

Kittitas County Labor Area Summary April 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 (between April 2022 and April 2023) and average annual data changes (between 2021 and 2022) in the local labor market.

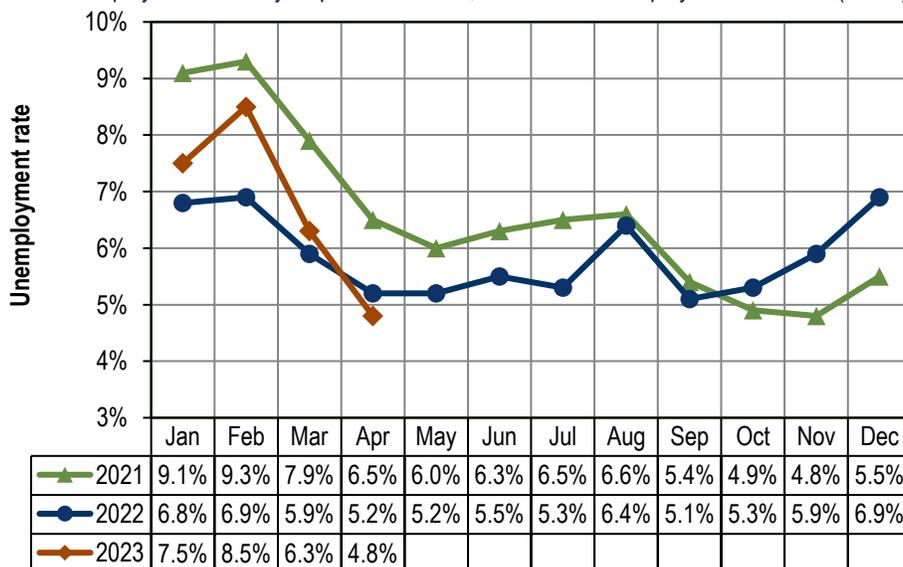
Unemployment rates

Washington’s not seasonally adjusted average annual unemployment rate fell from 5.2 percent in 2021 to 4.2 percent in 2022. Monthly unemployment rates stabilized at 4.2 percent in March 2022 and March 2023 before decreasing two-tenths of a point between April 2022 (3.7 percent) and April 2023 (3.5 percent).

In Kittitas County, the average annual unemployment rate declined from 6.6 percent to 5.9 percent between 2021 and 2022. Monthly unemployment rates dropped, year over year, for 18 consecutive months (April 2021 through September 2022), rose in next six months (October 2022 through March 2023), and dipped by four-tenths point in April 2023 (*Figure 1*). The 4.8 percent reading this month is the lowest unemployment rate for April since county-level unemployment data began to be recorded electronically in 1990.

Figure 1. Kittitas County unemployment rates, not seasonally adjusted
 Washington state, January 2021 through April 2023

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



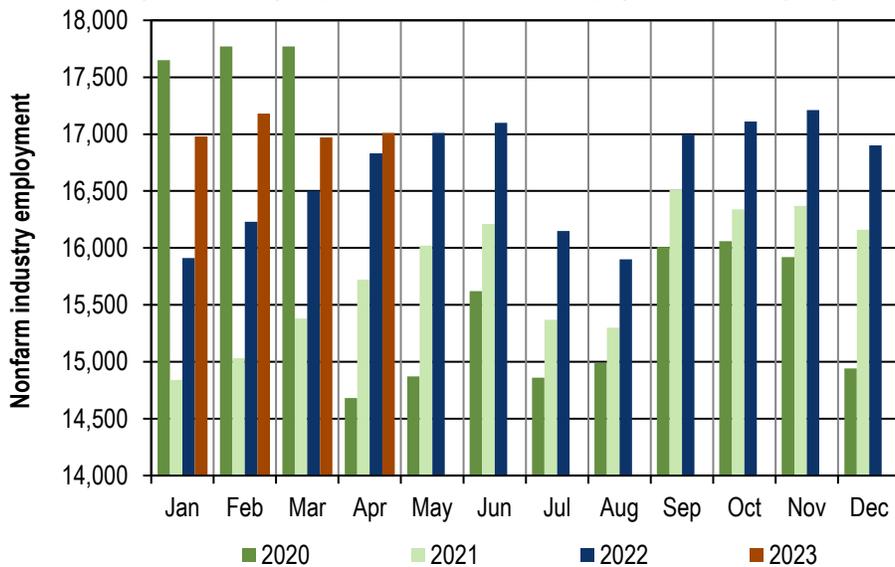
The Kittitas County unemployment rate declined by four-tenths of a percentage point between April 2022 and April 2023.

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 25 months (April 2021 through April 2023). This April, business and government organizations statewide tallied 3,617,100 jobs (not seasonally adjusted) compared with 3,500,400 in April 2022, up by 116,700 jobs and by 3.3 percent.

