



Kittitas County

Labor Area Summary

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

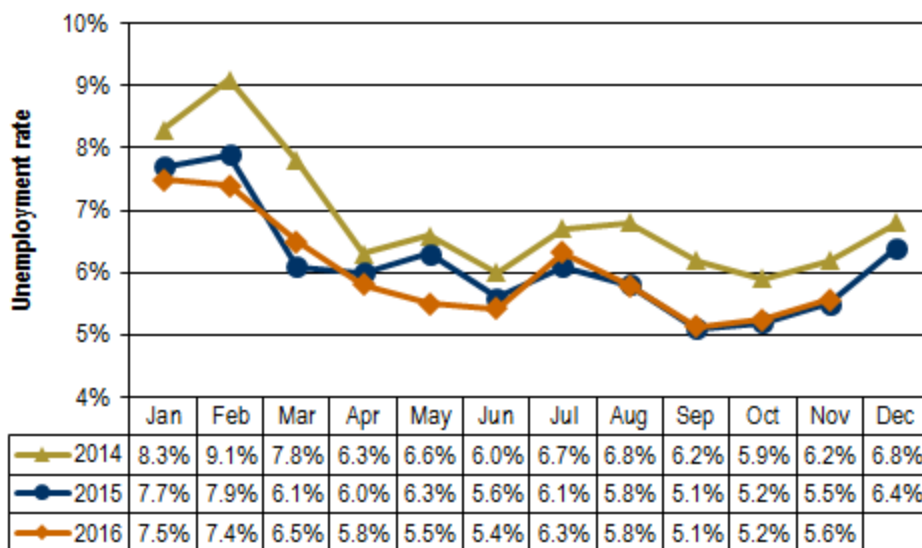
Unemployment rates

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 Novembers of 2015 and 2016 the rate dipped five-tenths point, from 5.7 to 5.2 percent.

In Kittitas County, the not seasonally adjusted average unemployment rate dipped from 6.9 to 6.1 percent between 2014 and 2015, an eight-tenths percentage point decline. However, the unemployment rate edged upward one-tenth of a percentage point, from 5.5 to 5.6 percent, between the Novembers of 2015 and 2016 (see *Figure 1*) as the resident civilian labor force expanded while number of unemployed increased at a slightly more rapid pace (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Kittitas County, January 2014 through November 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 edged upward one-tenth of a point between the Novembers of 2015 and 2016.

Total nonfarm employment

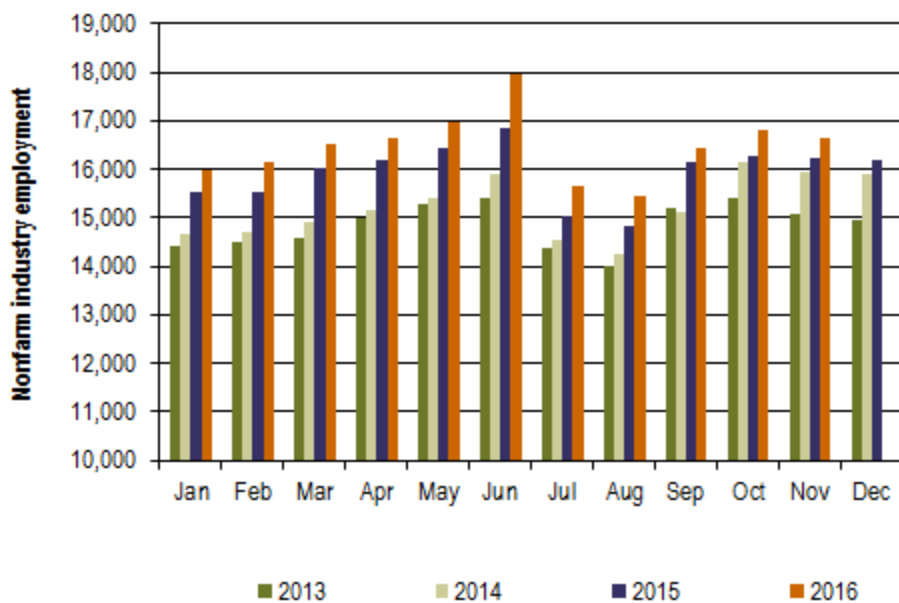
Between 2014 and 2015, Washington's labor market provided 86,200 new nonfarm jobs, an annual average increase of 2.8 percent. This November, businesses and government organizations across Washington supplied 3,290,000 nonfarm jobs (not seasonally adjusted), compared to 3,194,900 jobs in November 2015, a 3.0 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 74 consecutive months (October 2010 through November 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 26 months (October 2014 through November 2016). Between the Novembers of 2015 and 2016 the number of nonfarm jobs rose 2.4 percent, from 16,240 to 16,630 respectively.

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2013 through November 2016

Source: Employment Security Department/LMPA



Employers in Kittitas County provided 16,630 nonfarm jobs in November 2016, a 2.4 percent expansion since November 2015.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 51,376 residents (a 1.5 percent upturn) from 2014 to 2015. The state's labor force has increased, year over year, for the past 34 months (February 2014 through November 2016). In November 2016, Washington's CLF tallied 3,677,831 residents versus 3,560,884 in November 2015 equating to 116,947 more Washingtonians in the labor force (up 3.3 percent).

