



# Kittitas County

## Labor Area Summary

### August 2017

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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 August of 2016 and 2017) and average annual (between 2015 and 2016) changes in the labor market.

## Unemployment rates

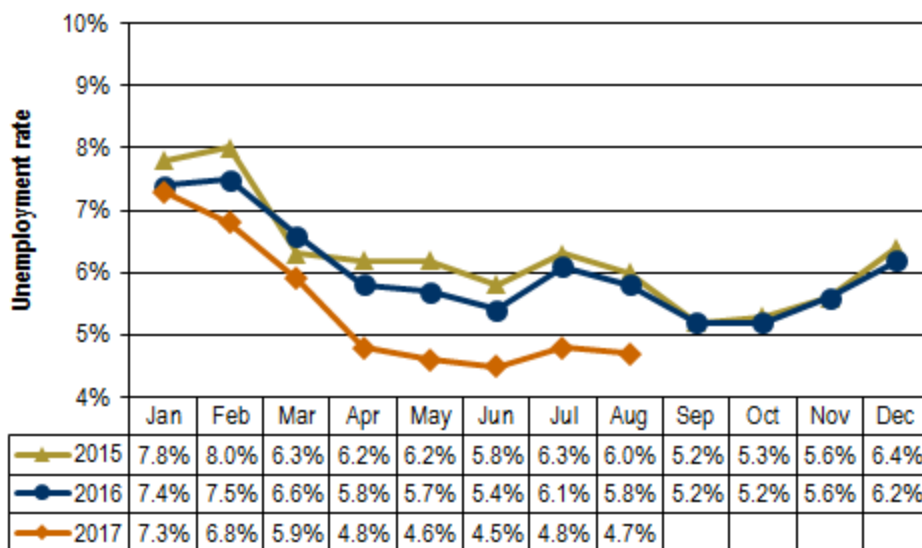
Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dipped two-tenths of a point between 2015 and 2016, from 5.6 percent to 5.4 percent. Between the Augusts of 2016 and 2017 the rate fell eight-tenths percentage point, from 5.3 to 4.5 percent.

In Kittitas County, the not seasonally adjusted average unemployment rate dipped from 6.3 to 6.0 percent between 2015 and 2016, a three-tenths percentage point drop. The rate has registered year over year declines for the past nine months (December 2016 through August 2017) as shown in *Figure 1*. Between the Augusts of 2016 and 2017 the rate fell one and one-tenths points, from 5.8 to 4.7 percent, as the civilian labor force expanded modestly while the number of unemployed residents decreased sharply (see *Figure 3*).

**Figure 1.** Unemployment rates, not seasonally adjusted

Kittitas County, January 2015 through August 2017

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



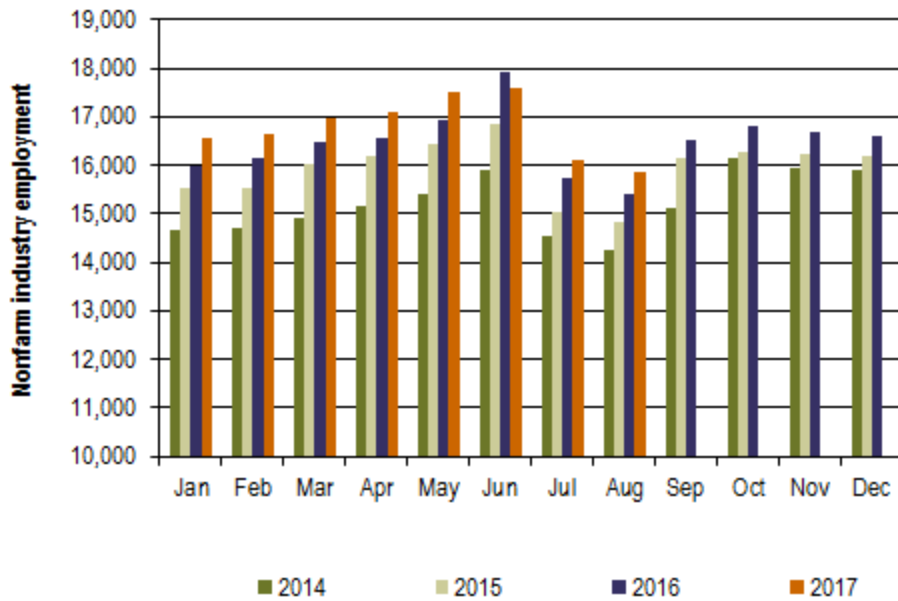
The Kittitas County unemployment rate decreased one and one-tenth points between the Augusts of 2016 and 2017.

