

Kittitas County Labor Area Summary February 2022



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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 (February 2021 and February 2022) and average annual data changes (between 2020 and 2021) in the labor market.

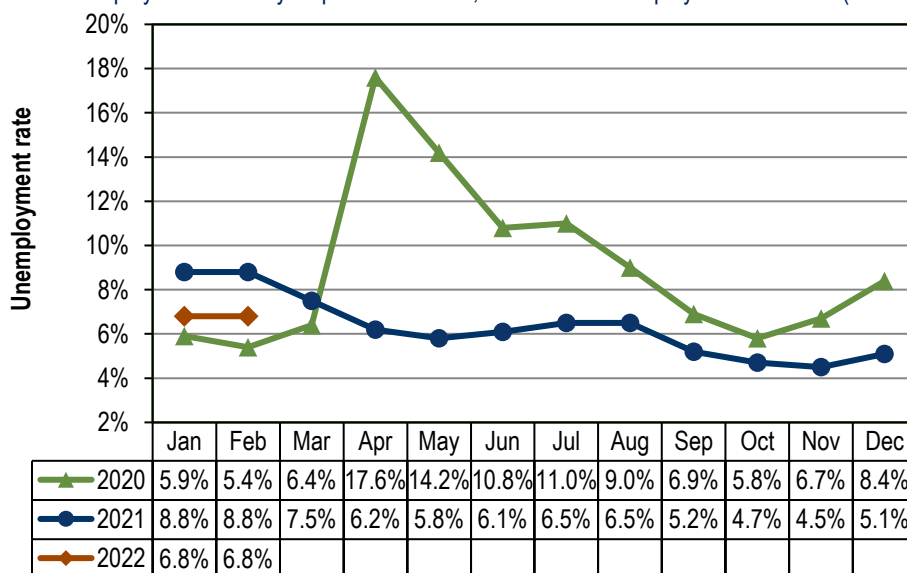
Unemployment rates

Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate dropped from 8.5 percent in 2020 to 5.2 percent in 2021. Between February 2021 and February 2022, the rate dropped from 6.7 to 4.7 percent, a drop of two full percentage points.

In Kittitas County, the average annual unemployment rate dropped from 8.9 percent to 6.3 percent between 2020 and 2021. COVID-19-related layoffs pushed unemployment rates upwards, year over year, for 12 consecutive months (April 2020 through March 2021). However, unemployment rates have declined from April 2021 through February 2022 and this February’s rate of 6.8 percent was two full percentage points below the 8.8 percent reading back in February 2021 (*Figure 1*).

Figure 1. Kittitas County unemployment rates, not seasonally adjusted
 Washington state, January 2020 through February 2022

Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



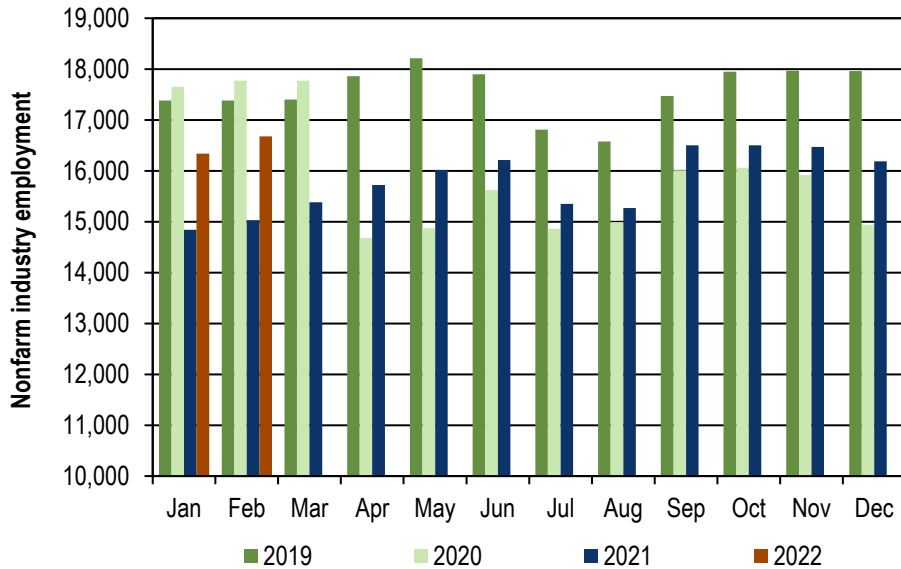
The Kittitas County unemployment rate fell by two percentage points between February 2021 and February 2022.

