



King County Labor Area Summary April 2020



Anneliese Vance-Sherman, Ph.D., Regional Labor Economist
Washington State Employment Security Department
Labor Market and Economic Analysis
Phone: 425-258-6315
Mobile: 360-630-1232
Email: avancesherman@esd.wa.gov
Website: esd.wa.gov/labormarketinfo

*Data used in this report available at the web address listed above.

Overview

- In April 2020, the not seasonally adjusted unemployment rate in King County jumped from 5.6 percent to 14.9 percent—the highest unemployment rate ever recorded for King County. Twelve months ago, the unemployment rate was 2.3 percent—the lowest unemployment rate ever recorded for King County.
- The King County labor force contracted by 2.2 percent over the year.
- Nonfarm employment contracted by 230,300 from March to April 2020. There were an estimated 1,231,600 total nonfarm jobs in King County.
- All major industries detailed in this report shed jobs over the month. The deepest one-month losses were attributable to leisure and hospitality, construction and education and health services.
- Total nonfarm employment in April 2020 was 222,500 below the level observed 12 months earlier. This represents a 15.3 percent decrease in employment over the year.
- Year-to-year growth was observed in only one of the major industries detailed in this report (Information); all others shed jobs. The deepest 12-month losses were observed in leisure and hospitality

Important note: The first documented case of coronavirus in Washington state was in late January. The proliferation of cases and implementation of social distancing measures began gradually taking hold in mid-February and has gained momentum throughout March, April and May. This report compares the week containing the 12th of April with the previous month and year. For all intents and purposes, this is the second report that addresses the disruption caused by COVID-19 and the social distancing measures put into effect to slow the contagion. Until now, the most reliable closer-to-real-time indicator has been weekly Unemployment Insurance claims. A supplemental section dedicated to weekly UI claims tracking for Snohomish County for the past several weeks is included in this report.

Unemployment rates and labor force information

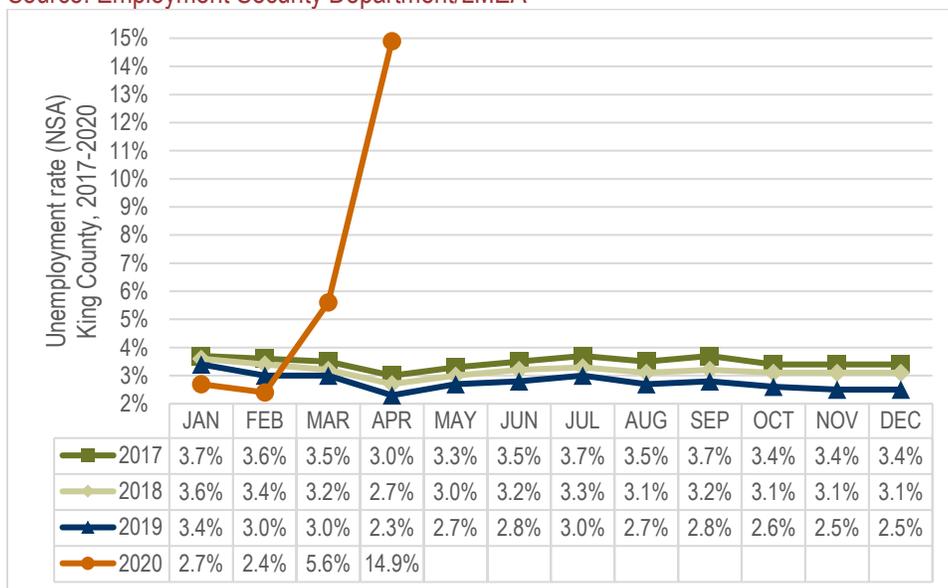
The not seasonally adjusted unemployment rate for King County was 14.9 percent (preliminary) in April 2020. This is a substantial leap from 5.6 percent, as reported in March (revised) and is the highest unemployment rate ever recorded for King County. For reference, the unemployment rate in April 2019 was 2.3 percent (the lowest unemployment rate ever recorded in King County).

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and much of the nation. The labor force statistics in this report detail the first month of serious impact. April 2020 estimates follow:

- King County labor force: 1,252,303
- Total employed: 1,066,218
- Total unemployed: 186,085
- Unemployment rate: 14.9%

Month-to-month, King County's labor force decreased by 30,209 people. The number of employed people contracted by 144,911 and the number of active job seekers expanded by 114,702. Over-the-year, the labor force contracted by 28,629 people or 2.2 percent.