Kittitas County’s economy increased sharply by 880 jobs in 2022 (up 5.6 percent) over 2021. Year over year, nonfarm employment in the County has expanded for 25 months (April 2021 through April 2023), as shown in *Figures 2 and 4*). In April 2023, total nonfarm employment in Kittitas County provided 180 more jobs than in April 2022 (up 1.1 percent) as employment elevated from 16,830 jobs to 17,010 (*Figure 3*).

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



Nonfarm employment in Kittitas County elevated by 180 jobs between April 2022 and April 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 20 months (September 2021 through April 2023). Recently, Washington’s labor force grew by 88,831 residents (up 2.2 percent), from 3,951,368 residents in April 2022 to 4,040,199 in April 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. Year over year, Kittitas County's CLF had increased for 18 months (September 2021 through February 2023) before decreasing this March and April. Estimates indicate there were 345 more residents in the local labor force this April than in April 2022, a slight -1.5 percent downturn (*Figure 3*). However, the number of unemployed fell by -7.7 percent during this timeframe, from 1,191 residents in April 2022 to 1,099 in April 2023. This decrease in the number of unemployed overpowered the more modest contraction in the labor force causing the unemployment rate to fall from 5.2 percent in April 2022 to 4.8 percent in April 2023, and a declining unemployment rate is good economic news.

On the downside, Kittitas County’s labor force is smaller now than it was in the pre-COVID era (four years ago). In fact, the Kittitas County CLF has contracted in each of the past seven months (September 2022 through April 2023) compared with these corresponding pre-COVID months (September 2018 through April 2019). Recently, in April 2023 there were 22,750 residents in the County’s labor force whereas in the pre-COVID month of April 2019 there were 24,352 residents in the labor force. Hence, there were 1,602 fewer residents (-6.6 percent) in Kittitas County’s CLF this April than in the pre-pandemic month of April 2019 – and a shrinking labor force is seldom good economic news.

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

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

Kittitas County	Preliminary Apr-23	Revised Mar-23	Revised Apr-22	Change (in #)		Change (in %)
				Mar-23	Apr-22	Apr-22
				Apr-23	Apr-23	Apr-23
Labor force and unemployment						
Civilian labor force	22,750	22,837	23,085	-87	-335	-1.5%
Resident employment	21,651	21,393	21,894	258	-243	-1.1%
Unemployment	1,099	1,444	1,191	-345	-92	-7.7%
Unemployment rate	4.8	6.3	5.2	-1.5	-0.4	
Industry employment						
Total nonfarm ¹	17,010	16,970	16,830	40	180	1.1%
Total private	10,640	10,590	10,700	50	-60	-0.6%
Goods producing	1,950	1,940	2,040	10	-90	-4.4%
Mining, logging and construction	1,310	1,300	1,440	10	-130	-9.0%
Manufacturing	640	640	600	0	40	6.7%
Service providing	15,060	15,030	14,790	30	270	1.8%
Trade, transportation and utilities	2,810	2,780	2,850	30	-40	-1.4%
Wholesale trade	580	580	610	0	-30	-4.9%
Retail trade	1,900	1,860	1,920	40	-20	-1.0%
Transportation, warehousing, and utilities	330	340	320	-10	10	3.1%
Information and financial activities	690	670	670	20	20	3.0%
Professional and business services	740	720	680	20	60	8.8%
Education and health services	1,440	1,440	1,520	0	-80	-5.3%
Leisure and hospitality	2,580	2,580	2,530	0	50	2.0%
Government	6,370	6,380	6,130	-10	240	3.9%
Federal government	150	140	160	10	-10	-6.3%
State and local government	6,220	6,240	5,970	-20	250	4.2%
State & local government education	4,260	4,330	4,050	-70	210	5.2%
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.

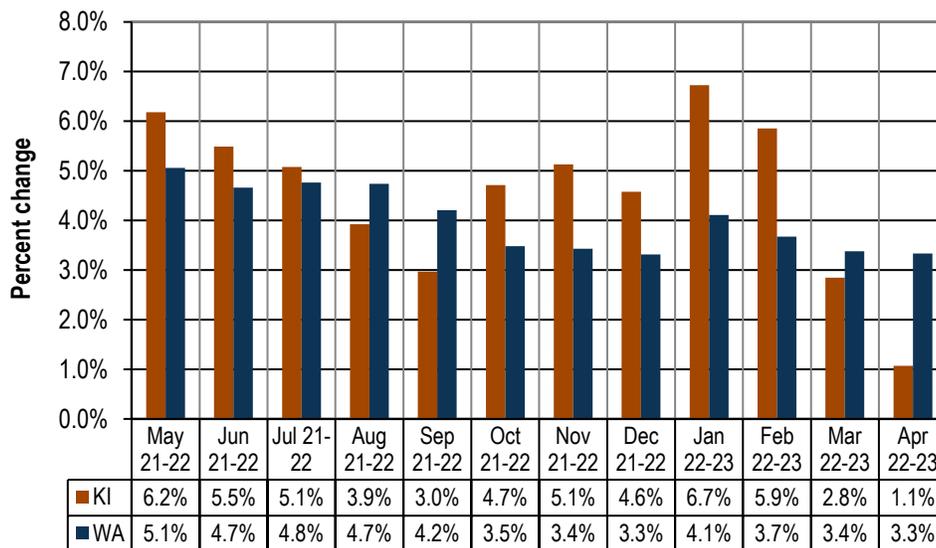
The Kittitas County nonfarm market provided 17,010 jobs in April 2023, a 1.1 percent upturn since April 2022.