Total nonfarm employment

Between 2020 and 2021, estimates indicate that Washington’s labor market provided 74,700 more nonfarm jobs, an average annual increase of 2.3 percent. Year over year, Washington's nonfarm market contracted from April 2020 through March 2021 prior to expanding from April 2021 through February 2022. This February, business and government organizations statewide tallied 3,434,800 jobs (not seasonally adjusted) compared with 3,242,900 in February 2021, up by 191,900 jobs and 5.9 percent.

Kittitas County’s economy decreased by 140 jobs in 2021, a -0.9 percent downturn. In fact, year over year, nonfarm employment in Kittitas County retrenched for 12 months (April 2020 through March 2021) – so 2021 got off to a weak start. However, during each of the past 11 months (April 2021 through February 2022) the County’s nonfarm labor market has been registering year-over-year job gains (*Figures 2 and 4*). In February 2022, total nonfarm employment in Kittitas County provided 1,650 more jobs than in February 2021 (*Figure 3*), rebounding from 1,030 jobs to 16,680, a strong 11.0 percent upturn.

Figure 2. Kittitas County nonfarm industry employment, not seasonally adjusted
Washington state, January 2019 through February 2022
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Nonfarm employment in Kittitas County increased by 11.0 percent between February 2021 and February 2022.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) edged downward by 15,964 residents (a -0.4 percent downturn) from 2020 to 2021. Virtually all this contraction occurred in the first half of 2021. Since then, the CLF has either stabilized or expanded from July 2021 through February 2022. Most recently, Washington’s labor force grew by 173,542 residents (up 4.5 percent), from 3,884,574 residents in February 2021 to 4,058,116 in February 2022.

Kittitas County averaged 22,318 residents in the Civilian Labor Force (CLF) in 2021 but only 22,027 in 2022, a -1.3 percent contraction. Year over year, Kittitas County's labor force shrank from April 2020 through April 2021 before recovering in every month from May 2021 through February 2022. In February 2022 there were 2,012 more residents in the labor force than in February 2021, a 9.4 percent upturn. Also, Current Local Area Unemployment Statistics (LAUS) estimates indicate a rapid *resident employment* growth pace of 11.8 percent between February 2021 and February 2022 – a bit faster than the *civilian labor force*

growth rate of 9.4 percent during this period (*Figure 3*). This likely indicates not only that more residents were employed this February than in February 2021, but that a greater ratio of these residents commuted or teleworked to jobs outside of Kittitas County. Finally, the number of unemployed dropped sharply by -15.3 percent, from 1,890 in February 2021 to 1,600 in February 2022. The rapid decrease in the number of unemployed coupled with the labor force expansion caused the unemployment rate to fall from 8.8 percent in February 2021 to 6.8 percent in February 2022. But this good economic news is tempered by the fact that the Kittitas County labor force was still smaller in February 2022 than in February 2020 (two years ago). The CLF this February (23,430 residents) was 1,447 residents (-5.8 percent) below the 24,877 residents in the labor force back in February 2020 (during the “pre-COVID days”).

Figure 3. Kittitas County labor force and industry employment, not seasonally adjusted
Washington state, February 2022

Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS), Current Employment Statistics (CES)

Kittitas County	Preliminary Feb-22	Revised Jan-22	Revised Feb-21	Change		Percent change
				Jan-22	Feb-21	Feb-21
				Feb-22	Feb-22	Feb-22
Labor force and unemployment						
Civilian labor force	23,430	22,946	21,418	484	2,012	9.4%
Resident employment	21,830	21,386	19,528	444	2,302	11.8%
Unemployment	1,600	1,560	1,890	40	-290	-15.3%
Unemployment rate	6.8	6.8	8.8	0.0	-2.0	
Industry employment						
Total nonfarm ¹	16,680	16,340	15,030	340	1,650	11.0%
Total private	10,790	10,510	9,450	280	1,340	14.2%
Goods producing	1,930	1,870	1,630	60	300	18.4%
Mining, logging and construction	1,340	1,290	1,070	50	270	25.2%
Manufacturing	590	580	560	10	30	5.4%
Service providing	14,750	14,470	13,400	280	1,350	10.1%
Trade, transportation and utilities	2,830	2,780	2,840	50	-10	-0.4%
Wholesale trade	550	550	610	0	-60	-9.8%
Retail trade	1,930	1,890	1,860	40	70	3.8%
Transportation, warehousing, and utilities	350	340	370	10	-20	-5.4%
Information and financial activities	650	650	580	0	70	12.1%
Professional and business services	670	650	560	20	110	19.6%
Education and health services	1,410	1,400	1,460	10	-50	-3.4%
Leisure and hospitality	2,940	2,810	2,010	130	930	46.3%
Government	5,890	5,830	5,580	60	310	5.6%
Federal government	130	130	120	0	10	8.3%
State and local government	5,760	5,700	5,460	60	300	5.5%
State & local government education	4,060	4,000	3,700	60	360	9.7%
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.

