

# Kittitas County Labor Area Summary February 2023



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## Overview

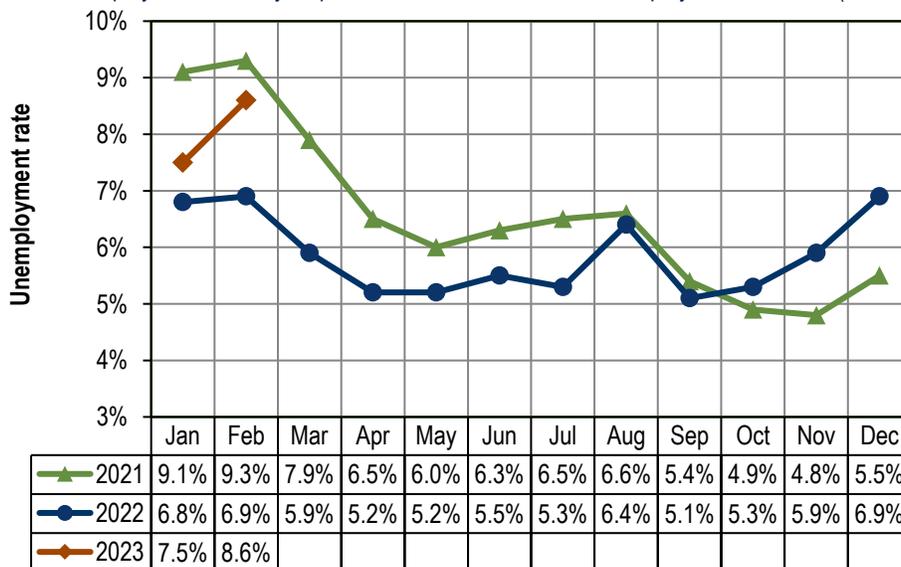
This report provides an update on the Kittitas County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (February 2022 and February 2023) and average annual data changes (between 2021 and 2022) in the labor market.

## Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted unemployment rate fell from 5.2 percent in 2021 to 4.2 percent in 2022. Year over year, monthly unemployment rates decreased for 18 months (April 2021 through September 2022) before rising from October 2022 through February 2023.

In Kittitas County, the average annual unemployment rate declined from 6.6 percent to 5.9 percent between 2021 and 2022. Monthly unemployment rates had dropped, year over year, for 18 consecutive months (April 2021 through September 2022) before rising in the past five months (October 2022 through February 2023), as shown in *Figure 1*.

**Figure 1.** Kittitas County unemployment rates, not seasonally adjusted  
 Washington state, January 2021 through February 2023  
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



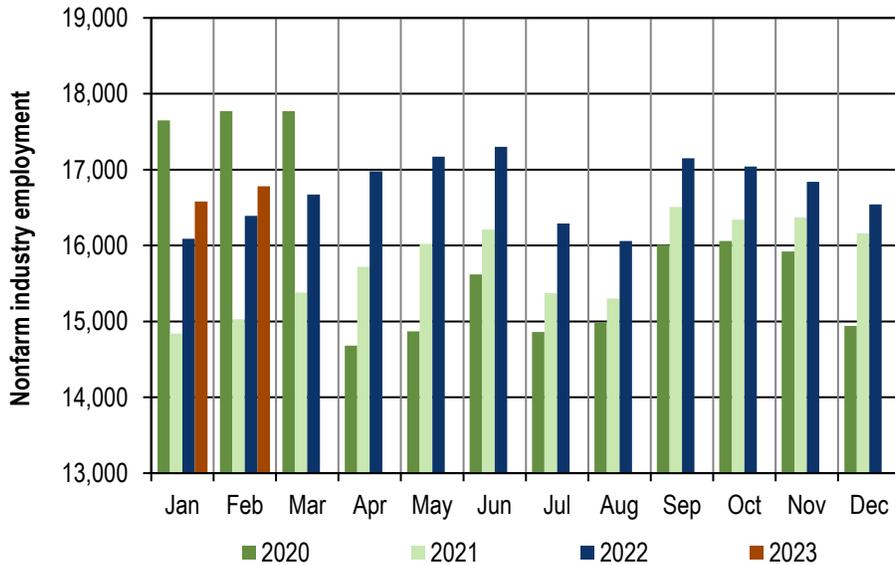
The Kittitas County unemployment rate rose by one and seven-tenths percentage points between February 2022 and February 2023.

