



Kittitas County

Labor Area Summary

May 2020

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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 Mays of 2019 and 2020) and average annual (between 2018 and 2019) changes in the labor market.

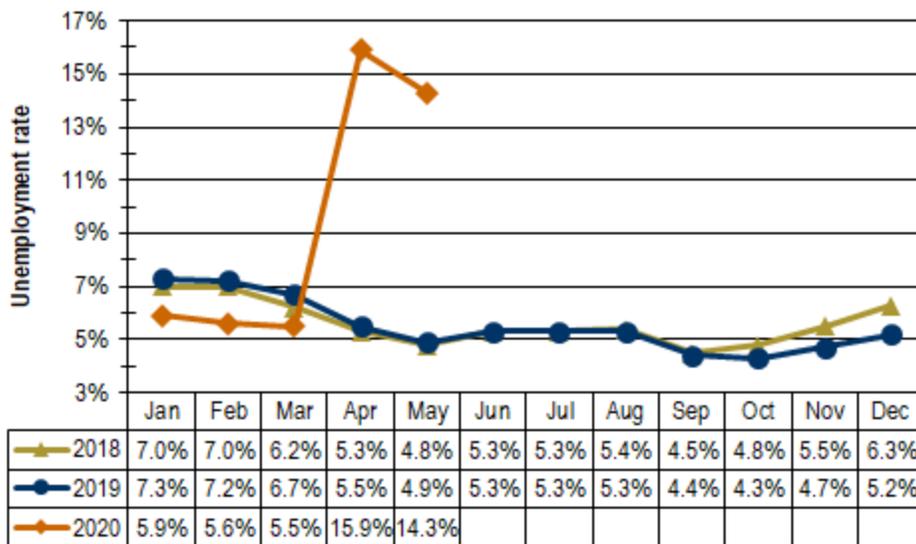
Unemployment rates

Civilian Labor Force (CLF) data show that Washington’s not seasonally adjusted average annual unemployment rate declined from 4.5 percent in 2018 to 4.3 percent in 2019. However, between the Mays of 2019 and 2020 the rate skyrocketed by ten and seven-tenths points, from 4.1 to 14.8 percent.

In Kittitas County, CLF data show that the average annual unemployment rate dipped from 5.6 percent in 2018 to 5.5 percent in 2019, a one-tenth point downturn. The effect of COVID-19 related layoffs became apparent in this April and May’s CLF unemployment data. The rate jumped from 4.9 percent in May 2019 to 14.3 percent in May 2020 (see *Figure 1*). The current rate is the highest for the month of May in Kittitas County since electronic records were implemented by the Employment Security Department (ESD) in 1990.

Figure 1. Unemployment rates, not seasonally adjusted
 Kittitas County, January 2018 through May 2020

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



The Kittitas County unemployment rate skyrocketed by nine and four-tenths points between the Mays of 2019 and 2020.

Total nonfarm employment

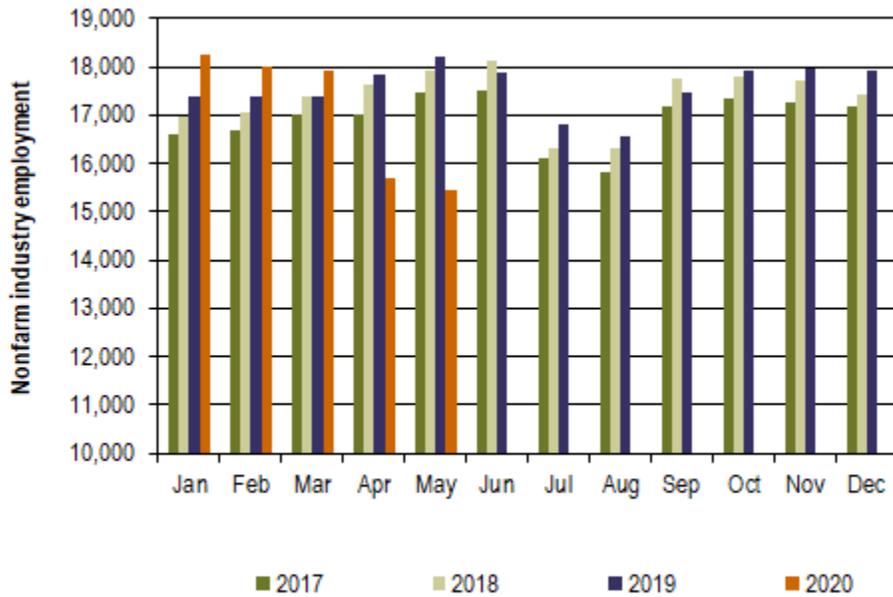
Between 2018 and 2019, Washington's labor market provided 67,400 new nonfarm jobs, an annual average increase of 2.0 percent. In May 2020, business and government organizations across Washington supplied only 3,070,900 nonfarm jobs (not seasonally adjusted) compared with 3,479,100 jobs in May 2019, a substantial loss of 408,200 jobs. Prior to the 14.1-percent nose-dive in employment in April 2020 and this 11.7-percent drop in May 2020, Washington's nonfarm market had expanded for 114 consecutive months (October 2010 through March 2020).

