

Kittitas County Profile

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Overview

Regional context

Kittitas County is in the center of the state, 100 miles east of Seattle across the Cascade Mountain Range. The county is bordered by Chelan, Grant and Yakima counties. With 2,297 square miles, it is one of the largest counties in the state. Over two-thirds of its area is hilly and mountainous, making it sparsely populated with 17.8 persons per square mile compared to 101.1 in Washington state in 2010.

Local economy

Native American inhabitants in the Kittitas Valley date back over 300 years in official records. The forerunners of the contemporary Yakama Nation occupied the land along the Yakima River, including the Kittitas Valley. The 1840s saw an influx of Euro-American settlers who brought measles and other diseases deadly to the indigenous population. The Treaty of 1855, following the Cayuse Indian War, resulted in the tribes moving to the Yakama and Colville Reservations. The 1883 Washington Territorial Legislature split off the northern part of Yakima County and recognized it as Kittitas County.

White settlers engaged in livestock raising, crop farming, dairying, logging and lumber processing and mining. Irrigation promoted an expansion in agriculture and food processing. By 1950, agriculture was a major sector in employment and income. By the 1960's, the horse industry, including horseracing, showing and recreation horses, increased the demand for hay. Many ranchers switched to hay and grain production as feed costs rose and price controls limited beef profitability.

Today, Timothy hay is a major Kittitas County cash crop. According to an article prepared by the Federal Census of Agriculture and published in the *Daily Record* Spring 2016 edition of the *Ag Journal*: "The value to growers of all hay produced in Kittitas County is estimated at more than \$50 million annually, with timothy estimated to value up to \$45 million of that total. These estimates are for a typical good harvest year with stable hay prices. Timothy and alfalfa hay grown for the export market is the single-largest agricultural product raised in Kittitas County. In a good harvest year, about 90 percent of the timothy hay crop is exported overseas to Japan, South Korea, United Arab Emirates, Vietnam, and other Pacific Rim countries, with Japan being the single largest export customer." Agriculture and the wholesale trade of nondurable goods (primarily Timothy hay) provided 6.0 percent and 4.1 percent of total covered employment in Kittitas County in 2018.

The largest city in Kittitas County is Ellensburg. According to the Kittitas County Chamber of Commerce, Ellensburg offers investors a low cost of doing business. The average cost for light industrial is less than \$15 per square foot and retail space is less than \$1.50 per square foot; undeveloped commercial property averages \$400,000 per acre. The retail sales tax rate is 8.2 percent; the average (commercial) electricity rate in Ellensburg is 5.69¢/kilowatt hour, 25.91 percent less than the Washington average of 7.68¢/kilowatt hour.

Located just east of the Cascade Mountains at the intersection of I-90, I-82, and Highway 97, Ellensburg lies in the heart of the state. Drive times to major metropolitan markets: Seattle is a little less than a two-hour drive (to the West), Spokane is approximately three hours (to the East), Wenatchee is 1.25 hours (to the North), and Yakima is roughly 35 minutes (to the South).

Ellensburg lies in a geographical nexus of north-south and east-west fiber routes, serviced by major regional and national carriers such as Noel, NoaNet, Consolidated Communications, Spectrum and CenturyLink. This has created an ideal business environment with 100 Mbps speeds and more than 95 percent saturation of broadband (25Mbps+) in the surrounding area.

Central Washington University (CWU) creates a highly educated workforce. Forty-four percent of adults in Ellensburg hold at least a bachelor's degree. The comprehensive university hosts more than 9,000 undergraduate and graduate students. Since 2008, the state of Washington has invested more than a quarter billion dollars in state-of-the-art infrastructure and facilities in Ellensburg's CWU campus, including a computer science facility, which opened fall of 2018.

Ellensburg residents enjoy an unparalleled quality of life. Nestled between the Cascade Mountains and the Columbia River, Ellensburg is surrounded by unmatched natural beauty. This sunny agricultural region receives just nine inches of rain a year, providing perfect conditions for biking, hiking, fishing, and a host of other outdoor activities along with a year-round calendar of festivals and events.

Nearly \$30 million in private investment has transformed Ellensburg's historic downtown, where eclectic shops, galleries, restaurants and vibrant historic buildings line the streets. Shoppers can stroll quaint downtown sidewalks and share a shady bench with the famous Ellensburg Bull. The weekend farmer's market brings delicious local food and fresh produce, regional crafts and diverse entertainment downtown. This bike-friendly community has been named one of the top distinctive destinations and most beautiful towns in Washington. The town includes 16 blocks of a National Register Historic District, which allow for inclusion of National Historic Tax Credits and local Special Valuation as part of your development package.

