



Kittitas County

Labor Area Summary

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

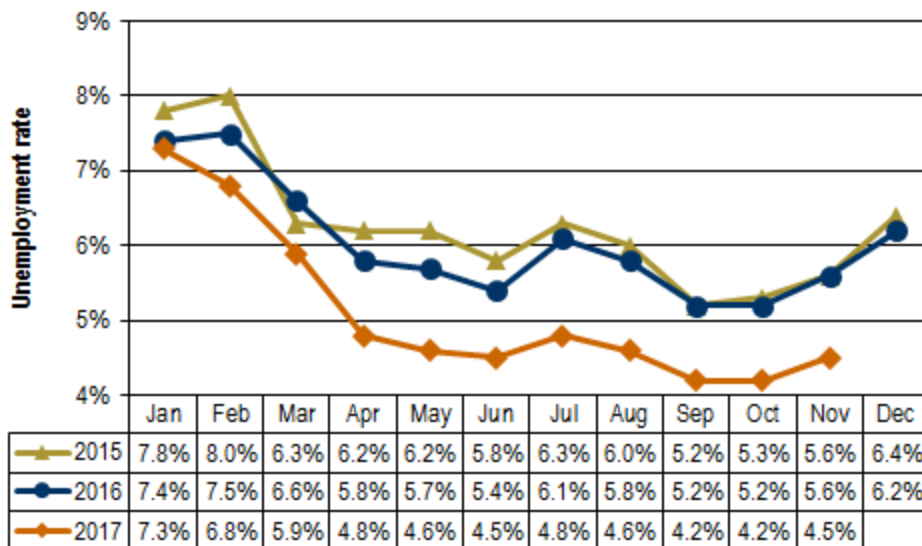
Unemployment rates

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 Novembers of 2016 and 2017 the rate fell six-tenths of a point, from 5.1 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 twelve months (December 2016 through November 2017) as shown in *Figure 1*. Between the Novembers of 2016 and 2017 the rate fell one and one-tenths points, from 5.6 to 4.5 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 November 2017

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



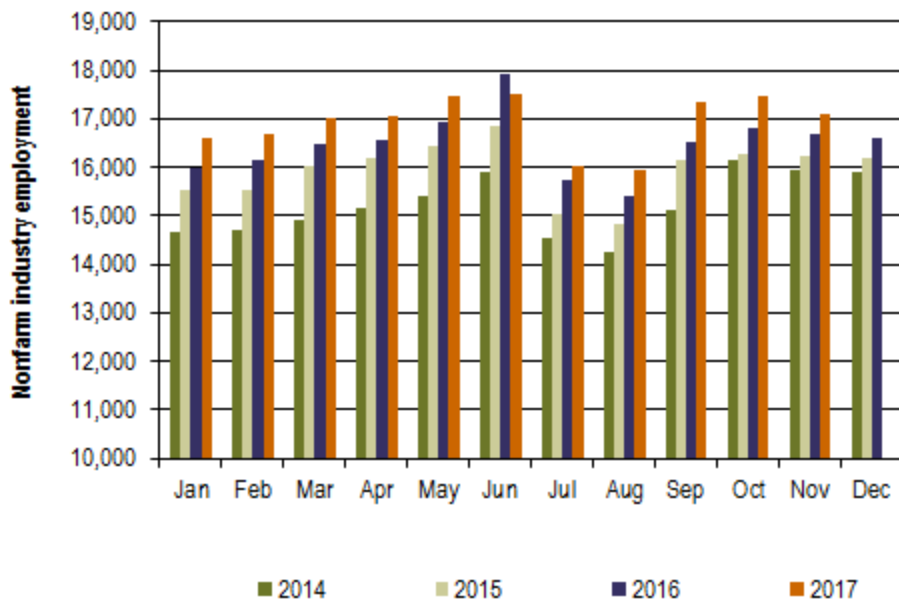
The Kittitas County unemployment rate decreased one and one-tenth points between the Novembers of 2016 and 2017.

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 November, businesses and government organizations across Washington supplied 3,389,600 nonfarm jobs (not seasonally adjusted), compared to 3,291,700 jobs in November 2016, a 3.0 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 86 consecutive months (October 2010 through November 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. On a monthly basis, with the exception of a dip between the Junes of 2016 and 2017, Kittitas County's nonfarm market has expanded for 38 months (October 2014 through November 2017). The number of nonfarm jobs increased from 16,690 in November 2016 to 17,080 this November, a gain of 390 jobs and a 2.3 percent upturn.

