

# Kittitas County Labor Area Summary March 2021



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## Overview

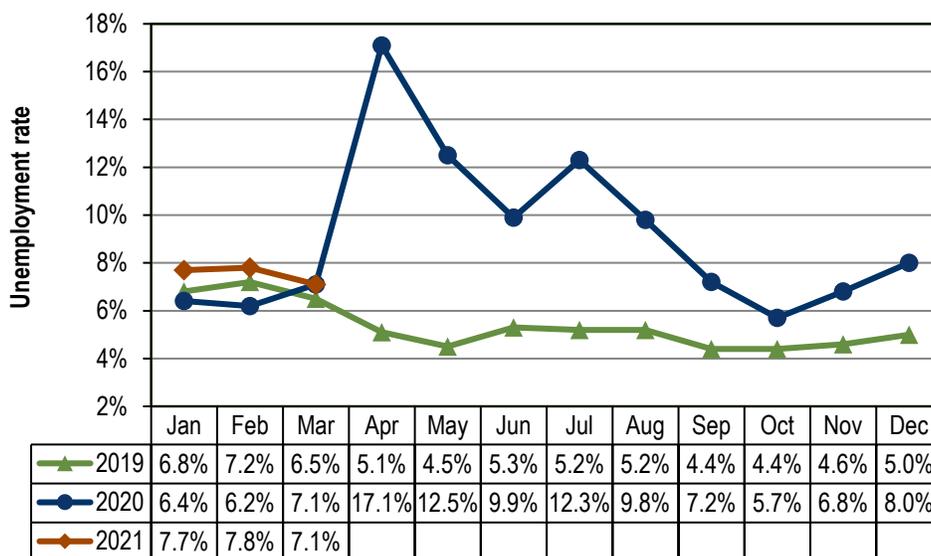
This report provides an update on the Kittitas County economy incorporating not seasonally adjusted, nonfarm employment and civilian labor force data. Analysis focuses on year over year (March 2020 and March 2021) and average annual data (between 2019 and 2020) in the labor market.

## Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate jumped from 4.1 percent in 2019 to 8.4 percent in 2020. Between March 2020 and March 2021, the rate rose modestly by three-tenths of a percentage point, from 5.8 to 6.1 percent.

In Kittitas County, the average annual unemployment rate soared upwards from 5.4 percent to 9.1 percent between 2019 and 2020. COVID-19-related layoffs have pushed unemployment rates upwards, year over year, from March 2020 through February 2021, but the local unemployment rate stabilized at 7.1 percent between March 2020 and March 2021, a step in the right direction for the local economy (*Figure 1*).

**Figure 1.** Kittitas County unemployment rates, not seasonally adjusted  
 Washington state, January 2019 through March 2021  
 Source: Employment Security Department/LMEA; Local Area Unemployment Statistics (LAUS)



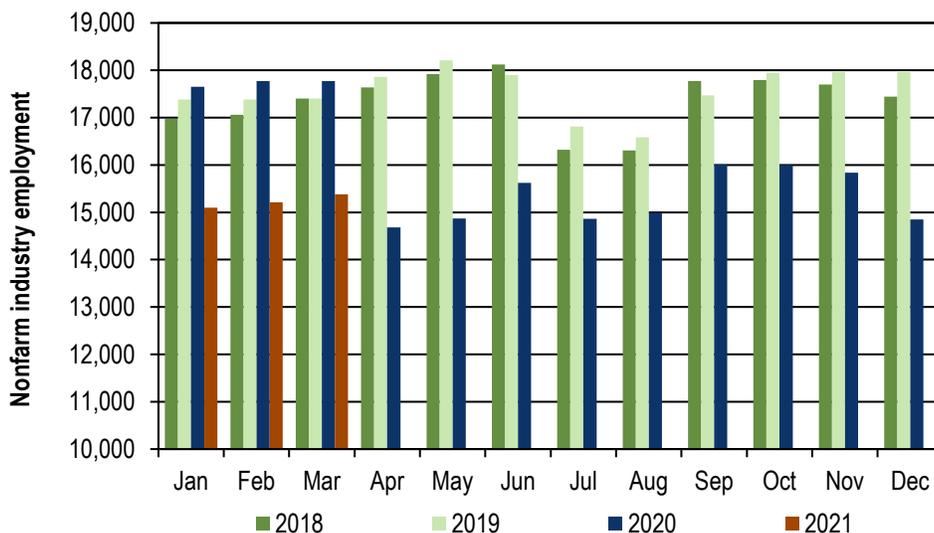
*The Kittitas County unemployment rate stabilized at 7.1 percent in March 2020 and March 2021.*