## Total nonfarm employment

Between 2021 and 2022, estimates indicate that Washington’s labor market provided 159,800 more nonfarm jobs, an average annual increase of 4.7 percent. Year over year, Washington's nonfarm market has expanded in each of the past 23 months (April 2021 through February 2023). This February, business and government organizations statewide tallied 3,579,300 jobs (not seasonally adjusted) compared with 3,454,300 in February 2022, up by 125,000 jobs and by 3.6 percent.

Kittitas County’s economy increased sharply by 940 jobs in 2022 (up 6.0 percent) over 2021. Year-over-year job growth rates were robust (in the 8-9 percent range) during in the 1<sup>st</sup> Quarter of 2022 before tapering off to the 2-4 percent range during the 4<sup>th</sup> Quarter of 2022. Year over year, nonfarm employment has expanded in each of the past 23 months (shown in *Figures 2 and 5*). In February 2023, total nonfarm employment in Kittitas County provided 390 more jobs than in February 2022 (up 2.4 percent) as employment elevated 16,390 jobs to 16,780 (*Figure 3*).

**Figure 2.** Kittitas County nonfarm industry employment, not seasonally adjusted  
Washington state, January 2020 through February 2023  
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



*Nonfarm employment in Kittitas County increased by 390 jobs between February 2022 and February 2023.*

## Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 91,636 residents (a 2.4 percent upturn) between 2021 and 2022. Year over year, the state’s CLF has expanded during the past 18 months (September 2021 through February 2023). Recently, Washington’s labor force grew by 124,713 residents (up 3.1 percent), from 3,967,866 residents in February 2022 to 4,092,579 in February 2023.

Kittitas County averaged 21,279 residents in the Civilian Labor Force (CLF) in 2021 versus 22,452 in 2022, a 5.5 percent expansion. On a monthly basis, the local labor force has increased for 18 months (September 2021 through February 2023). Estimates indicate there were 789 more residents in the local labor force this February than in February 2022, a 3.5 percent upturn (*Figure 3*). However, the number of unemployed jumped by 29.6 percent during this timeframe, from 1,546 residents in February 2022 to 2,004 in February 2023. This increase in the number of unemployed overshadowed the more modest expansion in the labor force causing the unemployment rate to rise from 6.9 percent in February 2022 to 8.5 percent in February 2023. More concerning economic news is that Kittitas County’s labor force is smaller now than it was in the

pre-COVID era (three years ago). In fact, the Kittitas County CLF has contracted from March 2022 through February 2023 compared with corresponding pre-COVID months from March 2019 through February 2020. In February 2023 there were 23,243 residents in the County’s labor force. This was 1,596 fewer residents (-6.4 percent) than the 24,839 people in the labor force back in February 2020 (i.e., during the “pre-COVID days”). Hence, the labor pool of Kittitas County residents ready, willing, and able to work was smaller this February than in the pre-pandemic month of February 2020. This situation is likely at least partially attributable to fewer Central Washington University (CWU) students, staff, and/or faculty in the CLF during this period; and, of course, to “baby boomer” retirements.