The Kittitas County nonfarm market provided 16,680 jobs in February 2022, up 1,650 jobs since February 2021.

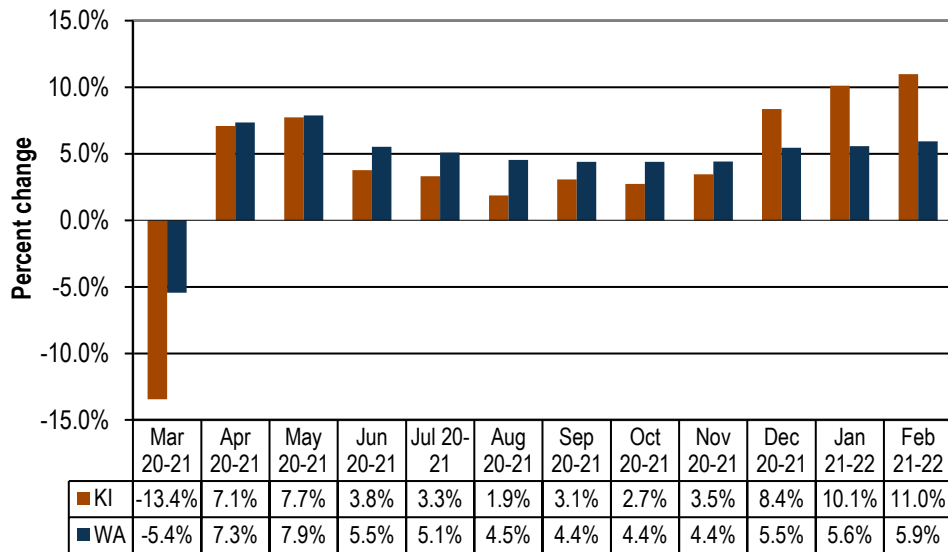
Nonfarm industry employment

From April 2020 (the start of COVID-19-related layoffs) through March 2021, the Kittitas County economy registered year-over-year job losses. However, in each of the past 11 months the local job market has been expanding (*Figure 4*). Most recently, between February 2021 and February 2022, total nonfarm employment in Kittitas County surged by 1,650 jobs (up 11.0 percent), from 15,030 to 16,680 jobs (*Figure 3*). On the “downside,” total nonfarm employment countywide this February (16,680 jobs) was still 1,190 jobs and -6.1 percent shy of the 17,770 jobs tallied in February 2020 (two years ago). Hence, although the labor market has registered year-over-year job gains from April 2021 through this February, the local economy has still not returned to pre-COVID employment levels.

Figure 4. Kittitas County and Washington total nonfarm employment changes

Washington state, March 2020 through February 2022

Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Year over year, nonfarm employment in Kittitas County retrenched for 12 months (April 2020 through March 2021) before expanding in each of the past 11 months (April 2021 through February 2022). Washington's nonfarm market also retrenched from April 2020 through March 2021 prior to expanding from April 2021 through February 2022.

Summaries of employment changes between February 2021 and February 2022 for three local industries: construction, leisure and hospitality, and state and local government education are provided as follows:

