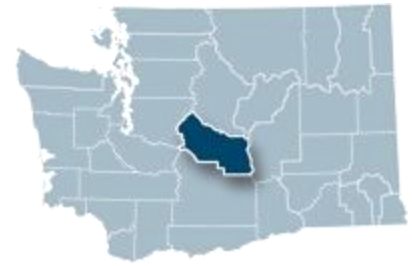


Kittitas County Labor Area Summary August 2024



Donald W. Meseck, Regional Labor Economist
 Employment Security Department
 Kittitas County WorkSource, 1100 W. University Way, Suite 200, Ellensburg, WA 98926
 Phone: 509-607-3267
 Email: don.meseck@esd.wa.gov
 Website: <https://esd.wa.gov/labormarketinfo>

Overview

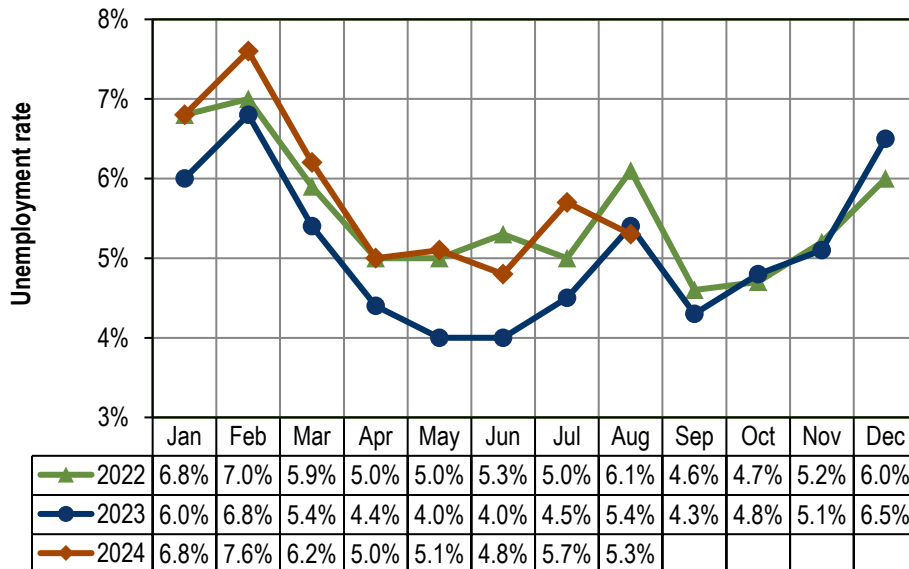
This report provides an update on the Kittitas County economy incorporating non-seasonally adjusted nonfarm employment and civilian labor force data. Analysis focuses on year-over-year (between August 2023 and August 2024) and average annual changes (between 2022 and 2023) in the local labor market.

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 4.3% in August 2023 to 4.9% in August 2024, a six-tenths percentage point increase.

In Kittitas County, the average annual unemployment rate declined from 5.5% to 5.1% between 2022 and 2023. The current 5.3% unemployment rate in August 2024 dipped by one-tenth percentage point below the August 2023 reading of 5.4%. Prior to the marginal downturn this August, monthly rates had risen, year over year, for eight consecutive months (December 2023 through July 2024), as shown in *Figure 1*.

Figure 1. Kittitas County unemployment rates, not seasonally adjusted
 Washington state, January 2022 through August 2024
 Source: Employment Security Department/DATA; Local Area Unemployment Statistics (LAUS)



The Kittitas County unemployment rate dipped by one-tenth of a percentage point between August 2023 and August 2024.

