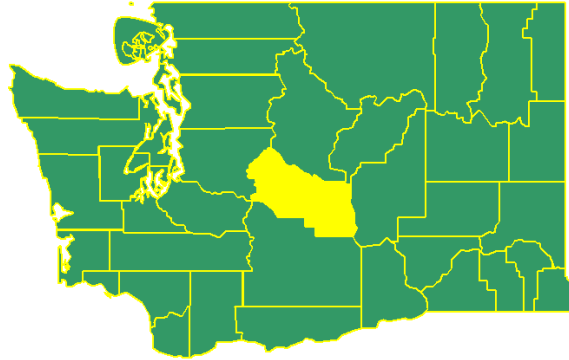


The Kittitas County Labor Economy (November 2003)



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Total nonagricultural employment in Kittitas County increased 0.2 percent during November 2003. Educational related hiring at Central Washington University accounted for the lion's share of this gain; hence State Government employment rose by 80 jobs over the month. Seasonal cutbacks in Natural Resources, Mining, and Construction occurred primarily amongst local construction firms, and various businesses in the Professional and Business Services category also reduced staffing. The result was a nominal increase of 30 jobs in Kittitas County (see Table 1). Across Washington, the nonagricultural labor market inched ahead a very modest 0.1 percent. According to Employment Security Commissioner, Sylvia P. Mundy, in the December 16th news release: "the state does seem to be following the nation, which has a somewhat firmer recovery bolstered by four months of moderate job creation."

Over the past year the Kittitas County labor economy has expanded whereas Washington's has struggled to break even (see Figure 1). In other words, in each of the past twelve months, local business and government organizations employed more people than in corresponding months of prior years. This is not to say that things are booming in Kittitas County. Many of these jobs, especially in construction, wholesale trade, retail trade, and at hotels and restaurants, are seasonal or part-time. Nevertheless, in relative terms, the local economy has been adding jobs at a faster pace than has the state.

One of the industries driving the 3.3-percent over-the-year employment growth in the local nonagricultural sector is Natural Resources, Mining, and Construction (see Figures 2-A, and 2-B). Residential, commercial, and government construction has been fairly robust in Kittitas County with activity particularly vigorous in the Ellensburg vicinity. For example, Ellensburg High is building a new high school, City Hall is being renovated, two new buildings are going up at Central Washington University, and several retail stores have recently

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migrated closer to Fred Meyer. Accommodation and Food Services also provided roughly 70 more jobs in November 2003 because of an early ski season this year.

Between November 2002 and November 2003 the Kittitas County unemployment rate increased seven-tenths of a point, from 5.6 to 6.3 percent (see Figure 3). The bad news is that approximately 1,050 residents were unemployed in November 2003 versus the 880 people unemployed in November 2002. However, this rate upturn may be painting an excessively negative picture of the local economy. One must consider that nonagricultural employment also rose over the year. The good news is that the seven-tenths point rise in the local unemployment rate was primarily caused by a dour statewide economy, and its negative effect on commuting residents, not from job losses within Kittitas County.

Quarterly gains in taxable retail sales across the county advanced \$5.1 million between the 3rd quarter of 2001 and 2002, virtually stagnated in the 4th quarter, grew \$0.8 million between the 1st quarter of 2002 and 2003, and rose \$2.9 million in the 2nd quarter. Food Store sales declined substantially in the 1st two quarters of 2003, but not because Kittitas County residents cut down on their caloric intake. Local consumers appeared to buy more of their groceries at big-box stores, which are classified under the General Merchandise category. In fact, losses in Food Store sales were roughly comparable with the General Merchandise gains in the first two calendar quarters of 2003 (see Figures 4-A and 4-B).