Figure 1. Unemployment rates, not seasonally adjusted
King County, January 2017 through April 2020
Source: Employment Security Department/LMEA



King County's unemployment rate in April 2020 reached 14.9 percent in April 2020.

Washington state

The not seasonally adjusted unemployment rate for Washington State jumped from 5.4 percent (not seasonally adjusted) in March to 15.8 percent in April. The statewide labor force increased by 37,096 over the month, not seasonally adjusted (note that the labor force typically expands in April). Within that, the estimated number of employed people contracted by 376,479 and the number of unemployed job seekers expanded by 413,575. Over the year, the labor force is up 56,653 or 1.5 percent. The unemployment rate 12 months ago was 4.1 percent.

The February forecast by Washington's Economic and Revenue Forecast Council predicted that the statewide unemployment rate will average 4.39 percent in 2020 and will drop to 4.30 percent in 2021. A lot has happened since February. The May update documented an unprecedented drop in Washington

employment, declining GDP, and declining sales (therefore declining revenues). See www.erfc.wa.gov for more information.

Seattle-Bellevue-Everett Metropolitan Division (MD)

The Seattle-Bellevue-Everett MD combines labor force information for Snohomish and King Counties. During the most recent economic downturn, King County's unemployment rate has consistently run below that of Snohomish County. The not seasonally adjusted unemployment rate for the combined MD increased from 5.6 percent in March (revised) to 16.3 percent in April (preliminary). Twelve months ago, the unemployment rate was 2.4 percent. The labor force typically expands from March to April, however with the circumstances surrounding Covid-19, the labor force declined by 13,571 over the month. Over the year, the jolt to the labor force shifted annual gains to annual losses, with a drop of 11,072 employed (a drop of 0.6 percent of the employed labor force) nearly balanced by an expansion of 236,550 unemployed; an 578.1 percent increase over the previous year.

City level estimates

The Bureau of Labor Statistics and Employment Security Department publish labor force information for cities with a population of 25,000 or more. Unemployment rates for selected cities can be found at www.esd.wa.gov/labormarketinfo/labor-force.

Unemployment Insurance (UI) Claims

UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. In April 2020, 137,755 new claims were filed by King County residents and a total of 83,951 King County residents collected benefits from the state UI system.

Weekly Initial Claims

In March, the Employment Security Department began publishing weekly counts of initial claims for Unemployment Insurance. Initial claims provide an indicator of layoffs. Because they are entered weekly, they are a bit more nimble than our survey-based datasets.

King County weekly initial claims from March 1 to May 23 follow:

Week 9 (March 1-7):	1,837
Week 10 (March 8-14):	5,834
Week 11 (March 15-21):	37,296
Week 12 (March 22-28):	44,613
Week 13 (March 29-April 4):	47,233
Week 14 (April 5-11):	39,796
Week 15 (April 12-18):	24,461*
Week 16 (April 19-25):	40,088
Week 17 (April 26-May 2):	31,550
Week 18 (May 3-9):	37,701
Week 19 (May 10-16):	47,136
Week 20 (May 17-23):	14,371

*The week of April 12-18 is the reference week for the labor force and payroll statistics in this report. This is also the week that Pandemic Unemployment Assurance (PUA) was made available to Washington residents.

Weekly initial claims information is published every Thursday.

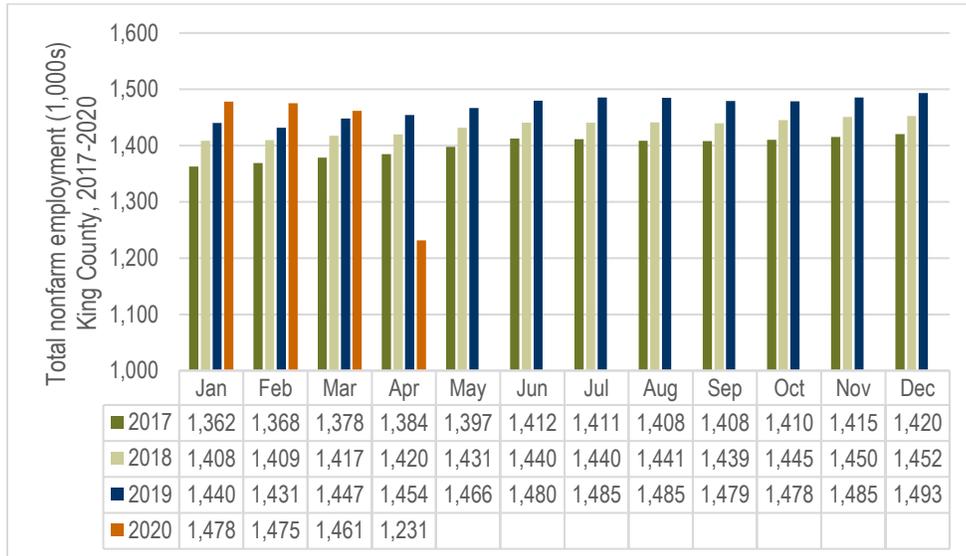
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