Total nonfarm employment

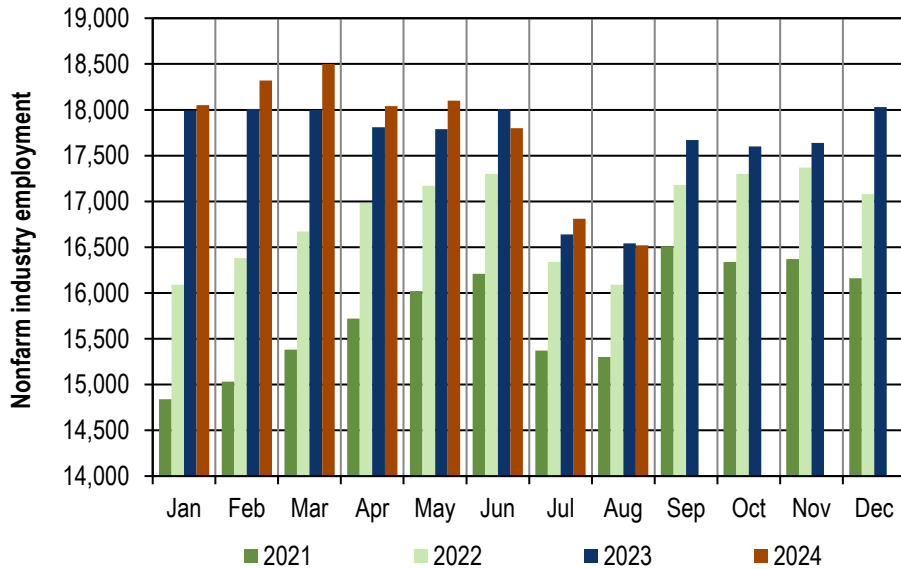
Between 2022 and 2023, Washington’s labor market netted 64,700 new nonfarm jobs, an average annual increase of 1.8%. Although this 1.8% growth rate in 2023 is good news for Washington’s labor market, it should be noted that the average annual increase in 2022 was a more robust 4.7%. Year over year, Washington’s nonfarm market has expanded for 41 consecutive months (April 2021 through August 2024). In August 2024, business and government organizations across the state tallied 3,668,500 jobs (not seasonally adjusted) compared with 3,610,000 in August 2023, up by 58,500 jobs and by 1.6% (Figure 4).

Kittitas County’s labor economy increased by 810 jobs in 2023 (up 4.8%) over 2022. Year over year, nonfarm employment in Kittitas County has declined in two of the past three months (June 2024 and August 2024), as shown in Figures 2 and 4. In August 2024, Kittitas County’s nonfarm economy slipped by 20 jobs and -0.1% as employment declined from 16,540 in August 2023 to 16,520 (Figures 2 and 3).

Figure 2. Kittitas County nonfarm industry employment, not seasonally adjusted

Washington state, January 2021 through August 2024

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



Nonfarm employment in Kittitas County decreased by 20 jobs between August 2023 and August 2024.

Employment and unemployment

Washington’s Civilian Labor Force (CLF) increased by 55,795 residents (a 1.4% upturn) between 2022 and 2023. However, the State’s labor force has either stagnated or contracted for seven months (February through August 2024) - expanding only in May 2024. This August there were 4,000,536 Washington residents in the CLF versus 4,039,283 in August 2023, a -1.0% contraction.

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, the local labor force has expanded in four of the past five months (April through August 2024) - contracting only in July 2024). Local Area Unemployment Statistics (LAUS) estimates indicate there were 929 more residents in the CLF in August 2024 than in August 2023, a healthy 4.2% upturn. Conversely, the number of unemployed edged upwards by 1.3%, from 1,194 residents in August 2023 to 1,210 in August 2024 (Figure 3). This modest increase in the number of unemployed was overpowered by the labor force expansion which caused Kittitas County’s unemployment rate to dip one-tenth of a percentage point, from 5.4% in August 2023 to 5.3% in August 2024 – a marginal improvement for the local economy.

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

Washington state, August 2024

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

Kittitas County	Preliminary Aug-24	Revised Jul-24	Revised Aug-23	Change (in #)		Change (in %)
				Jul-24	Aug-23	Aug-23
				Aug-24	Aug-24	Aug-24
Labor force and unemployment						
Civilian labor force	23,028	22,082	22,099	946	929	4.2%
Resident employment	21,818	20,813	20,905	1,005	913	4.4%
Unemployment	1,210	1,269	1,194	-59	16	1.3%
Unemployment rate	5.3	5.7	5.4	-0.4	-0.1	
Industry employment						
Total nonfarm ¹	16,520	16,810	16,540	-290	-20	-0.1%
Total private	11,440	11,470	11,420	-30	20	0.2%
Goods producing	2,040	2,040	2,110	0	-70	-3.3%
Mining, logging and construction	1,420	1,420	1,460	0	-40	-2.7%
Manufacturing	620	620	650	0	-30	-4.6%
Service providing	14,480	14,770	14,430	-290	50	0.3%
Trade, transportation and utilities	2,810	2,820	2,770	-10	40	1.4%
Wholesale trade	580	580	550	0	30	5.5%
Retail trade	1,890	1,890	1,880	0	10	0.5%
Transportation, warehousing, and utilities	340	350	340	-10	0	0.0%
Information and financial activities	780	790	770	-10	10	1.3%
Professional and business services	770	770	770	0	0	0.0%
Education and health services	1,620	1,630	1,510	-10	110	7.3%
Leisure and hospitality	2,970	2,970	3,040	0	-70	-2.3%
Government	5,080	5,340	5,120	-260	-40	-0.8%
Federal government	180	190	190	-10	-10	-5.3%
State and local government	4,900	5,150	4,930	-250	-30	-0.6%
State & local government education	2,840	3,110	2,830	-270	10	0.4%
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 16,520 jobs in August 2024, a -0.1% downturn since August 2023.

