

# Kittitas County Labor Area Summary November 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 (November 2021 and November 2022) and average annual data changes (between 2020 and 2021) in the labor market.

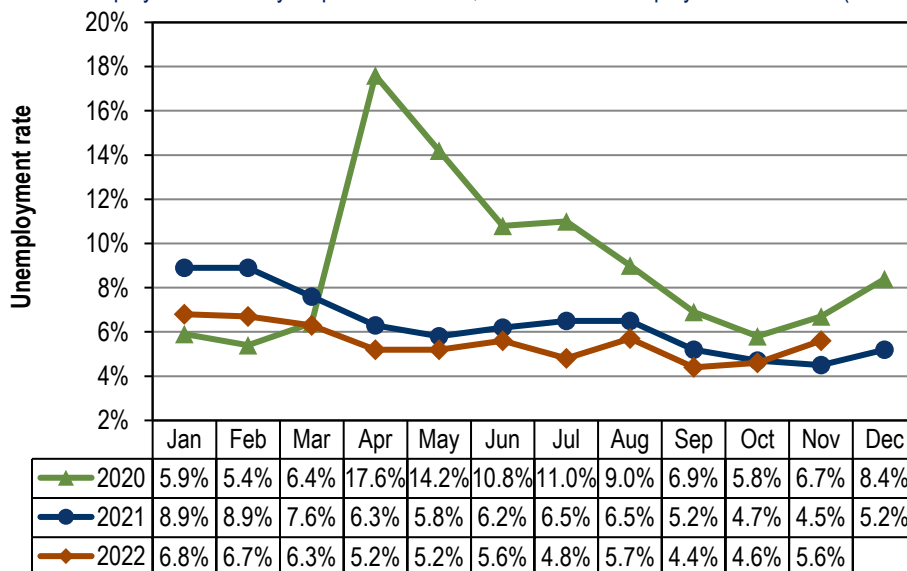
## Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate fell from 8.5 percent in 2020 to 5.2 percent in 2021. From April 2021 through October 2022 (i.e., for 19 consecutive months), Washington’s unemployment rates had decreased - before elevating three-tenths of a point between the Novembers of 2021 and 2022.

In Kittitas County, the average annual unemployment rate dropped from 8.9 percent to 6.3 percent between 2020 and 2021. Monthly unemployment rates had dropped, year over year, for 19 consecutive months (April 2021 through October 2022) before rising by one and one-tenth percentage points between the Novembers of 2021 and 2022 (*Figure 1*).

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

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



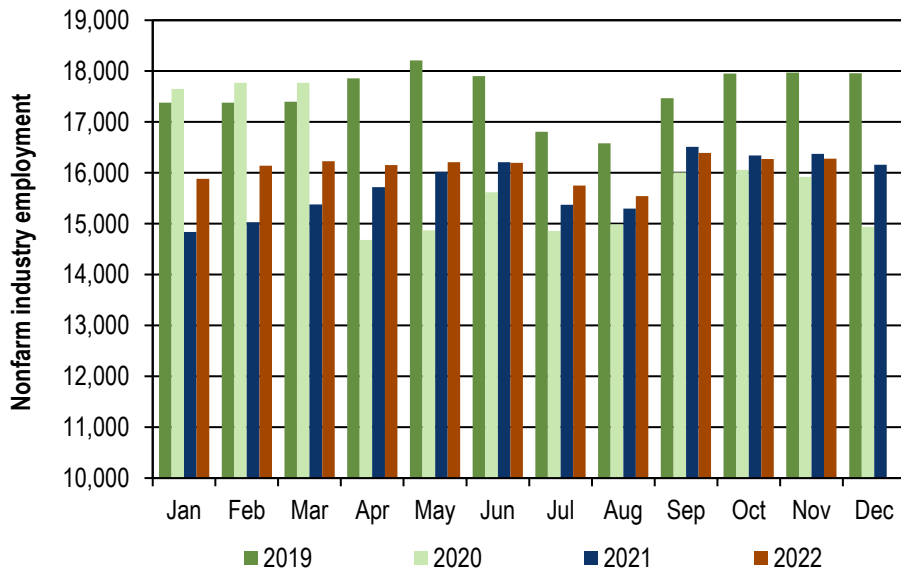
The Kittitas County unemployment rate rose by one and one-tenth percentage points between November 2021 and November 2022.

