



Kittitas County

Labor Area Summary

May 2018

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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 Mays of 2017 and 2018) and average annual (between 2016 and 2017) changes in the labor market.

Unemployment rates

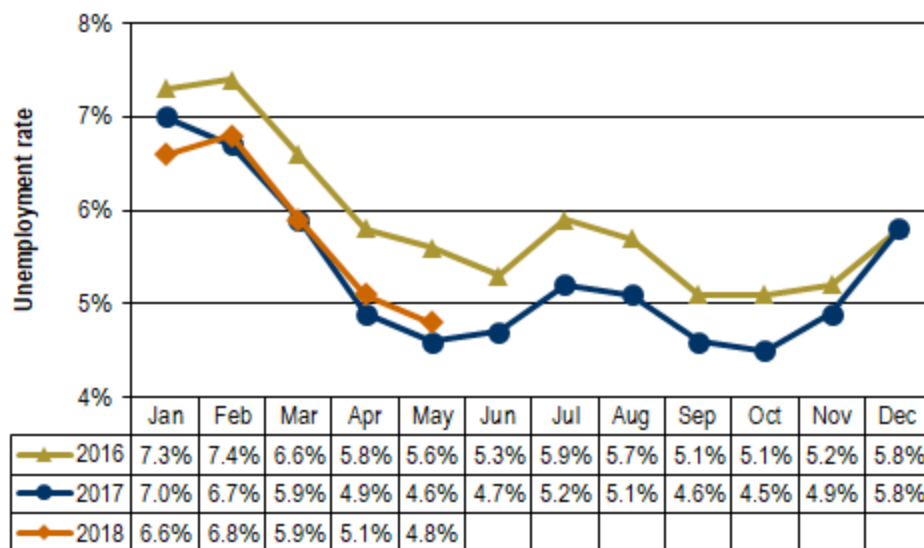
Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell five tenths of a point between 2016 and 2017, from 5.3 percent to 4.8 percent. Between the Mays of 2017 and 2018 the rate dropped one-tenth point, from 4.6 to 4.4 percent.

In Kittitas County, the not seasonally adjusted average unemployment rate declined from 5.9 to 5.3 percent between 2016 and 2017, a six-tenths percentage point drop. However, the monthly unemployment rate edged upwards in each of the past four months (February through May 2018) following 22 consecutive months (April 2016 through January 2018) of downturns or stabilizations in the rate. Between the Mays of 2017 and 2018 the rate increased two-tenths of a point, from 4.6 to 4.8 percent (see *Figure 1*).

Figure 1. Unemployment rates, not seasonally adjusted

Kittitas County, January 2016 through May 2018

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



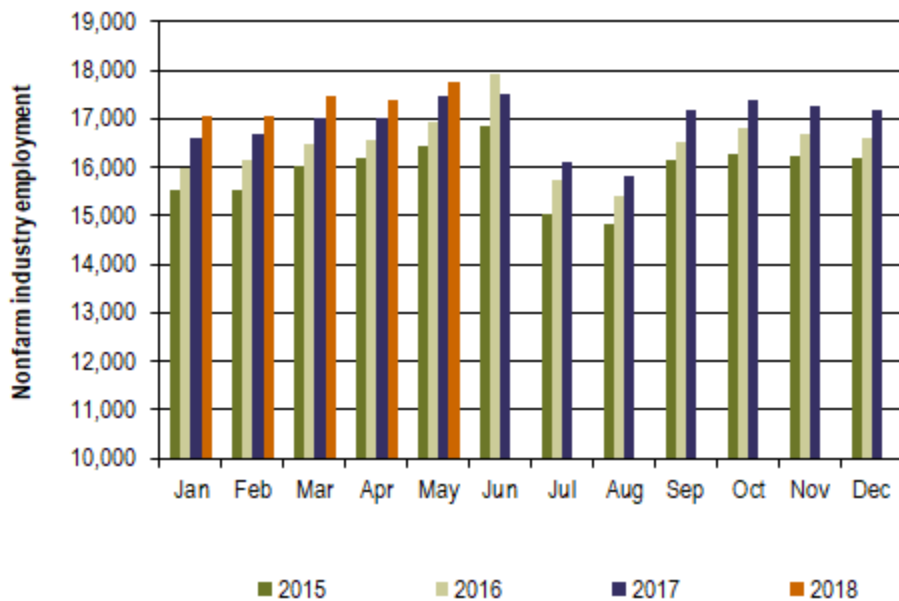
The Kittitas County unemployment rate increased two-tenths of a point between the Mays of 2017 and 2018.