Nonfarm industry employment

As mentioned in the *Total nonfarm employment* section of this report, total nonfarm employment across Kittitas County has expanded for 25 months (April 2021 through April 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 2022 total nonfarm employment in Kittitas County averaged 16,650 jobs versus 17,570 in 2019 (the pre-COVID era), a 920 job and -5.2 percent downturn. Some Kittitas County industries recovered completely since the pandemic. The construction; manufacturing; retail trade; transportation, warehousing, and utilities; information and financial activities; professional and business services; and federal government sectors netted more jobs in 2022 than in 2019. But, wholesale trade, private education and health services, leisure and hospitality, and state and local government education lost jobs during the pandemic and have still not recovered. Especially noteworthy is the decline in state and local government employment which fell from an average of 5,090 jobs in 2019 to 3,750 jobs in 2022, a 1,340 job and -26.3 percent decline. Also, leisure and hospitality provided 240 fewer jobs countywide in 2022 than in 2019.

Figure 4. Kittitas County and Washington, total nonfarm employment changes Washington state, May 2022 through April 2023

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



Year over year, nonfarm employment in Kittitas County expanded for 25 months (April 2021 through April 2023). Washington's nonfarm market has also expanded for 25 months (April 2021 through April 2023).

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

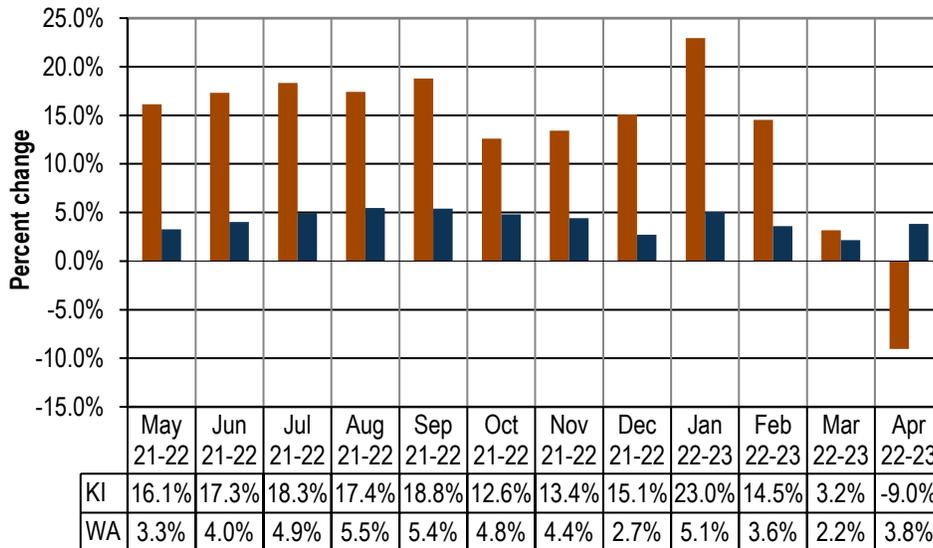
- In the mining, logging, and construction category (*Figure 3*), most jobs are in “construction.” Year over year, construction employment expanded in Kittitas County for 33 consecutive months (July 2020 through March 2023) before declining by -9.0 percent this April. Current Employment Statistics (CES) estimates indicate that there were 130 fewer construction jobs countywide this April (1,440 jobs) than in April 2022 (1,310 jobs), a -9.0 percent loss rate (*Figures 3 and 5*). Across Washington, construction employment has posted year-over-year increases for 25 consecutive months (April 2021 through April 2023). Between April 2022 and April 2023, the number of construction jobs statewide advanced by 3.8 percent (up 8,700 jobs) from 228,300 jobs to 237,000

(Figure 5). Washington’s residential building construction contractors saw employment climb by an appreciable 10.0 percent, from 37,900 jobs in April 2022 to 41,700 in April 2023.

