increase of 2.8 percent. This August, businesses and government organizations across Washington supplied 3,255,900 nonfarm jobs (not seasonally adjusted), compared to 3,160,600 jobs in August 2015, a 3.0 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 71 consecutive months (October 2010 through August 2016).

Kittitas County's total nonfarm labor market averaged 15,950 jobs in 2015, a 730 job or a 4.8 percent upturn compared to the 2.8 percent statewide growth rate during 2015. The local economy has grown year over year for the past 23 months (October 2014 through August 2016). Between the Augusts of 2015 and 2016 the number of nonfarm jobs rose strongly, up 4.2 percent, from 14,830 to 15,450 respectively.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2013 through August 2016

Source: Employment Security Department/LMPA



Employers in Kittitas County provided 15,450 nonfarm jobs in August 2016, a 4.2 percent expansion since August 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 32 months (January 2014 through August 2016). In August 2016, Washington's CLF tallied 3,645,713 residents versus 3,543,814 in August 2015 equating to 101,899 more Washingtonians in the labor force (up 2.9 percent).

Kittitas County averaged 20,176 residents in the labor force 2014 and 20,816 in 2015, a 3.2 percent expansion. The local labor force has posted year-over-year growth for the past nine months (December 2014 through August 2016) with the growth pace exceeding the state's in each of the past five months. Hence, the good news was that, this August, 20,847 Kittitas County residents were in the labor force versus 19,560 in August of 2015, equating to 1,287 more residents in the CLF - a 6.6 percent upturn. On the downside, during this same timeframe the number of unemployed increased by 81, with 1,137 residents out of work in August 2015 versus 1,218 in August 2016 – a 7.1 percent upturn. The result was a “wash.” The unemployment rate in Kittitas County stabilized at 5.8 percent between the Augusts of 2015 and 2016 (see *Figure 3*).

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

Kittitas County	Preliminary Aug-16	Revised Jul-16	Revised Aug-15	Change		
				Jul-16	Aug-15	Aug-15
				Aug-16	Aug-16	Aug-16 %
Labor force and unemployment						
Civilian labor force	20,847	21,442	19,560	-595	1,287	6.6%
Resident employment	19,629	20,088	18,423	-459	1,206	6.5%
Unemployment	1,218	1,354	1,137	-136	81	7.1%
Unemployment rate	5.8	6.3	5.8	-0.5	0.0	
Industry employment						
Total nonfarm ¹	15,450	15,760	14,830	-310	620	4.2%
Total private	10,300	10,270	9,830	30	470	4.8%
Goods producing	1,690	1,670	1,450	20	240	16.6%
Mining, logging and construction	1,110	1,080	920	30	190	20.7%
Manufacturing	580	590	530	-10	50	9.4%
Service providing	13,760	14,090	13,380	-330	380	2.8%
Trade, transportation and utilities	2,470	2,470	2,430	0	40	1.6%
Wholesale trade	510	510	500	0	10	2.0%
Retail trade	1,740	1,740	1,680	0	60	3.6%
Transportation, warehousing and utilities	220	220	250	0	-30	-12.0%
Information and financial activities	690	680	680	10	10	1.5%
Professional and business services	540	540	560	0	-20	-3.6%
Education and health services	1,370	1,370	1,400	0	-30	-2.1%
Leisure and hospitality	3,130	3,110	2,890	20	240	8.3%
Government	5,150	5,490	5,000	-340	150	3.0%
Federal government	170	180	170	-10	0	0.0%
State and local government	4,980	5,310	4,830	-330	150	3.1%
State & local government education	3,290	3,610	3,080	-320	210	6.8%
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 4.2 percent, a robust gain of 620 jobs between August 2015 and August 2016.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 620 more jobs in August 2016 than in August 2015, a 4.2 percent upturn, more brisk than Washington’s 3.0 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, year over year, for the past ten months (November 2015 through August 2016). This August, mining, logging and construction tallied 1,110 jobs countywide versus the 920 provided in August 2015, equating to a dynamic 190 job and a 20.7 percent year over year

employment increase. Statewide, construction has been adding workers for the past 54 consecutive months (from March 2012 through August 2016). Countywide, home sales were more brisk year-to-date (YTD) when comparing the number of homes sold during the first eight months of 2016 versus 2015. According to the *Real Review Data Report: August 2016*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD from January through August 2016 was 679. This was up 2.0 percent from the 666 homes sold during the first eight months of 2015. The dollar value of home sales countywide jumped 11.0 percent YTD, from \$189.5 million in the first eight months of last year versus \$210.4 million from January to August 2016.

- Retail trade tallied 1,740 jobs across Kittitas County in August 2016, a 60 job and 3.6 percent upturn from the 1,680 provided in August of last year. The local retail trade industry has been posting year-over-year employment gains for 20 months (January 2015 through August 2016). Statewide, retail trade employment has been increasing for the past 71 months (from October 2010 through August 2016), rising by 2.7 percent between August 2015 and August 2016.
- Year over year, Kittitas County's leisure and hospitality industry (primarily at hotels and restaurants) has been growing for the past three months (June through August 2016). This industry provided 3,130 part- and full-time jobs in August 2016, an 8.3 percent and 240-job upturn from the corresponding month in 2015. The County's leisure and hospitality businesses averaged 130 more jobs in 2015 than in 2014 (up 5.1 percent). Washington's leisure and hospitality industry has expanded for 71 months (October 2010 through August 2016).
- State and local government education tallied 3,290 jobs in August 2016 versus 3,080 in August 2015, a 6.8 percent and 210 job increase, as shown in Figure 3. This employment category includes student employment at Central Washington University (CWU).

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 July 2016 preliminary annual average QCEW data for calendar year 2015 became available. An analysis of employment changes from 2004 through 2015 shows that in Kittitas County:

- Total covered employment rose from 12,494 in 2004 to 14,001 in 2015, a 1,507-job increase or 12.1 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 640 in 2004 to 953 in 2015, a 313-job increase or 48.9 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 5.1 percent of total covered employment. In 2015 agricultural employment accounted for 6.8 percent of total covered employment countywide. Hence, agricultural share of employment rose 1.7 percentage points (from 5.1 to 6.8 percent) in Kittitas County during this twelve-year (inclusive) period.
- Total covered wages rose from \$327.7 million (in 2004) to \$524.5 million (in 2015) a \$196.8 million increase or 60.1 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$14.0 million in 2004 to \$32.7 million in 2015, an \$18.7 million increase or 133.6 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 4.3 percent of total covered wages. In 2015 agricultural wages accounted for 6.2 percent of total covered payroll countywide. Hence, agricultural wages rose 1.9 percentage points (from 4.3 to 6.2 percent) in Kittitas County during this twelve-year (inclusive) period.