## Total nonfarm employment

Between 2019 and 2020, estimates indicate that Washington’s labor market provided 184,000 fewer nonfarm jobs, an average annual decrease of 5.3 percent. In March 2021, business and government organizations statewide tallied only 3,305,100 jobs (not seasonally adjusted) compared with 3,471,500 in March 2020, a loss of 166,400 jobs and a 4.8 percent downturn. Washington’s year-over-year loss rate of 4.8 percent in March 2021 was the lowest loss rate in the past 12 months (April 2020 through March 2021).

Estimates indicate that Kittitas County’s economy lost 1,660 jobs in 2020, a -9.4 percent downturn, more severe than Washington’s -5.3 percent loss rate during 2020. The local nonfarm market has contracted in each of the past 12 months (April 2020 through March 2021). Since the start of COVID-19-related layoffs in April 2020, job-loss rates locally have been more severe than loss rates statewide (*Figure 4*). In March 2021, total nonfarm employment in Kittitas County provided 2,390 fewer jobs than in March 2020 (*Figures 2 and 3*), falling from 17,770 jobs to 15,380, a 13.4 percent downturn.

**Figure 2.** Kittitas County nonfarm industry employment, not seasonally adjusted  
Washington state, January 2018 through March 2021  
Source: Employment Security Department/LMEA; Current Employment Statistics (CES)



*Nonfarm employment in Kittitas County tumbled by 13.4 percent between March 2020 and March 2021.*

## 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. Most of this expansion occurred in the first half of 2020. Statewide, the labor force has been shrinking for the past five months (November 2020 through March 2021); contracting by -1.0 percent, from 3,930,706 residents in March 2020 to 3,892,706 in March 2021.

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 12 months (April 2020 through March 2021). There were 3,244 fewer residents in the local labor force this March than in March 2020, a -13.4 percent downturn. Concurrently, the number of unemployed residents decreased by a -12.3 percent pace; from 1,709 in March 2020 to 1,498 in March 2021 (*Figure 3*). Hence, the contraction in the labor force (bad news) exactly countered the decrease in the number of unemployed residents (good news) which caused Kittitas County’s unemployment rate to stabilize at 7.1 percent in March 2020 and March 2021.

**Figure 3. Kittitas County labor force and industry employment, not seasonally adjusted**  
Washington state, March 2021

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

Kittitas County	Preliminary Mar 2021	Revised Feb 2021	Revised Mar 2020	Change		Percent change
				Feb 2021 to Mar 2021	Mar 2020 to Mar 2021	Mar 2020 to Mar 2021
<b>Labor force and unemployment</b>						
Civilian labor force	20,993	21,291	24,237	-298	-3,244	-13.4%
Resident employment	19,495	19,632	22,528	-137	-3,033	-13.5%
Unemployment	1,498	1,659	1,709	-161	-211	-12.3%
Unemployment rate	7.1	7.8	7.1	-0.7	0.0	
<b>Industry employment</b>						
Total nonfarm <sup>1</sup>	15,380	15,210	17,770	170	-2,390	-13.4%
Total private	9,680	9,610	10,300	70	-620	-6.0%
Goods producing	1,680	1,670	1,630	10	50	3.1%
Mining, logging and construction	1,100	1,090	1,030	10	70	6.8%
Manufacturing	580	580	600	0	-20	-3.3%
Service providing	13,700	13,540	16,140	160	-2,440	-15.1%
Trade, transportation and utilities	2,810	2,790	2,660	20	150	5.6%
Wholesale trade	620	610	630	10	-10	-1.6%
Retail trade	1,850	1,850	1,790	0	60	3.4%
Transportation, warehousing, and utilities	340	330	240	10	100	41.7%
Information and financial activities	630	620	710	10	-80	-11.3%
Professional and business services	590	580	590	10	0	0.0%
Education and health services	1,680	1,680	1,690	0	-10	-0.6%
Leisure and hospitality	1,880	1,860	2,590	20	-710	-27.4%
Government	5,700	5,600	7,470	100	-1,770	-23.7%
Federal government	120	120	130	0	-10	-7.7%
State and local government	5,580	5,480	7,340	100	-1,760	-24.0%
State and local government education	3,820	3,740	5,620	80	-1,800	-32.0%
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.

