



King County Labor Area Summary January 2020



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

Overview

- In January 2020, the not seasonally adjusted unemployment rate in King County was 2.7 percent. This is up from 2.1 percent reported in December. Twelve months ago, the unemployment rate was 3.7 percent.
- The King County labor force expanded by 2.1 percent over the year.
- Nonfarm employment contracted by 16,600 from December 2019 to January 2020. There were an estimated 1,473,400 total nonfarm jobs in King County.
- Three of the major industries detailed in this report added jobs and 8 shed jobs from December 2019 to January 2020 on a not seasonally adjusted basis. The largest one-month gains were attributable to information and the deepest losses were observed in retail trade.
- Total nonfarm employment in January 2020 was 33,100 above the level observed 12 months earlier. This represents a 2.3 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.

Unemployment rates and labor force information

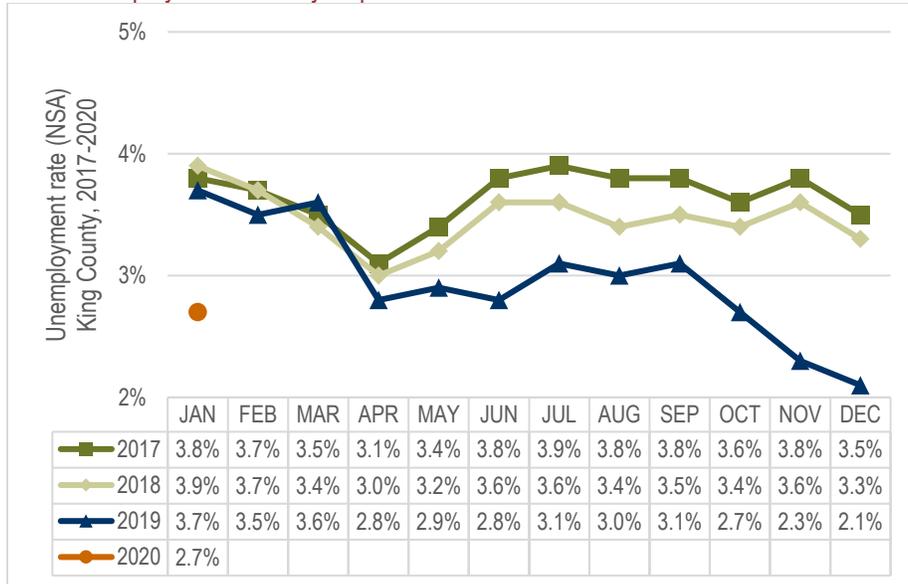
The not seasonally adjusted unemployment rate for King County was 2.7 percent (preliminary) in January 2020. This is above 2.1 percent, as reported in December (revised). For reference, the unemployment rate in January 2019 was 3.7 percent.

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. January 2020 figures are:

- King County labor force: 1,302,175
- Total employed: 1,267,061
- Total unemployed: 35,114
- Unemployment rate: 2.7%

Month-to-month, King County’s labor force increased by 3,698 people. The number of employed people diminished by 3,537 and the number of active job seekers increased by 7,235. Over-the-year, the labor force expanded by 26,851 people or 2.1 percent.

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



The unemployment rate peaked at 9.5% in early 2010. In January 2020, the unemployment rate was 2.7 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington State was reported as 4.4 percent (preliminary), above the 3.9 percent, reported in December (revised). The statewide labor force increased by 116,859 (3.0 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.3 percent.

The November 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 4.53 percent in 2020. This is only slightly changed relative to the June 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 increased from 2.2 percent in December 2019 (revised) to 2.8 percent in January 2020 (preliminary). Twelve months ago, the unemployment rate was 3.8 percent. Over the year, the civilian labor force expanded by 34,768 or 2.0 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.

