



King County Labor Area Summary December 2020



Anneliese Vance-Sherman, Ph.D., Regional Labor Economist
Washington State Employment Security Department
Labor Market and Economic Analysis
Phone: 425-258-6345
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 December 2020, the not seasonally adjusted unemployment rate in King County increased from 4.4 percent to 6.8 percent. Twelve months ago, the unemployment rate was 2.5 percent.
- The King County labor force contracted by 11,196 or 0.9 percent over the year.
- Nonfarm employment expanded by 800 from November to December 2020. There were an estimated 1,404,800 total nonfarm jobs in King County.
- Six major industries detailed in this report expanded employment over the month, five shed jobs, and one was unchanged. The largest one-month gains were attributable to professional and business services. The deepest one-month losses were observed in educational and health services and leisure and hospitality.
- Total nonfarm employment in December 2020 was 87,300 below the level observed 12 months earlier. This represents a 5.9 percent decrease in employment over the year.
- Eight major industries detailed in this report shed jobs over the year. The deepest 12-month losses were observed in leisure and hospitality. Four industries expanded employment over the year, with professional and business services adding the largest number of jobs.

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.

This report compares the week containing the 12th of December with the previous month and year. For all intents and purposes, this is the tenth 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.

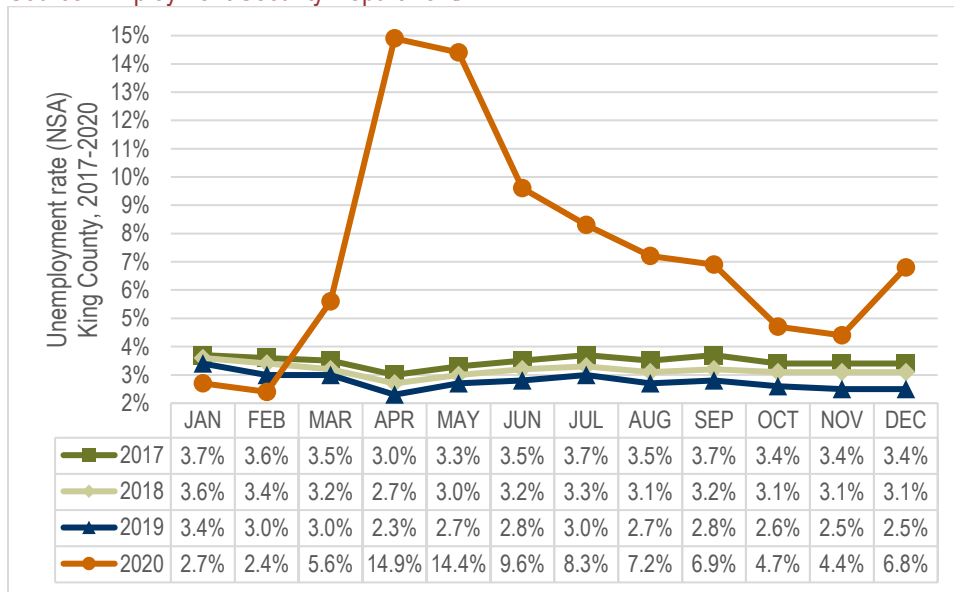
Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for King County was 6.8 percent (preliminary) in December 2020. This up from 4.4 percent reported in November (revised). For reference, the unemployment rate in December 2019 was 2.5 percent.