Ellensburg was awarded two Opportunity Zones as part of the new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Qualified Opportunity Funds (QOF) that are dedicated to investing into Opportunity Zones designated by each state. Combined, the two tracts in Ellensburg total more than 6,120 acres. Of that, 22 percent is designated for commercial or industrial use; 2,540 acres of vacant land are ready for development.

Geographic facts

	Kittitas County	Washington state
Land area, 2010 (square miles)	2,297.27	66,455.52
People per square mile, 2010	17.8	101.2

Source: U.S. Census Bureau QuickFacts

Outlook

In each of the past five years (2014 through 2018, inclusive) Kittitas County's nonfarm economy fared well by growing at or above a 2.5 percent clip annually. However, there may be some dark clouds on the economic horizon for the local economy. The most recent monthly Current Employment Statistics (CES) estimates available at report preparation time are for October 2019. These "preliminary" estimates indicate that, year over year, Kittitas County's job growth has decreased in each of the past three months (August through October 2019) and that between October 2018 and October 2019, total nonfarm employment sank 2.2 percent, from 17,790 jobs to 17,400. Time will tell whether these relatively low "preliminary" CES estimates will be "revised" upwards – as more data become available.

Official, long-term ten-year employment projections produced by the Employment Security Department (ESD) are for a 1.1 percent average annual nonfarm job growth rate from 2017 to 2027 for the four-county South Central WDA (Kittitas, Klickitat, Skamania and Yakima counties), and for a 1.5 percent growth rate for Washington state.

Labor force and unemployment

Current labor force and unemployment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

During the recent recession, the average annual not seasonally adjusted unemployment rate in Kittitas County rose to an apex of 9.8 percent in 2010. The unemployment rate then fell for seven consecutive years (from 2011 to 2017, inclusive) to 5.3 percent in 2017. The rate stabilized at 5.3 percent in 2018. These 5.3 percent readings in 2017 and 2018 were the lowest average annual unemployment rates in Kittitas County since electronic records were implemented by ESD in 1990 – encouraging news for the local economy. However, monthly rates have been climbing year over year for 13 months (October 2018 through October 2019). Hence, it is almost a given that Kittitas County's 2019 average annual unemployment rate will creep above these historically low rates from 2017 and 2018.

Kittitas County averaged 22,223 residents in the labor force in 2017 and 22,541 in 2018, a 1.4 percent expansion. Generally, this uptrend has continued into 2019. With ten of twelve months (January through October 2019) of Civilian Labor Force (CLF) estimates available at report preparation time, it is noted that the labor force has generally expanded in 2019. Residents are still entering the labor force – good economic news. In fact, only between June 2018 and June 2019 and between September 2018 and September 2019, did the CLF decrease (by 0.4 percent and by 1.2 percent, respectively). Most recently, the size of the local labor force grew 1.6 percent, to 23,619 residents in October 2019 from the 23,253 tallied in October 2018, meaning that 366 more residents entered the labor force. The not so good economic news was that the number of

unemployed residents rose at a more rapid 16.3 percent clip during this timeframe causing the county's unemployment rate to climb six-tenths of a point between October 2018 and October 2019, from 4.5 to 5.1 percent.

Source: Employment Security Department/LMEA

Industry employment

Current industry employment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

The analysis in the first part of this section is derived primarily from Quarterly Benchmarked (WA-QB) data. One advantage of these data is that the employment information is very current, and data are updated monthly using WA-QB employment estimates. However, estimates are nonfarm related – they do not include agricultural employment figures.

The analysis in the second part of this section is derived from the Bureau of Labor Statistics' Quarterly Census of Employment and Wage (QCEW) program, conducted by the Washington State Employment Security Department. Although it takes a little longer to acquire QCEW data (than WA-QB data), the economic information provided is broader and more detailed than that which is provided by WA-QB data.

First, QCEW includes employment, wage and size of firm figures for the agricultural sector, which WA-QB does not include. Second, QCEW data provides employment, wage and size of firm figures for businesses and government organizations in Kittitas County down to the 3-digit NAICS sub-sector level (i.e., more detail than WA-QB). QCEW data include agricultural and nonagricultural employment and wages for firms, organizations and individuals whose employees are covered by the Washington State Employment Security Act. Also included are data for federal government agencies covered by Title 5, U.S.C. 85. Covered employment generally exceeds 85 percent of total employment in the state of Washington.

