



King County Labor Area Summary February 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 February 2020, the not seasonally adjusted unemployment rate in King County was 2.5 percent. This is down from 2.7 percent reported in January. Twelve months ago, the unemployment rate was 3.5 percent.
- The King County labor force expanded by 1.7 percent over the year.
- Nonfarm employment contracted by 3,400 from January to February 2020. There were an estimated 1,473,600 total nonfarm jobs in King County.
- Three of the major industries detailed in this report added jobs and 7 shed jobs from January to February 2020 on a not seasonally adjusted basis. The largest one-month gains were attributable to construction and the deepest losses were observed in retail trade.
- Total nonfarm employment in February 2020 was 41,700 above the level observed 12 months earlier. This represents a 2.9 percent increase in employment over the year.
- Year-to-year growth was observed in almost every major industry detailed in this report. The largest gains were observed in information, professional and business services, and leisure and hospitality. The only industry that shed jobs over the year was manufacturing.

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 the month of March. This report compares the week containing the 12th of February with the previous month and year. Therefore, all traditional measures in this report reflect the state of the local economy prior to the arrival of COVID-19. For now, the most reliable closer-to-real-time indicator is weekly Unemployment Insurance claims. A supplemental section dedicated to weekly UI claims tracking for Snohomish County for the first couple weeks of March is included in this report.

Unemployment rates and labor force information

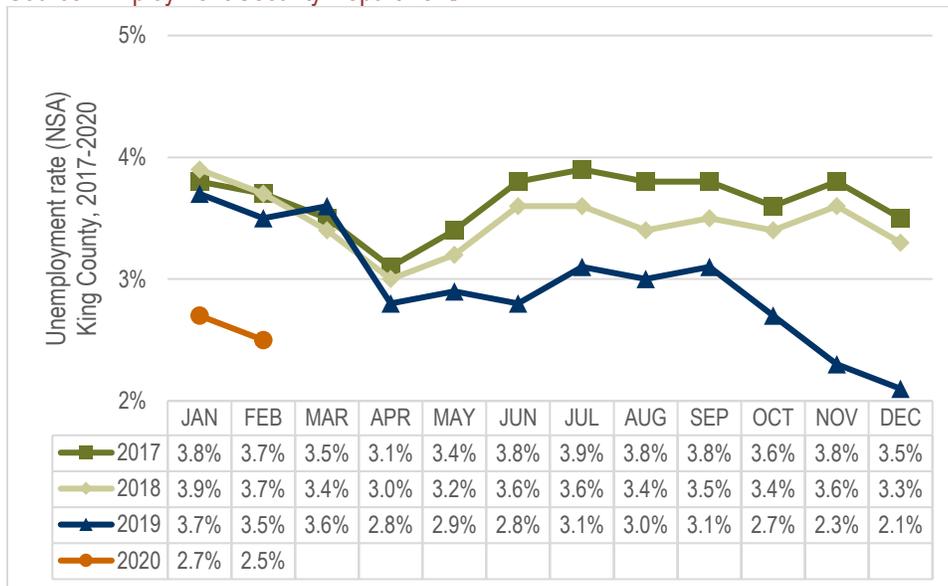
The not seasonally adjusted unemployment rate for King County was 2.5 percent (preliminary) in February 2020. This is below 2.7 percent, as reported in January (revised). For reference, the unemployment rate in February 2019 was 3.5 percent.

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. February 2020 figures are:

- King County labor force: 1,310,351
- Total employed: 1,278,178
- Total unemployed: 32,173
- Unemployment rate: 2.5%

Month-to-month, King County’s labor force increased by 7,525 people. The number of employed people expanded by 10,388 and the number of active job seekers diminished by 2,863. Over-the-year, the labor force expanded by 21,917 people or 1.7 percent.

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



The unemployment rate peaked at 9.5% in early 2010. In February 2020, the unemployment rate was 2.5 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington State was reported as 4.2 percent (preliminary), below 4.4 percent reported in January (revised). The statewide labor force increased by 100,746 (2.6 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.2 percent.

The February forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 4.39 percent in 2020 and will drop to 4.30 percent in 2021. This is down from the unemployment rates forecasted in the November publication. 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 decreased from 2.8 percent in January (revised) to 2.5 percent in February (preliminary). Twelve months ago, the

unemployment rate was 3.6 percent. Over the year, the civilian labor force expanded by 26,204 or 1.5 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 February 2020, 4,990 new claims were filed by King County residents and a total of 13,225 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 for March:

- 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

Weekly initial claims information is published every Thursday.