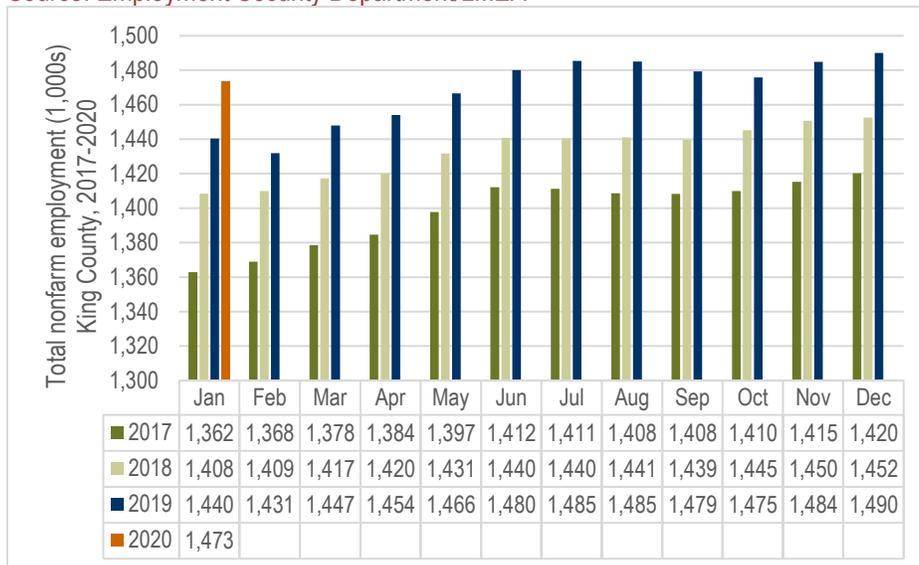
Unemployment Insurance (UI) Claims

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 January 2020, 7,640 new claims were filed by King County residents and a total of 14,241 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) contracted by 16,600 from December 2019 to January 2020. Over the year, employers in King County added 33,100 jobs or 2.3 percent. The tally of nonfarm jobs in King County was nearly 1.5 million.

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



King County job growth continues to climb. From January 2019 to January 2020, King County employment expanded by 33,100.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through September 2019

NAICS Industry Title	Prelim Jan-20	Revised Dec-19	Revised Jan-19	Change		
				Dec-19 Jan-20	Jan-19 Jan-20	Jan-19 Jan-20
Total Nonfarm	1,473,400	1,490,000	1,440,300	-16,600	33,100	2.3%
Total Private	1,295,800	1,313,500	1,264,400	-17,700	31,400	2.5%
Goods Producing	186,200	188,900	183,300	-2,700	2,900	1.6%
Mining and Logging	500	500	500	0	0	0.0%
Construction	79,700	81,600	77,200	-1,900	2,500	3.2%
Construction of Buildings	22,300	23,100	22,500	-800	-200	-0.9%
Heavy and Civil Engineering Construction	5,400	6,100	6,000	-700	-600	-10.0%
Specialty Trade Contractors	52,000	52,400	48,700	-400	3,300	6.8%
Manufacturing	106,000	106,800	105,600	-800	400	0.4%
Durable Goods	79,600	79,900	79,400	-300	200	0.3%
Fabricated Metal Product Manufacturing	7,500	7,400	7,200	100	300	4.2%
Computer and Electronic Product Mfg.	8,100	8,300	8,500	-200	-400	-4.7%
Navgtnl., Measuring, Electromed., & Control	4,700	4,800	4,900	-100	-200	-4.1%
Transportation Equipment Manufacturing	44,600	44,800	44,000	-200	600	1.4%
Aerospace Product and Parts Mfg.	41,600	41,800	40,800	-200	800	2.0%
Nondurable Goods	26,400	26,900	26,200	-500	200	0.8%
Food Manufacturing	12,700	12,800	12,500	-100	200	1.6%
Service Providing	1,287,200	1,301,100	1,257,000	-13,900	30,200	2.4%
Trade, Transportation, and Utilities	281,700	289,800	277,600	-8,100	4,100	1.5%
Wholesale Trade	64,700	64,400	63,900	300	800	1.3%
Retail Trade	161,800	169,200	159,800	-7,400	2,000	1.3%
Motor Vehicle and Parts Dealers	11,200	11,000	11,400	200	-200	-1.8%
Food and Beverage Stores	23,100	23,500	23,400	-400	-300	-1.3%
General Merchandise Stores	19,500	21,000	19,800	-1,500	-300	-1.5%
Transportation, Warehousing, and Utilities	55,200	56,200	53,900	-1,000	1,300	2.4%
Transportation and Warehousing	53,200	54,400	52,000	-1,200	1,200	2.3%
Air Transportation	15,000	15,000	14,500	0	500	3.4%
Truck Transportation	6,700	6,900	6,600	-200	100	1.5%
Support Activities for Transportation	12,600	12,700	12,600	-100	0	0.0%
Warehousing and Storage	3,200	3,200	3,300	0	-100	-3.0%
Information	124,600	123,500	115,200	1,100	9,400	8.2%
Software Publishers	67,800	67,900	64,200	-100	3,600	5.6%
Financial Activities	74,800	75,300	73,700	-500	1,100	1.5%
Finance and Insurance	43,500	43,600	43,400	-100	100	0.2%
Credit Intermediation and Related	16,100	16,200	16,300	-100	-200	-1.2%