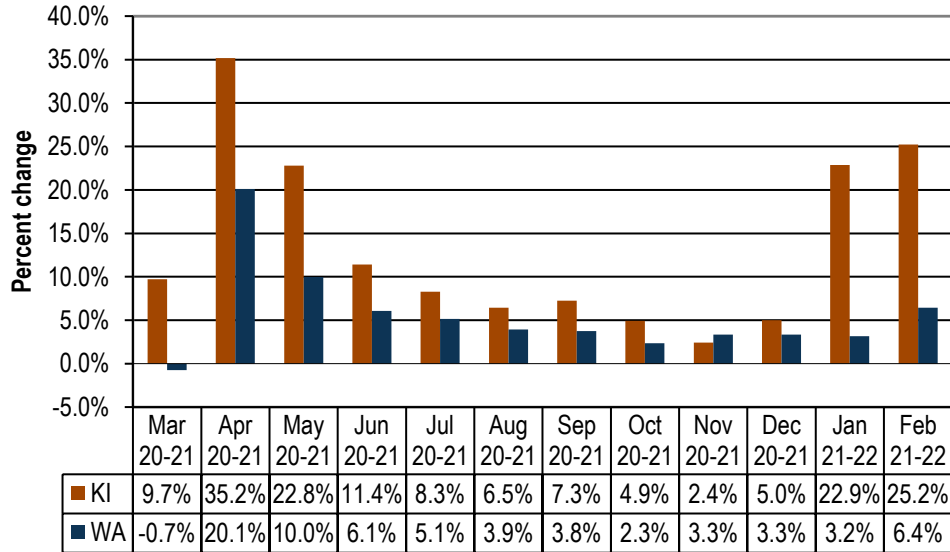
- In the mining, logging, and construction category (*Figure 3*), most jobs are in “construction.” Year over year, Kittitas County's construction industry employment has increased in each of the past 20 months (July 2020 through February 2022) – notwithstanding COVID-19 related layoffs which suppressed hiring in many other local industries during this pandemic. Current Employment Statistics (CES) estimates indicate that there were 270 more construction jobs countywide this February (1,340 jobs) than in February 2021 (1,070 jobs), a robust 25.2 percent growth rate. At least one factor driving up construction employment in Kittitas County is the rapid population growth, much of which is being caused by in-migration. This is not a new phenomenon. In fact, Washington state’s Office of Financial Management (OFM) stated in *Table 3* of their *State of Washington 2020 Population Trends* report, that Kittitas County’s population jumped from 40,915 in 2010 to 48,140 in 2020, a 7,225-resident and 17.7 percent increase during this most recent ten-year period. The population growth-rate ranks Kittitas County as the second-fastest growing county amongst Washington state’s 39 counties, behind Franklin County (the fastest growing county statewide). Clearly, some of these new residents are purchasing homes, settling down in, and likely

teleworking from, Kittitas County. Statewide, construction employment retrenched for 12 months (April 2020 through March 2021) before increasing from April 2021 through February 2022 albeit with relatively slower growth rates than those occurring in Kittitas County (*Figure 5*).

Figure 5: Washington state and Kittitas County construction employment changes

Washington state, March 2020 through February 2022

Source: Employment Security Department/DATA, Current Employment Statistics (CES)



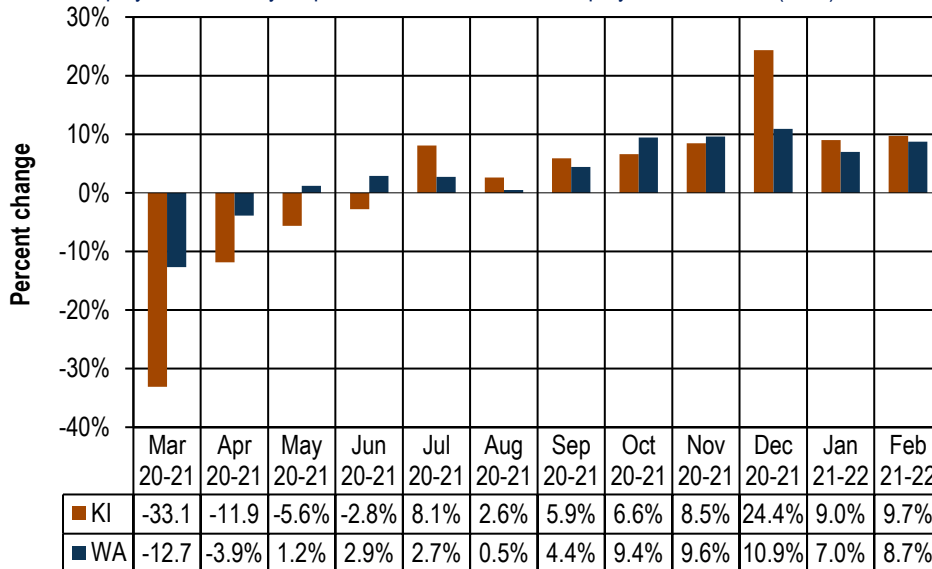
Year over year, construction employment has expanded in Kittitas County for 20 consecutive months (July 2020 through February 2022). Statewide, construction employment has increased from April 2021 through February 2022 (11 consecutive months).