	Nov 2003 ¹	Oct 2003	Nov 2002	CHANGE ³		% CHANGE	
				Oct 03 Nov 03	Nov 02 Nov 03	Oct 03 Nov 03	Nov 02 Nov 03
TOTAL NONFARM²	14,360	14,330	13,900	30	460	0.2%	3.3%
TOTAL PRIVATE	8,810	8,890	8,390	-80	420	-0.9%	5.0%
GOODS PRODUCING	1,750	1,810	1,600	-60	150	-3.3%	9.4%
NATURAL RESOURCES, MINING, AND CONSTRUCTION	890	920	780	-30	110	-3.3%	14.1%
MANUFACTURING	860	880	830	-20	30	-2.3%	3.6%
SERVICE PROVIDING	12,610	12,520	12,300	90	310	0.7%	2.5%
WHOLESALE TRADE	570	570	530	0	40	0.0%	7.5%
RETAIL TRADE	1,810	1,790	1,780	20	30	1.1%	1.7%
TRANSPORTATION, WAREHOUSING and UTILITIES	330	340	330	-10	0	-2.9%	0.0%
INFORMATION and FINANCIAL ACTIVITIES	550	550	540	0	10	0.0%	1.9%
ALL OTHER SERVICES	3,800	3,830	3,620	-30	180	-0.8%	5.0%
Health Services and Social Assistance	960	950	980	10	-20	1.1%	-2.0%
Accommodation and Food Services	1,630	1,620	1,560	10	70	0.6%	4.5%
GOVERNMENT	5,550	5,440	5,520	110	30	2.0%	0.5%
Federal Government	170	170	190	0	-20	0.0%	-10.5%
State Government	3,380	3,300	3,290	80	90	2.4%	2.7%
Local Government	2,000	1,970	2,030	30	-30	1.5%	-1.5%
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 December 18, 2003)

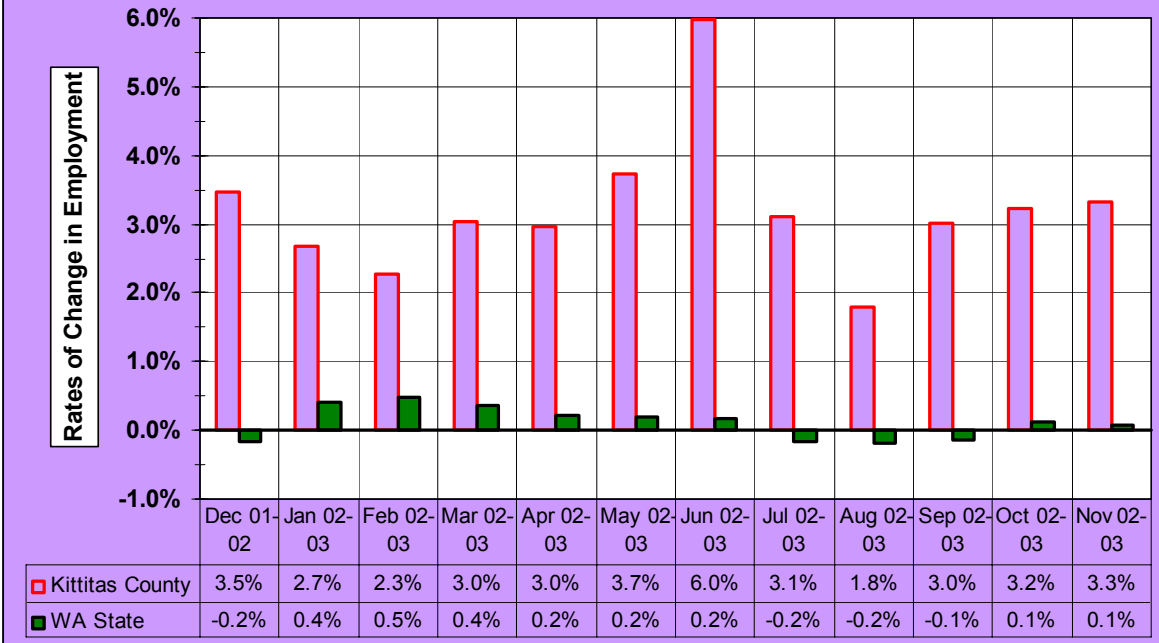
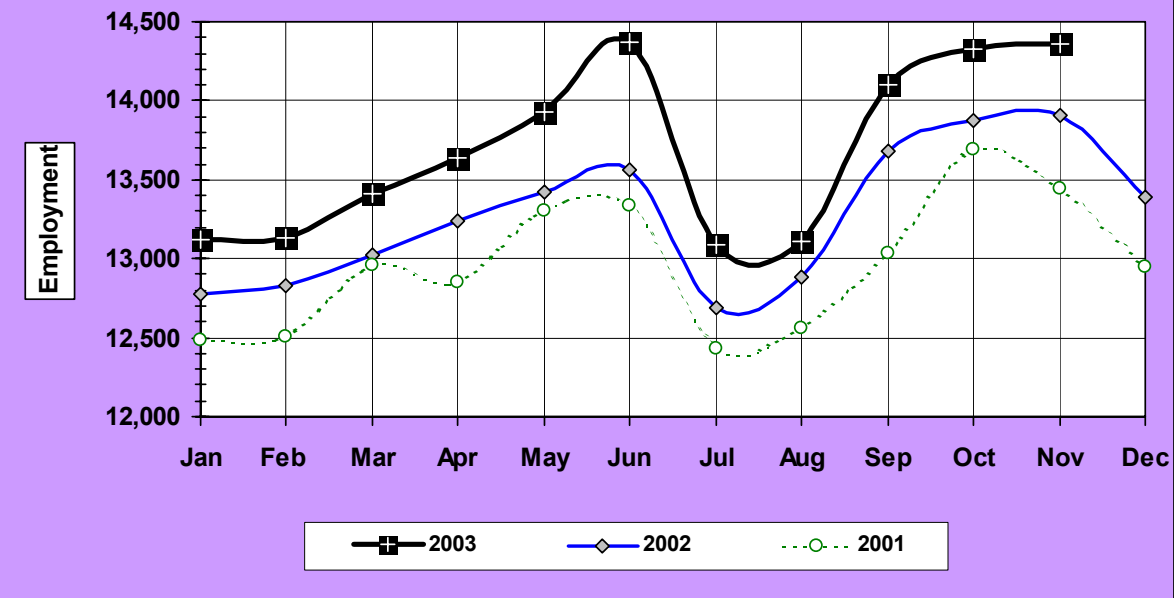