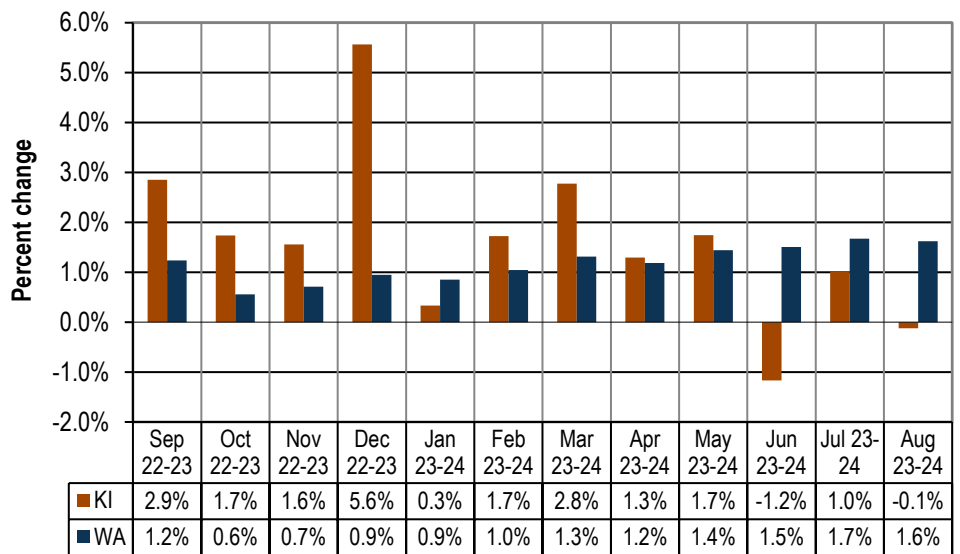
Nonfarm industry employment

In 2023 total nonfarm employment in Kittitas County averaged 17,640 jobs versus 17,570 in the pre-COVID year of 2019, a modest 70-job and 0.4% upturn. Annual average job growth from 2019 to 2023 showed considerable growth countywide in the following sectors: construction (up 24.5%), manufacturing (up 12.3%), transportation, warehousing, and utilities (up 47.8%), information and financial activities (up 21.7%), professional and business services (up 15.4%), leisure and hospitality (up 12.1%), and federal government (up 21.4%). Conversely, by 2023, employment in three local sectors had not recovered to pre-COVID levels: wholesale trade employment dropped by 90 jobs (-13.6%), private education and health

services dipped by 20 (-1.2%), and state and local government education plummeted by 1,090 jobs (-21.4%). This latter category averaged 5,090 jobs in 2019 versus only 4,000 jobs in 2023.

Current estimates indicate that between the Augusts of 2023 and 2024, construction weighed in 40 jobs lighter (-2.7%), leisure and hospitality dropped 70 jobs (-0.8%), and state and local government shed 30 jobs (-0.6%), as shown in *Figure 3*. The industry which saw the largest employment gain was private education and health services which recorded 110 more jobs (up 7.3%) during this period. Also, wholesale trade firms netted 30 more jobs (up 5.5%) this August than in August 2023. In aggregate, Kittitas County’s nonfarm market lost 20 jobs, a -0.1% abatement between August 2023 and August 2024 (*Figures 3 and 4*), as employment ebbed from 16,540 jobs to 16,520.

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



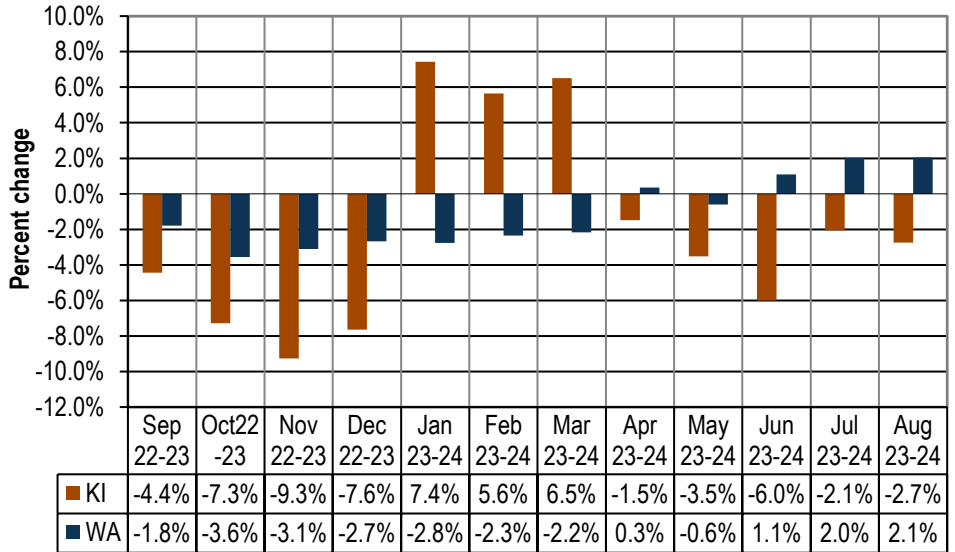
Year over year, nonfarm employment in Kittitas County has declined in two of the past three months (June 2024 and August 2024). Washington's nonfarm job market has increased in each of the past 41 months (April 2021 through August 2024).

