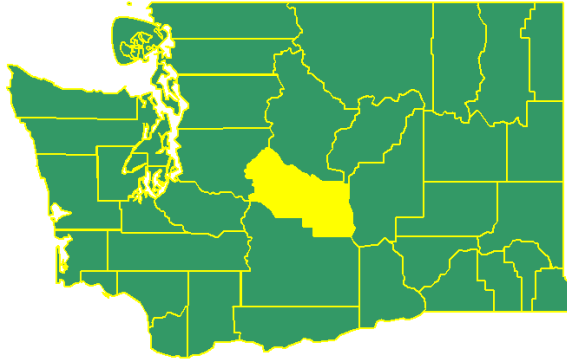


The Kittitas County Labor Economy (August 2006)



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Nonagricultural Employment

Nonagricultural employers in Kittitas County provided 13,340 jobs in August 2006, a 470-job jump above the corresponding month in 2005 (see Table 1). Statewide, nonagricultural employment added 75,700 jobs between August 2005 and August 2006; a 2.7-percent growth rate across Washington versus a more robust 3.7-percent pace in Kittitas County (see Figure 1-A). Of the 470 new jobs added locally between August 2005 and August 2006: the Goods Producing sector contributed 440, a dynamic 24.6-percent increase in employment; while the Services Providing sector accounted for 30, a very modest 0.3-percent upturn.

Approximately 140 of the new Goods Producing jobs were in Natural Resources, Mining, and Construction (with the vast majority of jobs in Construction), a respectable 11.7-percent job growth pace (see Figure 1-B). Construction employment increased this summer across Kittitas County. Construction projects continued in the Upper County at the Suncadia Resort, near Roslyn, WA. In the Lower County, construction jobs were plentiful in residential construction in the Ellensburg vicinity, and at Puget Sound Energy's Wild Horse Wind Farm Project, 20 miles east of Ellensburg. According to a Puget Sound Energy brochure; "As of August 31, 2006 a total of 56 local residents have been hired for construction and approximately \$7,185,276 has been spent in the local community." Per an article in the Ellensburg *Daily Record*, the first turbine began generating electricity on July 18, 2006, and "the \$380-million project (with 127 wind turbine generators) is due to be completed in December."

Local manufacturing employment skyrocketed in August 2006, producing a 300-job, 50.8-percent surge over the year (see Table 1). Early hiring in food processing, or Non-Durable Goods Manufacturing, caused this employment jump. This same situation occurred in Kittitas County's food processing industry in August 2004 (see Figure 1-C). Had it not been for the hiring flurry this August, total nonagricultural employment in Kittitas County would only have expanded in the one- to two-percent range over the year, respectable - but *slower* than the 2.7-percent statewide job growth pace.

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Table 1 AUGUST 2006 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT IN KITTITAS COUNTY (Prepared September 12, 2006)							
	Aug 2006 ¹	Jul 2006	Aug 2005	CHANGE ³ Jul 06 Aug 06	Aug 05 Aug 06	% CHANGE Jul 06 Aug 06	Aug 05 Aug 06
TOTAL NONFARM²	13,340	13,350	12,870	-10	470	-0.1%	3.7%
TOTAL PRIVATE	9,320	8,980	8,810	340	510	3.8%	5.8%
GOODS PRODUCING	2,230	1,940	1,790	290	440	14.9%	24.6%
NATURAL RESOURCES, MINING, AND CONSTRUCTION	1,340	1,330	1,200	10	140	0.8%	11.7%
MANUFACTURING	890	620	590	270	300	43.5%	50.8%
SERVICES PROVIDING	11,110	11,410	11,080	-300	30	-2.6%	0.3%
WHOLESALE TRADE	450	450	410	0	40	0.0%	9.8%
RETAIL TRADE	1,750	1,750	1,720	0	30	0.0%	1.7%
TRANSPORTATION, WAREHOUSING and UTILITIES	320	320	350	0	-30	0.0%	-8.6%
INFORMATION and FINANCIAL ACTIVITIES	600	590	570	10	30	1.7%	5.3%
ALL OTHER SERVICES	3,960	3,930	3,970	30	-10	0.8%	-0.3%
Health Services and Social Assistance	830	810	800	20	30	2.5%	3.8%
Accommodation and Food Services	1,780	1,770	1,760	10	20	0.6%	1.1%
GOVERNMENT	4,020	4,370	4,060	-350	-40	-8.0%	-1.0%
Federal Government	190	190	200	0	-10	0.0%	-5.0%
State Government	2,010	2,140	2,030	-130	-20	-6.1%	-1.0%
Local Government	1,830	2,040	1,830	-210	0	-10.3%	0.0%
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.

