



Kittitas County

Labor Area Summary

January 2021

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Overview

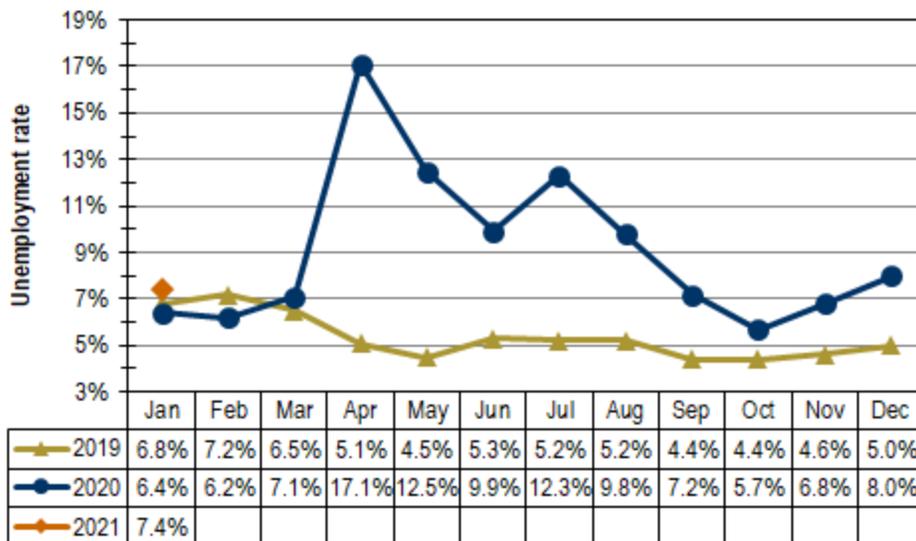
This report provides an update on the Kittitas County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (between the Januarys of 2020 and 2021) and average annual (between 2019 and 2020) changes in the labor market.

Unemployment rates

Preliminary Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate increased from 4.1 percent in 2019 to 8.4 percent in 2020. Between the Januarys of 2020 and 2021 the rate escalated by two and two-tenths percentage points, from 4.6 to 6.8 percent.

In Kittitas County, the average annual unemployment rate jumped from 5.4 percent in 2019 to 9.1 percent in 2020, a three and seven-tenths points upturn. Year over year, COVID-19 related layoffs pushed rates upwards monthly from April 2020 through January 2021. Recently, the local unemployment rate increased one percentage point, from 6.4 percent in January 2020 to 7.4 percent in January 2021 (see *Figure 1*).

Figure 1. Unemployment rates, not seasonally adjusted
 Kittitas County, January 2019 through January 2021
 Source: Employment Security Department/LMEA; U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)



The Kittitas County unemployment rate increased one full percentage point between the Januarys of 2020 and 2021.

Total nonfarm employment

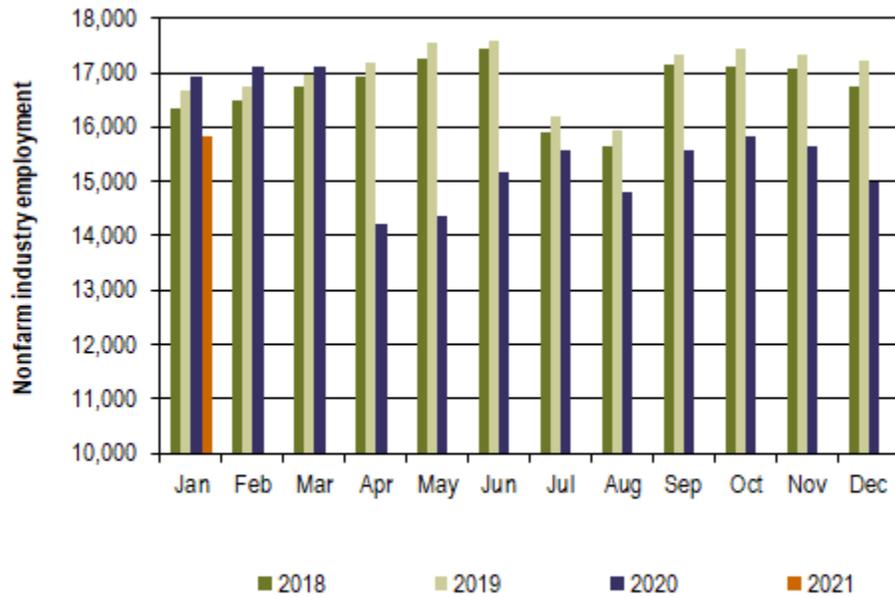
Between 2019 and 2020, estimates indicate that Washington's labor market provided 184,000 fewer nonfarm jobs, an annual average decrease of 5.3 percent. In January 2021, business and government organizations statewide tallied only 3,231,800 jobs (not seasonally adjusted) compared with 3,465,800 in January 2020, a substantial loss of 234,000 jobs and a 6.8-percent downturn. Washington's nonfarm job loss-rates have become mired in this minus-range for the past ten months (April 2020 through January 2021).