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and much of the nation. A swift and steep spike in unemployment has been declining since April. December 2020 labor force estimates follow:

- King County labor force: 1,276,143
- Total employed: 1,189,555
- Total unemployed: 86,588
- Unemployment rate: 6.8%

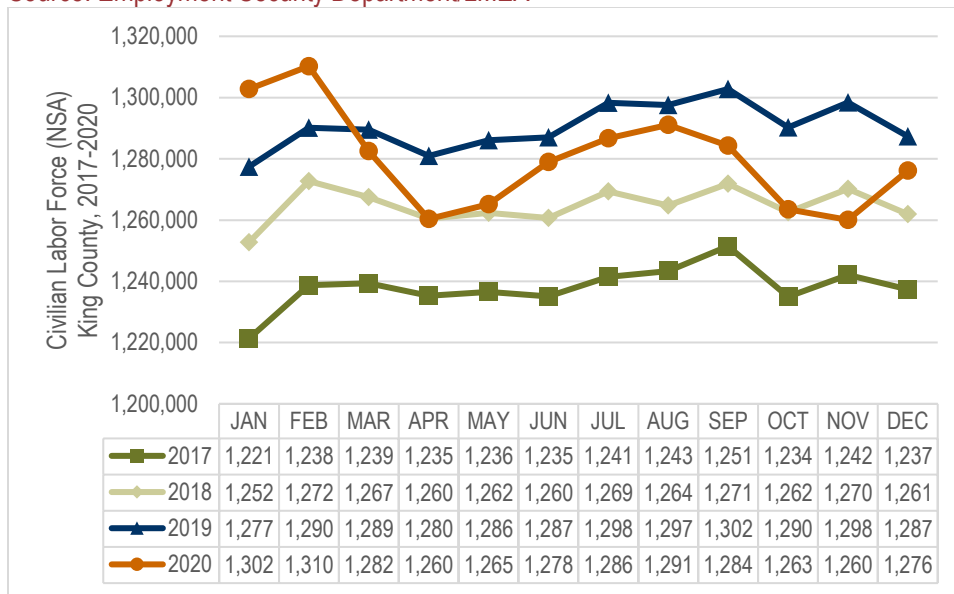
Figure 1. Unemployment rates, not seasonally adjusted
King County, January 2017 through December 2020
Source: Employment Security Department/LMEA



King County's unemployment rate was 6.8 percent in December 2020.

Month-to-month, King County's labor force increased by 16,069 resident workers. The number counted among the employed contracted by 15,248 and the number of active job seekers expanded by 31,317. Over-the-year, the labor force contracted by 11,196 people or 0.9 percent. Within that, the number of employed workers decreased by 66,098 or 5.3 percent and the number of unemployed workers increased by 54,902 or 173.3 percent.

Figure 2. Civilian labor force, not seasonally adjusted
 King County, January 2017 through December 2020
 Source: Employment Security Department/LMEA



The size of the labor force has been contracting as a result of circumstances surrounding the Covid pandemic

Washington state

The not seasonally adjusted unemployment rate for Washington State increased from 5.6 percent (not seasonally adjusted) in November to 7.2 percent (preliminary) in December. The statewide labor force increased by 33,995 over the month. Within that, the estimated number of employed people contracted by 29,046 and the number of unemployed job seekers expanded by 63,041. Over the year, the labor force is down 93,225 or 2.4 percent. Beneath the surface, the employed labor force contracted by 212,559 or 5.6 percent and the count of unemployed expanded by 119,334 or 75.7 percent. The unemployment rate 12 months ago was 4.0 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicted that the statewide unemployment rate will have averaged 6.57 in 2020, a slight upward revision compared to the September forecast. The unemployment rate is expected to increase to 7.19 in 2021 and drop to 6.14 percent in 2022, signaling a slower recovery than had been previously predicted. 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 increased from 4.5 percent in November (revised) to 7.0 percent in December (preliminary). Twelve months ago, the unemployment rate was 2.5 percent. The labor force expanded by 23,832 over the month. Over the year, the labor force contracted by 11,976 or 0.7 percent, including a decrease in the total number of employed workers (down 88,800 over the year) and an increase of 76,824 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