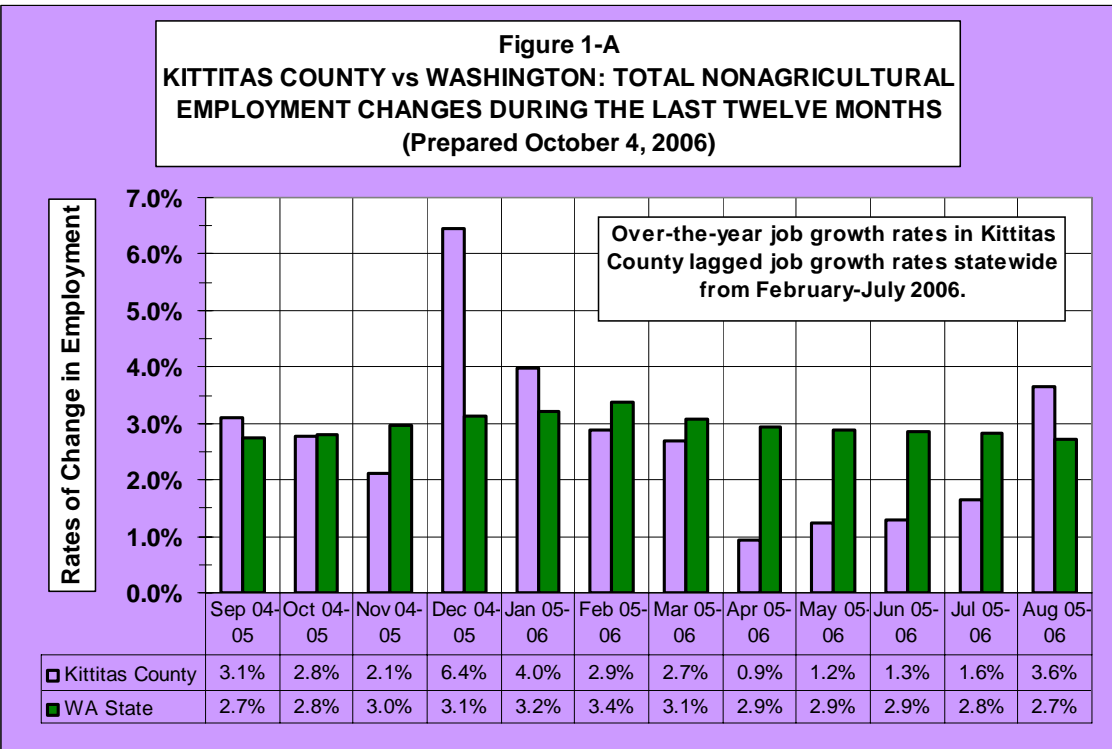


Figure 1-B
KITTITAS COUNTY: NATURAL RESOURCES, MINING, AND CONSTRUCTION
EMPLOYMENT FROM JANUARY 2004 TO AUGUST 2006
 (Prepared October 4, 2006)

