

Kittitas County Labor Area Summary February 2024



Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Kittitas County WorkSource, 510 N. Pine Street, Ellensburg, WA 98926
 Phone: 509-607-3267
 Email: don.meseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

Overview

This report provides an update on the Kittitas County economy incorporating non-seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between February 2023 and February 2024) and average annual changes (between 2022 and 2023) in the local labor market.

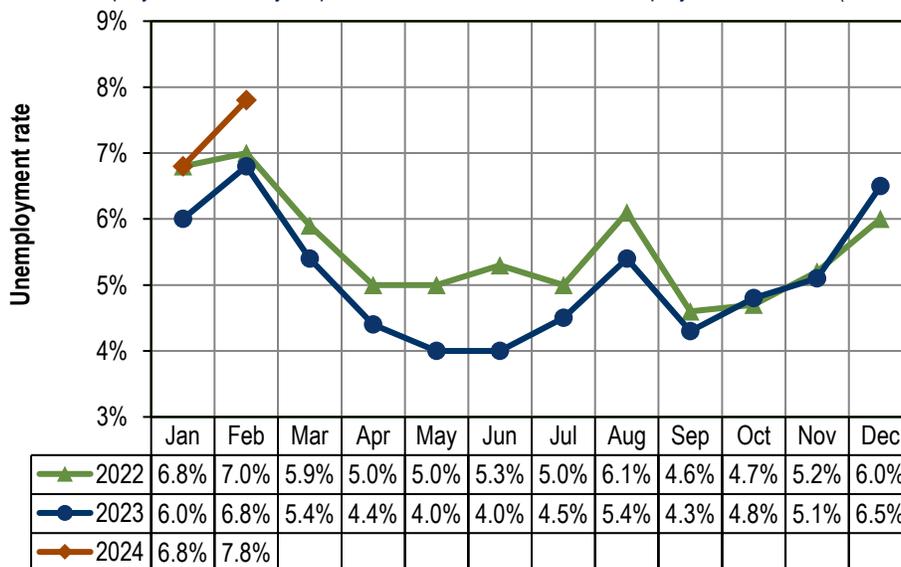
Unemployment rates

Preliminary estimates indicate that Washington’s not seasonally adjusted average annual unemployment rate stabilized at 4.1% in 2022 and 2023. However, the monthly unemployment rate rose from 4.5% in February 2023 to 5.7% in February 2024, an increase of one and two-tenths percentage points.

In Kittitas County, the average annual unemployment rate declined from 5.5% to 5.1% between 2022 and 2023. However, the current 7.8% unemployment rate in February 2024 was one percentage point above the February 2023 reading of 6.8% (*Figure 1*). The lowest unemployment rate for February (since data began to be recorded electronically in 1990) was 5.5%, recorded in February 2020.

Figure 1. Kittitas County unemployment rates, not seasonally adjusted
 Washington state, January 2022 through February 2024

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



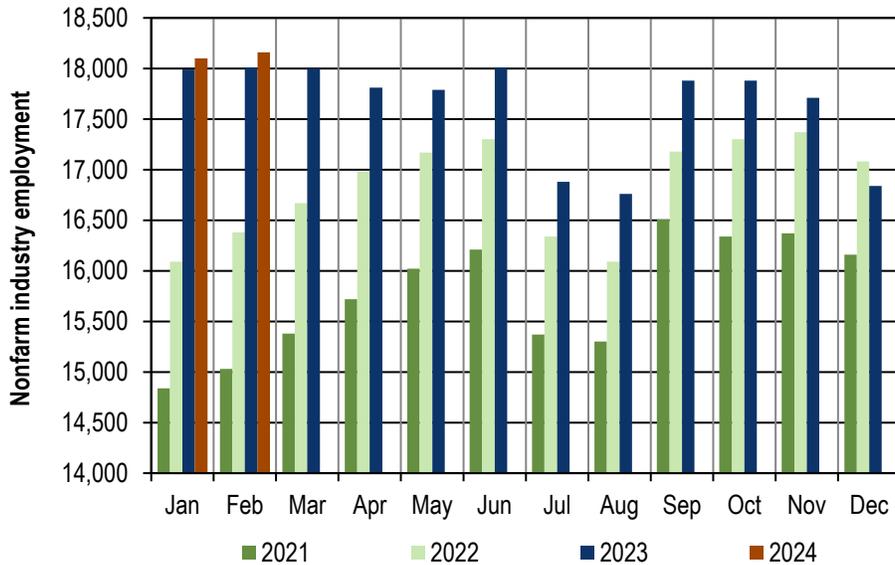
The Kittitas County unemployment rate rose by one full percentage point between February 2023 and February 2024.