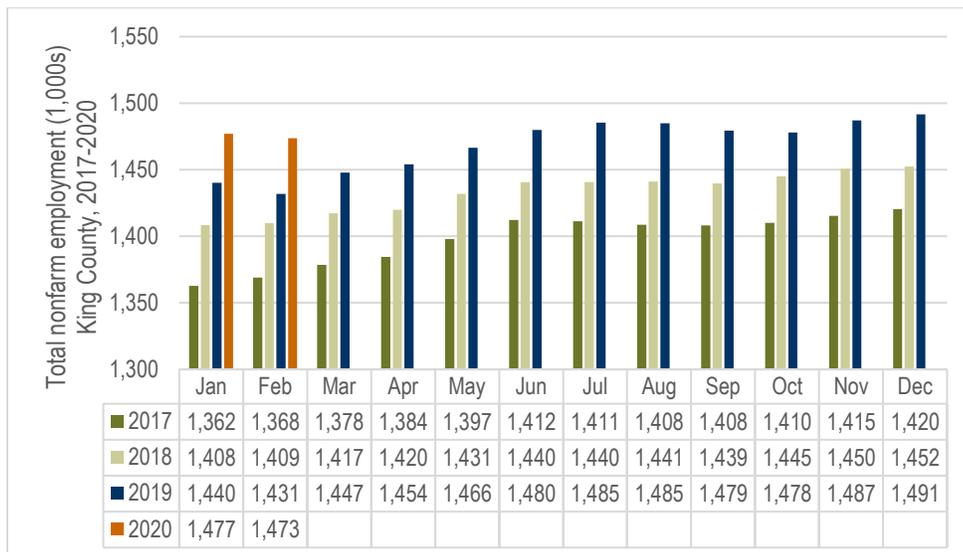
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

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

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) contracted by 3,400 from January to February 2020. Over the year, employers in King County added 41,700 jobs or 2.9 percent. The tally of nonfarm jobs in King County was nearly 1.5 million.

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



King County job growth continues to climb. From February 2019 to February 2020, King County employment expanded by 41,700.

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, February 2019 and January and February 2020
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through September 2019

| NAICS Industry Title | Prelim Feb-20 | Revised Jan-20 | Revised Feb-19 | Change | | |
|---|------------------|-------------------|-------------------|------------------|------------------|------------------|
| | | | | Jan-20 Feb-20 | Feb-19 Feb-20 | Feb-19 Feb-20 |
| Total Nonfarm | 1,473,600 | 1,477,000 | 1,431,900 | -3,400 | 41,700 | 2.9% |
| Total Private | 1,292,900 | 1,296,300 | 1,256,300 | -3,400 | 36,600 | 2.9% |
| Goods Producing | 186,700 | 185,000 | 181,200 | 1,700 | 5,500 | 3.0% |
| Mining and Logging | 500 | 500 | 500 | 0 | 0 | 0.0% |
| Construction | 81,900 | 79,400 | 75,200 | 2,500 | 6,700 | 8.9% |
| Construction of Buildings | 22,900 | 22,300 | 22,200 | 600 | 700 | 3.2% |
| Heavy and Civil Engineering Construction | 5,800 | 5,400 | 5,600 | 400 | 200 | 3.6% |
| Specialty Trade Contractors | 53,200 | 51,700 | 47,300 | 1,500 | 5,900 | 12.5% |
| Manufacturing | 104,300 | 105,100 | 105,500 | -800 | -1,200 | -1.1% |
| Durable Goods | 78,000 | 79,100 | 79,600 | -1,100 | -1,600 | -2.0% |
| Fabricated Metal Product Manufacturing | 7,600 | 7,600 | 7,200 | 0 | 400 | 5.6% |
| Computer and Electronic Product Mfg. | 8,100 | 8,000 | 8,500 | 100 | -400 | -4.7% |
| Navgtnl., Measuring, Electromed., & Control | 4,800 | 4,700 | 4,900 | 100 | -100 | -2.0% |
| Transportation Equipment Manufacturing | 43,200 | 44,200 | 44,300 | -1,000 | -1,100 | -2.5% |
| Aerospace Product and Parts Mfg. | 40,400 | 41,200 | 40,900 | -800 | -500 | -1.2% |
| Nondurable Goods | 26,300 | 26,000 | 25,900 | 300 | 400 | 1.5% |
| Food Manufacturing | 12,400 | 12,600 | 12,300 | -200 | 100 | 0.8% |
| Service Providing | 1,286,900 | 1,292,000 | 1,250,700 | -5,100 | 36,200 | 2.9% |
| Trade, Transportation, and Utilities | 277,200 | 283,100 | 274,100 | -5,900 | 3,100 | 1.1% |
| Wholesale Trade | 63,900 | 64,900 | 63,900 | -1,000 | 0 | 0.0% |
| Retail Trade | 159,800 | 163,100 | 156,800 | -3,300 | 3,000 | 1.9% |
| Motor Vehicle and Parts Dealers | 11,300 | 11,200 | 11,300 | 100 | 0 | 0.0% |
| Food and Beverage Stores | 23,200 | 23,200 | 23,200 | 0 | 0 | 0.0% |
| General Merchandise Stores | 17,400 | 19,500 | 18,300 | -2,100 | -900 | -4.9% |
| Transportation, Warehousing, and Utilities | 53,500 | 55,100 | 53,400 | -1,600 | 100 | 0.2% |
| Transportation and Warehousing | 51,400 | 53,100 | 51,600 | -1,700 | -200 | -0.4% |
| Air Transportation | 15,200 | 15,100 | 14,600 | 100 | 600 | 4.1% |
| Truck Transportation | 6,700 | 6,700 | 6,600 | 0 | 100 | 1.5% |
| Support Activities for Transportation | 12,600 | 12,600 | 12,600 | 0 | 0 | 0.0% |
| Warehousing and Storage | 3,200 | 3,200 | 3,300 | 0 | -100 | -3.0% |