Estimates indicate that Kittitas County's nonfarm labor market averaged just 15,620 jobs in 2020, a substantial 1,400-job and an 8.2-percent downturn from the 17,020-job average in 2019. The Kittitas County nonfarm market has posted year-over-year contractions since the onset of COVID-19 related layoffs (April 2020 through January 2021). This January, employment totaled 15,820, down by 1,130 jobs and 6.7 percent from the 16,950 jobs tallied in January 2020 (see *Figures 2 and 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2018 through January 2021

Source: Employment Security Department/Labor Market and Economic Analysis (LMEA); U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES)



Employers in Kittitas County provided 15,820 nonfarm jobs in January 2021, a loss of 1,130 jobs since January 2020.

Employment and unemployment

Washington's Civilian Labor Force (CLF) edged upwards by 5,550 residents (a marginal 0.1-percent upturn) from 2019 to 2020. Virtually all this expansion occurred in the first half of 2020. Across Washington, the labor force has contracted in the two-percent range in each of the past three months (November 2020 through January 2021); certainly not a good way to exit calendar year 2020 and usher in the New Year.

Kittitas County averaged 23,551 residents in the CLF in 2019 and 21,964 in 2020, a substantial 6.7-percent contraction. Year over year, Kittitas County's labor force has retrenched in each of the past ten months (April 2020 through January 2021). There were 1,363 fewer residents in the local labor force this January than in January 2020, a 5.8-percent downturn. Concurrently, the number of unemployed residents escalated by 8.2 percent; from 1,514 in January 2020 to 1,638 in January 2021 (see *Figure 3*). Hence, the contraction in

the labor force coupled with a rise in the number of unemployed pushed the rate up from 6.4 percent in January 2020 to 7.4 percent in January 2021.

Figure 3. Labor force and industry employment, not seasonally adjusted
Kittitas County, January 2020, December 2020 and January 2021

Source: Employment Security Department/Labor Market and Economic Analysis (LMEA); U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)

Kittitas County	Preliminary Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20	Jan-20	Jan-20
				Jan-21	Jan-21	Jan-21 %
Labor force and unemployment						
Civilian labor force	22,262	20,099	23,625	2,163	-1,363	-5.8%
Resident employment	20,624	18,499	22,111	2,125	-1,487	-6.7%
Unemployment	1,638	1,600	1,514	38	124	8.2%
Unemployment rate	7.4	8.0	6.4	-0.6	1.0	
Industry employment						
Total nonfarm ¹	15,820	15,000	16,950	820	-1,130	-6.7%
Total private	10,020	9,780	10,190	240	-170	-1.7%
Goods producing	2,000	1,730	1,570	270	430	27.4%
Mining, logging and construction	1,360	1,110	990	250	370	37.4%
Manufacturing	640	620	580	20	60	10.3%
Service providing	13,820	13,270	15,380	550	-1,560	-10.1%
Trade, transportation and utilities	2,800	2,860	2,640	-60	160	6.1%
Wholesale trade	600	580	630	20	-30	-4.8%
Retail trade	1,890	1,910	1,770	-20	120	6.8%
Transportation, warehousing, and utilities	310	370	240	-60	70	29.2%
Information and financial activities	580	660	690	-80	-110	-15.9%
Professional and business services	540	570	580	-30	-40	-6.9%
Education and health services	1,570	1,620	1,700	-50	-130	-7.6%
Leisure and hospitality	2,150	1,960	2,580	190	-430	-16.7%
Government	5,800	5,220	6,760	580	-960	-14.2%
Federal government	120	130	120	-10	0	0.0%
State and local government	5,680	5,090	6,640	590	-960	-14.5%
State & local government education	3,870	3,390	4,840	480	-970	-20.0%
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.						

Total nonfarm employment in Kittitas County decreased by 6.7 percent between the Januaries of 2020 and 2021.