## Total nonfarm employment

Between 2020 and 2021, estimates indicate that Washington’s labor market provided 81,100 more nonfarm jobs, an average annual increase of 2.5 percent. Year over year, Washington's nonfarm market has expanded in each of the past 20 months (April 2021 through November 2022). This November, business and government organizations statewide tallied 3,590,300 jobs (not seasonally adjusted) compared with 3,459,400 in November 2021, up by 130,900 jobs and 3.8 percent.

Kittitas County’s economy decreased by 160 jobs in 2021, a -1.0 percent downturn. Year over year, nonfarm employment in Kittitas County expanded for 14 months (April 2021 through May 2022) before "vacillating" from June through November 2022 (*Figures 2 and 4*). Recently, in November 2022, total nonfarm employment in Kittitas County provided 90 fewer jobs than in November 2021 (down -0.5 percent) as employment retrenched from 16,370 jobs to 16,280 (*Figure 3*).

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



*Nonfarm employment in Kittitas County decreased by 90 jobs between November 2021 and November 2022.*

## Employment and unemployment

Washington’s Civilian Labor Force (CLF) edged downward by 15,964 residents (a -0.4 percent downturn) between 2020 and 2021. Year over year, the state’s CLF has expanded during each of the past 16 months (August 2021 through November 2022). Recently, Washington’s labor force grew by 22,632 residents (up 0.6 percent), from 3,966,632 residents in November 2021 to 3,989,264 this November. However, although the state’s labor force has been growing, year over year, for 16 consecutive months; growth rates have generally been decelerating since February 2022 – a trend to watch in forthcoming months.

Kittitas County averaged 22,318 residents in the Civilian Labor Force (CLF) in 2020 but only 21,787 in 2021, a -2.4 percent contraction. During the past five months, Kittitas County's CLF contracted between July 2021 and July 2022, registered modest year-over-year growth in August 2022, but then slackened from September through November 2022. Estimates indicate there were 799 fewer residents in the local labor force this November than in November 2021, a -3.5 percent downturn (*Figure 3*). Concurrently, the number of unemployed increased by 20.3 percent, from 1,036 residents in November 2021 to 1,246 in November 2022. This increase in the number of unemployed coupled with the decrease in labor force caused the

unemployment rate to rise from 4.5 percent in November 2021 to 5.6 percent in November 2022. More concerning economic news is that Kittitas County’s labor force has also contracted from January through November 2022 compared with these pre-COVID months in 2019 (three years ago). The CLF in November 2022 (22,098 residents) was 2,306 residents (-9.4 percent) below the 24,404 people in the local labor force in November 2019 (i.e., during the “pre-COVID days”). Hence, the labor pool of residents ready, willing, and able to work was nearly ten-percent smaller this November than in the pre-pandemic month of November 2019. This situation is at least partially attributable to relatively fewer Central Washington University (CWU) students, staff, and/or faculty in the labor force during this period.

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

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

Kittitas County	Preliminary Nov-22	Revised Oct-22	Revised Nov-21	Change		Percent change
				Oct-22	Nov-21	Nov-21
				Nov-22	Nov-22	Nov-22
<b>Labor force and unemployment</b>						
Civilian labor force	22,098	22,320	22,897	-222	-799	-3.5%
Resident employment	20,852	21,296	21,861	-444	-1,009	-4.6%
Unemployment	1,246	1,024	1,036	222	210	20.3%
Unemployment rate	5.6	4.6	4.5	1.0	1.1	
<b>Industry employment</b>						
Total nonfarm <sup>1</sup>	16,280	16,270	16,370	10	-90	-0.5%
Total private	10,290	10,210	10,220	80	70	0.7%
Goods producing	1,960	1,950	1,900	10	60	3.2%
Mining, logging and construction	1,390	1,380	1,340	10	50	3.7%
Manufacturing	570	570	560	0	10	1.8%
Service providing	14,320	14,320	14,470	0	-150	-1.0%
Trade, transportation and utilities	2,830	2,810	2,860	20	-30	-1.0%
Wholesale trade	590	590	580	0	10	1.7%
Retail trade	1,900	1,880	1,900	20	0	0.0%
Transportation, warehousing, and utilities	340	340	380	0	-40	-10.5%
Information and financial activities	610	610	590	0	20	3.4%
Professional and business services	660	640	610	20	50	8.2%
Education and health services	1,410	1,420	1,460	-10	-50	-3.4%
Leisure and hospitality	2,430	2,380	2,400	50	30	1.3%
Government	5,990	6,060	6,150	-70	-160	-2.6%
Federal government	120	120	140	0	-20	-14.3%
State and local government	5,870	5,940	6,010	-70	-140	-2.3%
State & local government education	4,000	4,060	4,170	-60	-170	-4.1%
Workers in labor/management disputes	0	0	0	0	0	

