



King County Labor Area Summary August 2020



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

Overview

- In August 2020, the not seasonally adjusted unemployment rate in King County dropped from 8.3 percent to 7.2 percent. Twelve months ago, the unemployment rate was 2.7 percent.
- The King County labor force contracted by 6,547 over the year.
- Nonfarm employment expanded by 11,600 from July to August 2020. There were an estimated 1,375,000 total nonfarm jobs in King County.
- Nine major industries detailed in this report expanded employment over the month and three shed jobs. The largest one-month gains were attributable to two of the industries most impacted by the initial Covid-related job losses: leisure and hospitality and construction. The deepest losses came from manufacturing.
- Total nonfarm employment in August 2020 was 110,000 below the level observed 12 months earlier. This represents a 7.4 percent decrease in employment over the year.
- Nine major industries detailed in this report shed jobs over the year. The deepest 12-month losses were observed in leisure and hospitality and education and health services. Three industries (construction, financial activities and retail trade) expanded employment over the year.

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 gained momentum throughout March, April and May. King County was approved to enter Phase 2 on June 19, following the reference week for this report. This report compares the week containing the 12th of July with the previous month and year. For all intents and purposes, this is the sixth report that addresses the disruption caused by COVID-19 and the social distancing measures put into effect to slow the contagion. Until recently, the most reliable closer-to-real-time indicator has been weekly Unemployment Insurance claims. A supplemental section dedicated to weekly UI claims tracking for King County for the past several weeks is included in this report.

Unemployment rates and labor force information

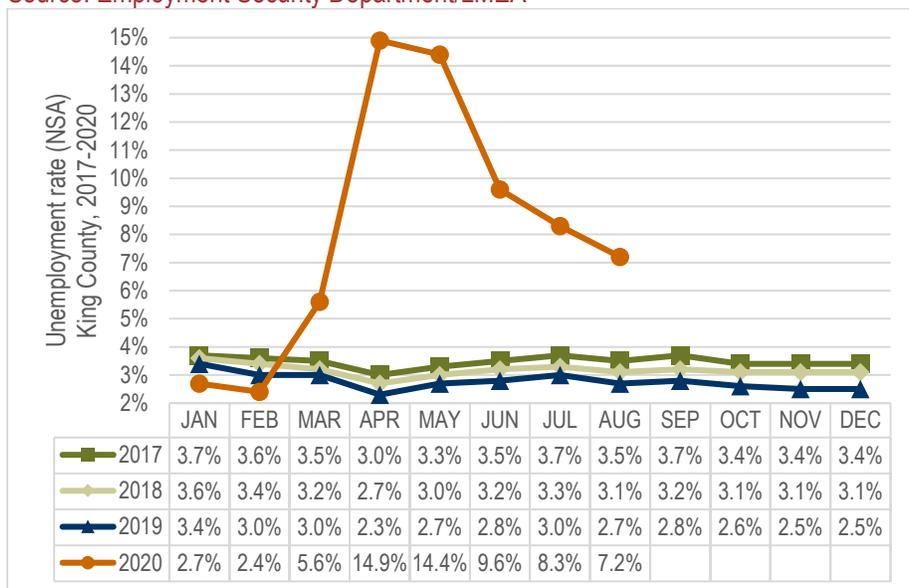
The not seasonally adjusted unemployment rate for King County was 7.2 percent (preliminary) in August 2020. This down from 8.3 percent, in July (revised). For reference, the unemployment rate in August 2019 was 2.7 percent.

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and much of the nation. August 2020 labor force estimates follow:

- King County labor force: 1,290,991
- Total employed: 1,197,557
- Total unemployed: 93,434
- Unemployment rate: 7.2%

Month-to-month, King County's labor force increased by 4,318 residents. The number of employed people expanded by 17,374 and the number of active job seekers contracted by 13,056. Over-the-year, the labor force contracted by 6,547 people or 0.5 percent.

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



King County's unemployment rate was 7.2 percent in August 2020.

