



King County Labor Area Summary August 2019



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 August 2019, the not seasonally adjusted unemployment rate in King County was 3.0 percent. This is barely down from 3.1 percent reported in July. Twelve months ago, the unemployment rate was 3.4 percent.
- The King County labor force expanded by 3.0 percent over the year.
- Nonfarm employment contracted by 1,800 from July to August 2019. There were an estimated 1,488,200 total nonfarm jobs in King County.
- Six of the major industries detailed in this report added jobs and six shed jobs from July to August on a not seasonally adjusted basis. The largest one-month gains were attributable to education and health services, and the deepest losses were observed in government.
- Total nonfarm employment in August 2019 was 44,100 above the level observed 12 months earlier. This represents a 3.1 percent increase in employment over the year.
- Year-to-year growth was observed in every major industry detailed in this report. The largest gains were observed in information and professional and business services.

Unemployment rates and labor force information

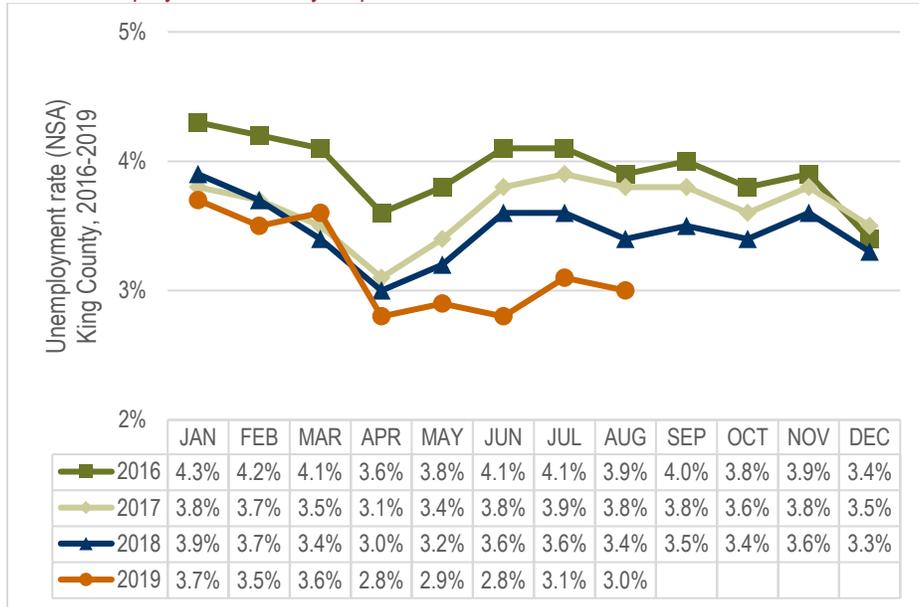
The not seasonally adjusted unemployment rate for King County was 3.0 percent (preliminary) in August 2019. This is down from 3.1 percent (revised) reported in July. For reference, the unemployment rate in August 2018 was 3.4 percent.

The 'Great Recession' gripped Washington in mid-2008. Through the course of 2008 and 2009, the unemployment rate rapidly increased, reaching a peak rate of 9.5 percent in the beginning of 2010. Since then, the elevated rate has diminished. August 2019 figures are:

- King County labor force: 1,295,628
- Total employed: 1,256,406
- Total unemployed: 39,222
- Unemployment rate: 3.0%

Month-to-month, King County’s labor force expanded by 5,287 people. The number of employed people increased by 5,969 and the number of active job seekers diminished by 682. Over-the-year, the labor force expanded by 37,388 people or 3.0 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2016 through August 2019
 Source: Employment Security Department/LMEA



The unemployment rate peaked at 9.5% in early 2010. In August 2019, the unemployment rate was 3.0 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington State increased over the month from 4.5 percent in July (revised) to 4.6 percent in August (preliminary). The statewide labor force increased by 135,895 (3.6 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 4.2 percent.

The June forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 4.52 percent in 2019 and will rise to 4.57 percent in 2020. This is a slight upward revision relative to the March forecast. 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 current 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 remained unchanged at 3.1 percent (revised) in August 2019. Twelve months ago, the unemployment rate was 3.5 percent.

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.