Total nonfarm employment

Between 2022 and 2023, Washington’s labor market netted 71,300 new nonfarm jobs, an average annual increase of 2.0%. Although this 2.0% growth rate in 2023 is good news for Washington’s labor market, it should be noted that the average annual increase in 2022 was a more robust 4.7%. Year over year, Washington’s nonfarm market has expanded for 35 consecutive months (April 2021 through February 2024). In February 2024, business and government organizations across the state tallied 3,596,900 jobs (not seasonally adjusted) compared with 3,544,900 in February 2023, up by 52,000 jobs and by 1.5% (*Figure 4*).

Kittitas County’s labor economy increased by 800 jobs in 2023 (up 4.8%) over 2022. Year over year, nonfarm employment in Kittitas County expanded for 32 months (April 2021 through November 2023), contracted in December 2023, but bounced back in January and February 2024 (*Figures 2 and 4*). In February 2024, Kittitas County’s nonfarm economy tallied 150 more jobs than in February 2023 (up 0.8%) advancing from 18,010 jobs to 18,160 (*Figures 2 and 3*).

Figure 2. Kittitas County nonfarm industry employment, not seasonally adjusted
Washington state, January 2021 through February 2024
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Nonfarm employment in Kittitas County increased by 150 jobs between February 2023 and February 2024.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023, according to estimates. Statewide, the CLF has posted year-over-year growth for 33 months (June 2021 through February 2024). However, Washington’s labor force growth rates have been slowing. In February 2024 Washington’s CLF inched upwards to 4,027,517 residents, a 4,026-resident and marginal 0.1% upturn above the 4,023,491 residents in the labor force back in February 2023.

Preliminary estimates indicate that Kittitas County averaged 22,422 residents in the Civilian Labor Force (CLF) in 2022 versus 23,170 in 2023, a 3.3% expansion. Year over year, Kittitas County’s CLF rose for 26 months (September 2022 through October 2023) but it either stagnated or decreased in the past four months (November 2023 through February 2024). Local Area Unemployment Statistics (LAUS) estimates indicate there were 49 fewer residents in the CLF in February 2024 than in February 2023, a -0.2% downturn. Concurrently, the number of unemployed increased by 15.1%, from 1,627 residents in February 2023 to 1,872 in February 2024 (*Figure 3*). This increase in the number of unemployed coupled with the

labor force contraction caused the unemployment rate to elevate one percentage point, from 6.8% in February 2023 to 7.8% in February 2024.

It should also be noted that the Kittitas County labor force has contracted in each of the past 11 months (April 2023 through February 2024) below these corresponding pre-COVID months of April 2019 through February 2020. Although Washington’s CLF expanded from March through December 2023 above these corresponding pre-pandemic months in 2019, the state’s labor force shrank by -0.7% in January 2024 and by -0.6 percent in February 2024 versus January and February 2020. Baby boomer retirements are likely causing the lion’s share of these labor force contractions, locally and statewide.

Figure 3. Kittitas County labor force and industry employment, not seasonally adjusted

Washington state, February 2024

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

Kittitas County	Preliminary Feb-24	Revised Jan-24	Revised Feb-23	Change (in #)		Change (in %)
				Jan-24	Feb-23	Feb-23
				Feb-24	Feb-24	Feb-24
Labor force and unemployment						
Civilian labor force	23,915	23,573	23,964	342	-49	-0.2%
Resident employment	22,043	21,967	22,337	76	-294	-1.3%
Unemployment	1,872	1,606	1,627	266	245	15.1%
Unemployment rate	7.8	6.8	6.8	1.0	1.0	
Industry employment						
Total nonfarm ¹	18,160	18,100	18,010	60	150	0.8%
Total private	11,860	11,830	11,700	30	160	1.4%
Goods producing	1,880	1,850	1,880	30	0	0.0%
Mining, logging and construction	1,250	1,230	1,240	20	10	0.8%
Manufacturing	630	620	640	10	-10	-1.6%
Service providing	16,280	16,250	16,130	30	150	0.9%
Trade, transportation and utilities	2,810	2,820	2,770	-10	40	1.4%
Wholesale trade	600	600	600	0	0	0.0%
Retail trade	1,880	1,890	1,850	-10	30	1.6%
Transportation, warehousing, and utilities	330	330	320	0	10	3.1%
Information and financial activities	720	720	690	0	30	4.3%
Professional and business services	710	680	700	30	10	1.4%
Education and health services	1,730	1,740	1,660	-10	70	4.2%
Leisure and hospitality	3,580	3,570	3,580	10	0	0.0%
Government	6,300	6,270	6,310	30	-10	-0.2%
Federal government	150	140	140	10	10	7.1%
State and local government	6,150	6,130	6,170	20	-20	-0.3%
State & local government education	4,210	4,210	4,260	0	-50	-1.2%
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 be added due to rounding.

