



# King County Labor Area Summary July 2020



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

## Overview

- In July 2020, the not seasonally adjusted unemployment rate in King County dropped from 9.6 percent to 8.3 percent. Twelve months ago, the unemployment rate was 3.0 percent.
- The King County labor force contracted by 11,029 over the year.
- Nonfarm employment expanded by 25,900 from June to July 2020. There were an estimated 1,365,700 total nonfarm jobs in King County.
- Nine major industries detailed in this report expanded employment over the month and two 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 retail trade. The deepest losses came from government.
- Total nonfarm employment in July 2020 was 119,600 below the level observed 12 months earlier. This represents an 8.1 percent decrease in employment over the year.
- All 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.

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 12<sup>th</sup> of July with the previous month and year. For all intents and purposes, this is the fifth 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 8.3 percent (preliminary) in July 2020. This down from 9.6 percent, in June (revised). For reference, the unemployment rate in July 2019 was 3.0 percent.

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

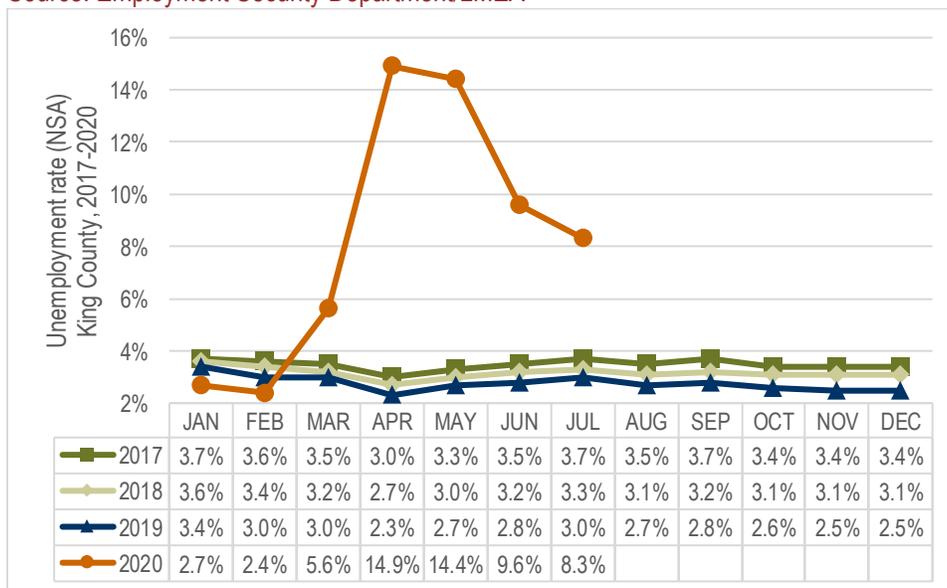
- King County labor force: 1,287,284
- Total employed: 1,179,818
- Total unemployed: 107,466
- Unemployment rate: 8.3%

Month-to-month, King County's labor force increased by 8,367 residents. The number of employed people expanded by 23,086 and the number of active job seekers contracted by 14,719. Over-the-year, the labor force contracted by 11,029 people or 0.8 percent.

**Figure 1. Unemployment rates, not seasonally adjusted**

King County, January 2017 through July 2020

Source: Employment Security Department/LMEA



King County's unemployment rate was 8.3 percent in July 2020.

## Washington state

The not seasonally adjusted unemployment rate for Washington State increased from 9.9 percent (not seasonally adjusted) in June to 10.2 percent (preliminary) in July. The statewide labor force increased by 88,772 over the month. Within that, the estimated number of employed people expanded by 69,461 and the number of unemployed job seekers expanded by 19,311. Over the year, the labor force is up 49,975 or 1.3 percent. Beneath the surface, the employed labor force contracted by 191,390 or 5 percent and the unemployed expanded by 241,365 or 147 percent. The unemployment rate 12 months ago was 4.2 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](http://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 9.7 percent in June (revised) to 8.5 percent in July (preliminary). Twelve months ago, the unemployment rate was 3.1 percent. The labor force expanded by 10,540 over the month. Over the year, the labor force contracted by 13,816 or 0.8 percent, including a decrease in the total number of employed workers (down 106,838 over the year) and an increase of 93,022 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](http://www.esd.wa.gov/labormarketinfo/labor-force).