Total nonfarm employment

Between 2016 and 2017, Washington's labor market provided 78,300 new nonfarm jobs, an annual average increase of 2.4 percent. In May 2018, businesses and government organizations across Washington supplied 3,421,700 nonfarm jobs (not seasonally adjusted), compared to 3,331,600 jobs in May 2017, a 2.7 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 92 consecutive months (October 2010 through May 2018).

Kittitas County's total nonfarm labor market averaged 16,930 jobs in 2017, a 450 job and a 2.7 percent upturn, slightly faster than Washington's 2.4 percent growth rate during 2017. However, year over year, the pace of Kittitas County's nonfarm market growth has been less robust than the state's for the past five months (January through May 2018). The number of nonfarm jobs increased countywide from 17,470 in May 2017 to 17,770 in May 2018, a gain of 300 jobs and a 1.7 percent upturn.

Figure 2. Nonfarm industry employment, not seasonally adjusted
 Kittitas County, January 2015 through May 2018
 Source: Employment Security Department/WITS



Employers in Kittitas County provided 17,770 nonfarm jobs in May 2018, a 1.7-percent expansion since May 2017.

Employment and unemployment

Washington's Civilian Labor Force (CLF) expanded by 89,522 residents (a 2.5 percent upturn) from 2016 to 2017. The state's labor force has grown, year over year, for the past 52 months (February 2014 through May 2018). In May 2018, Washington's CLF tallied 3,753,803 residents versus 3,702,170 in May 2017 equating to 51,633 more Washingtonians in the labor force (up 1.4 percent).

Kittitas County averaged 21,533 residents in the labor force in 2016 and 22,228 in 2017, a 3.2 percent expansion – stronger than Washington's 2.5 percent upturn. However, starting in January 2018, growth in the County's CLF has been slowing. Most recently, the labor force contracted 1.6 percent, from 22,134 residents in May 2017 to 21,739 in May 2018, while the number of unemployed residents increased 2.8 percent (see *Figure 3*). The result: Kittitas County's unemployment rate rose two-tenths of a point between the Mays of 2017 and 2018, from 4.6 to 4.8 percent. For Kittitas County however, May unemployment rates in the vicinity of four-percent are still low. Besides the low rates in the Mays of 2017 and 2018, the last time a May unemployment reading for the County was in this range was in May 2007 (eleven years ago) when the rate registered 4.7 percent.

Figure 3. Labor force and industry employment, not seasonally adjusted
 Kittitas County, May 2017, April and May 2018
 Source: Employment Security Department/WITS

Kittitas County	Preliminary May-18	Revised Apr-18	Revised May-17	Change		
				Apr-18	May-17	May-17
				May-18	May-18	May-18 %
Labor force and unemployment						
Civilian labor force	22,843	22,755	23,208	88	-365	-1.6%
Resident employment	21,739	21,592	22,134	147	-395	-1.8%
Unemployment	1,104	1,163	1,074	-59	30	2.8%
Unemployment rate	4.8	5.1	4.6	-0.3	0.2	
Industry employment						
Total nonfarm ¹	17,770	17,380	17,470	390	300	1.7%
Total private	10,610	10,330	10,290	280	320	3.1%
Goods producing	1,610	1,550	1,560	60	50	3.2%
Mining, logging and construction	1,040	990	1,020	50	20	2.0%
Manufacturing	570	560	540	10	30	5.6%
Service providing	16,160	15,830	15,910	330	250	1.6%
Trade, transportation and utilities	2,740	2,720	2,660	20	80	3.0%
Wholesale trade	620	620	590	0	30	5.1%
Retail trade	1,880	1,860	1,810	20	70	3.9%
Transportation, warehousing and utilities	240	240	260	0	-20	-7.7%
Information and financial activities	660	650	650	10	10	1.5%
Professional and business services	700	680	590	20	110	18.6%
Education and health services	1,660	1,650	1,550	10	110	7.1%
Leisure and hospitality	2,830	2,680	2,870	150	-40	-1.4%
Government	7,160	7,050	7,180	110	-20	-0.3%
Federal government	150	130	150	20	0	0.0%
State and local government	7,010	6,920	7,030	90	-20	-0.3%
State & local government education	5,220	5,100	5,240	120	-20	-0.4%
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 1.7 percent, a gain of 300 jobs between the Mays of 2017 and 2018.