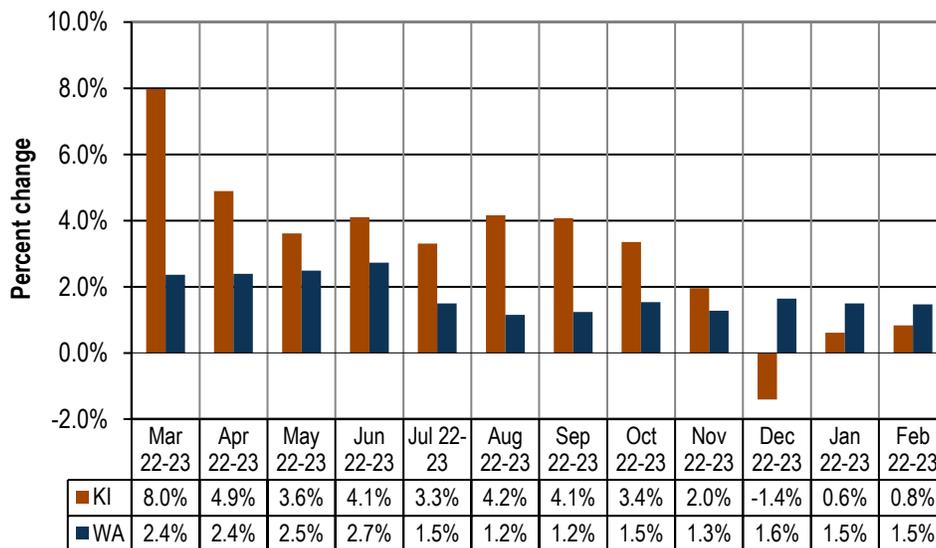
The Kittitas County nonfarm market provided 18,160 jobs in February 2024, a 0.8% upturn since February 2023

Nonfarm industry employment

In 2023 total nonfarm employment in Kittitas County averaged 17,630 jobs versus 17,570 in 2019 (the pre-COVID era), a modest 60-job and 0.3% upturn. This means that by 2023, annual average total nonfarm employment had barely returned to the pre-COVID level. On the positive side, by 2023, construction; manufacturing; retail trade; transportation, warehousing, and utilities; information and financial activities; professional and business services; leisure and hospitality; and federal government averaged more jobs than in 2019. But on the negative side, average annual employment in wholesale trade (especially the wholesale trade of nondurable/agricultural goods) and in state and local government education shrank during the pandemic (primarily in 2020) and had still not recovered by 2023. Especially noteworthy was the decline in state and local government education which dropped from an average of 5,090 jobs in 2019 to 4,000 jobs in 2023, a loss of 1,090 jobs and a -21.4% decline.

Between the Februaries of 2022 and 2023 construction; retail trade; transportation, warehousing and utilities; information and financial activities; professional and business services; private education and health services; and federal government added jobs countywide. However, the “employment ranks were thinner” during this period in wholesale trade and in state and local government education (*Figure 3*). In aggregate, total nonfarm employment in Kittitas County escalated from 18,010 jobs in February 2023 to 18,160 in February 2024, a 150-job and a 0.8% upturn (*Figure 4*).

Figure 4. Kittitas County and Washington, total nonfarm employment changes Washington state, March 2023 through February 2024
Source: Employment Security Department/DATA; Current Employment Statistics (CES)



Year over year, nonfarm employment in Kittitas County expanded for 32 months (April 2021 through November 2023), contracted in December 2023, but bounced back this January and February. Washington’s nonfarm job market has increased in each of the past 35 months (April 2021 through February 2024).