Nonfarm industry employment

Kittitas County's nonfarm employers provided 1,130 fewer jobs in January 2021 than in January 2020, a 6.7-percent downtrend. Washington's nonfarm market declined at a comparable minus-6.8 percent pace during this period. The following paragraphs highlight employment changes in selected local industries between the Januaries of 2020 and 2021:

- Year over year, construction employment expanded in Kittitas County in each of the past seven months (July 2020 through January 2021). Preliminary estimates indicate that construction employment rose sharply countywide between January 2020 (990 jobs) and January 2021 (1,360 jobs). Statewide, construction employment retrenched by 15.3 percent in April of last year. However, job loss-rates slowly and steadily decelerated through December 2020 and by January 2021 a modest, 0.4-percent hiring rebound occurred in this industry – an encouraging trend.
- Year over year, retail trade employment in Kittitas County has expanded in each of the past eight consecutive months (June 2020 through January 2021). In January 2021, retail trade provided 1,890 jobs, up by 120 jobs (and 6.8 percent) from the 1,770 tallied in January 2020. Basically, Kittitas County’s retail trade businesses experienced severe COVID-19 related job losses in April and May 2020, but they have netted gains in every month since (i.e., from June 2020 through January 2021). Statewide, COVID-19 related layoffs depressed retail trade employment, year over year, from April through July 2020 with employment stabilizing in August 2020. Retail trade businesses then resumed hiring from September 2020 through January 2021. Recently, Washington state’s retail sector increased from 392,200 jobs in January 2020 to 398,800 in January 2021 (up 1.7 percent). Retail trade subsectors posting gains: building material and garden supply stores, food and beverage stores, health and personal care stores, general merchandise stores, and “other” retail trade establishments (i.e., internet shopping). Hiring in these subsectors more than countered layoffs amongst Washington’s motor vehicle and parts dealers, furniture and home furnishing stores, and clothing and accessories stores. The result: a 1.7-percent advance (up 6,600 jobs) in retail trade employment across Washington state between the Januarys of 2020 and 2021.
- Kittitas County's leisure and hospitality industry has been especially hard-hit following Governor Inslee’s “Stay Home, Stay Healthy” directive issued on 23 March 2020 to counter the spread of the COVID-19 virus. Year-over-year, employment in Kittitas County's leisure and hospitality industry has contracted for eleven consecutive months (March 2020 through January 2021). Countywide, leisure and hospitality employment fell from 2,580 jobs in January 2020 to 2,150 in January 2021, a large 430-job and 16.7-percent downturn. Employment in Washington state's leisure and hospitality industry has also retrenched for eleven months (March 2020 through January 2021).
- Year over year, state and local government education job loss-rates in Kittitas County were generally more severe than education loss-rates statewide from April 2020 through January 2021. Between January 2020 and January 2021 state and local government education plummeted from 4,840 jobs to 3,870, a 970-job and 20.0-percent downturn (see *Figure 3*). Approximately 85.8 percent of all nonfarm jobs lost countywide between the Januarys of 2020 and 2021 were in this employment category - which includes faculty, staff, and student employment at Central Washington University (CWU) in Ellensburg. Across Washington, the number of employees on state and local government education decreased by 14.7 percent between the Januarys of 2020 and 2021.

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 2020 revised annual average QCEW data for calendar year 2019 became

available. An analysis of employment changes from 2009 through 2019 (the most recent ten-year period) shows that in Kittitas County:

- Total covered employment rose from 13,300 in 2009 to 15,420 in 2019, a 2,120-job increase or 15.9 percent upturn, with annualized employment growth between 2009 and 2019 of 1.5 percent. The number of agricultural jobs (a subset of total covered employment) increased from 748 in 2009 to 1,078 in 2019, a 330-job increase or 44.1 percent uptrend, with annualized employment growth of 3.7 percent. In 2009 Kittitas County's agricultural industry accounted for 5.6 percent of total covered employment. In 2019 agricultural employment accounted for 7.0 percent of total covered employment countywide. Hence, the share of agricultural employment elevated by one and four-tenths percentage points (from 5.6 to 7.0 percent) in Kittitas County during this ten-year period.
- Total covered wages rose from \$420.4 million (in 2009) to \$669.5 million (in 2019) a \$249.2 million increase or 59.3 percent upturn, with annualized payroll growth between 2009 and 2019 of 4.8 percent. The agricultural payroll (a subset of total covered wages) advanced from \$19.3 million in 2009 to \$33.9 million in 2019, a \$14.6 million increase or 75.7 percent uptrend, with annualized payroll growth of 5.8 percent. In 2009 Kittitas County's agricultural industry accounted for 4.6 percent of total covered wages. In 2019 agricultural wages accounted for 5.1 percent of total covered payroll countywide. Hence, the share of agricultural payroll to total covered payroll rose a modest five-tenths of a percentage point (from 4.6 to 5.1 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>