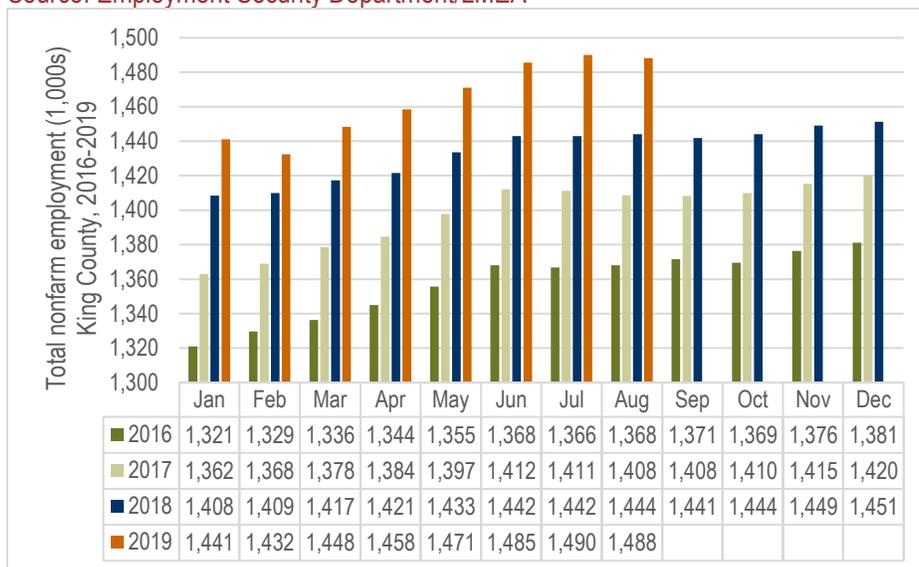
Unemployment Insurance (UI) Claims

UI claims activity peaked in May 2009 (49,117 continued claims were counted that month) and has been on a downward trend ever since. In August 2019, 4,555 new claims were filed by King County residents and a total of 11,547 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) declined by 1,800 from July to August 2019. Over the year, employers in King County added 44,100 jobs or 3.1 percent. The tally of nonfarm jobs in King County was just shy of 1.49 million.

Figure 2. Nonfarm industry employment
King County, January 2016 through August 2019
Source: Employment Security Department/LMEA



King County job growth continues to climb. From August 2018 to August 2019, King County employment expanded by 44,100.

King County employment levels peaked in 2008 and reached their lowest levels since the start of the economic downturn in early 2010. Average annual total nonfarm employment fell by 6.4 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to 2005 levels. Employment since 2010 has expanded for all of King County’s major private sector industries and has exceeded the 2008 level since 2012.

Figure 3. Total nonfarm industry employment, not seasonally adjusted
 King County, August 2018, July and August 2019
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through March 2019

NAICS Industry Title	Prelim Aug-19	Revised Jul-19	Revised Aug-18	Change		
				Jul-19 Aug-19	Aug-18 Aug-19	Aug-18 Aug-19
Total Nonfarm	1,488,200	1,490,000	1,444,100	-1,800	44,100	3.1%
Total Private	1,317,100	1,315,700	1,275,800	1,400	41,300	3.2%
Goods Producing	191,000	191,800	184,600	-800	6,400	3.5%
Mining and Logging	500	500	500	0	0	0.0%
Construction	81,100	80,900	80,500	200	600	0.7%
Construction of Buildings	24,700	24,300	23,000	400	1,700	7.4%
Heavy and Civil Engineering Construction	7,700	7,600	6,500	100	1,200	18.5%
Specialty Trade Contractors	48,700	49,000	51,000	-300	-2,300	-4.5%
Manufacturing	109,400	110,300	103,600	-900	5,800	5.6%
Durable Goods	82,300	82,100	78,000	200	4,300	5.5%
Fabricated Metal Product Manufacturing	7,600	7,600	7,100	0	500	7.0%
Computer and Electronic Product Mfg.	8,400	8,500	8,400	-100	0	0.0%
Navgtnl., Measuring, Electromed., & Control	4,800	4,800	4,800	0	0	0.0%
Transportation Equipment Manufacturing	45,300	45,600	42,700	-300	2,600	6.1%
Aerospace Product and Parts Mfg.	42,000	42,300	39,500	-300	2,500	6.3%
Nondurable Goods	27,100	28,200	25,600	-1,100	1,500	5.9%
Food Manufacturing	13,400	13,200	12,200	200	1,200	9.8%
Service Providing	1,297,200	1,298,200	1,259,500	-1,000	37,700	3.0%
Trade, Transportation, and Utilities	280,500	281,800	277,900	-1,300	2,600	0.9%
Wholesale Trade	66,000	65,500	65,700	500	300	0.5%
Retail Trade	159,400	160,800	158,100	-1,400	1,300	0.8%
Motor Vehicle and Parts Dealers	11,900	11,900	11,800	0	100	0.8%
Food and Beverage Stores	24,000	24,600	23,700	-600	300	1.3%
General Merchandise Stores	18,700	18,900	20,000	-200	-1,300	-6.5%
Transportation, Warehousing, and Utilities	55,100	55,500	54,100	-400	1,000	1.8%
Transportation and Warehousing	53,300	53,600	52,200	-300	1,100	2.1%
Air Transportation	15,200	15,300	14,500	-100	700	4.8%
Truck Transportation	6,900	6,900	6,700	0	200	3.0%
Support Activities for Transportation	13,800	13,800	13,300	0	500	3.8%
Warehousing and Storage	3,200	3,200	3,400	0	-200	-5.9%
Information	125,200	123,200	114,800	2,000	10,400	9.1%
Software Publishers	70,400	69,600	65,200	800	5,200	8.0%
Financial Activities	78,400	77,900	74,700	500	3,700	5.0%
Finance and Insurance	46,000	45,400	43,800	600	2,200	5.0%
Credit Intermediation and Related	16,900	16,800	16,500	100	400	2.4%