Washington state

The not seasonally adjusted unemployment rate for Washington State decreased from 10.0 percent (not seasonally adjusted) in July to 8.4 percent (preliminary) in August. The statewide labor force decreased by 25,756 over the month. Within that, the estimated number of employed people expanded by 41,297 and the number of unemployed job seekers contracted by 67,053. Over the year, the labor force is up 32,692 or 0.8 percent. Beneath the surface, the employed labor force contracted by 139,632 or 3.7 percent and the count of unemployed expanded by 172,324 or 107.1 percent. The unemployment rate 12 months ago was 4.1 percent.

The June forecast by Washington's Economic and Revenue Forecast Council predicted that the statewide unemployment rate will average 6.65 in 2020, a jump up from 4.39 percent in the February forecast and a reflection of the new economic situation. The unemployment rate is expected to increase to 8.75 in 2021 and drop to 6.17 percent in 2022. 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. King County's unemployment rate consistently runs below that of Snohomish County. The not seasonally adjusted unemployment rate for the combined MD decreased from 8.4 percent in July (revised) to 7.4 percent in August (preliminary). Twelve months ago, the unemployment rate was 2.8 percent. The labor force expanded by 6,242 over the month. Over the year, the labor force contracted by 7,719 or 0.4 percent, including a decrease in the total number of employed workers (down 86,667 over the year) and an increase of 78,948 active job seekers.

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

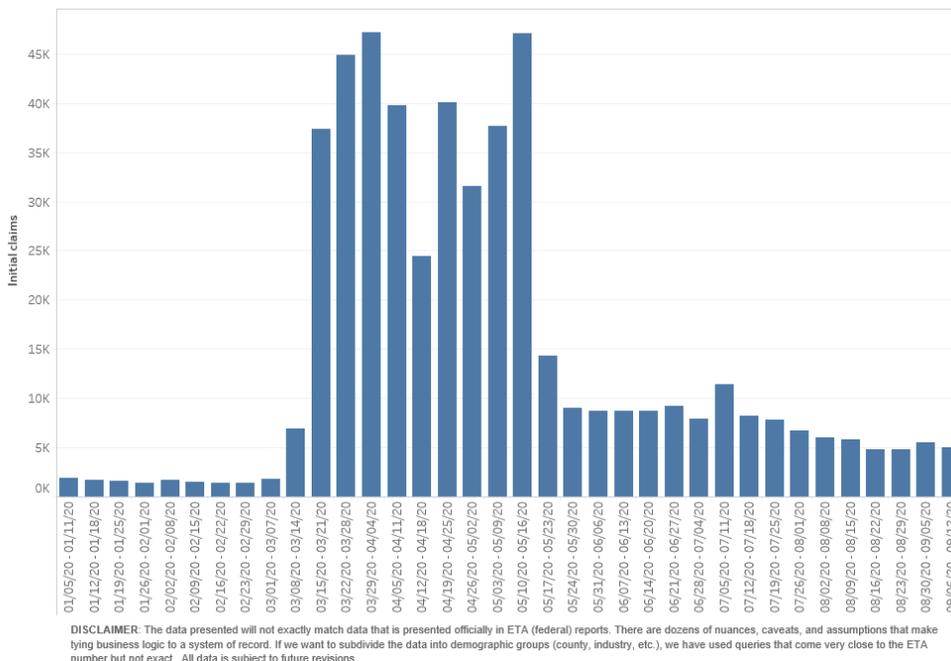
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. In August 2020, 19,946 new claims were filed by King County residents and a total of 105,538 King County residents 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 throughout 2020 are represented in the graph below:

Initial claims applications for KING county by week - 2020



The week of August 9-15 is the reference week for the labor force and payroll statistics in this report.

Weekly initial claims information is published every Thursday.