## Unemployment Insurance (UI) Claims

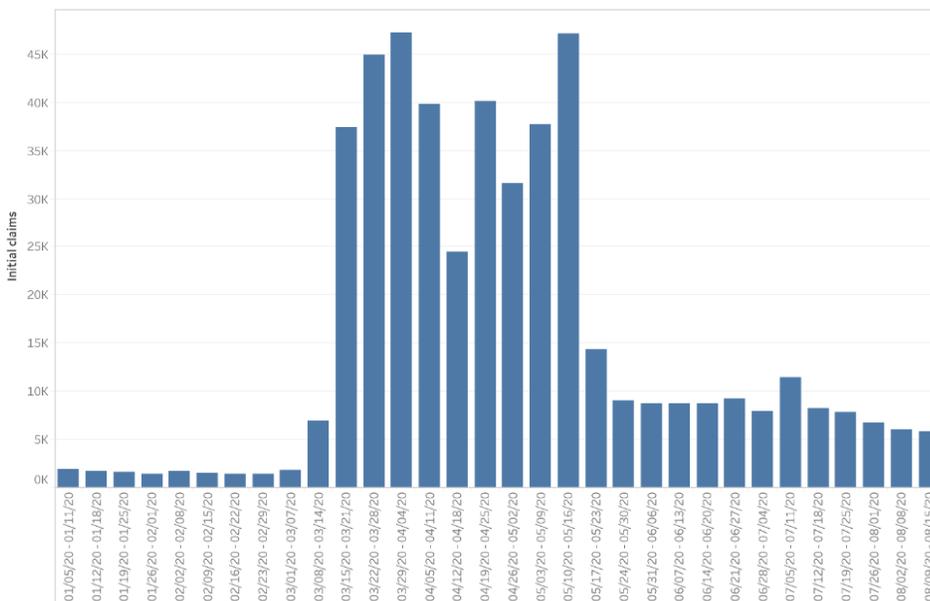
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. In July 2020, 32,153 new claims were filed by King County residents and a total of 126,510 King County residents 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



DISCLAIMER: The data presented will not exactly match data that is presented officially in ETA (federal) reports. There are dozens of nuances, caveats, and assumptions that make tying business logic to a system of record. If we want to subdivide the data into demographic groups (county, industry, etc.), we have used queries that come very close to the ETA number but not exact. All data is subject to future revisions.

The week of July 12-18 is the reference week for the labor force and payroll statistics in this report.

Weekly initial claims information is published every Thursday.

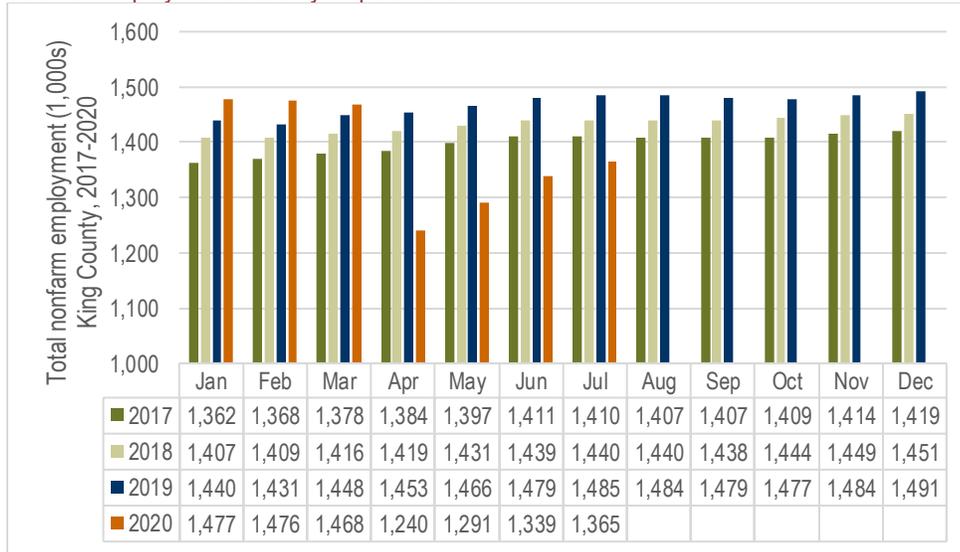
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

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

## Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 25,900 from June to July 2020. Over the year, employers in King County shed 119,600 jobs, down 8.1 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 1.34 million in June (revised) to 1.37 million in July (preliminary).