Types of jobs not covered under the unemployment compensation system, and hence not included in QCEW data, include casual laborers not performing duties in the course of the employer's trade or business; railroad personnel; newspaper delivery people; insurance or real estate agents paid on a commission basis only; non-covered employees working for parochial schools, religious or non-profit organizations; employees of sheltered workshops; inmates working in penal institutions; non-covered corporate officers; etc.

Analysis using Quarterly Benchmarked data:

The National Bureau of Economic Research (NBER) announced that the national recession occurred from December 2007 through June 2009. The effects of this recession hit the Kittitas County labor market hard in 2009 with a dramatic average annual job loss of 4.5 percent (down 680 jobs). This was followed by a brief, one-year "growth spurt" in 2010 (up 2.6 percent), and the three lackluster years of 2011 (up 0.3 percent), 2012 (down 0.3 percent) and 2013 (down 0.2 percent). However, in each of the past five years (2014 to 2018, inclusive), the local nonfarm economy has registered average annual growth rates greater than 2 percent: in 2014 (up 2.5 percent), in 2015 (up 4.8 percent), in 2016 (up 3.3 percent), in 2017 (up 2.7 percent), and in 2018 (up 2.6 percent) – good news for the local economy. Following is a slightly more detailed analysis of average annual local nonfarm employment trends in Kittitas County from 2016 through 2018:

- In 2016 – Nonfarm employment countywide in 2016 averaged 16,480, a 530 job and 3.3 percent upturn over the 15,950 jobs tallied in 2015. This average annual increase of 3.3 percent was slightly more robust than the state’s 3.1 percent job-growth rate and was the third consecutive year of economic recovery in Kittitas County since the recent recession. Job growth during 2016 was particularly strong in state and local government education (up 260 jobs and 5.7 percent), in leisure and hospitality (up 80 jobs and 3.0 percent) and in retail trade (up 70 jobs and 4.2 percent). Even manufacturing posted a modest upturn as this industry regained the 20 jobs lost during 2015, by rising from 540 in 2015 to 560 in 2016. Statewide, the labor market saw nonfarm employment rise by 3.1 percent in 2016, the sixth year of recovery. Washington’s economy added 98,100 new jobs and nonfarm employment averaged 3,242,800.
- In 2017 – Nonfarm employment in Kittitas County averaged 16,930, a 450 job and 2.7 percent upturn over the 16,480 jobs provided in 2016. This 2.7 percent average annual increase was slightly faster than the state’s 2.4 percent job-growth rate and was the fourth consecutive year of economic recovery in Kittitas County since the recent recession. Job growth was led by 90 job upturns in 2017 in both professional and business services (up 17.3 percent) and private education and health services (up 6.1 percent). During 2017, 60 job upturns also occurred in both wholesale trade (up 11.3 percent) and retail trade (up 3.4 percent). Washington’s economy saw employment advance by 2.4 percent in 2017, the seventh year of recovery as the number of jobs rose by 78,300 and total nonfarm employment averaged 3,321,100.
- In 2018 – Nonfarm employment in Kittitas County averaged 17,370, a 440 job and 2.6 percent upturn over the 16,930 jobs tallied in 2017. This job-growth rate was a tad faster than the state’s 2.5 percent job-growth rate in 2018. Calendar year 2018 was also the fifth consecutive year (from 2014 through 2018, inclusive) wherein Kittitas County’s nonfarm economy grew at or above a 2.5 percent clip. Job growth was recorded in: state and local government education which netted 150 new jobs (up 3.1 percent), construction which added 70 jobs (up 7.1 percent), private education and health services (up 3.2 percent) and leisure and hospitality (up 1.8 percent) where each expanded by 50 jobs. In 2018, Washington’s nonfarm labor economy escalated 2.5 percent (the eighth year of economic expansion) as employment rose by 82,590 and averaged 3,404,075 jobs.

Analysis using QCEW data:

The North American Industry Classification System (NAICS) is an industry classification system that groups businesses/organizations into categories or sectors based on the activities in which they are primarily engaged. There are 19 private sectors and three government sectors (for a total of 22 sectors) at the 2-digit NAICS code level, within each county-level economy. One can observe much about the structure of a county’s economy by quantifying and comparing the number of jobs and the percentage of jobs in these sectors by using average annual QCEW data. The most recent average annual employment data available for Kittitas County are for 2018.