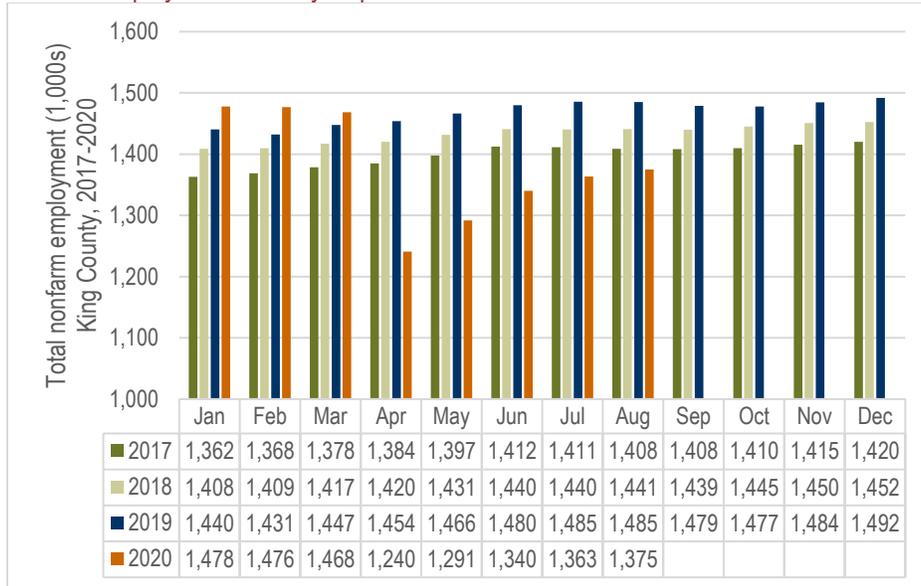
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

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

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 11,600 from July to August 2020. Over the year, employers in King County shed 110,000 jobs, down 7.4 percent, as a result of physical distancing measures put into play to curb the spread of Covid-19. The tally of nonfarm jobs in King County expanded from 1.36 million in July (revised) to 1.38 million in August (preliminary).

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



King County job growth was disrupted by the Covid-19 pandemic, but has been increasing in recent months.

The Puget Sound area was impacted before other areas in the state and nationally. This report reveals the impacts of Covid-19 and related measures on the local labor market. Specifically, data in this report coincides with the week of August 9-15 on the unemployment insurance calendar (previous section).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through March 2020

NAICS Industry Title	Prelim Aug-20	Revised Jul-20	Revised Aug-19	Change		
				Jul-20 Aug-20	Aug-19 Aug-20	Aug-19 Aug-20
Total Nonfarm	1,375,000	1,363,400	1,485,000	11,600	-110,000	-7.4%
Total Private	1,207,900	1,197,100	1,316,200	10,800	-108,300	-8.2%
Goods Producing	175,400	175,200	189,200	200	-13,800	-7.3%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	83,100	80,200	81,800	2,900	1,300	1.6%
Construction of Buildings	23,200	22,600	23,600	600	-400	-1.7%
Heavy and Civil Engineering Construction	6,300	6,100	7,100	200	-800	-11.3%
Specialty Trade Contractors	53,600	51,500	51,100	2,100	2,500	4.9%
Manufacturing	91,900	94,600	106,900	-2,700	-15,000	-14.0%
Durable Goods	67,900	70,200	80,500	-2,300	-12,600	-15.7%
Fabricated Metal Product Manufacturing	6,400	6,800	7,600	-400	-1,200	-15.8%
Computer and Electronic Product Mfg.	8,800	8,800	8,400	0	400	4.8%
Navgtl., Measuring, Electromed., & Control	5,100	5,100	4,800	0	300	6.3%
Transportation Equipment Manufacturing	37,200	38,900	45,000	-1,700	-7,800	-17.3%
Aerospace Product and Parts Mfg.	34,100	35,700	41,900	-1,600	-7,800	-18.6%
Nondurable Goods	24,000	24,400	26,400	-400	-2,400	-9.1%
Food Manufacturing	13,000	12,900	12,700	100	300	2.4%
Service Providing	1,199,600	1,188,200	1,295,800	11,400	-96,200	-7.4%
Trade, Transportation, and Utilities	275,400	272,800	285,300	2,600	-9,900	-3.5%
Wholesale Trade	59,700	60,000	64,400	-300	-4,700	-7.3%
Retail Trade	166,000	163,400	165,700	2,600	300	0.2%
Motor Vehicle and Parts Dealers	11,100	10,600	11,500	500	-400	-3.5%
Food and Beverage Stores	24,700	24,700	23,800	0	900	3.8%
General Merchandise Stores	16,200	16,500	18,500	-300	-2,300	-12.4%
Transportation, Warehousing, and Utilities	49,700	49,400	55,200	300	-5,500	-10.0%
Transportation and Warehousing	48,000	47,800	53,200	200	-5,200	-9.8%
Air Transportation	9,200	9,700	15,000	-500	-5,800	-38.7%
Truck Transportation	6,200	6,200	7,000	0	-800	-11.4%
Support Activities for Transportation	11,500	11,500	12,900	0	-1,400	-10.9%
Warehousing and Storage	3,100	3,100	3,200	0	-100	-3.1%
Information	124,700	123,000	126,200	1,700	-1,500	-1.2%
Software Publishers	70,700	69,800	69,800	900	900	1.3%
Financial Activities	77,400	76,700	76,400	700	1,000	1.3%
Finance and Insurance	43,200	43,000	44,200	200	-1,000	-2.3%
Credit Intermediation and Related	16,100	16,100	16,500	0	-400	-2.4%