Additional information can be found here: <https://esd.wa.gov/newsroom/covid-19>

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) contracted by 230,300 from March to April 2020. Over the year, employers in King County shed 222,500 jobs or 15.3 percent, as a result of social distancing measures put into play to curb the spread of Covid-19. The tally of nonfarm jobs in King County dropped from 1.46 million in March to 1.23 million in April.

Figure 2. Nonfarm industry employment
King County, January 2017 through April 2020
Source: Employment Security Department/LMEA



King County job growth was disrupted by social distancing measures related to Covid-19. From March to April 2020, King County payroll contracted by 230,300.

The Puget Sound area was impacted before other areas in the state and nationally. This report reveals the initial impacts of Covid-19-related measures. Specifically, data in this report coincides with Week 15 on the unemployment insurance calendar (previous section).

Figure 3. Total nonfarm industry employment, not seasonally adjusted
 King County, April 2019 and March and April 2020
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through December 2019

NAICS Industry Title	Prelim Apr-20	Revised Mar-20	Revised Apr-19	Change		
				Mar-20 Apr-20	Apr-19 Apr-20	Apr-19 Apr-20
Total Nonfarm	1,231,600	1,461,900	1,454,100	-230,300	-222,500	-15.3%
Total Private	1,058,400	1,281,600	1,277,200	-223,200	-218,800	-17.1%
Goods Producing	141,700	186,700	185,200	-45,000	-43,500	-23.5%
Mining and Logging	400	500	500	-100	-100	-20.0%
Construction	47,600	82,000	78,600	-34,400	-31,000	-39.4%
Construction of Buildings	14,300	23,200	22,700	-8,900	-8,400	-37.0%
Heavy and Civil Engineering Construction	3,900	6,500	6,300	-2,600	-2,400	-38.1%
Specialty Trade Contractors	29,300	52,300	49,600	-23,000	-20,300	-40.9%
Manufacturing	93,700	104,100	106,000	-10,400	-12,300	-11.6%
Durable Goods	70,700	78,400	80,000	-7,700	-9,300	-11.6%
Fabricated Metal Product Manufacturing	8,600	7,600	7,400	1,000	1,200	16.2%
Computer and Electronic Product Mfg.	8,100	8,000	8,500	100	-400	-4.7%
Navgtl., Measuring, Electromed., & Control	4,900	4,700	4,800	200	100	2.1%
Transportation Equipment Manufacturing	42,100	43,500	44,600	-1,400	-2,500	-5.6%
Aerospace Product and Parts Mfg.	39,600	40,400	41,400	-800	-1,800	-4.3%
Nondurable Goods	23,000	25,700	26,000	-2,700	-3,000	-11.5%
Food Manufacturing	10,800	12,300	12,400	-1,500	-1,600	-12.9%
Service Providing	1,089,900	1,275,200	1,268,900	-185,300	-179,000	-14.1%
Trade, Transportation, and Utilities	250,300	279,300	275,000	-29,000	-24,700	-9.0%
Wholesale Trade	58,400	64,200	64,000	-5,800	-5,600	-8.8%
Retail Trade	142,800	161,200	157,300	-18,400	-14,500	-9.2%
Motor Vehicle and Parts Dealers	8,200	10,600	11,400	-2,400	-3,200	-28.1%
Food and Beverage Stores	23,500	23,900	23,400	-400	100	0.4%
General Merchandise Stores	14,900	16,200	18,000	-1,300	-3,100	-17.2%
Transportation, Warehousing, and Utilities	49,100	53,900	53,700	-4,800	-4,600	-8.6%
Transportation and Warehousing	46,900	51,900	51,800	-5,000	-4,900	-9.5%
Air Transportation	10,700	15,200	14,900	-4,500	-4,200	-28.2%
Truck Transportation	5,300	6,500	6,700	-1,200	-1,400	-20.9%
Support Activities for Transportation	12,400	13,000	12,900	-600	-500	-3.9%
Warehousing and Storage	2,900	3,300	2,900	-400	0	0.0%
Information	125,100	126,400	117,300	-1,300	7,800	6.6%
Software Publishers	68,800	69,300	65,000	-500	3,800	5.8%
Financial Activities	72,100	74,300	74,500	-2,200	-2,400	-3.2%
Finance and Insurance	43,100	43,300	43,600	-200	-500	-1.1%
Credit Intermediation and Related	15,300	15,900	16,300	-600	-1,000	-6.1%
Insurance Carriers and Related	19,100	19,100	18,800	0	300	1.6%