Figure 5: Washington state and Kittitas County, construction employment changes

Washington state, May 2022 through April 2023

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



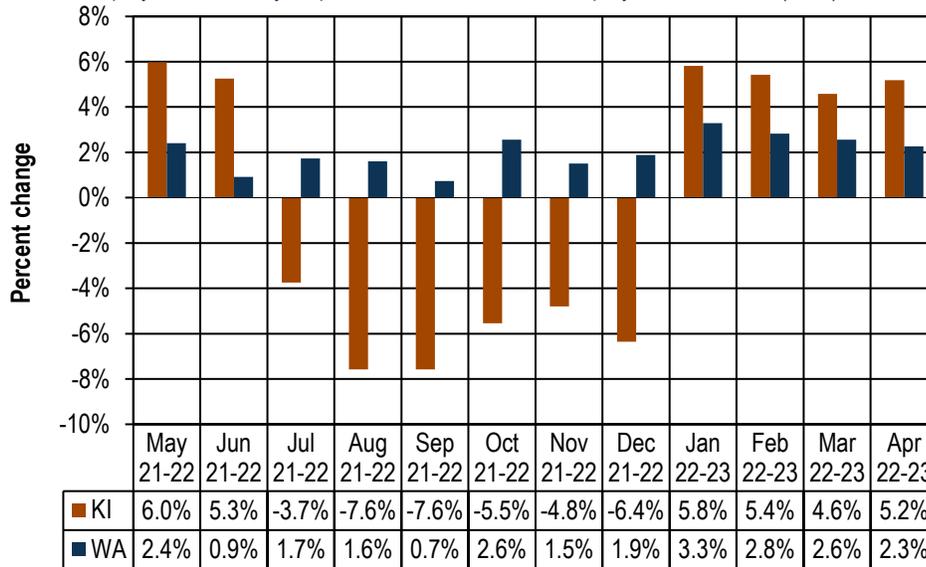
Year over year, construction employment expanded in Kittitas County for 33 consecutive months (July 2020 through March 2023) before declining by -9.0 percent this April. Statewide, construction employment has risen in each of the 25 months from April 2021 through April 2023.

- Year over year, employment in Kittitas County's leisure and hospitality industry has increased for 25 consecutive months (April 2021 through April 2023). In April 2023, there were 2,580 leisure and hospitality jobs countywide (primarily in hotels, eating and drinking places, and amusement and recreation), a 2.0 percent increase from the 2,530 jobs provided in April 2022. Employment in Washington's leisure and hospitality industry has also expanded in each of the past 25 months (April 2021 through April 2023). Recently, leisure and hospitality employment elevated 6.6 percent (up by 21,300 jobs) between April 2022 (321,900 jobs) and April 2023 (343,200 jobs). Within this leisure and hospitality category, job growth in the arts, entertainment, and recreation sector was quite strong, escalating from 49,900 jobs to 54,000 (up 8.2 percent) between April 2022 and April 2023; as more Washingtonians decided to go to movie theaters, hit the golf courses, and join or rejoin fitness centers.
- State and local government education employment in Kittitas County has expanded, year over year, for the past four months (January through April 2023) as shown in *Figure 6*. In April 2023 there were 4,260 state and local government education jobs countywide, a 210 job and 5.2 percent upturn above the 4,050 jobs tallied in April 2022 (*Figure 3*). State and local government education tallies faculty, staff, and student employment at local, public primary and secondary schools and at community colleges and universities. Although this employment category averaged 30 more positions in Kittitas County in 2022 (3,750 jobs) than in 2021 (3,720 jobs), up 0.8 percent; between 2020 and 2021 state and local government employment dropped from 4,090 jobs to 3,720, a 370 job and -9.0 percent downturn. During the COVID-19 pandemic the employment downturn in this sector was even more dramatic. State and local government tallied 5,090 jobs countywide in 2019 but only 4,090 in 2020, a 1,000 job and -19.6 percent downturn. Part of the problem appears to be declining employment at public universities in Washington state (and at Central Washington University, or CWU, one of Kittitas County’s major employers). In a 17 May 2023 article published

in *The Observer* (CWU's student newspaper) entitled "Budgeting for the future: CWU budget impacted by 20% drop in enrollment," the university's Chief Financial Officer (Joel Klucking) reported that "CWU is experiencing a budget deficit due to a 20% drop in enrollment." The article also states: "The issue of declining enrollment in Washington is a problem on a state-wide level, according to Klucking, not just a problem facing CWU. To combat this, focus is beginning to shift toward bringing in more out-of-state students to CWU."

Figure 6: Kittitas County and Washington, state and local government education employment changes May 2022 through April 2023

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



Year over year, state and local government education employment in Kittitas County has expanded for the past four months (January through April 2023). Washington's state and local government education sector has grown for the past 24 months (May 2021 through April 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>