Insurance Carriers and Related	18,900	19,000	18,700	-100	200	1.1%
Real Estate and Rental and Leasing	31,300	31,700	30,300	-400	1,000	3.3%
Professional and Business Services	238,200	241,200	233,000	-3,000	5,200	2.2%
Professional, Scientific, and Technical Services	137,800	136,800	130,400	1,000	7,400	5.7%
Legal Services	11,900	12,000	11,700	-100	200	1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	10,000	9,500	9,700	500	300	3.1%
Architectural, Engineering, and Related	19,600	20,100	18,800	-500	800	4.3%
Computer Systems Design and Related	46,500	44,800	43,400	1,700	3,100	7.1%
Management of Companies and Enterprises	31,400	31,800	31,400	-400	0	0.0%
Admin., Support, Waste Mgmt., and Remediation	69,000	72,600	71,200	-3,600	-2,200	-3.1%
Administrative and Support Services	65,400	69,100	67,900	-3,700	-2,500	-3.7%
Employment Services	23,100	26,000	26,200	-2,900	-3,100	-11.8%
Educational and Health Services	191,700	191,700	187,900	0	3,800	2.0%
Educational Services	30,900	30,300	31,700	600	-800	-2.5%
Ambulatory Health Care Services	64,400	64,400	61,100	0	3,300	5.4%
Hospitals	32,300	32,500	31,800	-200	500	1.6%
Nursing and Residential Care Facilities	19,200	19,900	20,000	-700	-800	-4.0%
Social Assistance	44,900	44,500	43,200	400	1,700	3.9%
Leisure and Hospitality	147,000	150,200	142,100	-3,200	4,900	3.4%
Arts, Entertainment, and Recreation	28,600	28,500	26,200	100	2,400	9.2%
Accommodation	15,300	15,800	15,300	-500	0	0.0%
Food Services and Drinking Places	103,100	105,900	100,600	-2,800	2,500	2.5%
Other Services	51,600	52,900	51,600	-1,300	0	0.0%
Repair and Maintenance	8,800	9,000	8,900	-200	-100	-1.1%
Personal and Laundry Services	17,800	18,200	17,500	-400	300	1.7%
Religious, Grantmkg., Civic, Professional, & Similar	25,000	25,600	25,200	-600	-200	-0.8%
Government	177,600	176,500	175,900	1,100	1,700	1.0%
Federal Government	19,300	19,100	19,300	200	0	0.0%
State Government	50,200	49,500	52,700	700	-2,500	-4.7%
State Government Educational Services	35,700	34,900	37,800	800	-2,100	-5.6%
Local Government	108,100	107,900	103,900	200	4,200	4.0%
Local Government Educational Services	47,200	47,000	45,400	200	1,800	4.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 2.3% 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 December 2019 to January 2020, total employment in goods-producing industries declined by 2,700, with losses attributable to the seasonal rhythm of construction as well as some losses in manufacturing. Year-over-year, goods-producing employment was up 2,900 or 1.6 percent.