Insurance Carriers and Related	18,900	19,000	19,100	-100	-200	-1.0%
Real Estate and Rental and Leasing	34,200	33,700	32,200	500	2,000	6.2%
Professional and Business Services	236,800	235,000	243,100	1,800	-6,300	-2.6%
Professional, Scientific, and Technical Services	137,200	136,900	135,400	300	1,800	1.3%
Legal Services	11,600	11,800	12,000	-200	-400	-3.3%
Accounting, Tax Prep., Bookkpg., and Payroll	9,800	9,700	9,400	100	400	4.3%
Architectural, Engineering, and Related	19,000	18,900	19,700	100	-700	-3.6%
Computer Systems Design and Related	43,300	43,000	45,400	300	-2,100	-4.6%
Management of Companies and Enterprises	29,400	29,600	31,800	-200	-2,400	-7.5%
Admin., Support, Waste Mgmt., and Remediation	70,200	68,500	76,000	1,700	-5,800	-7.6%
Administrative and Support Services	66,800	65,300	72,500	1,500	-5,700	-7.9%
Employment Services	25,300	24,000	28,100	1,300	-2,800	-10.0%
Educational and Health Services	173,300	172,500	188,800	800	-15,500	-8.2%
Educational Services	25,500	25,000	28,900	500	-3,400	-11.8%
Ambulatory Health Care Services	58,400	57,600	63,200	800	-4,800	-7.6%
Hospitals	30,900	30,500	32,300	400	-1,400	-4.3%
Nursing and Residential Care Facilities	19,600	19,400	20,100	200	-500	-2.5%
Social Assistance	39,000	40,000	44,300	-1,000	-5,300	-12.0%
Leisure and Hospitality	97,800	94,300	153,400	3,500	-55,600	-36.2%
Arts, Entertainment, and Recreation	14,500	12,000	30,300	2,500	-15,800	-52.1%
Accommodation	8,000	7,700	16,500	300	-8,500	-51.5%
Food Services and Drinking Places	75,200	74,500	106,700	700	-31,500	-29.5%
Other Services	47,100	47,600	53,800	-500	-6,700	-12.5%
Repair and Maintenance	8,600	8,600	9,000	0	-400	-4.4%
Personal and Laundry Services	14,300	15,100	17,900	-800	-3,600	-20.1%
Religious, Grantmkg., Civic, Professional, & Similar	24,200	23,900	26,900	300	-2,700	-10.0%
Government	167,100	166,300	168,800	800	-1,700	-1.0%
Federal Government	21,300	19,700	19,400	1,600	1,900	9.8%
State Government	48,200	48,100	47,600	100	600	1.3%
State Government Educational Services	33,500	33,500	33,000	0	500	1.5%
Local Government	97,600	98,500	101,800	-900	-4,200	-4.1%
Local Government Educational Services	39,500	40,300	40,200	-800	-700	-1.7%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment is down 7.4 percent over the year.

Nonfarm industry employment

Goods-producing Industries

From July to August 2020, total employment in goods-producing industries expanded by 200, with one-month gains observed in construction, and nearly matched by losses from King County manufacturers. Year-over-year, goods-producing employment was down 13,800 or 7.3 percent.