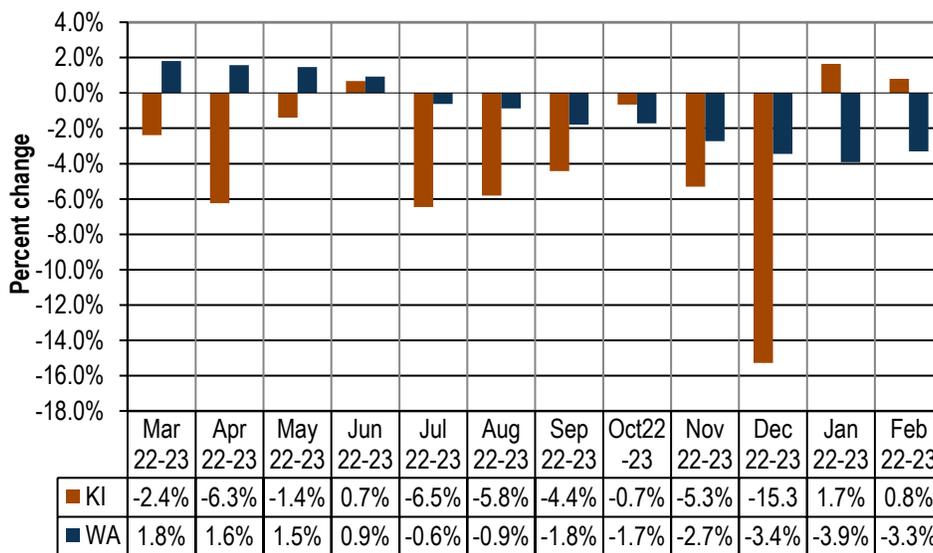
Summaries of employment changes between February 2023 and February 2024 in three local industries: construction, (private) education and health services, and state and local government education are provided as follows:

- In the mining, logging, and construction category in Kittitas County (*Figure 3*), most jobs are in construction. On an average annual basis, employment in Kittitas County’s construction industry

had expanded annually from 2013-2022 (i.e. for 10 consecutive years, inclusive). In fact, the rate of construction job growth exceeded 10 percent, on an average annual basis, in 2014, 2021, and 2022. Even during 2020, when COVID pandemic layoffs were shortening payrolls in many industries, construction netted an average of 20 new jobs countywide, a 1.8% increase. But this employment growth trend ended in 2023 when Kittitas County’s labor market averaged only 1,380 construction jobs, down by 60 jobs and -4.2% from the 1,440 jobs tallied in 2022. Estimates indicate a slight resurgence in construction employment in January 2024 (up 1.7%) and in February 2024 (up 0.8%), as shown in *Figure 5*. Specifically, Current Employment Statistics (CES) estimates indicate there were 1,250 construction jobs across Kittitas County this February versus 1,240 in February 2023, a marginal 10-job and 0.8% upturn (*Figure 3*).

Statewide, construction employment has contracted in each of the past eight months (July 2023 through February 2024). Between February 2023 and February 2024, the number of construction jobs statewide decreased by -3.3% (*Figure 5*) and by 7,500 jobs, from 226,500 jobs to 219,000. The lion’s share of this 7,500-job construction employment downturn in Washington state between February 2023 and February 2024 was in the *specialty trade contractors* subsector (North American Industry Classification System, or NAICS, Code 238). This specialty trade subsector includes concrete, masonry, roofing, electrical, plumbing, drywall, and painting contractors and it provided 5,200 fewer jobs in February 2024 (140,200 jobs) than in February 2023 (145,400 jobs), a -3.6% contraction. It is likely that relatively high interest rates have been putting the dampers on construction hiring, in aggregate, in Washington state (*Figure 5*).

Figure 5: Washington state and Kittitas County, construction employment changes Washington state, March 2023 through February 2024
Source: Employment Security Department/DATA, Current Employment Statistics (CES)



Year over year, estimates indicate a slight resurgence in construction employment in Kittitas County in January 2024 (up 1.7%) and in February 2024 (up 0.8%). Statewide, construction employment contracted in each of the past eight months (July 2023 through February 2024).

- In the combined (private) education and health services category, health services employers provide the lion’s share of employment in Kittitas County. Year over year, employment in Kittitas County's private education and health services industry advanced for 26 consecutive months (January 2022 through February 2024). Between February 2023 and February 2024, the number of jobs in this industry advanced from 1,660 to 1,730 respectively, a 70-job and 4.2% increase (*Figure 3*).