Real Estate and Rental and Leasing	29,000	31,000	30,900	-2,000	-1,900	-6.1%
Professional and Business Services	221,300	241,500	236,500	-20,200	-15,200	-6.4%
Professional, Scientific, and Technical Services	129,800	136,200	132,200	-6,400	-2,400	-1.8%
Legal Services	11,100	12,200	11,800	-1,100	-700	-5.9%
Accounting, Tax Prep., Bookkpg., and Payroll	9,900	10,600	9,900	-700	0	0.0%
Architectural, Engineering, and Related	18,500	19,100	19,000	-600	-500	-2.6%
Computer Systems Design and Related	46,300	46,200	43,800	100	2,500	5.7%
Management of Companies and Enterprises	28,900	31,000	31,700	-2,100	-2,800	-8.8%
Admin., Support, Waste Mgmt., and Remediation	62,700	74,300	72,600	-11,600	-9,900	-13.6%
Administrative and Support Services	59,900	70,700	69,100	-10,800	-9,200	-13.3%
Employment Services	19,600	25,400	26,300	-5,800	-6,700	-25.5%
Educational and Health Services	163,300	192,500	190,200	-29,200	-26,900	-14.1%
Educational Services	25,200	33,200	31,900	-8,000	-6,700	-21.0%
Ambulatory Health Care Services	51,500	63,500	62,200	-12,000	-10,700	-17.2%
Hospitals	33,100	32,300	32,100	800	1,000	3.1%
Nursing and Residential Care Facilities	19,200	19,100	20,100	100	-900	-4.5%
Social Assistance	34,400	44,400	43,900	-10,000	-9,500	-21.6%
Leisure and Hospitality	48,000	131,100	146,000	-83,100	-98,000	-67.1%
Arts, Entertainment, and Recreation	7,800	25,900	27,200	-18,100	-19,400	-71.3%
Accommodation	8,200	15,700	15,700	-7,500	-7,500	-47.8%
Food Services and Drinking Places	32,100	89,500	103,100	-57,400	-71,000	-68.9%
Other Services	36,600	49,800	52,500	-13,200	-15,900	-30.3%
Repair and Maintenance	6,400	8,600	9,000	-2,200	-2,600	-28.9%
Personal and Laundry Services	7,600	16,400	17,500	-8,800	-9,900	-56.6%
Religious, Grantmkg., Civic, Professional, & Similar	22,600	24,800	25,900	-2,200	-3,300	-12.7%
Government	173,200	180,300	176,900	-7,100	-3,700	-2.1%
Federal Government	19,400	19,100	19,200	300	200	1.0%
State Government	51,900	53,800	52,500	-1,900	-600	-1.1%
State Government Educational Services	37,600	39,500	37,600	-1,900	0	0.0%
Local Government	101,900	107,400	105,200	-5,500	-3,300	-3.1%
Local Government Educational Services	42,500	46,600	46,200	-4,100	-3,700	-8.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment decreased by 230,300 in March.

Nonfarm industry employment

Goods-producing Industries

From March to April 2020, total employment in goods-producing industries declined by 45,000, with losses observed in construction and manufacturing. Year-over-year, goods-producing employment was down 43,500 or 23.5 percent.

Employment levels in **construction-related industries** dropped by 34,400 from March to April on a not seasonally adjusted basis. The tally of jobs was estimated at 47,600. Year-to-year, employment in construction was down 31,000 or 39.4 percent.