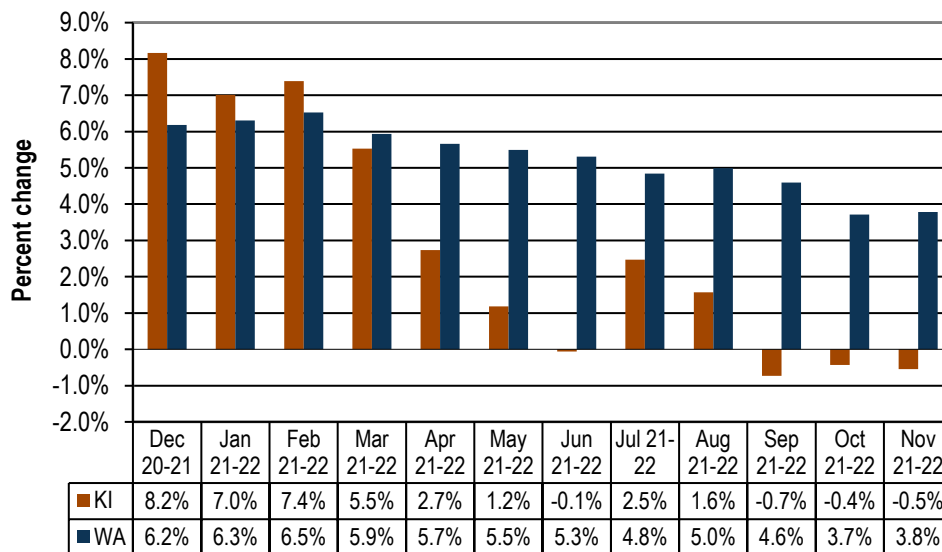
<sup>1</sup> Excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month. Columns may not add due to rounding.

*The Kittitas County nonfarm market provided 16,280 jobs in November 2022, a -0.5 percent downturn since November 2021.*

## Nonfarm industry employment

Year over year, nonfarm employment in Kittitas County expanded for 14 months (April 2021 through May 2022) before "vacillating" from June through November 2022 (Figure 4). Most recently, between November 2021 and November 2022, total nonfarm employment countywide decreased by 90 jobs (down -0.5 percent), from 16,370 to 16,280 jobs (Figures 3 and 4). Total nonfarm employment growth rates in Kittitas County have lagged employment change rates across Washington since March of 2022 (Figure 4). But perhaps an even more concerning trend is that Kittitas County's nonfarm employment from January through November 2022 was lower than employment in corresponding months during the pre-COVID era (i.e., in 2019, three years ago). For example, the 16,280 nonfarm jobs provided by in the local job market this November was -9.4 percent below the 17,970 jobs tallied in November 2019. Hence, during the first 11 calendar months of 2022, total nonfarm employment in Kittitas County has not returned to pre-COVID employment levels of January through November 2019 (Figure 2).

**Figure 4.** Kittitas County and Washington total nonfarm employment changes Washington state, December 2021 through November 2022  
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