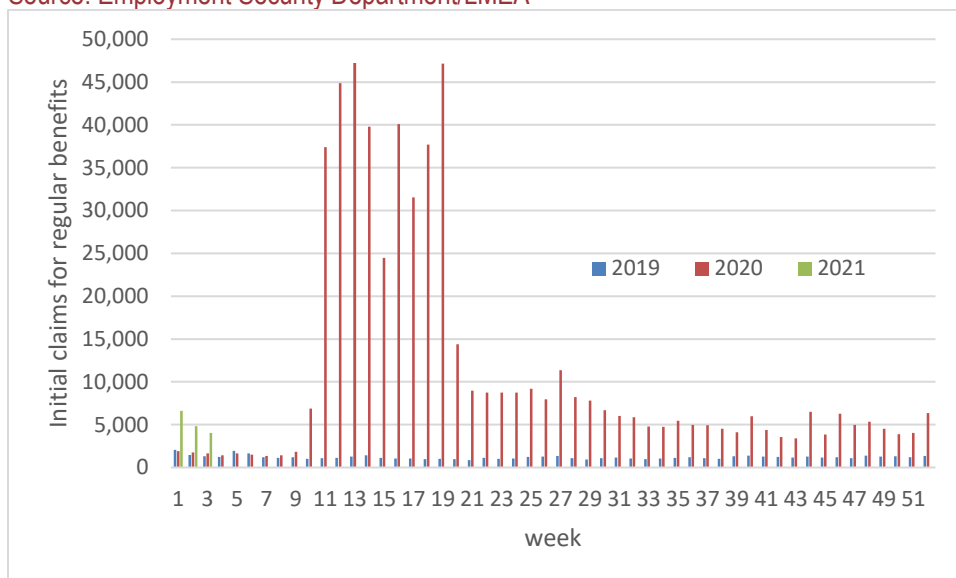
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. The wave of claims in April reached unprecedented levels; 137,775 King County residents filed initial claims and 154,384 individuals collected unemployment insurance that month. In December 2020, 16,702 new claims were filed by King County residents and a total of 52,702 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.

Although initial claims activity has more-or-less normalized around 5,000 per week, this is still substantially higher than the number of claims that we would normally expect. For reference, 4,019 applications for regular unemployment insurance were received during the third week of 2021. This compares to 1,906 claims received during the third week of 2020.

Figure 3. Initial Claims for Unemployment Insurance
King County, January 2020 through December 2020
Source: Employment Security Department/LMEA



The week of December 6-12 is the reference week for the labor force and payroll statistics in this report. Weekly initial claims information is published every Thursday.

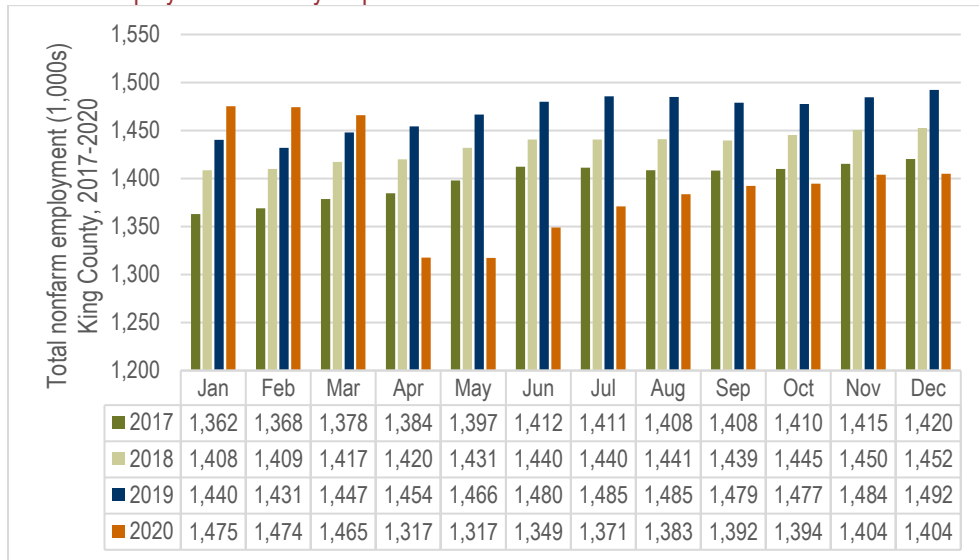
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo>

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

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 800 from November to December 2020. Over the year, employers in King County shed 87,300 jobs, down 5.9 percent, as a result of formal and informal physical distancing measures put into play to curb the spread of Covid-19. The tally of nonfarm jobs in King County was estimated as 1.4 million in December (preliminary).