**Figure 3. Kittitas County labor force and industry employment, not seasonally adjusted**  
Washington state, February 2023

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

Kittitas County	Preliminary Feb-23	Revised Jan-23	Revised Feb-22	Change (in #)		Change (in %)
				Jan-23	Feb-22	Feb-22
				Feb-23	Feb-23	Feb-23
<b>Labor force and unemployment</b>						
Civilian labor force	23,243	22,596	22,454	647	789	3.5%
Resident employment	21,239	20,896	20,908	343	331	1.6%
Unemployment	2,004	1,700	1,546	304	458	29.6%
Unemployment rate	8.6	7.5	6.9	1.1	1.7	
<b>Industry employment</b>						
Total nonfarm <sup>1</sup>	16,780	16,580	16,390	200	390	2.4%
Total private	10,580	10,440	10,240	140	340	3.3%
Goods producing	2,050	2,100	1,800	-50	250	13.9%
Mining, logging and construction	1,420	1,500	1,240	-80	180	14.5%
Manufacturing	630	600	560	30	70	12.5%
Service providing	14,730	14,480	14,590	250	140	1.0%
Trade, transportation and utilities	2,820	2,810	2,790	10	30	1.1%
Wholesale trade	580	580	600	0	-20	-3.3%
Retail trade	1,900	1,880	1,860	20	40	2.2%
Transportation, warehousing, and utilities	340	350	330	-10	10	3.0%
Information and financial activities	670	650	670	20	0	0.0%
Professional and business services	720	720	630	0	90	14.3%
Education and health services	1,450	1,430	1,560	20	-110	-7.1%
Leisure and hospitality	2,420	2,290	2,380	130	40	1.7%
Government	6,200	6,140	6,150	60	50	0.8%
Federal government	120	120	130	0	-10	-7.7%
State and local government	6,080	6,020	6,020	60	60	1.0%
State & local government education	4,200	4,160	4,230	40	-30	-0.7%
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 16,780 jobs in February 2023, a 2.4 percent upturn since February 2022.*