Employment levels in **construction-related industries** diminished by 1,900 from December to January on a not seasonally adjusted basis. The tally of jobs was estimated at 79,700. Year-to-year, employment in construction was up 2,500 or 3.2 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 January, King County-located **manufacturing** employers collectively shed 800 jobs. Over the year, total manufacturing employment was up 400 or 0.4 percent. Aerospace products and parts manufacturing shed an estimated 200 jobs over the month but added 800 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 diminished by 500 over the month but expanded by 200 (0.8 percent) over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 13,900 jobs in January on a not seasonally adjusted basis. Over the year, service providers added 30,200 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 9,400), professional and business services (up 5,200), and leisure and hospitality (up 4,900).

Wholesale trade added an estimated 300 jobs in January but shed 800 jobs over the year. Wholesale trade accounted for 64,700 King County-based jobs.

Net employment in **retail trade** decreased by 7,400 over the month but expanded by 2,000 (1.3 percent) over the year.

- Over the year, all industries broken out in this report shed jobs over the year.
- Over the past several years, most retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From January 2019 to January 2020, retailers captured under “other retail trade” added 11,800 jobs statewide (9.7 percent growth). Many of these jobs are located in King County.

Net employment in **transportation, warehousing and utilities** declined by 1,000 over the month but expanded by 1,300 over the year. This set of industries accounted for an estimated 55,200 jobs.

- Annual increases were attributable to air transportation and truck transportation, adding 500 and 100 jobs respectively. Warehousing and storage shed jobs over the year and support activities remained unchanged.

Employment in the **information** sector expanded by 1,100 over the month and by 9,400 jobs or 8.2 percent over the year. This sector, which includes everything from software publishers to radio stations and newspapers had a tally of 124,600 jobs in January.

- The information sector includes software publishing activities. Employment in software publishing decreased by 100 over the month but added 3,600 jobs (5.6 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 500 over the month but expanded by 1,100 or 1.5 percent over the year.

- Employment over the year in finance and insurance was up 100 and real estate was up 1,000 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 January, this diverse sector shed 3,000 jobs. Over the year, professional and business services as a whole expanded by 5,200 jobs (2.2 percent).

- From January 2019 to January 2020, professional, scientific and technical services added 7,400 jobs (5.7 percent), management of companies and enterprises neither expanded nor contracted, and administrative support, waste management and remediation shed 2,200 jobs (3.1percent). Employment services was down 3,100 jobs over the year.

Employment levels in **educational and health services** neither increased nor decreased from December to January, but expanded by 3,800 (2.0 percent) over the year. Educational and health services accounted for an estimated 191,700 King County-based jobs at the start of 2020.

- The largest annual gains were attributable to hiring in ambulatory health care services (up 3,300) and social assistance (up 1,700). Nursing and residential care facilities and educational services each shed 800 jobs 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 3,200 from December 2019. Over the year, the industries that entertain residents and visitors alike added 4,900 jobs or 3.4 percent.

- The largest year-over-year changes were observed in food services and drinking places, which added 2,500 jobs. Arts, entertainment and recreation expanded by 2,400 and accommodations neither expanded nor contracted 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 1,300 over the month but remained unchanged over the year. Other services represented 51,600 King County jobs in January 2020.

Government employers collectively added 1,100 jobs in January and added an estimated 1,700 jobs over the year.

- Month-to-month gains were concentrated in state government educational services (up 800) and are likely a reflection of the start of spring quarter.
- 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 reported annual losses, largely concentrated in state 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 November and updated in February. Forecast information is available at www.erfc.wa.gov.

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