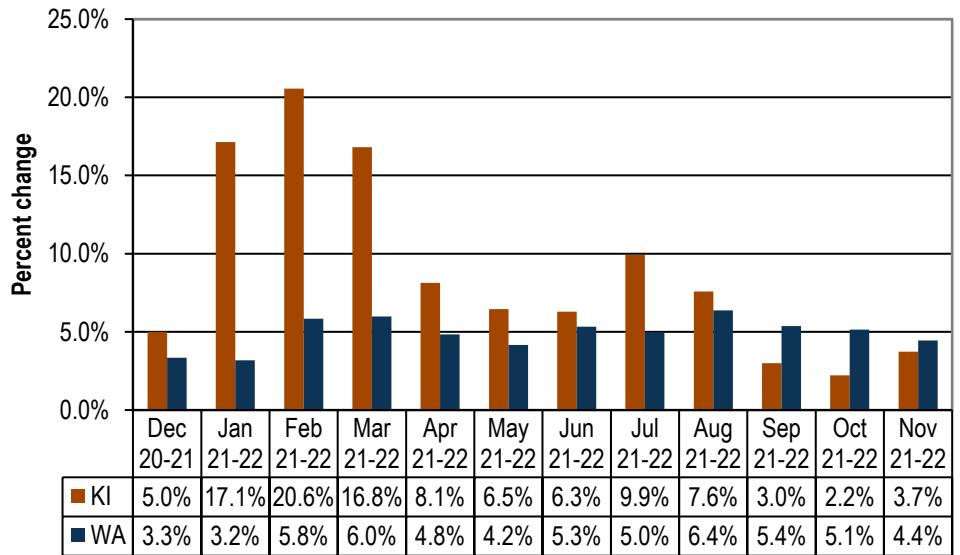
Year over year, nonfarm employment in Kittitas County expanded for 14 months (April 2021 through May 2022) before "vacillating" from June through November 2022. Washington's nonfarm market has grown from April 2021 through November 2022.

Summaries of employment changes between November 2021 and November 2022 in 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, construction employment has expanded in Kittitas County for 29 consecutive months (July 2020 through November 2022) – despite COVID-19 related layoffs which suppressed hiring in many other local industries during the pandemic. Current Employment Statistics (CES) estimates indicate that there were 50 more construction jobs countywide this November (1,390 jobs) than in November 2021 (1,340 jobs), a 3.7 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 ranked 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. Washington's construction industry has expanded in each of the past 20 months (April 2021 through November 2022), as shown in *Figure 5*.

**Figure 5:** Washington state and Kittitas County construction employment changes  
Washington state, December 2021 through November 2022  
Source: Employment Security Department/DATA, Current Employment Statistics (CES)



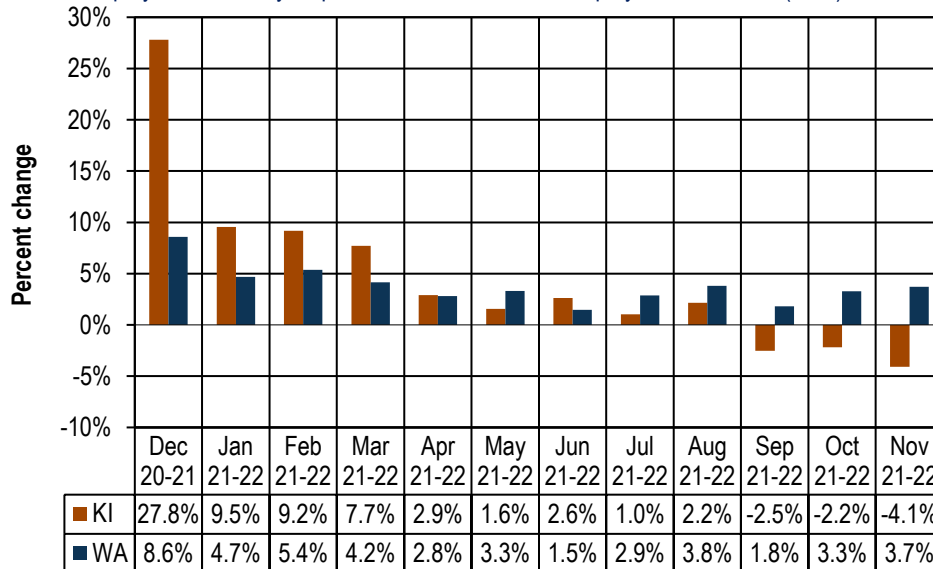
Year over year, construction employment has expanded in Kittitas County for 29 consecutive months (July 2020 through November 2022). Statewide, construction employment has risen for 20 consecutive months (April 2021 through November 2022).