Insurance Carriers and Related	19,500	19,400	18,800	100	700	3.7%
Real Estate and Rental and Leasing	32,400	32,500	30,900	-100	1,500	4.9%
Professional and Business Services	244,800	244,200	238,100	600	6,700	2.8%
Professional, Scientific, and Technical Services	137,400	136,500	130,800	900	6,600	5.0%
Legal Services	12,100	12,100	11,700	0	400	3.4%
Accounting, Tax Prep., Bookkpg., and Payroll	9,100	9,300	9,400	-200	-300	-3.2%
Architectural, Engineering, and Related	19,900	19,900	19,300	0	600	3.1%
Computer Systems Design and Related	45,600	45,200	43,700	400	1,900	4.3%
Management of Companies and Enterprises	31,600	31,800	31,800	-200	-200	-0.6%
Admin., Support, Waste Mgmt., and Remediation	75,900	75,900	75,600	0	300	0.4%
Administrative and Support Services	72,600	72,400	72,100	200	500	0.7%
Employment Services	30,300	29,600	28,600	700	1,700	5.9%
Educational and Health Services	190,100	187,700	183,900	2,400	6,200	3.4%
Educational Services	29,200	28,900	27,900	300	1,300	4.7%
Ambulatory Health Care Services	64,100	62,800	61,600	1,300	2,500	4.1%
Hospitals	32,500	32,300	31,200	200	1,300	4.2%
Nursing and Residential Care Facilities	20,500	21,200	19,900	-700	600	3.0%
Social Assistance	43,800	42,600	43,300	1,200	500	1.2%
Leisure and Hospitality	153,300	154,700	151,400	-1,400	1,900	1.3%
Arts, Entertainment, and Recreation	30,400	31,000	30,100	-600	300	1.0%
Accommodation	16,900	16,900	15,600	0	1,300	8.3%
Food Services and Drinking Places	106,000	106,900	105,700	-900	300	0.3%
Other Services	53,800	54,400	50,400	-600	3,400	6.7%
Repair and Maintenance	9,300	9,300	9,300	0	0	0.0%
Personal and Laundry Services	18,100	18,100	17,600	0	500	2.8%
Religious, Grantmkg., Civic, Professional, & Similar	26,500	27,000	23,500	-500	3,000	12.8%
Government	171,100	174,300	168,300	-3,200	2,800	1.7%
Federal Government	19,100	19,200	19,400	-100	-300	-1.5%
State Government	49,000	48,400	48,400	600	600	1.2%
State Government Educational Services	34,000	33,400	33,400	600	600	1.8%
Local Government	103,000	106,700	100,500	-3,700	2,500	2.5%
Local Government Educational Services	40,600	45,000	39,800	-4,400	800	2.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 3.1% over the year. Over the past few years, the rate of growth has generally hovered in the 3 percent range.

Nonfarm industry employment

Goods-producing Industries

From July to August 2019, total employment in goods-producing industries contracted by 800, with gains observed construction and losses attributable to manufacturing. Year-over-year, goods-producing employment was up 6,400 or 3.5 percent.

Employment levels in the **construction** industry increased by 200 from July to August. The tally of jobs was estimated at 81,100. Year-to-year, employment in construction was up 600 or 0.7 percent.

- Employment in construction is highly-seasonal. Expect employment to rise and fall with the temperature.
- Workers and employers in construction suffered losses above and beyond most. Based on annual average employment levels, construction declined an estimated 35 percent from peak levels in 2007 by the time it reached its low point in 2011. Recovery in this industry started off slowly, but has taken off in response to pent-up demand during the economic slowdown.
 - Recent reports show a slowdown of construction hiring. This is likely a reflection of constrained supply in an environment of sustained high demand.