Figure 2-A
KITTITAS COUNTY: TOTAL NONAGRICULTURAL EMPLOYMENT
FROM JANUARY 2001 TO NOVEMBER 2003
 (Prepared December 18, 2003)



The Kittitas County Labor Economy
(November 2003)

Figure 2-B
KITTITAS COUNTY: NATURAL RESOURCES, MINING, & CONSTRUCTION
FROM JANUARY 2001 TO NOVEMBER 2003
(Prepared December 18, 2003)

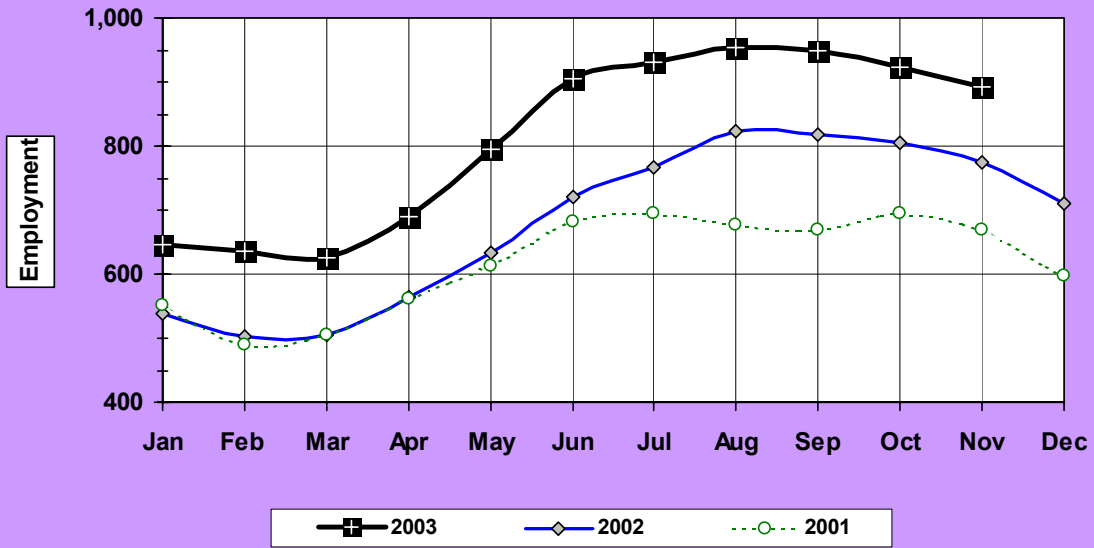
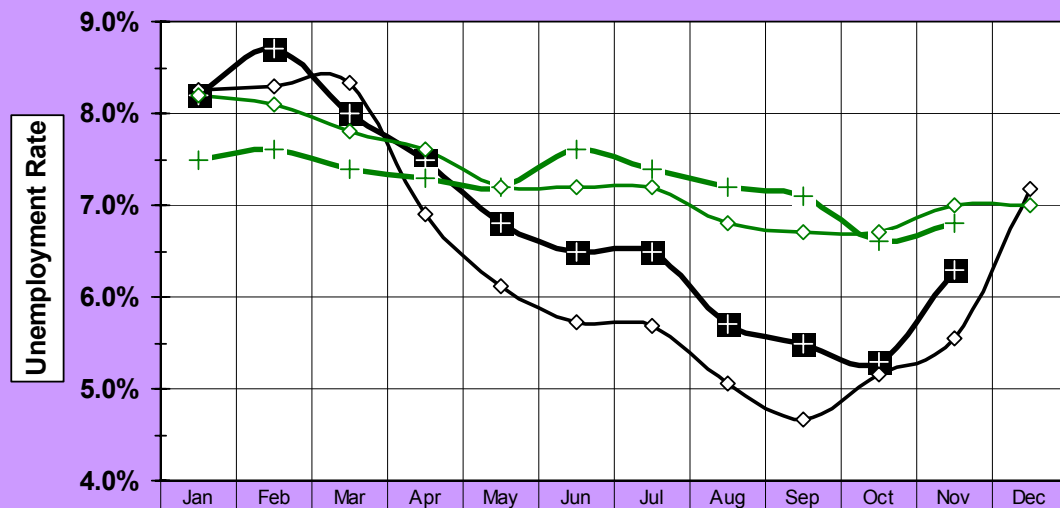