- Year over year, employment in Kittitas County's leisure and hospitality industry increased for 14 months (April 2021 through May 2022), before vacillating from June through November 2022. Estimates indicate that, this November, there were 2,430 leisure and hospitality jobs countywide (primarily in hotels, eating and drinking places, and amusement and recreation), a modest 1.3 percent advance from the 2,400 jobs in November 2021. Employment in Washington's leisure and hospitality industry has been growing at a relatively faster pace than in Kittitas County. In fact, the number of jobs in this industry statewide has expanded for 20 consecutive months (April 2021 through November 2022). Leisure and hospitality employment elevated 9.2 percent (up by 28,100 jobs) between November 2021 (305,100 jobs) and November 2022 (333,200 jobs). Approximately 83.3 percent, or 23,400 of these 28,100 new leisure and hospitality jobs in Washington State were generated within the food services and drinking places sector, which increased from 234,600 to 258,000 jobs between November 2021 and November 2022 (up 10.0 percent).
- State and local government education employment in Kittitas County expanded, year over year, for 14 months (July 2021 through August 2022) before contracting in the past three months (September through November 2022), as shown in *Figure 6*. In November 2022 there were 4,000 state and local government education jobs countywide, a -4.1 percent downturn from the 4,170 jobs tallied in November 2021. These recent (September to November 2022) year over year job losses are in the minus-two to minus-four percent range (*Figure 6*). However, if one compares state and local government education employment levels in Kittitas County in the first 11 months of 2022 with the corresponding 11 months of the pre-COVID era (in 2019), the picture is disquieting. On a quantitative basis, this is the “elephant in the room” in terms of what is holding back the recovery of the Kittitas County job market. During the first 11 months (January through November) of 2019

versus the first 11 months of 2022, state and local government education employment loss rates have generally been in the -20 percent range. In November 2019 state and local government education tallied 5,540 jobs countywide, but in November 2022 this category provided only 4,000 jobs, a 1,540 job and a -27.8 percent decrease. State and local government education tallies employment at local, public primary and secondary schools and at community colleges and universities. In Kittitas County the “big kid on the block,” in terms of employment and payroll, is CWU. Hence, Current Employment and Statistics (CES) estimates suggest that faculty, staff (i.e., administrative, transportation, and maintenance/logistical staff), and student employment (i.e., student interns/teaching assistants, etc.) at this institution has not yet fully recovered since the onset of the COVID-19 pandemic.

**Figure 6:** Kittitas County and Washington state and local government education employment changes December 2021 through November 2022

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



Year over year, state and local government education employment in Kittitas County expanded for 14 months (July 2021 through August 2022) before contracting in the past three months (September through November 2022). Washington's state and local government education sector has grown for the past 19 months (May 2021 through November 2022).

## 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 November 2022 revised average annual QCEW data for calendar year 2021 became available. An analysis of employment changes from 2011 through 2021 (the most recent ten-year period) shows that in Kittitas County:

- Total covered employment rose from 13,467 in 2011 to 15,170 in 2021, a 1,703 job increase or a 12.6 percent upturn, with annualized employment growth between 2011 and 2021 of 1.2 percent. The number of agricultural jobs (a subset of total covered employment) increased from 814 in 2011 to 1,091 in 2021, a 277 job increase or a 34.0 percent uptrend, with annualized employment growth of 3.0 percent. In 2011, Kittitas County’s agricultural industry accounted for 6.0 percent of total

covered employment. In 2021, agricultural employment accounted for 7.2 percent of total covered employment countywide. Hence, the share of agricultural employment rose by one and two-tenths percentage points (from 6.0 to 7.2 percent) in Kittitas County during this ten-year period.

- Total covered wages rose from \$439.5 million in 2011 to \$733.7 million in 2021 (not adjusted for inflation), a \$294.1 million increase or a 66.9 percent upturn, with annualized payroll growth between 2011 and 2021 of 5.3 percent. The agricultural payroll (a subset of total covered wages) advanced from \$22.3 million in 2011 to \$41.0 million in 2021, an \$18.7 million increase or an 84.1 percent uptrend, with annualized payroll growth of 6.3 percent. In 2011, the agricultural industry accounted for 5.1 percent of total covered wages in Kittitas County. In 2021, agricultural wages accounted for 5.6 percent of total covered payroll countywide. Hence, the share of agricultural payroll to total covered payroll elevated by a modest five-tenths percentage point (from 5.1 to 5.6 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>