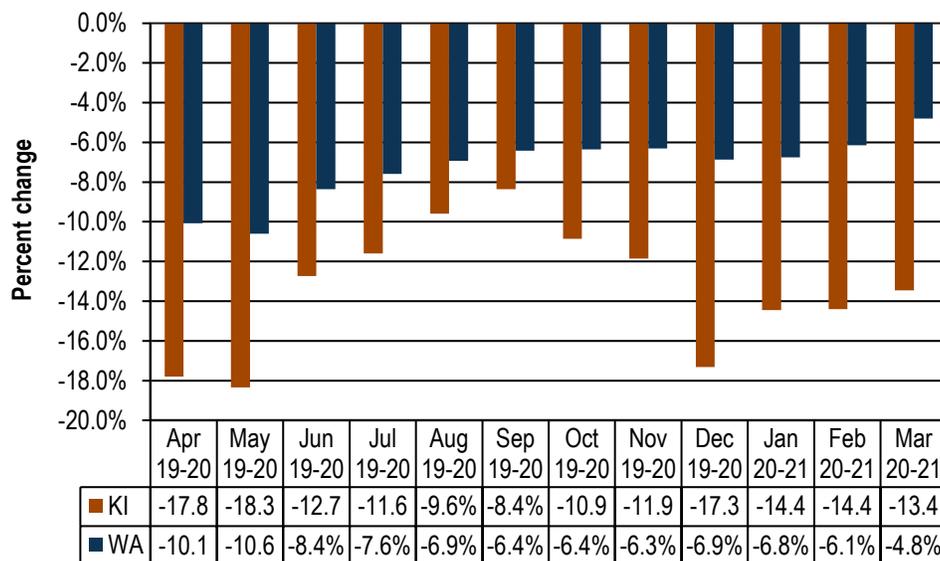
*The Kittitas County nonfarm market provided 15,380 jobs in March 2021, a loss of 2,390 jobs since March 2020.*

## Nonfarm industry employment

Between March 2020 and March 2021, total nonfarm employment in Kittitas County decreased from 17,770 to 15,380 jobs, a large 2,390 job and -13.4 percent downturn. Since the start of COVID-19-related layoffs in April 2020, job-loss rates in Kittitas County have been more severe than loss rates statewide. Looking back (towards the start of this pandemic) it is noted that total nonfarm employment fell by -18.3 percent countywide between May 2019 and May 2020 (*Figure 4*), the worst month on record during the COVID-19 pandemic (in terms of job-loss rates). Across Washington state, the economic picture was also not pretty during this month as the job-loss rate was -10.6 percent between May 2020 and May 2021. But

Washington’s job-loss rates have generally decelerated ever since, and the -4.8 percent downturn in the state's nonfarm market between March 2020 and March 2021 was the lowest since COVID-19-related layoffs began in April 2020. Conversely, in Kittitas County during third quarter of 2020, nonfarm job losses slowed to -8.4 percent in September 2020, but regressed to a -17.3 percent pace in December 2020. By March 2021, Current Employment Statistics (CES) estimates indicated a countywide total nonfarm job-loss rate of -13.4 percent. The take-away: total nonfarm job-loss rates in Kittitas County have been greater than loss rates in Washington since COVID-19-related layoffs began 12 months ago – certainly not encouraging economic news for the local economy (*Figure 4*).

**Figure 4. Kittitas County and Washington total nonfarm employment changes**  
 Washington state, April 2019 through March 2021  
 Source: Employment Security Department/LMEA; Current Employment Statistics (CES)



*Since the start of COVID-19 related layoffs in April 2020, job-loss rates in Kittitas County have been higher than loss rates statewide. Washington's nonfarm market has also contracted for 12 months but with a -4.8 percent loss rate this March - the lowest statewide loss rate in this 12-month period.*