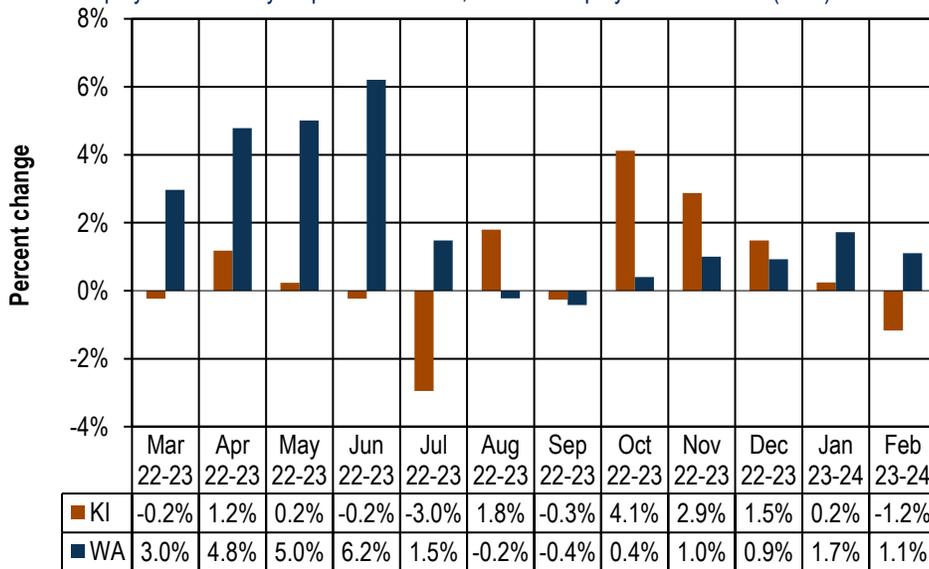
Statewide, employment in this industry has posted year-over-year growth for 35 consecutive months (April 2021 through February 2024). Current Employment Statistics (CES) estimates indicate that Washington state’s education and health services employers tallied 527,300 jobs in February of last year versus 551,300 in February 2024, a 24,000-job and 4.6% upturn. Educational services (i.e., private educational services), a subsector within the broader education and health services category, advanced from 72,800 jobs in February 2023 to 80,700 jobs in February 2024, a healthy 7,900-job and 10.9% job growth rate. Nursing and residential care facilities, another subsector within the education and health services category, advanced from 59,100 jobs in February 2023 to 64,100 jobs in February 2024, an appreciable 5,000-job and 8.5% employment growth rate.

- Current Employment Statistics (CES) estimates indicate that, year over year, state and local government education employment in Kittitas County expanded from October 2023 through January 2024, before dipping by -1.2% in February 2024 (Figure 6). In February 2024, there were 4,210 state and local government education jobs countywide, a 50-job and -1.2% decrease from the 4,260 jobs provided in February 2023. On an average annual basis state and local government education organizations tallied 40 more jobs in 2023 (4,000 jobs) than in 2022 (3,960 jobs), a 1.0% upturn. Nevertheless, as mentioned in the *Nonfarm industry employment* section of this report, state and local government education has not recovered all jobs lost during the COVID-19 pandemic. Payrolls shortened from an average of 5,090 jobs in 2019 to 4,000 in 2023, a substantial loss of 1,090 jobs and a -21.4% decline.

Washington's state and local government education sector has grown, year over year, in each of the past five months (October 2023 through February 2024). State and local government education statewide rose from 252,700 jobs in February 2023 to 255,500 in February 2024, a 2,800-job and 1.1% upturn (Figure 6).

Figure 6: Washington state and Kittitas County, state and local government education employment changes Washington state, March 2023 through February 2024

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



Year over year, state and local government education employment in Kittitas County expanded from October 2023 through January 2024, before dipping by -1.2% in February 2024. Washington's state and local government education sector has grown in each of the past five months (October 2023 through February 2024).

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 2023 revised average annual QCEW data for calendar year 2022 became available. An analysis of employment changes from 2012 through 2022 (the most recent 10-year period) shows that in Kittitas County:

- Total covered employment rose from 13,594 in 2012 to 15,943 in 2022, a 2,349-job increase and a 17.3% upturn, with annualized employment growth between 2012 and 2022 of 1.6%. The number of agricultural jobs (a subset of total covered employment) increased from 865 in 2012 to 972 in 2022, a 107-job increase and a 12.4% uptrend, with annualized employment growth of 1.2%. In 2012, Kittitas County's agricultural industry accounted for 6.4% of total covered employment. In 2022, agricultural employment accounted for 6.1% of total covered employment countywide. Hence, the share of agricultural employment dipped by three-tenths of a percentage point (from 6.4 to 6.1%) in Kittitas County during this 10-year period.
- Total covered wages rose from \$453.2 million in 2012 to \$799.7 million in 2022 (not adjusted for inflation), a \$346.5 million increase and a 76.5% upturn, with annualized payroll growth between 2012 and 2022 of 5.8%. The agricultural payroll (a subset of total covered wages) advanced from \$24.7 million in 2012 to \$38.0 million in 2022, a \$13.3 million increase and a 53.8% uptrend, with annualized payroll growth of 4.4%. In 2012, the agricultural industry accounted for 5.4% of total covered wages in Kittitas County. In 2022, agricultural wages accounted for 4.7% of total covered payroll countywide. Hence, the share of agricultural payroll to total covered payroll slipped by seven-tenths of a percentage point (from 5.4 to 4.7%) across Kittitas County during this 10-year period.

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

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