Summaries of employment changes between August 2023 and August 2024 in three local industries: construction, education and health services, and leisure and hospitality:

- 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 been expanding for years. 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. Hiring amongst Kittitas County’s construction contractors continued for two more years as construction employment grew by 10.7% in 2021 and by 16.1% in 2022. But this employment growth trend ended in 2023 when the local labor market averaged only 1,370 construction jobs, down by 70 and -4.9% from the 1,440 jobs tallied in 2022. And Current Employment Statistics Estimates (CES) indicate a year-over-year retrenchment in construction employment in Kittitas County during the past five months (April through August 2024), as shown in *Figure 5*. The most current monthly estimates indicate 1,420 construction jobs across Kittitas County this August versus 1,460 in August 2023, a 40-job and -2.7% downturn (*Figure 3*).

Statewide, construction employment has posted year-over-year gains in the past three months (June through August 2024). This is an encouraging sign, after a dry spell of year-over-year contractions (Figure 5). Between the Augusts of 2023 and 2024, the number of construction jobs across Washington elevated from 238,500 to 243,400, a 4,900-job and 2.1% upturn. A major driver of this statewide expansion between August 2023 and August 2024 was hiring at residential building construction companies. Residential building construction employment rose from 39,800 to 42,000, a 2,200-job and 5.5% increase, accounting for 44.9% of all new construction jobs in Washington between the Augusts of 2023 and 2024.

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



Estimates indicate a year-over-year retrenchment in construction employment in Kittitas County during the past five months (April through August 2024). Statewide, construction employment has posted year-over-year gains in the past five months (June through August 2024).

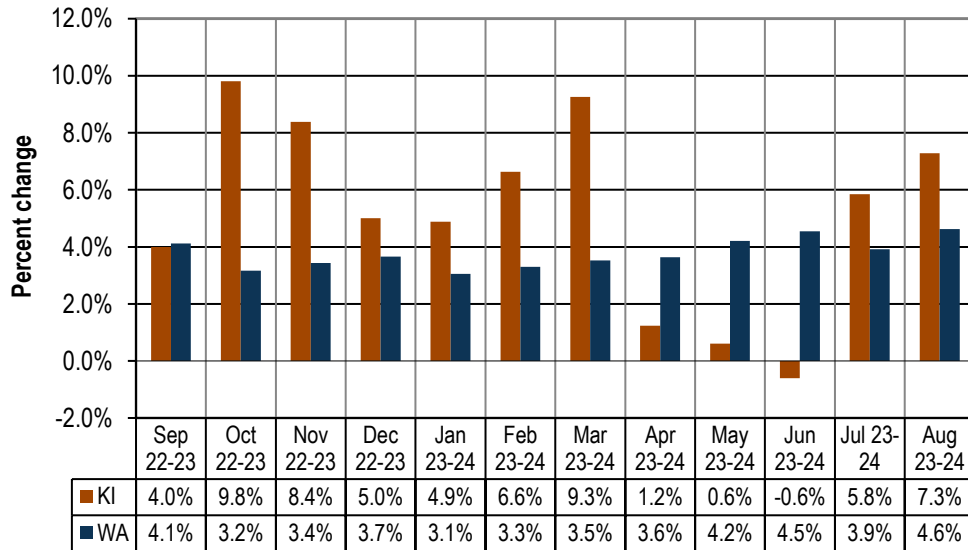
- Except for a -0.6% contraction between the Junes of 2022 and 2023, employment in Kittitas County's education and health services industry advanced, year over year, for 32 months (January 2022 through August 2024), as illustrated in Figure 6. Between August 2023 and August 2024, the number of education and health services jobs (i.e., in the private sector) advanced from 1,510 to 1,620 across Kittitas County, a robust 7.3% and 110-job upturn (Figure 3). This 110-job year-over-year escalation in education and health services rank it as sector adding the most jobs to the local nonfarm economy between August 2023 and August 2024. It should be noted that this broad education and health services category includes employment at social assistance organizations (i.e., child day care centers, vocational rehabilitation services, individual and family services, etc.) plus jobs at ambulatory health care providers and nursing and assisted living facilities.