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



*King County job growth was disrupted by physical distancing measures introduced in March to limit the spread of Covid-19. From April to July 2020, King County payroll recovered 125,200 of the 227,800 jobs shed in April.*

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 July 12-18 on the unemployment insurance calendar (previous section).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**King County**

Data benchmarked through March 2020

NAICS Industry Title	Prelim Jul-20	Revised Jun-20	Revised Jul-19	Change		
				Jun-20 Jul-20	Jul-19 Jul-20	Jul-19 Jul-20
Total Nonfarm	1,365,700	1,339,800	1,485,300	25,900	-119,600	-8.1%
Total Private	1,198,500	1,171,400	1,311,800	27,100	-113,300	-8.6%
Goods Producing	176,300	172,400	188,800	3,900	-12,500	-6.6%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	79,900	78,400	81,200	1,500	-1,300	-1.6%
Construction of Buildings	22,600	22,900	23,400	-300	-800	-3.4%
Heavy and Civil Engineering Construction	6,200	6,300	6,900	-100	-700	-10.1%
Specialty Trade Contractors	51,100	49,200	50,900	1,900	200	0.4%
Manufacturing	96,000	93,600	107,100	2,400	-11,100	-10.4%
Durable Goods	71,500	69,600	80,700	1,900	-9,200	-11.4%
Fabricated Metal Product Manufacturing	6,700	6,700	7,500	0	-800	-10.7%
Computer and Electronic Product Mfg.	8,800	8,700	8,500	100	300	3.5%
Navgtnl., Measuring, Electromed., & Control	5,100	5,000	4,900	100	200	4.1%
Transportation Equipment Manufacturing	40,500	38,200	45,200	2,300	-4,700	-10.4%
Aerospace Product and Parts Mfg.	37,300	35,300	42,000	2,000	-4,700	-11.2%
Nondurable Goods	24,500	24,000	26,400	500	-1,900	-7.2%
Food Manufacturing	13,000	12,500	12,700	500	300	2.4%
Service Providing	1,189,400	1,167,400	1,296,500	22,000	-107,100	-8.3%
Trade, Transportation, and Utilities	273,900	266,600	284,400	7,300	-10,500	-3.7%
Wholesale Trade	59,900	60,100	64,400	-200	-4,500	-7.0%
Retail Trade	164,200	157,900	165,000	6,300	-800	-0.5%
Motor Vehicle and Parts Dealers	10,700	10,300	11,500	400	-800	-7.0%
Food and Beverage Stores	24,600	24,600	23,700	0	900	3.8%
General Merchandise Stores	16,600	16,300	18,600	300	-2,000	-10.8%
Transportation, Warehousing, and Utilities	49,800	48,600	55,000	1,200	-5,200	-9.5%
Transportation and Warehousing	48,300	47,000	53,000	1,300	-4,700	-8.9%
Air Transportation	9,700	10,000	15,000	-300	-5,300	-35.3%
Truck Transportation	6,200	6,000	7,000	200	-800	-11.4%
Support Activities for Transportation	11,800	11,400	13,000	400	-1,200	-9.2%
Warehousing and Storage	3,200	3,000	3,100	200	100	3.2%
Information	123,200	122,100	125,000	1,100	-1,800	-1.4%
Software Publishers	70,100	69,600	69,200	500	900	1.3%
Financial Activities	75,300	74,300	76,500	1,000	-1,200	-1.6%
Finance and Insurance	43,100	42,800	44,300	300	-1,200	-2.7%
Credit Intermediation and Related	16,100	16,100	16,400	0	-300	-1.8%
Insurance Carriers and Related	19,200	18,900	19,200	300	0	0.0%