Figure 3
UNEMPLOYMENT RATES IN KITTITAS COUNTY
AND IN WASHINGTON FROM JANUARY 2002 TO NOVEMBER 2003
(Prepared December 18, 2003)



■ 2003-KI	8.2%	8.7%	8.0%	7.5%	6.8%	6.5%	6.5%	5.7%	5.5%	5.3%	6.3%
◆ 2002-KI	8.3%	8.3%	8.3%	6.9%	6.1%	5.7%	5.7%	5.1%	4.7%	5.2%	5.6%
+ 2003-WA	7.5%	7.6%	7.4%	7.3%	7.2%	7.6%	7.4%	7.2%	7.1%	6.6%	6.8%
○ 2002-WA	8.2%	8.1%	7.8%	7.6%	7.2%	7.2%	7.2%	6.8%	6.7%	6.7%	7.0%

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Figure 4-A
TAXABLE RETAIL SALES IN KITTITAS COUNTY
FROM 3RD QUARTER 2001 TO 2ND QUARTER 2003
(Prepared December 18, 2003)

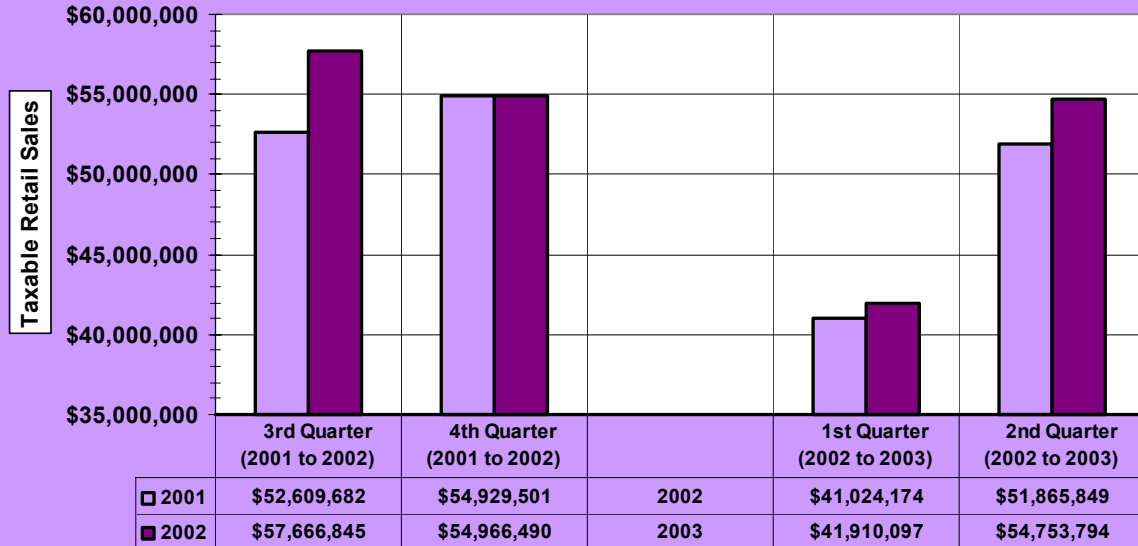


Figure 4-B
KITTITAS COUNTY: GAINS/LOSSES IN TAXABLE RETAIL SALES BY INDUSTRY
FROM 3RD QUARTER 2001 TO 4TH QUARTER 2002
(Prepared December 18, 2003)