Figure 4. Nonfarm industry employment
 King County, January 2017 through December 2020
 Source: Employment Security Department/LMEA



King County job growth was disrupted by the Covid-19 pandemic. The initial shock of job loss was initially met with rapid job recovery, which has been slowing 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 December 6-12 on the unemployment insurance calendar (previous section).

Figure 5. Total nonfarm industry employment, not seasonally adjusted
King County, December 2019 and November and December 2020
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through June 2020

NAICS Industry Title	Prelim Dec-20	Revised Nov-20	Revised Dec-19	Change		
				Nov-20 Dec-20	Dec-19 Dec-20	Dec-19 Dec-20
Total Nonfarm	1,404,800	1,404,000	1,492,100	800	-87,300	-5.9%
Total Private	1,236,200	1,234,700	1,316,400	1,500	-80,200	-6.1%
Goods Producing	177,900	175,400	186,500	2,500	-8,600	-4.6%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	85,100	83,300	79,600	1,800	5,500	6.9%
Construction of Buildings	23,600	23,400	23,100	200	500	2.2%
Heavy and Civil Engineering Construction	5,800	6,100	6,600	-300	-800	-12.1%
Specialty Trade Contractors	55,600	53,900	49,900	1,700	5,700	11.4%
Manufacturing	92,400	91,700	106,400	700	-14,000	-13.2%
Durable Goods	68,500	67,300	80,000	1,200	-11,500	-14.4%
Fabricated Metal Product Manufacturing	5,600	5,700	7,600	-100	-2,000	-26.3%
Computer and Electronic Product Mfg.	8,700	8,500	8,400	200	300	3.6%
Navgtl., Measuring, Electromed., & Control	5,000	5,000	4,800	0	200	4.2%
Transportation Equipment Manufacturing	37,100	36,800	45,000	300	-7,900	-17.6%
Aerospace Product and Parts Mfg.	33,800	33,500	41,800	300	-8,000	-19.1%
Nondurable Goods	23,900	24,400	26,400	-500	-2,500	-9.5%
Food Manufacturing	11,900	12,000	12,700	-100	-800	-6.3%
Service Providing	1,226,900	1,228,600	1,305,600	-1,700	-78,700	-6.0%
Trade, Transportation, and Utilities	287,700	283,600	292,700	4,100	-5,000	-1.7%
Wholesale Trade	59,100	59,600	64,200	-500	-5,100	-7.9%
Retail Trade	175,300	172,800	172,300	2,500	3,000	1.7%
Motor Vehicle and Parts Dealers	10,500	10,600	10,700	-100	-200	-1.9%
Food and Beverage Stores	25,500	24,600	24,200	900	1,300	5.4%
General Merchandise Stores	19,300	19,100	19,900	200	-600	-3.0%
Transportation, Warehousing, and Utilities	53,300	51,200	56,200	2,100	-2,900	-5.2%
Transportation and Warehousing	51,200	49,100	54,300	2,100	-3,100	-5.7%
Air Transportation	13,200	13,200	15,000	0	-1,800	-12.0%
Truck Transportation	6,700	6,500	6,700	200	0	0.0%
Support Activities for Transportation	10,600	10,700	13,000	-100	-2,400	-18.5%
Warehousing and Storage	3,400	3,400	3,200	0	200	6.3%
Information	130,900	130,200	124,900	700	6,000	4.8%
Software Publishers	75,300	75,000	68,800	300	6,500	9.4%
Financial Activities	74,400	73,600	75,700	800	-1,300	-1.7%
Finance and Insurance	42,700	42,300	43,800	400	-1,100	-2.5%
Credit Intermediation and Related	15,800	15,800	16,100	0	-300	-1.9%
Insurance Carriers and Related	19,000	18,700	18,900	300	100	0.5%