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



Employers in Kittitas County provided 17,080 nonfarm jobs in November 2017, a 2.3 percent expansion since November 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 46 months (February 2014 through November 2017). In November 2017, Washington's CLF tallied 3,775,995 residents versus 3,671,129 in November 2016 equating to 84,866 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. More recently, the local CLF has posted year-over-year gains for the past five months (July through November 2017). The CLF expanded 3.7 percent, from 21,790 residents in November 2016 to 22,604 in November 2017, while the number of unemployed residents plummeted 15.9 percent (see *Figure 3*). The result: Kittitas County's unemployment rate dropped one and one-tenths points between the Novembers of 2016 and 2017, from 5.6 to 4.5 percent. This November's 2017 unemployment rate of 4.5 percent is the lowest reading for the month of November in the County since the 4.2 percent reading in November 1999 – 18 years ago.

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

Kittitas County	Preliminary Nov-17	Revised Oct-17	Revised Nov-16	Change		
				Oct-17 Nov-17	Nov-16 Nov-17	Nov-16 Nov-17 %
Labor force and unemployment						
Civilian labor force	22,604	23,227	21,790	-623	814	3.7%
Resident employment	21,578	22,262	20,570	-684	1,008	4.9%
Unemployment	1,026	965	1,220	61	-194	-15.9%
Unemployment rate	4.5	4.2	5.6	0.3	-1.1	
Industry employment						
Total nonfarm ¹	17,080	17,470	16,690	-390	390	2.3%
Total private	10,180	10,440	9,790	-260	390	4.0%
Goods producing	1,530	1,600	1,550	-70	-20	-1.3%
Mining, logging and construction	1,020	1,060	980	-40	40	4.1%
Manufacturing	510	540	570	-30	-60	-10.5%
Service providing	15,550	15,870	15,140	-320	410	2.7%
Trade, transportation and utilities	2,690	2,670	2,560	20	130	5.1%
Wholesale trade	580	580	550	0	30	5.5%
Retail trade	1,830	1,830	1,770	0	60	3.4%
Transportation, warehousing and utilities	280	260	240	20	40	16.7%
Information and financial activities	660	660	620	0	40	6.5%
Professional and business services	580	600	530	-20	50	9.4%
Education and health services	1,570	1,550	1,470	20	100	6.8%
Leisure and hospitality	2,740	2,930	2,640	-190	100	3.8%
Government	6,900	7,030	6,900	-130	0	0.0%
Federal government	140	160	140	-20	0	0.0%
State and local government	6,760	6,870	6,760	-110	0	0.0%
State & local government education	5,000	5,020	5,030	-20	-30	-0.6%
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 2.3 percent, a gain of 390 jobs between the Novembers of 2016 and 2017.

Nonfarm industry employment

Kittitas County's nonfarm employers tallied 390 more jobs in November 2017 than in November 2016, a 2.3 percent uptrend, while Washington's nonfarm market grew at a 3.0 percent clip during this timeframe. The following paragraphs highlight changes in major local industries between the Novembers 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 November 2017 (for 26 consecutive months). In November 2017, mining, logging and construction tallied 1,020 jobs

countywide versus the 980 provided in November 2016, equating to a 40 job and a 4.1 percent increase. Home sales were brisk across Kittitas County year-to-date (YTD) when comparing the number of homes sold during the first eleven months of 2016 versus the corresponding period in 2017. According to the *Real Review Data Report: November 2017*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD as of November 2017 was 1,103. This was up 13.0 percent from the 976 homes sold between January and November 2016. The dollar value of home sales countywide drove upward 25.4 percent YTD, from \$297.7 million in the first eleven months of 2016 to \$273.3 million from January through November 2017. Statewide, construction has been adding workers for the past 69 consecutive months (from March 2012 through November 2017). Also, the pace of construction job growth has been a bit faster statewide than countywide – at least during the past 12 months.

- Year over year, Kittitas County's private education and health services employment has been growing for the past 23 months (January 2016 through November 2017). Numerically, this industry is dominated by private health services providers. The number of private education and health services jobs increased from 1,470 to 1,570 across Kittitas County between the Novembers of 2016 and 2017, a reasonably strong 6.8 percent upturn.
- Leisure and hospitality (primarily hotel and restaurant) employment tallied 2,740 jobs across Kittitas County in November 2017, a 100 job and 3.8 percent upturn from the 2,640 provided in November 2016. Kittitas County's leisure and hospitality industry has netted year over year gains for the past five months (July through November 2017). It is probable that some of the job growth at hotels and restaurants late this summer 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.

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 September 2017 revised 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 14,400 in 2016, a 1,906-job increase or 15.3 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 640 in 2004 to 967 in 2016, a 327-job increase or 51.1 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 123.9 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.