Nonfarm industry employment

Kittitas County’s nonfarm employers tallied 300 more jobs in May 2018 than in May 2017, a 1.7 percent uptrend, while Washington’s nonfarm market grew at a 2.7 percent clip during this timeframe. The following paragraphs highlight changes in major local industries between the Mays of 2017 and 2018:

- Year over year, the number of jobs in Kittitas County's construction industry has been climbing for the past six months (from December 2017 through May 2018). In May 2018, mining, logging and construction tallied 1,040 jobs countywide versus the 1,020 provided in May 2017, equating to a 20 job and a 2.0 percent increase. However, home sales were down a bit across Kittitas County year-to-date (YTD) when comparing the number of homes sold during the first five months of 2017 versus

the corresponding period in 2018. According to the *Real Review Data Report: May 2018*, prepared by KMW Enterprises LLC, Selah, WA, the number of homes sold in Kittitas County YTD as of May 2018 was 361. This was down 6.0 percent from the 384 homes sold from January through May 2017. Conversely, the dollar value of home sales countywide increased, by 7.6 percent, from \$128.9 million in the first five months of 2017 versus \$138.7 million from January through May 2018. The average home price in Ellensburg (Kittitas County's largest city) jumped from \$276,657 in the first five months of calendar year 2017 to \$331,720 YTD in 2018, a 19.9 percent increase.

- In Kittitas County, retail trade employment has been posting year-over-year gains for 11 months (July 2017 through May 2018). This employment category provided 1,810 jobs in May 2017 versus 1,880 this May – up by 70 jobs and 3.9 percent. Statewide, retail trade employment has increased for 92 months (October 2010 through May 2018).
- Year over year, Kittitas County's private education and health services employment has grown for the past 29 months (January 2016 through May 2018). Most recently, in May 2018, this industry (which is primarily comprised of private health services providers) provided 1,660 jobs across Kittitas County, a 7.1 percent and 110-job increase from the 1,550 jobs tallied in May 2017. Statewide, private education and health services has been expanding for 59 months (July 2013 through May 2018).
- Year over year, the job growth pace in Kittitas County's leisure and hospitality industry has lagged the statewide job growth pace in this industry for the past five months (January through May 2018). In May 2018 this industry tallied 2,830 part- and full-time jobs countywide, down 40 jobs and by 1.4 percent from the 2,870 jobs provided in May 2017. Businesses in Washington's leisure and hospitality field have been adding workers for 92 consecutive months (October 2010 through May 2018).

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 May 2018 revised annual average QCEW data for calendar year 2017 became available. An analysis of employment changes from 2007 through 2017 shows that in Kittitas County:

- Total covered employment rose from 13,827 in 2007 to 14,860 in 2017, a 1,033-job increase or 7.5 percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 739 in 2007 to 1,029 in 2017, a 290-job increase or 39.3 percent uptrend. In 2007 Kittitas County's agricultural industry accounted for 5.3 percent of total covered employment. In 2017 agricultural employment accounted for 6.9 percent of total covered employment countywide. Hence, the share of agricultural employment rose 1.6 percentage points (from 5.3 to 6.9 percent) in Kittitas County during this ten-year period. Hence, one could generalize that within these past ten years, the footprint made by agriculture on Kittitas County's economy has become relatively larger.
- Total covered wages rose from \$416.6 million (in 2007) to \$604.6 million (in 2017) a \$188.0 million increase or 45.1 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$18.6 million in 2007 to \$34.5 million in 2017, a \$16.0 million increase or 85.9 percent uptrend. In 2007 Kittitas County's agricultural industry accounted for 4.5 percent of total covered wages. In 2017 agricultural wages accounted for 5.7 percent of total covered payroll countywide. Hence, the share of agricultural wages rose 1.2 percentage points (from 4.5 to 5.7 percent) in Kittitas County during this ten-year period.