The top five Kittitas County industries in 2018 in terms of employment were:

Sector	Number of jobs	Share of employment
1. Accommodation and food services	2,668	17.7%
2. Local government	2,347	15.6%
3. Retail trade	1,826	12.1%
4. State government	1,566	10.4%
5. Health Services	1,394	9.2%
All other industries	5,290	35.1%
Total covered employment	15,091	100%

Source: Employment Security Department/LMEA, QCEW

Approximately 64.9 percent of all jobs in Kittitas County were in five, two-digit NAICS industries or sectors (accommodation and food services, local government, retail trade, state government and private health services). The following is a comparison of the top five sectors that provided the most jobs in Kittitas County in 2018 with the sectors that produced the highest payrolls:

- Accommodation and food services (primarily hotels and restaurants) provided 17.7 percent of all jobs countywide but only 8.9 percent of total payroll or wages – indicating that many of these jobs are part time. The percent of total covered employment in Kittitas County in accommodation and food services is extremely high. For example, in neighboring Yakima County, only 5.8 percent of total covered employment was in the accommodation and food services sector in 2018. This indicates the importance of tourism and the large number of CWU students working part time in Kittitas County’s accommodation and food services businesses.
- Local government had 15.6 percent of all jobs, but 18.6 percent of wages during 2018. This includes Kittitas Valley Hospital (KVH), local public schools, police and fire departments, libraries, city and county government administrative offices, etc.
- State government provided 10.4 percent of all jobs countywide, but 20.3 percent of total payroll or wages. Hence, more than one in every five dollars of earned wage income countywide comes from state government employment (of which CWU is a major employer).

If one were to analyze employment changes in Kittitas County in the most recent ten-year period (from 2008 to 2018) using ESD’s average annual QCEW data, one would observe that total covered employment increased from 13,966 in 2008 to 15,091 in 2017, a 1,125 job and 8.1 percent expansion. Of the 22 NAICS sectors mentioned earlier, the sector that added the most jobs during this period was NAICS 72 (accommodation and food services). It provided 2,156 jobs in 2008 versus 2,668 jobs ten years later (in 2018) equating to a 512 job and 23.8 percent expansion. Many of these jobs are at local hotels and eating and drinking places. Accommodation and food services accounted for 45.5 percent, or nearly half, of all covered jobs added (from all 22 NAICS sectors in Kittitas County) between 2008 and 2018. Looking at these data, it is safe to say that tourism is extremely important to the Kittitas County labor market. The industry which added the second highest number of jobs to the local economy during this ten-year period was private health services. This sector increased from 920 jobs in 2008 to 1,394 in 2018, a robust 474 jobs and a 51.6 percent upturn.

For historical industry employment data, *contact an economist*.

Source: Employment Security Department/LMEA, QCEW

Industry employment by age and gender

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence.

Kittitas County highlights:

The two largest job holder age groups in Kittitas County were the 55+ year-olds and the 25 to 34 year-olds. These two categories accounted for 23.1 percent and 21.4 percent of employment respectively in 2018.

In 2018, women held 49.1 percent of all jobs in Kittitas County. However, there were substantial differences in gender dominance by industry.

- Male-dominated industries included transportation and warehousing (85.3 percent), construction (83.2 percent) and utilities (77.4 percent).
- Female- dominated industries included healthcare and social assistance (74.8 percent), finance and insurance (68.4 percent) and educational services (63.1percent).

Source: The Local Employment Dynamics

Wages and income

In 2018, there were 15,091 covered employment jobs (which includes the agricultural industry) in Kittitas County, based on revised figures. The total payroll for 2018 was approximately \$639.9 million. The average annual wage was \$42,459 or 64.2 percent of the state average of \$66,156.

The top five Kittitas County industries in 2018 in terms of payrolls were:

Sector	Payroll	Share of payrolls
1. State government	\$129,899,259	20.3%
2. Local government	\$119,059,757	18.6%
3. Accommodation and food services	\$56,823,858	8.9%
4. Construction	\$52,613,347	8.2%
5. Retail trade	\$50,915,958	8.0%
All other industries	\$230,613,772	36.0%
Total covered payrolls	\$639,925,951	100%

Source: Employment Security Department/LMEA, QCEW

As shown in the table above, QCEW data showed that Kittitas County's workers received \$639.9 million in wages in 2018. Approximately 64.0 percent, nearly two-thirds, of total covered wage income was earned in five, two-digit NAICS industries or sectors (state government, local government, accommodation and food services, construction, and

retail trade). Looking at wages generated in the local economy, state government and local government were ranked first and second, respectively, in terms of payroll size. In fact, nearly four in every ten dollars (38.9 percent) of wage income earned in Kittitas County in 2018 originated with a state or local government organization.

