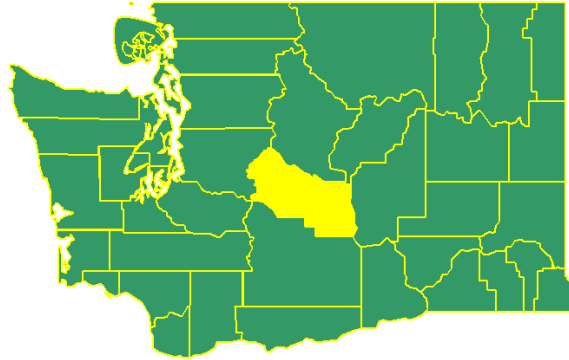


The Kittitas County Labor Economy (August 2003)



Prepared October 8, 2003

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Over the month of August 2003 total nonagricultural employment in Kittitas County advanced by 70 jobs, a 0.5-percent upturn. Food processing hiring pushed Manufacturing employment up 250 jobs in August. Conversely, normal summer layoffs of support staff at public primary and secondary schools and at Central Washington University, respectively, caused the lion's share of the 50-job dip in Local Government and virtually all of the 170-job downturn in State Government (see Table 1).

Over-the-year employment changes in Washington's nonagricultural sector during the past eleven months reveals that although some jobs were added in the first half of 2003, the economy slowed to a virtual standstill this July and August. Over-the-year rates of change have not exceeded 0.6 percent since February 2003, and this July and August, the State's job growth rates again slipped backwards "into the red," (see Figure 1).

From October 2002 to August 2003 the Kittitas County labor economy expanded whereas Washington's struggled to break even (see Figure 1). In fact, local business and government organizations employed more people every month since at least January 2002, than in corresponding months of prior years (see Figure 2). This is not to say that things are booming in Kittitas County. Many of these jobs, especially in construction and wholesale trade, are seasonal or part-time. Nevertheless, in relative terms, the local economy has been adding jobs at a faster pace than has the State.

Natural Resources, Mining, and Construction (see Figure 3); Wholesale Trade (see Figure 4); and State Government (see Figure 5) in Kittitas County have all grown since August 2002. The Natural Resources, Mining, and Construction expansion was virtually all construction related as work continues on golf courses, a water treatment facility, and housing

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units at the new 6,225-acre MountainStar resort in Roslyn. Wholesale trade hiring occurred amongst wholesalers of agricultural products such as Timothy Hay. Over the year gains in State Government occurred primarily at Central Washington University, as a dour statewide economy filled classrooms with students, faculty, and the staff to support them.

Between August 2002 and August 2003 the Kittitas County unemployment rate rose six-tenths of a point, from 5.1 to 5.7 percent (see Figure 6). Approximately 880 residents were unemployed this August, up from 760 unemployed residents in August 2002. But, this slight upturn in the rate is painting an overly negative picture of the local economy. Agricultural employment rose 3.0 percent and nonagricultural employment advanced by 1.5 percent this August over last. Thus, the rising local unemployment rate stems primarily from a sluggish statewide economy and its effect on local residents. Substantial numbers of residents commute to jobs outside of Kittitas County, especially from the northern part of the county. The unemployment rate rose over the year because commuting residents were being laid off at a faster pace than jobs could be generated within Kittitas County.

Table 1
AUGUST 2003 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
IN KITTITAS COUNTY
(Prepared October 7, 2003)