## Total nonfarm employment

Between 2015 and 2016, Washington's labor market provided 96,600 new nonfarm jobs, an annual average increase of 3.1 percent. This August, businesses and government organizations across Washington supplied 3,339,600 nonfarm jobs (not seasonally adjusted), compared to 3,256,600 jobs in August 2016, a 2.5 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 83 consecutive months (October 2010 through August 2017).

Kittitas County's total nonfarm labor market averaged 16,480 jobs in 2016, a 530 job and a 3.3 percent upturn, a shade more robust than the statewide 3.1 percent growth rate during 2016. Year over year, the Kittitas County nonfarm market expanded for 32 straight months (from October 2014 through May 2017), dipped 1.7 percent between the Junes of 2016 and 2017, and resumed growth in July and August 2017. The number of nonfarm jobs increased from 15,400 in August 2016 to 15,840 this August, a gain of 440 jobs and a 2.9 percent upturn.

**Figure 2. Nonfarm industry employment, not seasonally adjusted**  
 Kittitas County, January 2014 through August 2017  
 Source: Employment Security Department/LMPA



*Employers in Kittitas County provided 15,840 nonfarm jobs in August 2017, a 2.9 percent expansion since August 2016.*

## Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 98,209 residents (a 2.8 percent upturn) from 2015 to 2016. The state's labor force has increased, year over year, for the past 43 months (February 2014 through August 2017). In August 2017, Washington's CLF tallied 3,743,407 residents versus 3,658,770 in August 2016 equating to 84,637 more Washingtonians in the labor force (up 2.3 percent).

Kittitas County averaged 20,838 residents in the labor force 2015 and 21,648 in 2016, a 3.9 percent expansion. However, the local CLF expanded 2.8 percent, from 20,456 residents in August 2016 to 21,022 in August 2017, while the number of unemployed residents plummeted 17.7 percent (see *Figure 3*). The result: Kittitas County's unemployment rate dropped one and one-tenths points between the Augusts of 2016 and 2017, from 5.8 to 4.7 percent. This August's 2017 unemployment rate of 4.7 percent is the lowest reading for the month of August in the County since the 4.5 percent reading in August 1999 – 18 years ago.

**Figure 3. Labor force and industry employment, not seasonally adjusted**  
 Kittitas County, August 2016, July and August 2017  
 Source: Employment Security Department/LMPA

Kittitas County	Preliminary Aug-17	Revised Jul-17	Revised Aug-16	Change		
				Jul-17 Aug-17	Aug-16 Aug-17	Aug-16 Aug-17 %
<b>Labor force and unemployment</b>						
Civilian labor force	21,022	21,470	20,456	-448	566	2.8%
Resident employment	20,044	20,443	19,268	-399	776	4.0%
Unemployment	978	1,027	1,188	-49	-210	-17.7%
Unemployment rate	4.7	4.8	5.8	-0.1	-1.1	
<b>Industry employment</b>						
Total nonfarm <sup>1</sup>	15,840	16,110	15,400	-270	440	2.9%
Total private	10,580	10,610	10,170	-30	410	4.0%
Goods producing	1,700	1,690	1,610	10	90	5.6%
Mining, logging and construction	1,170	1,150	1,000	20	170	17.0%
Manufacturing	530	540	610	-10	-80	-13.1%
Service providing	14,140	14,420	13,790	-280	350	2.5%
Trade, transportation and utilities	2,640	2,640	2,550	0	90	3.5%
Wholesale trade	550	550	520	0	30	5.8%
Retail trade	1,850	1,850	1,790	0	60	3.4%
Transportation, warehousing and utilities	240	240	240	0	0	0.0%
Information and financial activities	660	660	660	0	0	0.0%
Professional and business services	580	580	540	0	40	7.4%
Education and health services	1,490	1,500	1,420	-10	70	4.9%
Leisure and hospitality	3,110	3,150	2,960	-40	150	5.1%
Government	5,260	5,500	5,230	-240	30	0.6%
Federal government	170	170	170	0	0	0.0%
State and local government	5,090	5,330	5,060	-240	30	0.6%
State & local government education	3,280	3,550	3,270	-270	10	0.3%
Workers in labor/management disputes	0	0	0	0	0	
<sup>1</sup> 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 2.9 percent, a gain of 440 jobs between the Augusts of 2016 and 2017.*

### Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 440 more jobs in August 2017 than in August 2016, a 2.9 percent uptrend, while Washington’s nonfarm market grew at a 2.5 percent clip during this timeframe. The following paragraphs highlight changes in major local industries between the Augusts of 2016 and 2017:

- Kittitas County’s mining, logging and construction industry (with the majority of these jobs in construction) either stabilized or added jobs monthly from October 2014 through August 2017 (for 23 consecutive months). In August 2017, mining, logging and construction tallied 1,170 jobs countywide versus the 1,000 provided in August 2016, equating to a 170 job and a 17.0 percent

increase. Home sales were brisk across Kittitas County year-to-date (YTD) when comparing the number of homes sold during the first eight months of 2016 versus the corresponding period in 2017. According to the *Real Review Data Report: August 2017*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD as of August 2017 was 786. This was up 15.8 percent from the 679 homes sold between January and August 2016. The dollar value of home sales countywide drove upward 21.4 percent YTD, from \$210.4 million in the first eight months of 2016 to \$255.4 million from January through August 2017.

- Manufacturing employment across Kittitas County rose by 20 jobs (up 3.7 percent) from 540 to 560 jobs, between 2015 and 2016. However, manufacturing employment fell from 610 jobs in August 2016 to 530 in August 2017, a 13.1 percent and 80-job downturn. It should be noted however, that these numbers include the rather volatile food manufacturing subsector. Hence, it is likely that annual variances in employment will be more in keeping with historical trends.
- Leisure and hospitality (primarily hotel and restaurant) employment tallied 3,110 jobs across Kittitas County in August 2017, a noteworthy 150 job and 5.1 percent upturn from the 2,960 provided in August 2016. In fact, Kittitas County's leisure and hospitality employment has netted year over year gains for the past five months (April through August 2017). It is probable that much of this recent employment upturn at hotels and restaurants was attributable to logistical needs of firefighters and support personnel combatting multiple wildfires in Kittitas County such as the Jolly Mountain Fire - which began following lightning strikes on 11 August 2017. As of 4 September, the fire stood at just under 21,000 acres, the City of Ellensburg declared a state of emergency, Cle Elum's air quality was deemed "dangerous" by the county, and contingency plans to evacuate Cle Elum were being discussed. Hence, the August 2016 to August 2017 rise in leisure in hospitality employment was likely only partially attributable to the traditional, seasonal increases in tourism.

## 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 June 2017 preliminary annual average QCEW data for calendar year 2016 became available. An analysis of employment changes from 2004 through 2016 shows that in Kittitas County:

- Total covered employment rose from 12,494 in 2004 to 14,390 in 2016, a 1,896-job increase or 15.2 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 640 in 2004 to 968 in 2016, a 328-job increase or 51.3 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 5.1 percent of total covered employment. In 2016 agricultural employment accounted for 6.7 percent of total covered employment countywide. Hence, the share of agricultural employment rose 1.6 percentage points (from 5.1 to 6.7 percent) in Kittitas County during this twelve-year period.
- Total covered wages rose from \$327.7 million (in 2004) to \$561.1 million (in 2016) a \$233.4 million increase or 71.2 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$14.0 million in 2004 to \$31.3 million in 2016, a \$17.3 million increase or 123.6 percent uptrend. In 2004 Kittitas County's agricultural industry accounted for 4.3 percent of total covered wages. In 2016 agricultural wages accounted for 5.6 percent of total covered payroll countywide. Hence, the share of agricultural wages rose 1.3 percentage points (from 4.3 to 5.6 percent) in Kittitas County during this twelve-year period.