Across Washington state, education and health services has expanded for 41 consecutive months (April 2021 through August 2024) as employment rose from 525,600 jobs to 552,000, a 24,400-job and 4.6% increase (Figure 6). Educational services (i.e., private education) accounted for only a fraction of this 24,400-job increase, elevating from 65,300 jobs in August of last year to 66,700 in August 2024, a modest 1,400-job and 2.1% upturn. However, 94.3% of new jobs in Washington's education and health services category were in the health care and social assistance sector. Employment in this sector increased from 462,300 jobs in August 2023 to 485,300 in August 2024, a 23,000-job and 5.0% upturn. The fastest growing subsector in this broad health care and social

assistance sector was nursing and residential care facilities which provided 61,500 jobs in Washington state in August 2023 compared to 66,100 this August, a robust 4,600-job and 7.5% increase.

Figure 6: Washington state and Kittitas County, education and health services employment changes Washington state, September 2023 through August 2024

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



Except for a -0.6% contraction between the Junes of 2022 and 2023, employment in Kittitas County's education and health services industry advanced, year over year, for 32 months (January 2022 through August 2024). Statewide this industry has expanded for 41 months (April 2021 through August 2024).

- Year over year, employment in Kittitas County's leisure and hospitality industry increased in the 36 consecutive months from April 2021 through March 2024. But since then, the growth rate has fizzled. Except for a 2.1% employment upturn in May 2024, leisure and hospitality businesses (primarily at hotels, eating and drinking places, and in amusement and recreation services) shed jobs, year over year, from April through August 2024. Between August 2023 and August 2024, the number of jobs in leisure and hospitality slipped from 3,040 jobs to 2,970, a 70-job and -2.3% decrease (Figure 3).

Conversely, employment in Washington's leisure and hospitality sector has been expanding for 41 months (from April 2021 through August 2024) - although growth rates appear to be slowing. Current Employment Statistics (CES) estimates indicate that Washington's leisure and hospitality employers tallied 360,400 jobs in August 2023 versus 364,300 in August 2024, a 3,900-job and 1.1% upturn. On the positive side, arts, entertainment, and recreation (NAICS 71), a subsector within Washington's broader leisure and hospitality industry, moved upwards from 59,900 jobs in August 2023 to 62,600 jobs in August 2024, a 2,700-job and 4.5% growth rate. Arts, entertainment, and recreation includes businesses/organizations such as movie theaters, museums, golf courses, fitness centers, etc.). On the downside, the number of jobs in accommodation contracted from 36,700 in August 2023 to 36,600 jobs this August, a 100-job and -0.3% loss rate.

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. The only limitation is the timeliness of these data. For example, it was only in July 2024 that preliminary average annual QCEW data for calendar year 2023 became available. An analysis of employment changes from 2013 through 2023 (the most recent 10-year period) shows that in Kittitas County:

- Total covered employment rose from 13,937 in 2013 to 16,786 in 2023, a 2,849-job increase and a 20.4% upturn, with annualized employment growth between 2013 and 2023 of 1.9%. The number of agricultural jobs (a subset of total covered employment) increased from 891 in 2013 to 1,079 in 2023, a 188-job increase and a 21.1% uptrend, with annualized employment growth of 1.9%. In 2013, Kittitas County’s agricultural industry accounted for 6.4% of total covered employment. In 2023, agricultural employment also accounted for 6.4% of total covered employment countywide. Hence, the share of agricultural employment to total covered employment remained stable in Kittitas County during this 10-year period.
- Total covered wages rose from \$477.6 million in 2013 to \$860.2 million in 2023 (not adjusted for inflation), a \$382.6 million increase and an 80.1% upturn, with annualized payroll growth between 2013 and 2023 of 6.1%. The agricultural payroll (a subset of total covered wages) advanced from \$27.9 million in 2013 to \$46.0 million in 2023, a \$18.1 million increase and a 65.0% uptrend, with annualized payroll growth of 5.1%. In 2013, the agricultural industry accounted for 5.8% of total covered wages in Kittitas County. In 2023, agricultural wages accounted for 5.4% of total covered payroll countywide. Hence, the share of agricultural payroll to total covered payroll slipped by only four-tenths of a percentage point (from 5.8 to 5.4%) 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>