- Construction was one of the hardest hit industries in the Puget Sound region. Social distancing requirements temporarily halted many construction activities.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In April, King County-located **manufacturing** employers collectively shed 10,400 jobs. Over the year, total manufacturing employment was down 12,300 or 11.6 percent.

- Aerospace products and parts manufacturing shed an estimated 800 jobs over the month and 1,800 jobs over the year. The count of aerospace products and parts manufacturing *only* catches those employers that are directly and primarily responsible for manufacturing aerospace products. Other products and services in the supply chain are counted under their best fit industries.
- Employment in nondurable goods contracted by 2,700 over the month and by 3,000 over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 185,300 jobs in April on a not seasonally adjusted basis. Over the year, service providers shed 179,000 jobs. The deepest one-month losses were observed in leisure and hospitality (down 83,100) and education and health services (down 29,200). Information, a sector that is somewhat more insulated from the effects of social distancing measures shed the fewest jobs (down 1,300 in April).

Wholesale trade employment contracted by 5,800 in April and by 5,600 over the year. Wholesale trade accounted for 58,400 King County-based jobs.

Net employment in **retail trade** decreased by 18,400 over the month and by 14,500 (9.2 percent) over the year.

- All retail breakouts detailed in this report experienced employment losses over the month, with the deepest losses observed in motor vehicle and parts dealers.
- The story of retail trade will be an interesting one to follow in the weeks ahead, and will likely expose expanding rifts between online and in-person retail sales.

Net employment in **transportation, warehousing and utilities** contracted by 4,800 over the month and by 4,600 over the year. This set of industries accounted for an estimated 49,100 King County jobs.

- The deepest losses were attributable to air transportation (-4,500 over the month) and truck transportation (-1,200).

Employment in the **information** sector contracted by 1,300 over the month but expanded by 7,800 jobs or 6.6 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 125,100 jobs in April.

- The information sector includes software publishing activities. Employment in software publishing decreased by 500 over the month but added 3,800 jobs (5.8 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level decreased by 2,200 over the month and by 2,400 over the year.

- Losses over the month were concentrated in the real estate segment, which lost 2,000 jobs.
- Finance and insurance was down 500 and real estate was down 1,900 jobs over the year.

Professional and business services includes a variety of professional and technical services such as accounting and engineering services. It also includes administrative support and management services and supports day to day business operations with services such as housekeeping and temporary employment services. In short, these are the businesses that provide operational support to others in the business

community. In April, this diverse sector shed 20,200 jobs. Over the year, professional and business services as a whole contracted by 15,200 jobs (6.4 percent).

- From April 2019 to April 2020, professional, scientific and technical services shed 2,400 jobs (1.8 percent), management of companies and enterprises fell by 2,800, and administrative support, waste management and remediation shed 9,900 jobs (13.6 percent). Employment services was down 6,700 jobs over the year.

Employment levels in **educational and health services** decreased by 29,200 from March to April, which brought the 12-month estimate down by 26,900 (14.1 percent). Educational and health services accounted for an estimated 163,300 King County-based jobs in April 2020.

- Healthcare and education is comprised of a diverse set of industries, each of which was affected differently in this crisis. Some suffered a swift blow in April (ambulatory health services, social assistance and educational services, down 12,000, 10,000 and 8,000 respectively) and others ramped up hiring (hospitals and nursing and residential care facilities, up 800 and 100 respectively).

Leisure and hospitality employment contracted by 83,100 over the month. Over the year, the industries that entertain residents and visitors alike was down 98,000 jobs or 67.1 percent.

- Food services and drinking places saw the deepest losses; 57,400 over the month and 71,000 over the year.

Other services represents a diverse collection of industries that do not fit elsewhere and include employers ranging from religious and grant-making organizations to auto mechanics and dry cleaners to membership clubs. Overall employment levels contracted by 13,200 over the month and by 15,900 over the year. Other services represented 36,600 King County jobs in April 2020.

- The deepest losses were observed in personal and laundry services (down 8,800).

Government employers collectively shed 7,100 jobs over the month, and shed an estimated 3,700 jobs over the year.

- Month-to-month and 12-month losses were particularly evident in local government, including local educational services.

Forecast information for Washington state:

The Washington State Economic and Revenue Forecast Council issues quarterly forecasts that address Washington's projected economic health. The most recent forecast was issued in February and updated in May. Forecast information is available at www.erfc.wa.gov.

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