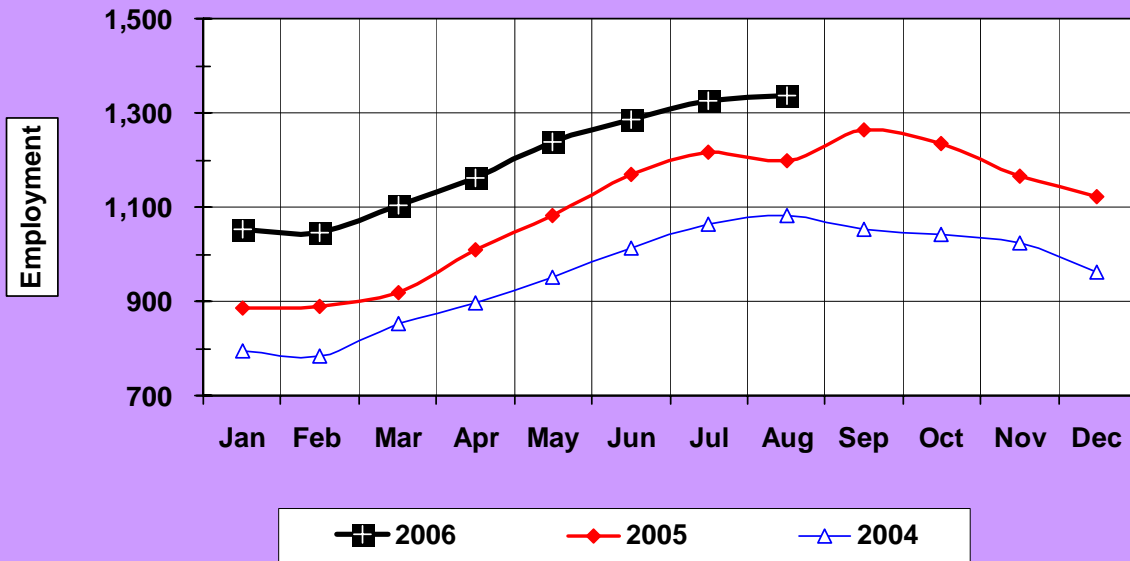
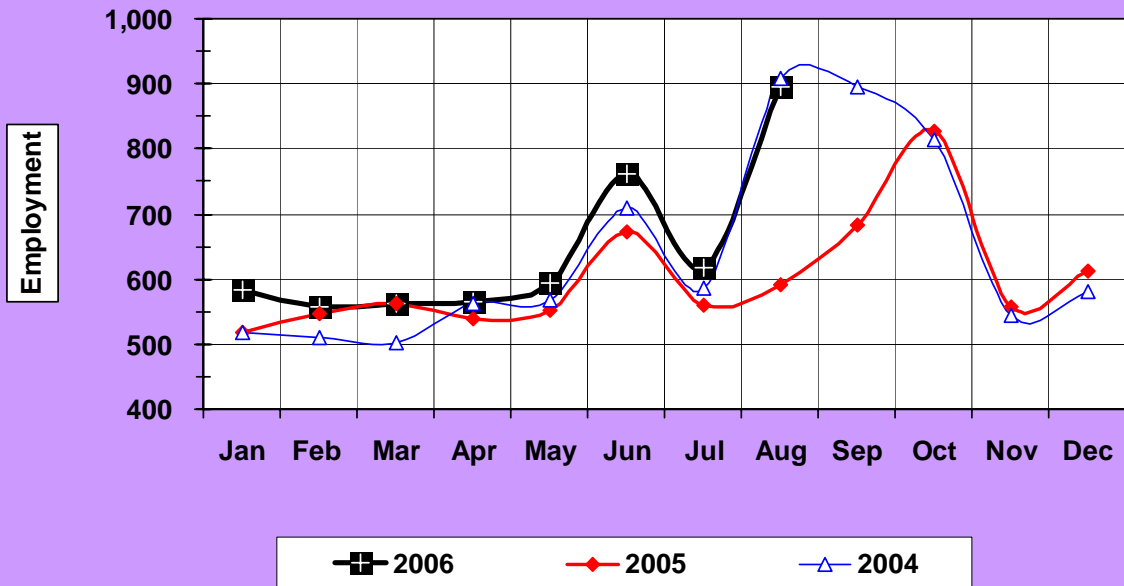


Figure 1-C
KITTITAS COUNTY: MANUFACTURING EMPLOYMENT
FROM JANUARY 2004 TO AUGUST 2006
 (Prepared October 4, 2006)



Unemployment

In August 2006, the 4.9-percent unemployment rate in Kittitas County declined two-tenths of a percentage point below the August 2005 reading of 5.1 percent (see Figure 2). Approximately 900 Kittitas County residents were out of work in August 2006 versus 940 in the corresponding month during 2005, a 40-person decrease in the number of people unemployed.

Statewide, the unadjusted unemployment rate was 4.9 percent this August, four-tenths of a point below the August 2005 reading of 5.3 percent. Washington's unemployment rate has consistently declined over-the-year for every month so far in 2006 - an indicator of considerable strength in the statewide labor market. Conversely, Kittitas County's unemployment rate started to hit the wall in July 2006, in terms of over-the-year changes. This is not cause for alarm since the August 2006 rate for Kittitas County was still a relatively low figure. However, an evaluation of unemployment trends and job growth trends so far this year indicate that Washington's job market growth-pace is slowing and that Kittitas County's job market is in for a period of even more modest job growth by the end of this year, with unemployment rates either stabilizing or creeping upwards.

