



Kittitas County

Labor Area Summary

December 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 Decembers of 2015 and 2016) and average annual (between 2015 and 2016) changes in the labor market.

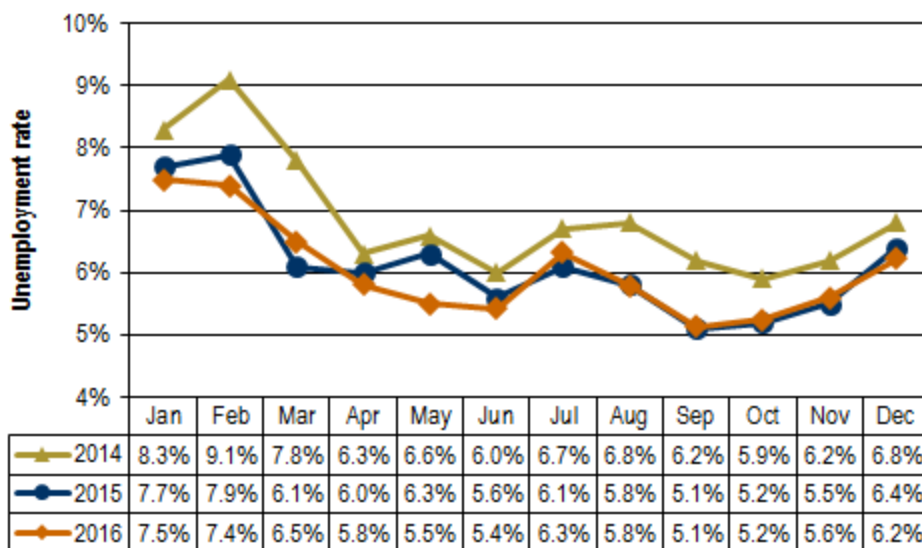
Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped one-tenth of a point between 2015 and 2016, from 5.7 percent to 5.6 percent. Between the Decembers of 2015 and 2016 the rate fell six-tenths point, from 5.9 to 5.3 percent.

In Kittitas County, the not seasonally adjusted average unemployment rate dipped from 6.1 to 6.0 percent between 2015 and 2016, a marginal one-tenth percentage point decline. The unemployment rate edged downward two-tenths of a percentage point, from 6.4 to 6.2 percent, between the Decembers of 2015 and 2016 (see *Figure 1*) as the growth in the Kittitas County civilian labor force was relatively stronger than the upturn in the number of unemployed during this timeframe (see *Figure 3*).

Figure 1. Unemployment rates, not seasonally adjusted
 Kittitas County, January 2014 through December 2016

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



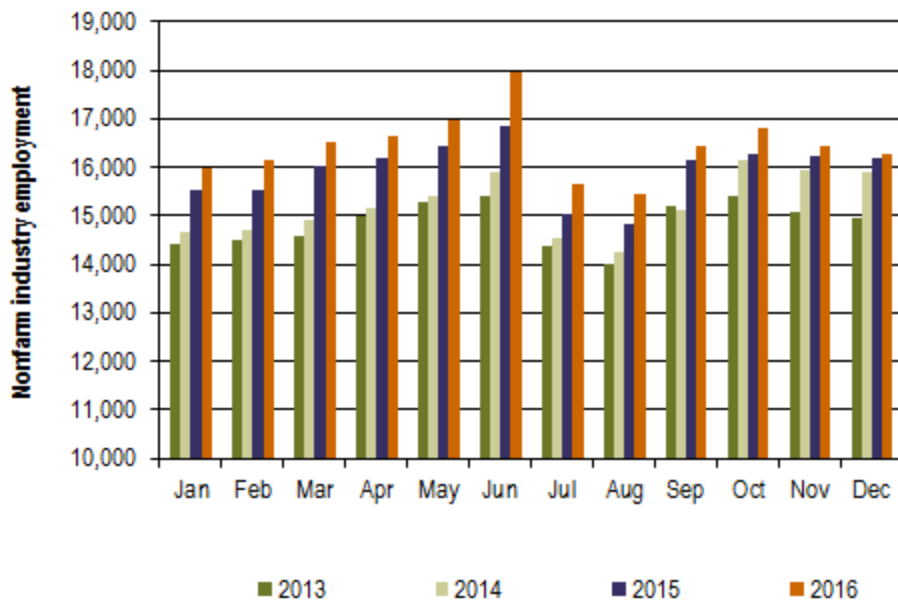
The Kittitas County unemployment rate edged downward two-tenths of a point between the Decembers of 2015 and 2016.

Total nonfarm employment

Between 2015 and 2016, Washington's labor market provided 93,400 new nonfarm jobs, an annual average increase of 3.0 percent. This December, businesses and government organizations across Washington supplied 3,276,500 nonfarm jobs (not seasonally adjusted), compared to 3,194,200 jobs in December 2015, a 2.6 percent year-over-year employment increase. The state's economy has posted year-over-year nonfarm employment increases for the past 75 consecutive months (October 2010 through December 2016).

Kittitas County's total nonfarm labor market averaged 16,440 jobs in 2016, a 490 job or a 3.1 percent upturn, roughly comparable to the statewide 3.0 percent growth rate during 2016. The local economy has been growing now, year over year, for the past 27 months (October 2014 through December 2016). However, between the Decembers of 2015 and 2016 the number of nonfarm jobs across Kittitas County advanced by a paltry 0.4 percent, from 16,190 to 16,260 respectively.