Employment levels in **construction-related industries** expanded by 2,900 from July to August. The tally of jobs in construction was estimated at 83,100. Year-to-year, employment in construction was up 1,300 or 1.6 percent.

- Construction was specifically called out in the initial designation of non-essential economic activities in Washington. Collaborative efforts between the governor’s office and industry leaders led to the identification and application of social distancing protocols that allowed for the resumption of certain construction activities across the state.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In August, King County-located manufacturing employers collectively shed 2,700 jobs. Over the year, total manufacturing employment was down 15,000 or 14.0 percent.

- Aerospace products and parts manufacturing shed an estimated 1,600 jobs over the month and 7,800 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 400 over the month and by 2,400 over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 11,400 jobs in August. Over the year, service providers shed 96,200 jobs. The largest one-month increases were observed in leisure and hospitality. The deepest one-month losses were observed in other services. Over the year, the deepest losses came from leisure and hospitality, while financial activities and retail appear unscathed from this metric.

Wholesale trade employment decreased by 300 in August and remains 4,700 or 7.3 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,700 King County-based jobs in August 2020.

Net employment in **retail trade** increased by 2,600 over the month and managed to expand by an estimated 300 jobs over the year.

- Motor vehicle and parts dealers were down 400 jobs over the year and general merchandise stores were down 2,300. Food and beverage stores, considered essential businesses, expanded employment by 900 over the year.
- 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. Scaling up to the statewide level, “other retail,” a category which includes online retail sales, added 2,300 jobs in August and 7,500 over the year.

Net employment in **transportation, warehousing and utilities** expanded by 300 over the month but was down 5,500 over the year. This set of industries accounted for an estimated 49,700 King County jobs.

- Over the year, transportation-related activities detailed in this report all shed jobs, with the deepest losses observed in air transportation (down 5,800 jobs or 38.7 percent).
- Warehousing and storage contracted by 100 jobs over the year.

Employment in the **information** sector expanded by 1,700 over the month but contracted by 1,500 jobs or 1.2 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 124,700 jobs in August.

- The information sector includes software publishing activities. Employment in software publishing increased by 900 over the month and by 900 (1.3 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level increased by 700 over the month and by 1,000 over the year.

- Both finance and insurance and real estate and rental and leasing components expanded employment over the month.
- Over the year, employers in finance and insurance collectively shed 1,000 jobs but real estate and rental and leasing employment expanded by 2,000.

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 1,800 jobs. Over the year, professional and business services as a whole contracted by 6,300 jobs (2.6 percent).

- From August 2019 to August 2020, professional, scientific and technical services added 1,800 jobs (1.3 percent), management of companies and enterprises fell by 2,400 (7.5 percent), and administrative support, waste management and remediation shed 5,800 jobs (7.6 percent). Employment services was down 2,800 jobs over the year.

Employment levels in **educational and health services** expanded by 800 over the month. Over the year, this diverse sector was down 15,500 or 8.2 percent. Educational and health services accounted for an estimated 173,300 King County-based jobs in August 2020.

- Healthcare and education is comprised of a diverse set of industries, each of which is being affected differently in this health crisis. Over the year, the deepest losses were observed in social assistance and ambulatory health care services (down 5,300 and 4,800 jobs respectively).
- Over the month, social assistance shed 1,000 jobs while all other components of this collection of industries added jobs.

Leisure and hospitality employment expanded by 3,500 over the month, marking the fourth consecutive month of gains following a precipitous drop in April. Over the year, the industries that entertain residents and visitors alike was down 55,600 jobs or 36.2 percent.

- Food services and drinking places saw the deepest losses (31,500 over the year) but arts entertainment and recreation experienced the deepest proportional losses (52.1 percent).

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 dipped by 500 over the month and by 6,700 over the year. Other services represented 47,100 King County jobs in August 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 3,600).

Government employers collectively added 800 jobs over the month but shed an estimated 1,700 jobs over the year.

- Month-to-month losses from local government were offset by a large one-month increase in federal government jobs.
- The deepest 12-month losses were attributable to local government, including educational services (public k-12 systems). The largest gains were observed in federal employment.

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 most recently updated in September. Forecast information is available at www.erfc.wa.gov.

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