- Employment in Kittitas County's leisure and hospitality industry (primarily hotels, eating and drinking places, and amusement and recreations services) jumped from 2,010 jobs in February 2021 to 2,940 in February 2022, a 46.3 percent increase (*Figure 3*). This 930-job increase in the number of leisure and hospitality jobs accounted for 56.4 percent of Kittitas County's total nonfarm employment growth (of 1,650 jobs) between February 2021 and February 2022. Current Employment Statistics (CES) estimates indicate that the number of part- and full-time leisure and hospitality jobs countywide this February (2,940 jobs) was 11.4 percent greater than the 2,640 jobs provided in this industry in February 2020 (two years ago). Hence, the local leisure and hospitality industry appears to have recovered all jobs lost during the COVID-19 pandemic. Of course, this is a point-in-time estimate and these figures will be watched in forthcoming months to see if this newfound recovery becomes a trend or is just a "blip on the radar screen." Employment in Washington state's leisure and hospitality industry retrenched for 13 months (March 2020 through March 2021) before also posting year-over-year job gains from April 2021 through February 2022. Across Washington, leisure and hospitality employment elevated by 30.5 percent between the Februarys of 2021 and 2022 – good news. However, the 308,300 jobs tallied this February is still 29,700 jobs (-8.8 percent) less than the 338,000 jobs provided in February 2020. This indicates that Washington's leisure and hospitality industry has not yet recovered all jobs lost during the COVID-19 pandemic.
- State and local government education employment in Kittitas County resumed year-over-year growth from July 2021 through February 2022 (*Figure 6*) following 15 months (April 2020 through June 2021) of job losses. Some of the jobs lost during this 15-month downturn were support, transportation, and maintenance staff, as well as university student interns/employees, in the state and local public school system. With more students back in the classroom and on campus, and relatively fewer online classes, state and local government education has been on the rise – locally

and statewide (*Figure 6*). Between February 2021 and February 2022, state and local government education in Kittitas County grew by 360 jobs, a 9.7 percent upturn (*Figure 3*) as employment rose from 3,700 jobs to 4,060, respectively. Across Washington, state and local government education has expanded, year over year, from May 2021 through February 2022 (*Figure 6*).

Figure 6. Kittitas County and Washington, state and local government education employment changes Washington state, March 2020 through February 2022

Source: Employment Security Department/DATA, Current Employment Statistics (CES)



State and local government education employment in Kittitas County posted year over year growth from July 2021 through February 2022 (the past eight months). Across Washington, state and local government education has been growing from May 2021 through February 2022 (the past 10 months).

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 2021, revised average annual QCEW data for calendar year 2020 became available. An analysis of employment changes from 2010 through 2020 (the most recent ten-year period) shows that in Kittitas County:

- Total covered employment rose from 13,384 in 2010 to 14,752 in 2020, a 1,368 job increase or 10.2 percent upturn, with annualized employment growth between 2010 and 2020 of 1.0 percent. The number of agricultural jobs (a subset of total covered employment) increased from 798 in 2010 to 1,012 in 2020, a 214 job increase or 26.8 percent uptrend, with annualized employment growth of 2.4 percent. In 2010, Kittitas County’s agricultural industry accounted for 6.0 percent of total covered employment. In 2020, agricultural employment accounted for 6.9 percent of total covered employment countywide. Hence, the share of agricultural employment rose a modest nine-tenths percentage point (from 6.0 to 6.9 percent) in Kittitas County during this ten-year period.
- Total covered wages rose from \$429.7 million in 2010 to \$685.1 million in 2020, a \$255.4 million increase or 59.4 percent upturn, with annualized payroll growth between 2010 and 2020 of 4.8 percent. The agricultural payroll (a subset of total covered wages) advanced from \$20.9 million in

2010 to \$34.9 million in 2020, a \$14.0 million increase or 66.8 percent uptrend, with annualized payroll growth of 5.3 percent. In 2010, Kittitas County's agricultural industry accounted for 4.9 percent of total covered wages. In 2020, agricultural wages accounted for 5.1 percent of total covered payroll countywide. Hence, the share of agricultural payroll to total covered payroll elevated by only two-tenths of a percentage point (from 4.9 to 5.1 percent) across Kittitas County during this ten-year period.

Web link to Monthly Employment Report (MER) for Washington state

<https://esd.wa.gov/labormarketinfo/monthly-employment-report>