| | | | | | | |
|--|---------|---------|---------|--------|--------|-------|
| Information | 124,400 | 124,300 | 116,300 | 100 | 8,100 | 7.0% |
| Software Publishers | 68,100 | 67,800 | 64,700 | 300 | 3,400 | 5.3% |
| Financial Activities | 74,200 | 74,400 | 74,200 | -200 | 0 | 0.0% |
| Finance and Insurance | 42,700 | 43,100 | 43,600 | -400 | -900 | -2.1% |
| Credit Intermediation and Related | 16,000 | 16,200 | 16,300 | -200 | -300 | -1.8% |
| Insurance Carriers and Related | 18,800 | 18,900 | 18,800 | -100 | 0 | 0.0% |
| Real Estate and Rental and Leasing | 31,500 | 31,300 | 30,600 | 200 | 900 | 2.9% |
| Professional and Business Services | 240,100 | 238,300 | 232,100 | 1,800 | 8,000 | 3.4% |
| Professional, Scientific, and Technical Services | 137,100 | 137,900 | 130,900 | -800 | 6,200 | 4.7% |
| Legal Services | 11,900 | 11,900 | 11,700 | 0 | 200 | 1.7% |
| Accounting, Tax Prep., Bookkpg., and Payroll | 10,800 | 10,000 | 10,000 | 800 | 800 | 8.0% |
| Architectural, Engineering, and Related | 19,600 | 19,800 | 18,700 | -200 | 900 | 4.8% |
| Computer Systems Design and Related | 44,800 | 45,900 | 43,500 | -1,100 | 1,300 | 3.0% |
| Management of Companies and Enterprises | 31,200 | 31,400 | 31,200 | -200 | 0 | 0.0% |
| Admin., Support, Waste Mgmt., and Remediation | 71,700 | 69,000 | 70,000 | 2,700 | 1,700 | 2.4% |
| Administrative and Support Services | 68,200 | 65,500 | 66,700 | 2,700 | 1,500 | 2.2% |
| Employment Services | 24,100 | 23,600 | 25,400 | 500 | -1,300 | -5.1% |
| Educational and Health Services | 191,500 | 191,500 | 187,500 | 0 | 4,000 | 2.1% |
| Educational Services | 31,600 | 30,700 | 31,600 | 900 | 0 | 0.0% |
| Ambulatory Health Care Services | 63,800 | 64,500 | 61,000 | -700 | 2,800 | 4.6% |
| Hospitals | 32,200 | 32,300 | 31,800 | -100 | 400 | 1.3% |
| Nursing and Residential Care Facilities | 19,200 | 19,200 | 19,900 | 0 | -700 | -3.5% |
| Social Assistance | 44,700 | 44,800 | 43,200 | -100 | 1,500 | 3.5% |
| Leisure and Hospitality | 146,800 | 147,300 | 139,800 | -500 | 7,000 | 5.0% |
| Arts, Entertainment, and Recreation | 28,800 | 28,200 | 25,000 | 600 | 3,800 | 15.2% |
| Accommodation | 15,600 | 15,500 | 15,300 | 100 | 300 | 2.0% |
| Food Services and Drinking Places | 102,400 | 103,600 | 99,500 | -1,200 | 2,900 | 2.9% |
| Other Services | 52,000 | 52,400 | 51,100 | -400 | 900 | 1.8% |
| Repair and Maintenance | 8,900 | 8,900 | 8,800 | 0 | 100 | 1.1% |
| Personal and Laundry Services | 17,700 | 17,800 | 17,100 | -100 | 600 | 3.5% |
| Religious, Grantmkg., Civic, Professional, & Similar | 25,300 | 25,600 | 25,100 | -300 | 200 | 0.8% |
| Government | 180,700 | 180,700 | 175,600 | 0 | 5,100 | 2.9% |
| Federal Government | 19,200 | 19,300 | 19,200 | -100 | 0 | 0.0% |
| State Government | 53,800 | 53,700 | 52,500 | 100 | 1,300 | 2.5% |
| State Government Educational Services | 39,400 | 39,200 | 37,800 | 200 | 1,600 | 4.2% |
| Local Government | 107,700 | 107,700 | 103,900 | 0 | 3,800 | 3.7% |
| Local Government Educational Services | 46,900 | 47,500 | 45,300 | -600 | 1,600 | 3.5% |
| Workers in Labor/Management Disputes | 0 | 0 | 0 | 0 | 0 | |