	August 2003 ¹	July 2003	August 2002	CHANGE ³		% CHANGE	
				July 03 Aug 03	Aug 02 Aug 03	July 03 Aug 03	Aug 02 Aug 03
TOTAL NONFARM²	13,070	13,000	12,880	70	190	0.5%	1.5%
TOTAL PRIVATE	8,930	8,630	8,830	300	100	3.5%	1.1%
GOODS PRODUCING	1,800	1,530	1,730	270	70	17.6%	4.0%
NATURAL RESOURCES, MINING, AND CONSTRUCTION	870	850	820	20	50	2.4%	6.1%
MANUFACTURING	930	680	910	250	20	36.8%	2.2%
SERVICES PROVIDING	11,270	11,470	11,150	-200	120	-1.7%	1.1%
WHOLESALE TRADE	580	580	530	0	50	0.0%	9.4%
RETAIL TRADE	1,770	1,780	1,780	-10	-10	-0.6%	-0.6%
TRANSPORTATION, WAREHOUSING and UTILITIES	330	330	350	0	-20	0.0%	-5.7%
INFORMATION and FINANCIAL ACTIVITIES	550	550	560	0	-10	0.0%	-1.8%
ALL OTHER SERVICES	3,890	3,880	3,880	10	10	0.3%	0.3%
Health Services and Social Assistance	970	970	960	0	10	0.0%	1.0%
Accommodation and Food Services	1,740	1,720	1,770	20	-30	1.2%	-1.7%
GOVERNMENT	4,140	4,370	4,050	-230	90	-5.3%	2.2%
Federal Government	190	200	220	-10	-30	-5.0%	-13.6%
State Government	2,190	2,360	2,120	-170	70	-7.2%	3.3%
Local Government	1,760	1,810	1,710	-50	50	-2.8%	2.9%
Workers in Labor Disputes	0	0	0	XXX	XXX	XXX	XXX

¹ Preliminary employment estimates.

² Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes all full and part-time wage and salary workers receiving pay during the pay period including the 12th of the month, by place of work.

³ Differences in industry employment of 20 or less may not be significant due to rounding.

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Figure 1
KITTITAS COUNTY versus WASHINGTON STATE:
RATES OF CHANGE IN EMPLOYMENT OVER THE YEAR
(Prepared October 7, 2003)