Average annual wages in 2018 were highest in finance and insurance (\$69,681), government (\$63,882) and information (\$56,820). Conversely, average annual wages were lowest in arts, entertainment and recreation (\$17,119), accommodation and food services (\$21,279) and in other services (\$27,836).

Personal income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

Inflation adjusted per capita income in Kittitas County was estimated at \$42,603 in 2018, 68.7 percent of the state average (\$62,026) and 78.2 percent of the U.S. average (\$54,446). Kittitas County ranks 30th in the state (out of 39 counties) for per capita income.

Earnings as a percent of total personal income in 1977 made up 68 percent of total income of the typical Kittitas County resident, but by 2017, earned income was only 56 percent of total personal income – a substantial twelve percentage-point drop during this 40-year period.

Investments as a proportion of county residents' personal income have increased from 17 percent in 1977 to 25 percent in 2017 – up seven percentage points in 40 years.

Government transfer payments as a proportion of county residents' personal income have increased from 15 percent in 1977 to 20 percent in 2017 – up five percentage points during this timeframe.

According to the U.S. Census Bureau QuickFacts, the median household income in Kittitas County was \$55,193 (in 2018 dollars) from 2014 to 2018. This was 78.7 percent of the statewide median household income (\$70,116) and 91.5 percent of the national median household income of \$60,293 during this timeframe.

Kittitas County's poverty rate of 15.8 percent in the period 2014 to 2018 was higher than the state's rate of 10.3 percent and the nation's rate of 11.8 percent, according to U.S. Census Bureau QuickFacts. Relatively low student wages often increase poverty statistics in college-dominant counties such as Kittitas (where a major employer is Central Washington University or CWU).

Source: Employment Security Department/LMEA; Bureau of Labor Statistics, Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey

Population

Kittitas County's population in 2018 was 47,364. The population grew 15.8 percent from April 1, 2010 through July 1, 2018, faster than the state's 12.1 percent growth rate during this timeframe. This population growth is primarily driven by people retiring and moving to Kittitas County and to increases in the student population at CWU's Ellensburg campus – not by people “following jobs” into the county.

The largest city in Kittitas County is Ellensburg, the county seat with an estimated population of 19,660 in 2018.

Population facts

	Kittitas County	Washington state
Population 2018	46,364	7,535,591
Population 2010	40,909	6,724,540
Percent change, 2010 to 2018	15.8%	12.1%

Source: U.S. Census Bureau QuickFacts

Age, gender and ethnicity

In 2018, a slightly larger portion (16.0 percent) of Kittitas County's population was 65 years and older compared to the state (15.4 percent).

The county had a lower proportion of its residents under the age of 18 (17.1 percent) in 2018 than the state (22.1 percent).

Females in 2018 made up 49.6 percent of the population, below that of the state at 50 percent.

Kittitas County is less ethnically diverse than the state and nation. In 2018, 91.5 percent of its residents were white, higher than the state (78.9 percent) and the nation (76.5 percent).

Source: U.S. Census Bureau QuickFacts

Demographics

	Kittitas County	Washington state
Population by age, 2018		
Under 5 years old	4.6%	6.1%
Under 18 years old	17.1%	22.1%
65 years and older	16.0%	15.4%
Females, 2018		
	49.6%	50%
Race/ethnicity, 2018		
White	91.5%	78.9%
Black	1.2%	4.3%
American Indian, Alaskan Native	1.3%	1.9%
Asian, Native Hawaiian, other Pacific Islander	2.5%	10.1%
Hispanic or Latino, any race	8.9%	12.9%

Source: U.S. Census Bureau QuickFacts

Educational attainment

Slightly more Kittitas County residents age 25 and older (92.1 percent) were high school graduates compared to the state (91.1 percent) and the nation (87.7 percent) over the period of 2014 to 2018.

Those with a bachelor's degree or higher made up 34.8 percent of Kittitas County residents age 25 and older, which compares with 35.3 percent of state residents and 31.5 percent of U.S. residents over the same period. Having a major university (CWU) in the county most likely accounts for the high adult population educational levels.

Source: U.S. Census Bureau QuickFacts

Useful links

- [Economic Development Group/Kittitas County Chamber of Commerce](#)
- [County data tables](#)
- [Census Bureau Profile](#)
- [Ellensburg Business Development Authority](#)
- [Kittitas County - About the County](#)
- [Kittitas County home page](#)
- [Kittitas County on ChooseWashington.com](#)
- [Kittitas County History](#)
- [Kittitas County on ofm.wa.gov](#)
- [South Central Workforce Council](#)
- [Self-sufficiency calculator for Washington state](#)
- [Census Bureau QuickFacts](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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