Kittitas County averaged 20,176 residents in the labor force 2014 and 20,817 in 2015, a 3.2 percent expansion. Kittitas County's CLF has posted year-over-year growth for the past twelve months (December 2014 through November 2016) with the growth pace exceeding the state's in each of the past eight months. Hence, the good news was that, this November, 22,233 Kittitas County residents were in the labor force versus 20,982 in November of 2015, equating to 1,251 more residents in the CLF - a 6.0 percent upturn. On the downside, during this timeframe the number of unemployed increased by 82, with 1,154 residents out of work in November 2015 versus 1,236 in November 2016 – a 7.1 percent upturn. The result was that the unemployment rate in Kittitas County rose a tick, from 5.5 to 5.6 percent, between the Novembers of 2015 and 2016 (see *Figure 3*).

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

Kittitas County	Preliminary Nov-16	Revised Oct-16	Revised Nov-15	Change		
				Oct-16 Nov-16	Nov-15 Nov-16	Nov-15 Nov-16 %
Labor force and unemployment						
Civilian labor force	22,233	22,710	20,982	-477	1,251	6.0%
Resident employment	20,997	21,520	19,828	-523	1,169	5.9%
Unemployment	1,236	1,190	1,154	46	82	7.1%
Unemployment rate	5.6	5.2	5.5	0.4	0.1	
Industry employment						
Total nonfarm ¹	16,630	16,810	16,240	-180	390	2.4%
Total private	9,750	9,940	9,550	-190	200	2.1%
Goods producing	1,540	1,610	1,480	-70	60	4.1%
Mining, logging and construction	1,010	1,050	930	-40	80	8.6%
Manufacturing	530	560	550	-30	-20	-3.6%
Service providing	15,090	15,200	14,760	-110	330	2.2%
Trade, transportation and utilities	2,610	2,600	2,470	10	140	5.7%
Wholesale trade	500	500	530	0	-30	-5.7%
Retail trade	1,870	1,860	1,710	10	160	9.4%
Transportation, warehousing and utilities	240	240	230	0	10	4.3%
Information and financial activities	620	620	640	0	-20	-3.1%
Professional and business services	480	510	520	-30	-40	-7.7%
Education and health services	1,490	1,470	1,420	20	70	4.9%
Leisure and hospitality	2,590	2,710	2,600	-120	-10	-0.4%
Government	6,880	6,870	6,690	10	190	2.8%
Federal government	130	150	130	-20	0	0.0%
State and local government	6,750	6,720	6,560	30	190	2.9%
State & local government education	5,040	5,000	4,880	40	160	3.3%
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 2.4 percent, a gain of 390 jobs between November 2015 and November 2016.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 390 more jobs in November 2016 than in November 2015, a 2.4 percent upturn, less brisk than Washington’s 3.0 percent job-growth pace during this timeframe. The following paragraphs highlight changes in major local industries between the Novembers of 2015 and 2016:

- 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 (February through November 2016). This November, mining, logging and construction tallied 1,010 jobs countywide versus the 930 provided in November 2015, equating to a strong 80 job and an 8.6 percent year over year

employment increase. Statewide, construction has been adding workers for the past 57 consecutive months (from March 2012 through November 2016). Countywide, home sales were more brisk year-to-date (YTD) when comparing the number of homes sold during the first eleven months of 2016 versus 2015. According to the *Real Review Data Report: November 2016*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD from January through November 2016 was 976. This was up 4.1 percent from the 938 homes sold during the first eleven months of 2015. The dollar value of home sales countywide drove upward 12.2 percent YTD, from \$265.5 million in the first eleven months of last year versus \$297.7 million from January to November 2016.

- Retail trade tallied 1,870 jobs across Kittitas County in November 2016, a noteworthy 160 job and 9.4 percent upturn from the 1,710 provided in November of last year. The local retail trade industry has been posting year-over-year employment gains for 23 months (January 2015 through November 2016). Statewide, retail trade employment has been increasing for the past 74 months (from October 2010 through November 2016), rising by 2.9 percent between November 2015 and November 2016.
- Year over year, Kittitas County's private education and health services employment has been growing for the past eleven months (January through November 2016). This industry provided 1,490 jobs in November 2016, a 4.9 percent and 70-job upturn from the corresponding month in 2015. Private education and health services providers averaged the same number of jobs (1,420) in 2014 as in 2015, hence this “growth spurt” in 2016 is an encouraging sign for the local economy. Statewide, this industry has been growing for 16 months (August 2015 through November 2016).
- State and local government education tallied 5,040 jobs in November 2016 versus 4,880 in November 2015, a 3.3 percent and 160 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, the share of agricultural employment rose 1.7 percentage points (from 5.1 to 6.8 percent) in Kittitas County during these eleven years.
- 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, the share of agricultural wages rose 1.9 percentage points (from 4.3 to 6.2 percent) in Kittitas County during these eleven years.