Estimates show that Kittitas County's total nonfarm labor market averaged 17,570 jobs in 2019, a 200-job and a 1.2-percent upturn from 2018. Year over year, Kittitas County's nonfarm job growth increased from October 2019 through March 2020 before shrinking by 12.2 percent in April 2020 and plunging by 15.3 percent in May 2020 (see *Figures 2 and 3*).

Figure 2. Nonfarm industry employment, not seasonally adjusted

Kittitas County, January 2017 through May 2020

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 only 15,430 nonfarm jobs in May 2020, a 2,780-job drop since May 2019.

Employment and unemployment

Estimates indicate that Washington's Civilian Labor Force (CLF) grew by 107,141 residents (a 2.8-percent upturn) from 2018 to 2019. Washington's CLF has increased, year over year, for 76 months (February 2014 through May 2020) but the growth pace has slowed to less than two percent in each of the past three months. In May 2020 Washington's CLF tallied 3,936,502 residents versus 3,888,371 in May 2019 equating to 48,131 more Washingtonians in the CLF (up 1.2 percent).

Kittitas County averaged 22,030 residents in the CLF in 2018 and 23,177 in 2019, a 5.2-percent expansion. On a monthly basis, the CLF shrank by 0.9 percent, to 23,437 residents in May 2020 from the 23,650 tallied in May 2019, meaning that 213 fewer residents were in the local labor force. The big news however was that the number of unemployed Kittitas County residents skyrocketed by 191.1 percent during this period; from 1,151 residents in May 2019 to 3,350 this May (see *Figure 3*). It was primarily these COVID-19 related

layoffs which pushed the local unemployment rate upwards from 4.9 percent in May 2019 to 14.3 percent in May 2020.

Figure 3. Labor force and industry employment, not seasonally adjusted
Kittitas County, May 2019, April and May 2020

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 May-20	Revised Apr-20	Revised May-19	Change		
				Apr-20	May-19	May-19
				May-20	May-20	May-20 %
Labor force and unemployment						
Civilian labor force	23,437	24,736	23,650	-1,299	-213	-0.9%
Resident employment	20,087	20,812	22,499	-725	-2,412	-10.7%
Unemployment	3,350	3,924	1,151	-574	2,199	191.1%
Unemployment rate	14.3	15.9	4.9	-1.6	9.4	
Industry employment						
Total nonfarm ¹	15,430	15,690	18,210	-260	-2,780	-15.3%
Total private	9,630	9,650	10,630	-20	-1,000	-9.4%
Goods producing	1,510	1,520	1,700	-10	-190	-11.2%
Mining, logging and construction	1,010	1,020	1,100	-10	-90	-8.2%
Manufacturing	500	500	600	0	-100	-16.7%
Service providing	13,920	14,170	16,510	-250	-2,590	-15.7%
Trade, transportation and utilities	2,650	2,640	2,730	10	-80	-2.9%
Wholesale trade	630	630	660	0	-30	-4.5%
Retail trade	1,780	1,780	1,850	0	-70	-3.8%
Transportation, warehousing, and utilities	240	230	220	10	20	9.1%
Information and financial activities	580	550	560	30	20	3.6%
Professional and business services	620	620	650	0	-30	-4.6%
Education and health services	1,620	1,620	1,660	0	-40	-2.4%
Leisure and hospitality	2,270	2,280	2,880	-10	-610	-21.2%
Government	5,800	6,040	7,580	-240	-1,780	-23.5%
Federal government	140	130	150	10	-10	-6.7%
State and local government	5,660	5,910	7,430	-250	-1,770	-23.8%
State & local government education	4,000	4,240	5,580	-240	-1,580	-28.3%
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 plummeted by 15.3 percent between the Mays of 2019 and 2020.

Nonfarm industry employment

Kittitas County's nonfarm employers provided 2,780 fewer jobs in May 2020 than in May 2019, a 15.3-percent downtrend. Washington's nonfarm market declined at an 11.7-percent clip during this period. The following paragraphs highlight employment changes in selected local industries between the Mays of 2019 and 2020:

- Year over year, employment in Kittitas County's construction industry expanded from January through March 2020 before falling by 7.3 percent in April 2020 and by 8.2 percent in May 2020. Construction employment downsized from 1,100 jobs countywide in May 2019 to 1,010 this May, a 90-job and 8.2-percent abatement (see *Figure 3*).
- Kittitas County's leisure and hospitality industry posted year-over-year job growth from July 2019 through March 2020 before decreasing by 14.3 percent in April 2020 and by 21.2 percent in May 2020. Washington's leisure and hospitality industry expanded for 113 months (October 2010 through February 2020) before posting a 3.1 percent loss in March followed by dramatic job loss rates of minus-55.2 percent in April 2020 and minus-45.5 percent in May 2020. Leisure and hospitality businesses were particularly 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.
- Estimates indicate that state and local government education across Kittitas County dropped by 23.7 percent (down 1,320 jobs) between the Aprils of 2019 and 2020 and by 28.3 percent (down 1,580 jobs) between the Mays of 2019 and 2020. This category includes CWU student employment. To limit the spread of COVID-19 virus this Spring, university classes were cancelled and hence student employment ended earlier than normal – accounting for much of this 1,580-job, year-over-year downturn (see *Figure 3*).

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 June 2020 preliminary 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 15,424 in 2019, a 2,124-job increase or 16.0 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 a significant 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 \$34.0 million in 2019, a \$14.7 million increase or 76.0 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.