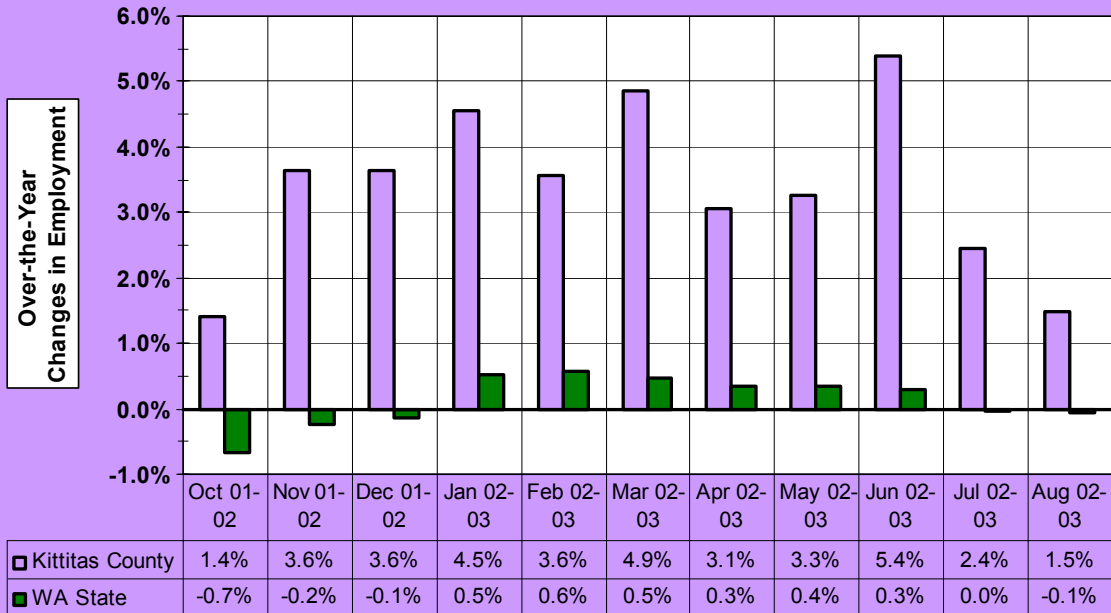
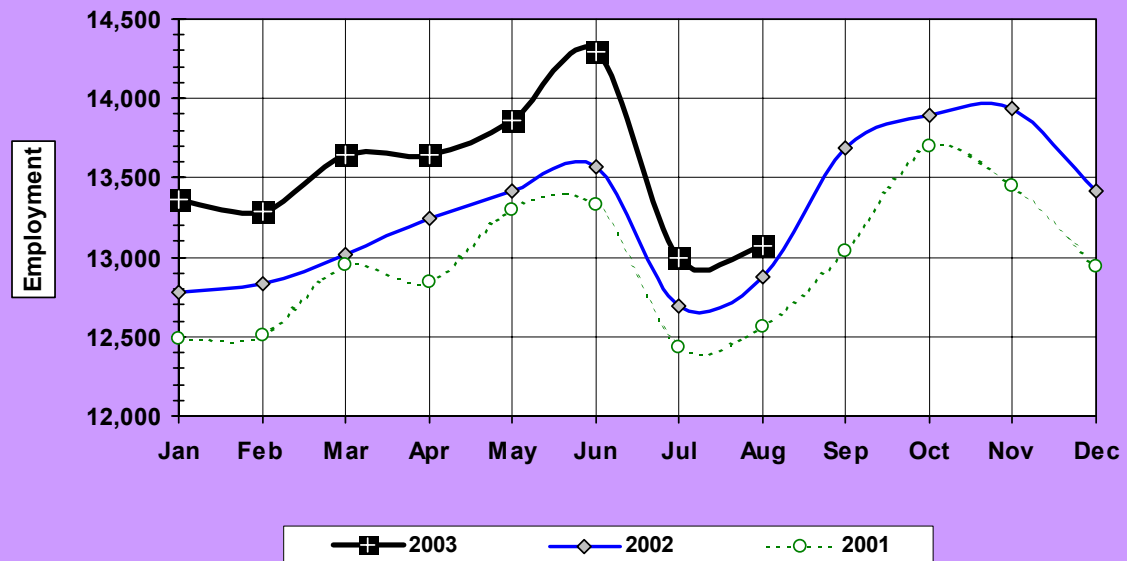
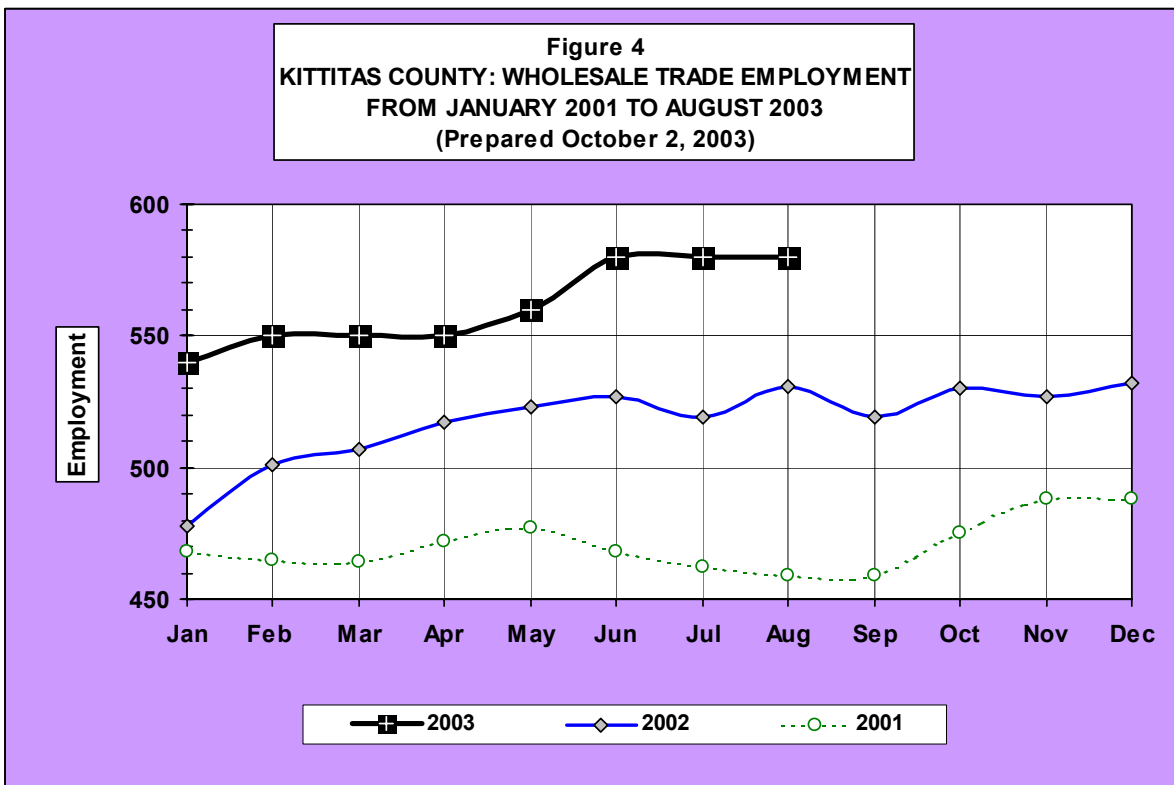
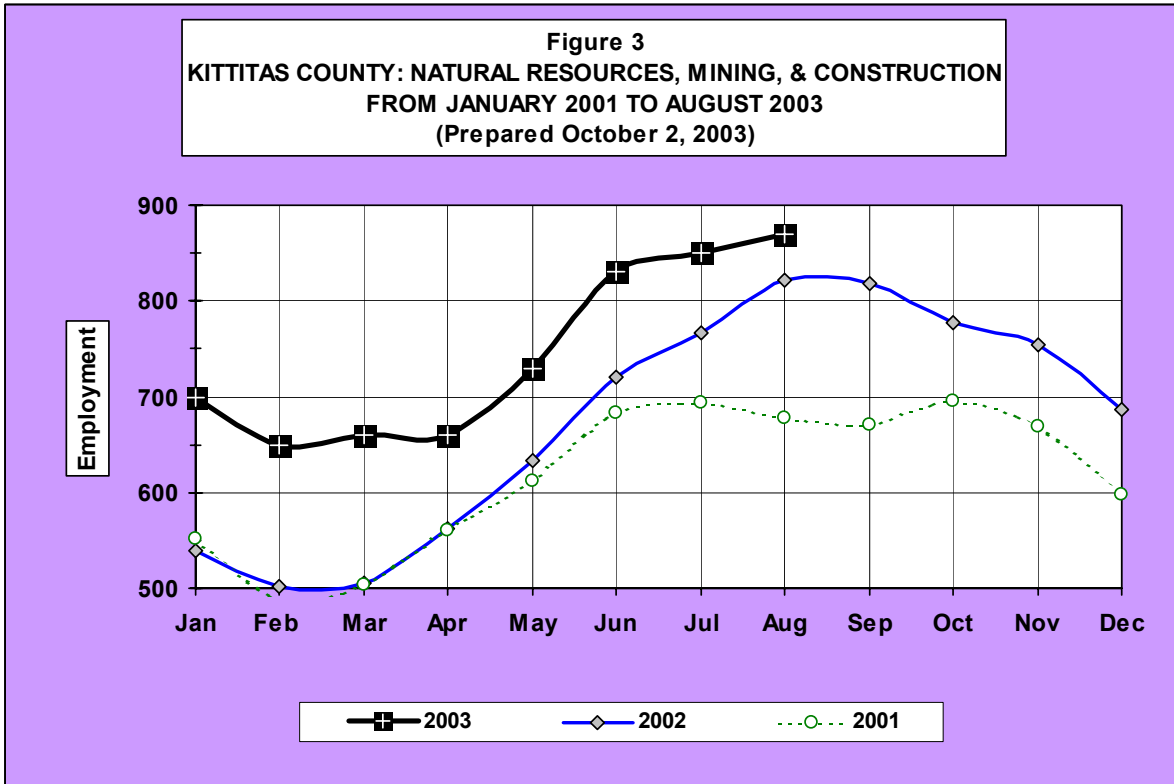


Figure 2
KITTITAS COUNTY: TOTAL NONAGRICULTURAL EMPLOYMENT
FROM JANUARY 2001 TO AUGUST 2003
(Prepared October 7, 2003)



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