In August, King County-located **manufacturing** employers collectively shed 900 jobs. Over the year, total manufacturing employment was up 5,800 or 5.6 percent. Aerospace products and parts manufacturing shed 300 jobs over the month but added 2,500 jobs over the year.

- Manufacturing as a whole represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products manufacturing to food manufacturing.
- Manufacturing led early economic recovery locally and statewide. In 2016 and 2017, manufacturing employment fell, but has been building back up.
- 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 decreased 1,100 over the month but expanded by and 1,500 (5.9 percent) over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 1,000 jobs in August on a not seasonally adjusted basis. Over the year, service providers added 37,700 new jobs to the King County economy, with gains observed in all industry breakouts. The largest year-over-year gains among service-providing industries were attributable to hiring in information (up 10,400), professional and business services (up 6,700), and education and health services (up 6,200).

Employers in **Wholesale trade** added 500 jobs in August and expanded by 300 jobs over the year. Wholesale trade accounted for 66,000 King County-based jobs in August.

Net employment in **retail trade** decreased by 1,400 over the month but expanded by 1,300 (0.8 percent) over the year.

- Under the surface, employment by motor vehicle and parts dealers added 100 jobs over the year, food and beverage stores added 300 and general merchandise stores shed 1,300 jobs.
- A large percentage of retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From August 2018 to August 2019, retailers captured under “other retail trade” added 2,000 jobs statewide. Many of these jobs are, of course, in King County.
- Retail as an industry is experiencing a number of drastic changes. Over the summer, several of the job losses in retail trade were attributable to closures at the Northgate Mall. Meanwhile, Amazon is reported to have 10,000 local job openings
<https://www.seattletimes.com/business/amazon/thousands-line-up-in-seattle-for-jobs-at-amazon-which-has-thousands-on-offer/> .

Net employment in **transportation, warehousing and utilities** contracted by 400 over the month but expanded by 1,000 or 1.8 percent over the year. This set of industries accounted for an estimated 55,100 jobs in King County in August.

- The largest annual increases were attributable to air transportation (added 700 jobs) and support activities for transportation (added 500).

Employment in the **information** sector expanded by 2,000 over the month and by 10,400 jobs or 9.1 percent over the year.

- The information sector includes software publishing activities. Employment in software publishing expanded by 800 over the month and added 5,200 jobs (8.0 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level rose by 500 over the month, and by 3,700 or 5.0 percent over the year.

- Employment over the year in finance and insurance was up 2,200 (5.0 percent) and hiring in the real estate component was up 1,500 jobs (4.9 percent)

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 August, this diverse sector added 600 jobs. Over the year, professional and business services as a whole expanded by 6,700 jobs (2.8 percent).

- From August 2018 to August 2019, professional, scientific and technical services added 6,600 jobs (5.0 percent), management of companies and enterprises shed 200 (-0.6 percent), and administrative support, waste management and remediation added 300 jobs (0.4 percent). Employment services was up 1,700 jobs over the year.

Employers in the **educational and health services** industries added 2,400 jobs over the month and added 6,200 jobs (3.4 percent) over the year. Educational and health services accounted for an estimated 190,100 King County-based jobs in August.

- All education and health industries detailed in this report added jobs over the year. The largest gains were attributable to hiring in ambulatory health care services (up 2,500).
- Educational and health services weathered the economic storm relatively well compared to other industries. Employment in this sector is generally dependent on population growth.

Leisure and hospitality employment contracted from its mid-summer peak by 1,400 in August. Over the year, the industries that entertain residents and visitors alike added 1,900 jobs or 1.3 percent.

- Accommodation added the largest number of jobs over the year (1,300). Food services and drinking places and arts, entertainment, and recreation each added 300.

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 600 over the month but expanded by 3,400 (6.7 percent) over the year. Other services represented 53,800 King County jobs in August 2019. The largest increases were observed among religious, grant making, civic, professional and similar employers (up 3,000 or 12.8 percent).

Government employers shed 3,200 jobs in August but added an estimated 2,800 jobs over the year.

- The largest one-month losses were attributable to the academic calendar in local public school districts (local educational services were down 4,400). These jobs will, for the most part, return in the fall.
- Over the year, gains were concentrated in local and state government services – particularly in educational services. Federal government employment was down over the year.

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 June and updated in September. Forecast information is available at www.erfc.wa.gov.

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Washington Relay Service 711.