Real Estate and Rental and Leasing	31,700	31,300	31,900	400	-200	-0.6%
Professional and Business Services	251,400	246,400	244,000	5,000	7,400	3.0%
Professional, Scientific, and Technical Services	145,600	143,100	136,000	2,500	9,600	7.1%
Legal Services	12,200	12,100	12,100	100	100	0.8%
Accounting, Tax Prep., Bookkpg., and Payroll	8,500	8,400	9,500	100	-1,000	-10.5%
Architectural, Engineering, and Related	21,100	20,300	19,400	800	1,700	8.8%
Computer Systems Design and Related	47,400	46,700	45,700	700	1,700	3.7%
Management of Companies and Enterprises	30,500	30,300	32,800	200	-2,300	-7.0%
Admin., Support, Waste Mgmt., and Remediation	75,400	72,900	75,200	2,500	200	0.3%
Administrative and Support Services	71,600	69,100	71,700	2,500	-100	-0.1%
Employment Services	30,700	28,100	27,900	2,600	2,800	10.0%
Educational and Health Services	178,700	180,600	193,100	-1,900	-14,400	-7.5%
Educational Services	24,800	26,100	31,800	-1,300	-7,000	-22.0%
Ambulatory Health Care Services	58,400	59,700	63,800	-1,300	-5,400	-8.5%
Hospitals	29,600	29,500	32,500	100	-2,900	-8.9%
Nursing and Residential Care Facilities	19,200	19,400	20,100	-200	-900	-4.5%
Social Assistance	46,700	45,800	44,900	900	1,800	4.0%
Leisure and Hospitality	90,300	99,400	146,200	-9,100	-55,900	-38.2%
Arts, Entertainment, and Recreation	12,200	13,700	27,100	-1,500	-14,900	-55.0%
Accommodation	7,900	7,800	16,100	100	-8,200	-50.9%
Food Services and Drinking Places	70,200	77,900	102,900	-7,700	-32,700	-31.8%
Other Services	44,900	45,500	53,300	-600	-8,400	-15.8%
Repair and Maintenance	8,100	8,200	8,800	-100	-700	-8.0%
Personal and Laundry Services	12,700	12,600	18,200	100	-5,500	-30.2%
Religious, Grantmkg., Civic, Professional, & Similar	24,100	24,700	26,200	-600	-2,100	-8.0%
Government	168,600	169,300	175,700	-700	-7,100	-4.0%
Federal Government	19,800	19,800	19,100	0	700	3.7%
State Government	50,200	50,600	49,700	-400	500	1.0%
State Government Educational Services	35,700	36,200	35,200	-500	500	1.4%
Local Government	98,600	98,900	106,900	-300	-8,300	-7.8%
Local Government Educational Services	41,200	41,300	46,400	-100	-5,200	-11.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment is down 5.9 percent over the year.

Nonfarm industry employment

Goods-producing Industries

From November to December 2020, total employment in goods-producing industries expanded by 2,500, with one-month gains observed in both construction and manufacturing. Year-over-year, goods-producing employment was down 8,600 or 4.6 percent.

Employment levels in **construction-related industries** expanded by 1,800 from November to December. The tally of jobs in construction was estimated at 85,100. Year-to-year, employment in construction was up 5,500 or 6.9 percent.

- Despite a major temporary setback due to physical distancing protocols in April, King County based employment in construction quickly resumed and surpassed last year's levels. Recent growth has

been concentrated in the largest component of construction. Specialty trade contractors added 1,700 jobs over the month and 5,700 (11.4 percent) over the year.