Figure 2. Nonfarm industry employment, not seasonally adjusted
Kittitas County, January 2013 through December 2016
Source: Employment Security Department/LMPA



Employers in Kittitas County provided 16,260 nonfarm jobs in December 2016, a 0.4 percent expansion since December 2015.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 94,591 residents (a 2.7 percent upturn) from 2015 to 2016. The state's labor force has increased, year over year, for the past 35 months (February 2014 through December 2016). In December 2016, Washington's CLF tallied 3,661,925 residents versus 3,568,849 in December 2015 equating to 93,076 more Washingtonians in the labor force (up 2.6 percent).

Kittitas County averaged 20,817 residents in the labor force 2015 and 21,796 in 2016, a relatively strong 4.7 percent expansion. In fact, the local CLF has posted year-over-year growth for the past 13 months (December 2015 through December 2016) with the growth pace exceeding the state's in each of the past nine months. In December 2016, Kittitas County had 21,469 residents in the labor force versus 20,686 in December of 2015, equating to 783 more residents in the CLF - a 3.8 percent upturn. During this timeframe the number of unemployed edged upward by 11, with 1,324 residents out of work in December 2015 versus 1,335 in November 2016, a 0.8 percent increase. Hence, the unemployment rate in Kittitas County declined two-tenths of a point between the Decembers of 2015 and 2016, from 6.4 to 6.2 percent (see *Figure 3*).

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

Kittitas County	Preliminary Dec-16	Revised Nov-16	Revised Dec-15	Change		
				Nov-16 Dec-16	Dec-15 Dec-16	Dec-15 Dec-16 %
Labor force and unemployment						
Civilian labor force	21,469	22,010	20,686	-541	783	3.8%
Resident employment	20,134	20,778	19,362	-644	772	4.0%
Unemployment	1,335	1,232	1,324	103	11	0.8%
Unemployment rate	6.2	5.6	6.4	0.6	-0.2	
Industry employment						
Total nonfarm ¹	16,260	16,420	16,190	-160	70	0.4%
Total private	9,500	9,610	9,480	-110	20	0.2%
Goods producing	1,500	1,540	1,460	-40	40	2.7%
Mining, logging and construction	960	1,010	900	-50	60	6.7%
Manufacturing	540	530	560	10	-20	-3.6%
Service providing	14,760	14,880	14,730	-120	30	0.2%
Trade, transportation and utilities	2,590	2,610	2,450	-20	140	5.7%
Wholesale trade	500	500	530	0	-30	-5.7%
Retail trade	1,850	1,870	1,680	-20	170	10.1%
Transportation, warehousing and utilities	240	240	240	0	0	0.0%
Information and financial activities	620	620	640	0	-20	-3.1%
Professional and business services	480	500	510	-20	-30	-5.9%
Education and health services	1,480	1,490	1,430	-10	50	3.5%
Leisure and hospitality	2,380	2,440	2,580	-60	-200	-7.8%
Government	6,760	6,810	6,710	-50	50	0.7%
Federal government	120	130	130	-10	-10	-7.7%
State and local government	6,640	6,680	6,580	-40	60	0.9%
State & local government education	4,950	4,990	4,890	-40	60	1.2%
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 0.4 percent, a marginal gain of 70 jobs between December 2015 and December 2016.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 70 more jobs in December 2016 than in December 2015, a 0.4 percent upturn, slower than Washington’s 2.6 percent job-growth pace during this timeframe. The following paragraphs highlight changes in major local industries between the Decembers 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 eleven months (February through December 2016). In December 2016, mining, logging and construction tallied 960 jobs countywide versus the 900 provided in December 2015, equating to a respectable 60 job and a 6.7 percent increase.

Statewide, construction has been adding workers for the past 58 consecutive months (from March 2012 through December 2016). Countywide, home sales were more brisk year-to-date (YTD) when comparing the number of homes sold during the twelve months of 2016 versus 2015. According to the *Real Review Data Report: December 2016*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD from January through December 2016 was 1,058. This was up 3.6 percent from the 1,021 homes sold during calendar year 2015. The dollar value of home sales countywide drove upward 10.2 percent YTD, from \$296.7 million in the twelve months of 2015 versus \$327.0 million from January to December 2016.

- Retail trade tallied 1,850 part- and full-time jobs across Kittitas County in December 2016, a noteworthy 170 job and 10.1 percent upturn from the 1,680 provided in December of 2015. The local retail trade industry has been posting year-over-year employment gains for 24 months (January 2015 through December 2016). In fact, preliminary estimates indicate that retail trade averaged 100 more jobs, a 6.0 percent upturn, countywide in 2016 (1,770 jobs) than in 2015 (1,670 jobs). Statewide, retail trade employment has been increasing for the past 75 months (from October 2010 through December 2016), rising by 2.6 percent between December 2015 and December 2016.
- Year over year, Kittitas County's leisure and hospitality businesses (primarily hotels and restaurants) added workers for 19 consecutive months (February 2015 through August 2016). But, in September 2016 employment retrenched slightly (minus-0.3 percent) before advancing in October (up 1.5 percent) and then contracting again in November (minus-6.2 percent) and in December (minus-7.8 percent). This is a weak-finish for an industry that averaged 50 new jobs (up 1.9 percent) in 2016. In December 2016 leisure and hospitality provided 2,380 jobs, a 7.8 percent and 200-job downturn from the corresponding month in 2015.). Washington's leisure and hospitality industry has expanded for 75 months (October 2010 through December 2016).
- State and local government education tallied 4,950 jobs in December 2016 versus 4,890 in December 2015, a 1.2 percent and 60 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.