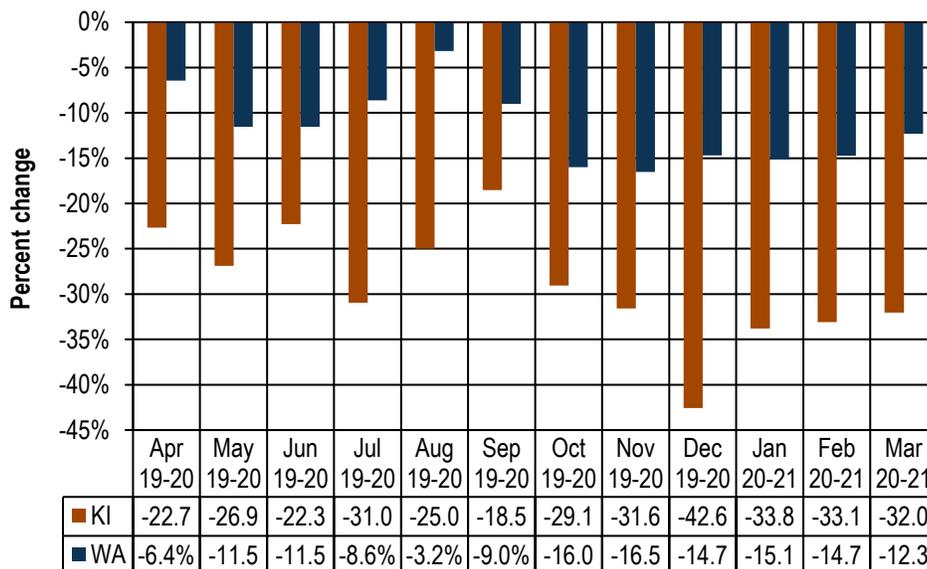
Summaries of employment changes between March 2020 and March 2021 for four local industries (construction, retail trade, leisure and hospitality, and local government) are provided as follows:

- In the mining, logging, and construction category (*Figure 3*) most jobs are in “construction.” Estimates indicate that year over year, construction employment has expanded in Kittitas County in each of the past nine months (July 2020 through March 2021). In March 2021, construction provided 1,100 jobs, up by 70 jobs and 6.8 percent from the 1,030 tallied in March 2020. Statewide, construction employment retrenched by -15.3 percent in April 2020, but loss rates decelerated through December 2020. Since January 2021, Washington's construction contractors have been posting year-over-year employment gains.
- Year over year, retail trade employment in Kittitas County has expanded in each of the past ten months (June 2020 through March 2021). In March 2021, retail trade provided 1,850 jobs, up by 60 jobs (and 3.4 percent) from the 1,790 tallied in March 2020. In aggregate, Kittitas County’s retail trade businesses only experienced COVID-19-related job losses only in April and May 2020. They have netted employment gains in every month since (i.e., from June 2020 through March 2021).

Statewide, retail trade employment decreased from April through July 2020, stabilized in August 2020, and increased from September 2020 through March 2021. Recently, Washington state’s retail sector increased from 388,500 jobs in March 2020 to 396,300 in March 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 furnishings stores, and clothing and accessories stores. The result was this 1.7 percent advance (up 6,800 jobs) in retail trade employment across Washington state between March 2020 and March 2021.

- Kittitas County's leisure and hospitality industry (primarily hotels, eating and drinking places and amusement and recreation services) has been especially hard-hit during efforts to counter the spread of the COVID-19 virus. Year over year, local employment in this industry has contracted for 13 consecutive months (March 2020 through March 2021). Leisure and hospitality employment tumbled from 2,590 jobs in March 2020 to 1,880 in March 2021, a 710 job and 27.4 percent downturn. Employment in Washington state's leisure and hospitality industry has also retrenched for 13 months.
- Year over year, state and local government education job-loss rates in Kittitas County have been more severe than education job-loss rates statewide since the onset of COVID-19-related layoffs in this sector which began in April 2020 (Figure 5). Between March 2020 and March 2021, state and local government education plummeted from 5,620 jobs to 3,820, an 1,800 job and 32.0 percent downturn (Figure 5). Over three-quarters (75.3 percent) of all nonfarm jobs lost countywide between March of last year and March 2021 were in this employment category, which includes faculty, staff, and student employment at Central Washington University (CWU) in Ellensburg.

**Figure 5.** Washington state and Kittitas County, state and local government education employment changes Washington state, April 2019 through March 2021  
Source: Employment Security Department/LMEA; Current Employment Statistics (CES)



Year over year, state and local government education job-loss rates in Kittitas County have been more severe than education job-loss rates statewide from April 2020 through March 2021. Across Washington, state and local government, education has contracted for 12 consecutive months (April 2020 through March 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 average annual 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>