- Construction is a highly-seasonal industry. While we can expect to see seasonal losses over the winter, a strong real estate market and a boom in home improvement projects is continuing to buoy this set of industries.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In December, King County-located manufacturing employers collectively added 700 jobs. Over the year, total manufacturing employment was down 14,000 or 13.2 percent.

- Aerospace products and parts manufacturing added an estimated 300 jobs over the month and shed 8,000 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 500 over the month and by 2,500 jobs over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 1,700 jobs in December. Over the year, service providers shed 78,700 jobs. The largest one-month increases were observed in professional and business services, retail trade, and transportation warehousing and utilities. The deepest one-month losses were observed in leisure and hospitality and education and health services. Over the year, the deepest losses were observed in the industries that make up leisure and hospitality, while professional and business services, information and retail trade appear unscathed based on this metric.

Wholesale trade employment decreased by 500 in December and by 5,100 or 7.9 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,100 King County-based jobs in December 2020.

Net employment in **retail trade** expanded by 2,500 over the month and expanded by an estimated 3,000 jobs (1.7 percent) over the year.

- Motor vehicle and parts dealers were down 200 jobs over the year and general merchandise stores were down 600. Food and beverage stores, considered essential businesses, expanded employment by 1,300 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, expanded by 3,500 jobs over the year.

Net employment in **transportation, warehousing and utilities** expanded by 2,100 over the month but remains 2,900 below last December. This set of industries accounted for an estimated 53,300 King County jobs.

- Over the year, air transportation was down 1,800 jobs (12 percent) and support activities for transportation was down 2,400 (18.5 percent). Truck transportation held steady.
- Employment in warehousing and storage expanded by 200 jobs over the year.

Employment in the **information** sector expanded by 700 over the month and by 6,000 jobs or 4.8 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had an estimated tally of 130,900 jobs in December.

- The information sector includes software publishing activities. Employment in software publishing increased by 300 over the month and by 6,500 (9.4 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 800 over the month and contracted by 1,300 over the year.

- Over the year, employers in finance and insurance collectively shed 1,300 jobs. Real estate and rental and leasing employment has been relatively healthy, but employment was down 200 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 December, this diverse sector added 5,000 jobs. Over the year, professional and business services expanded by 7,400 jobs (3.0 percent).

- From December 2019 to December 2020, professional, scientific and technical services added 9,600 jobs (7.1 percent), management of companies and enterprises fell by 2,300 (7.0 percent), and administrative support, waste management and remediation added 200 jobs (0.3 percent). Employment services was up 2,800 jobs over the year.

Employment levels in **educational and health services** contracted by 1,900 over the month. Over the year, this diverse sector was down 14,400 or 7.5 percent. Educational and health services accounted for an estimated 178,700 King County-based jobs in December 2020.

- Healthcare and education is comprised of a diverse set of industries, each of which is being affected somewhat differently in this health crisis. Over the year, private educational services shed 7,000 jobs. Ambulatory health care services shed 5,400 jobs, hospitals shed 2,900 and nursing and residential care facilities were down 900 jobs. The only industry adding jobs over the year was social assistance (up 1,800).

Leisure and hospitality employment contracted by 9,100 over the month, following the deepest losses of any industry in April. Over the year, the industries that entertain residents and visitors alike was down 55,900 jobs or 38.2 percent.

- Food services and drinking places saw the deepest losses (down 32,700 over the year) but arts, entertainment, and recreation experienced the deepest proportional losses (55.0 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 decreased by 600 over the month and dropped by 8,400 over the year. Other services represented 44,900 King County jobs in December 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 5,500).

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

- Month-to-month losses were concentrated at the state level – particularly within state government educational services (public colleges and universities) and largely reflect winter break. The deepest 12-month losses were attributable to local government (down 8,300); more than half of local losses came from educational services (public k-12 systems).

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 November and revised in January. 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.