King County nonfarm employment increased by 2.9% 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 January to February 2020, total employment in goods-producing industries expanded by 1,700, with construction adding some jobs and job losses observed in manufacturing. Year-over-year, goods-producing employment was up 5,500 or 3.0 percent.

Employment levels in **construction-related industries** expanded by 2,500 from January to February on a not seasonally adjusted basis. The tally of jobs was estimated at 81,900. Year-to-year, employment in construction was up 6,700 or 8.9 percent.

- Employment in construction is highly-seasonal. Expect to see employment drop with the temperature over the fall and winter months, and to rebound in the spring.
- 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.

In February, King County-located **manufacturing** employers collectively shed 800 jobs. Over the year, total manufacturing employment was down 1,200 or 1.1 percent. Aerospace products and parts manufacturing shed an estimated 800 jobs over the month and 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 up over the past several months.
- 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 expanded by 300 over the month and by 400 (1.5 percent) over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 5,100 jobs in February on a not seasonally adjusted basis. Over the year, service providers added 36,200 new jobs to the King County economy, with gains observed in most industry breakouts. The largest year-over-year gains among service-providing industries were attributable to hiring in information (up 8,100), professional and business services (up 8,000), and leisure and hospitality (up 7,000).

Wholesale trade shed an estimated 1,00 jobs in February but remained unchanged over the year. Wholesale trade accounted for 63,900 King County-based jobs.

Net employment in **retail trade** decreased by 3,300 over the month but expanded by 3,000 (1.9 percent) over the year.

- Over the year, general merchandise stores shed 900 jobs and motor vehicles and parts dealers and food and beverage stores remained unchanged.
- Over the past several years, most retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From February 2019 to February 2020, retailers captured under “other retail trade” added 12,200 jobs statewide (10.1 percent growth). Many of these jobs are located in King County.

Net employment in **transportation, warehousing and utilities** declined by 1,600 over the month but expanded by 100 over the year. This set of industries accounted for an estimated 53,500 jobs.

- Annual increases were attributable to air transportation and truck transportation, adding 600 and 100 jobs respectively.
- Warehousing and storage shed jobs over the year and support activities remained unchanged.

Employment in the **information** sector expanded by 100 over the month and by 8,100 jobs or 7.0 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 124,400 jobs in February.

- The information sector includes software publishing activities. Employment in software publishing increased by 300 over the month and added 3,400 jobs (5.3 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 200 over the month but remained unchanged over the year.

- Employment over the year in finance and insurance was down 900 and real estate was up 900 jobs.

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 February, this diverse sector added 1,800 jobs. Over the year, professional and business services as a whole expanded by 8,000 jobs (3.4 percent).

- From February 2019 to February 2020, professional, scientific and technical services added 6,200 jobs (4.7 percent), management of companies and enterprises neither expanded nor contracted, and administrative support, waste management and remediation added 1,700 jobs (2.4 percent). Employment services was down 1,300 jobs over the year.

Employment levels in **educational and health services** neither increased nor decreased from January to February, but expanded by 4,000 (2.1 percent) over the year. Educational and health services accounted for an estimated 191,500 King County-based jobs at the start of 2020.

- The largest annual gains were attributable to hiring in ambulatory health care services (up 2,800) and social assistance (up 1,500). Nursing and residential care facilities shed 700 and educational services remained unchanged over the year.
- Educational and health services weathered the economic storm relatively well compared to other industries. Employment in this sector is generally dependent on population growth and stability.

Leisure and hospitality employment contracted over the month. Employment was down 500 from January. Over the year, the industries that entertain residents and visitors alike added 7,000 jobs or 5.0 percent.

- The largest year-over-year changes were observed in arts, entertainment and recreation, which added 3,800 jobs. Food services and drinking places expanded by 2,900 and accommodation was up 300 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 400 over the month but expanded by 900 over the year. Other services represented 52,000 King County jobs in February 2020.

Government employers collectively neither expanded nor contracted over the month, but added an estimated 5,100 jobs over the year.

- Month-to-month gains were concentrated in state government educational services (up 200) losses were observed in local government educational services.
- Over the year, gains were concentrated in local government, with about half of the reported gains originating in local educational services (i.e. local public school districts). State government gains were also mostly concentrated in 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 March. 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.