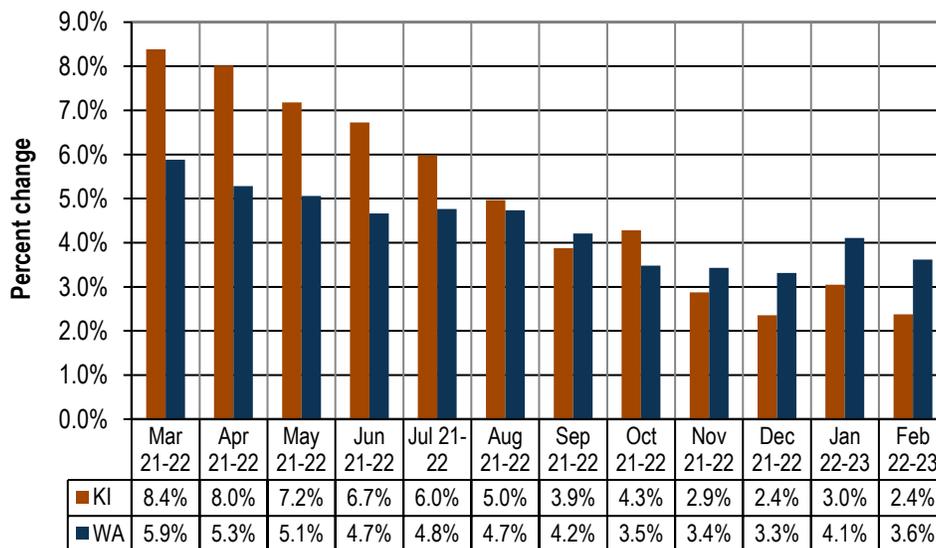
## Nonfarm industry employment

As mentioned in the *Total nonfarm employment* section of this report, total nonfarm employment across Kittitas County has expanded for 23 months (April 2021 through February 2023) - and this is certainly a good trend (as partially shown in *Figure 4*). However, the fact remains that the local nonfarm market has not yet recovered all jobs lost since the onslaught of the COVID-19 pandemic in 2020. In 2022 total nonfarm employment in Kittitas County averaged 16,710 jobs versus 17,570 in 2019 (the pre-COVID era), an 860 job and -4.9 percent downturn. Some Kittitas County industries recovered completely since the pandemic. The construction, information and financial activities, and professional and business services sectors netted more jobs in 2022 than in 2019. But other sectors did not fare as well. Specifically, state and local government education employment dropped from an average of 5,090 jobs in 2019 to 3,960 jobs in 2022, a 1,130 job and -22.2 percent decline. Leisure and hospitality provided 270 fewer jobs countywide in 2022 than in 2019. Hence, although some sectors have recovered jobs lost since the pandemic, all local industries are “not there yet.”

**Figure 4.** Kittitas County and Washington, total nonfarm employment changes

Washington state, March 2022 through February 2023

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



Year over year, nonfarm employment in Kittitas County has expanded for 23 months (April 2021 through February 2023). Washington's nonfarm economy has also registered year-over-year employment growth in each of the past 23 months.

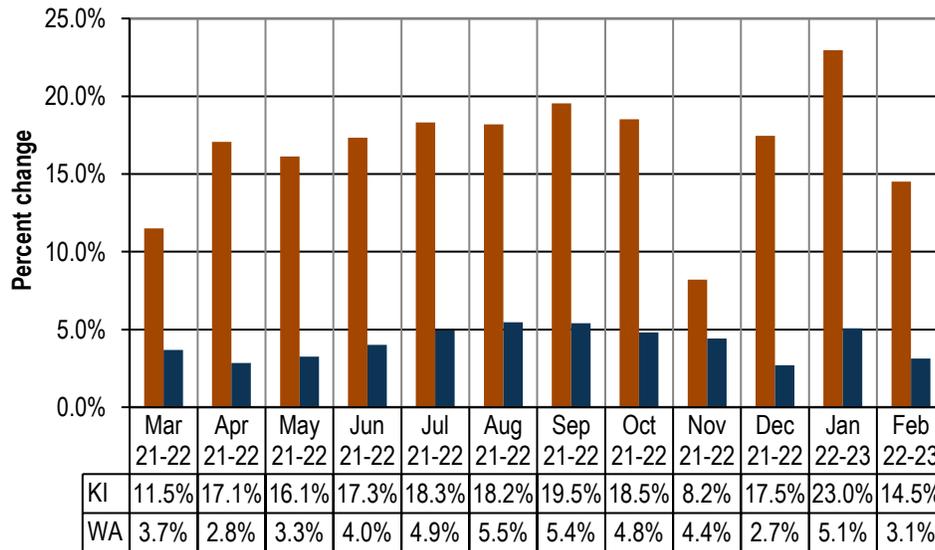
Summaries of employment changes between February 2022 and February 2023 in three local industries: construction, leisure and hospitality, and state and local government education are provided as follows:

- 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 32 consecutive months (July 2020 through February 2023) – 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 180 more construction jobs countywide this February (1,420 jobs) than in February 2022 (1,240 jobs), a robust 14.5 percent growth rate (*Figures 3 and 5*). 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. Across Washington state, construction employment has posted year-over-year increases for 23 consecutive months (April 2021 through February 2023). Between February 2022 and February 2023, the number of construction jobs statewide advanced by 3.1 percent (up 7,000 jobs) from 222,900 jobs to 229,900 (Figure 5). Washington's residential building construction contractors saw employment climb by a robust 9.3 percent, from 37,600 jobs in February 2022 to 41,100 in February 2023.

**Figure 5: Washington state and Kittitas County, construction employment changes**  
Washington state, March 2022 through February 2023

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



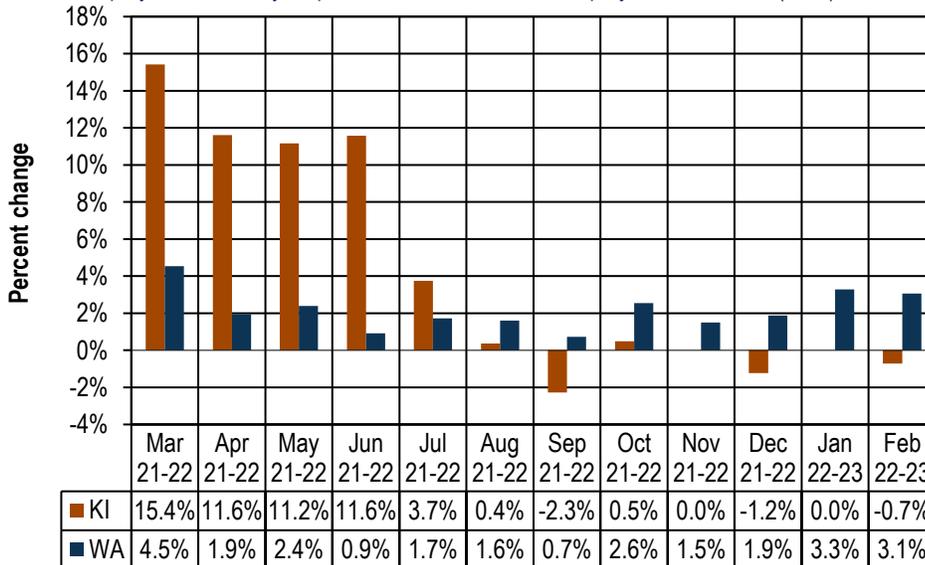
Year over year, construction employment has expanded in Kittitas County for 32 consecutive months (July 2020 through February 2023). Statewide, construction employment has been growing for 23 consecutive months (April 2021 through February 2023).

- Year over year, employment in Kittitas County's leisure and hospitality industry increased for 21 months (April 2021 through December 2022) before dipping in January 2023 and advancing this February. Estimates indicate that, in February 2023, there were 2,420 leisure and hospitality jobs countywide (primarily in hotels, eating and drinking places, and amusement and recreation), a 1.7 percent increase from the 2,380 jobs provided in February 2022. Employment in Washington's leisure and hospitality industry has expanded in each of the past 23 months (April 2021 through February 2023). Employment in Washington's leisure and hospitality industry has expanded in each of the past 23 months (April 2021 through February 2023). Statewide, leisure and hospitality employment elevated 8.3 percent (up by 25,600 jobs) between February 2022 (306,700 jobs) and February 2023 (332,300 jobs). Within this leisure and hospitality category, the job growth rate in the accommodation industry was quite strong, escalating from 27,000 jobs to 30,600 (up 13.3 percent) between February 2022 and February 2023.
- State and local government education employment in Kittitas County expanded, year over year, for 14 months (July 2021 through August 2022) before vacillating during the past six months (September 2022 through February 2023) as shown in Figure 6. In February 2023 there were 4,200 state and local government education jobs countywide, a -0.7 percent dip below the 4,230 jobs tallied in February 2022 (Figure 3). These recent year over year employment fluctuations (Figure 6)

from September 2022 and February 2023, are relatively small compared with losses since the pre-COVID era. State and local government education employment in Kittitas County from January 2022 through February 2023 has generally been 15-25 percent lower than in the corresponding 14 months from January 2019 through February of 2020 (i.e., during the pre-COVID era). 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. For example, in February 2020 state and local government education tallied 5,590 jobs countywide, but in February 2023 estimates indicate this category provided only 4,200 jobs (Figure 3), a 1,390 job and a -24.9 percent decrease. State and local government education tallies faculty, staff, and student employment at local, public primary and secondary schools and at community colleges and universities.

**Figure 6:** Kittitas County and Washington, state and local government education employment changes March 2022 through February 2023

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 vacillating during the past six months (September 2022 through February 2023). Washington's state and local government education sector has grown for the past 22 months (May 2021 through February 2023).

## 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>