Real Estate and Rental and Leasing	32,200	31,500	32,200	700	0	0.0%
Professional and Business Services	235,800	231,000	241,800	4,800	-6,000	-2.5%
Professional, Scientific, and Technical Services	137,300	135,000	135,100	2,300	2,200	1.6%
Legal Services	11,800	11,500	12,000	300	-200	-1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	9,700	9,400	9,400	300	300	3.2%
Architectural, Engineering, and Related	18,900	18,700	19,600	200	-700	-3.6%
Computer Systems Design and Related	43,300	44,200	45,200	-900	-1,900	-4.2%
Management of Companies and Enterprises	29,700	29,400	31,900	300	-2,200	-6.9%
Admin., Support, Waste Mgmt., and Remediation	68,800	66,600	74,700	2,200	-5,900	-7.9%
Administrative and Support Services	65,600	63,800	71,200	1,800	-5,600	-7.9%
Employment Services	24,100	22,700	27,000	1,400	-2,900	-10.7%
Educational and Health Services	171,900	171,900	188,200	0	-16,300	-8.7%
Educational Services	24,100	26,700	28,900	-2,600	-4,800	-16.6%
Ambulatory Health Care Services	57,500	57,300	62,800	200	-5,300	-8.4%
Hospitals	30,500	30,400	32,000	100	-1,500	-4.7%
Nursing and Residential Care Facilities	19,300	19,200	20,100	100	-800	-4.0%
Social Assistance	40,600	38,400	44,400	2,200	-3,800	-8.6%
Leisure and Hospitality	94,400	86,900	153,200	7,500	-58,800	-38.4%
Arts, Entertainment, and Recreation	11,600	12,700	30,600	-1,100	-19,000	-62.1%
Accommodation	7,700	8,400	16,400	-700	-8,700	-53.0%
Food Services and Drinking Places	75,100	65,900	106,200	9,200	-31,100	-29.3%
Other Services	47,700	46,200	53,900	1,500	-6,200	-11.5%
Repair and Maintenance	8,600	8,400	9,000	200	-400	-4.4%
Personal and Laundry Services	14,900	14,100	17,800	800	-2,900	-16.3%
Religious, Grantmkg., Civic, Professional, & Similar	24,200	23,700	27,200	500	-3,000	-11.0%
Government	167,200	168,400	173,500	-1,200	-6,300	-3.6%
Federal Government	19,800	19,300	19,200	500	600	3.1%
State Government	49,000	51,100	47,800	-2,100	1,200	2.5%
State Government Educational Services	34,100	36,500	33,400	-2,400	700	2.1%
Local Government	98,400	98,000	106,500	400	-8,100	-7.6%
Local Government Educational Services	40,400	40,500	45,000	-100	-4,600	-10.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

*King County nonfarm employment is down 8 percent over the year.*

## Nonfarm industry employment

### Goods-producing Industries

From June to July 2020, total employment in goods-producing industries expanded by 3,900, with one-month gains observed in both construction and manufacturing. Year-over-year, goods-producing employment was down 12,500 or 6.6 percent.

Employment levels in **construction-related industries** expanded by 1,500 from June to July. The tally of jobs in construction was estimated at 79,900. Year-to-year, employment in construction was down 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 July, King County-located manufacturing employers collectively added 2,400 jobs. Over the year, total manufacturing employment was down 11,100 or 10.4 percent.

- Aerospace products and parts manufacturing added an estimated 2,000 jobs over the month but shed 4,700 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 expanded by 500 over the month but dropped by 1,900 over the year.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 22,000 jobs in July. Over the year, service providers shed 107,100 jobs. The largest one-month increases were observed in the sector that was most impacted by physical distancing measures in April. Leisure and hospitality replaced 7,500 jobs in July but remains nearly 39% below last year's employment level. Retail employment rebounded by 6,300 in July. The deepest one-month losses were observed in government (down 1,200).

**Wholesale trade** employment decreased by 200 in July and remains 4,500 or 7 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,900 King County-based jobs in July 2020.

Net employment in **retail trade** increased by 6,300 over the month but remained down 800 (0.5 percent) over the year.

- Motor vehicle and parts dealers were down 800 jobs over the year and general merchandise stores were down 2,000. 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 5,000 jobs in July and 8,200 over the year.

Net employment in **transportation, warehousing and utilities** expanded by 1,200 over the month but was down 5,200 over the year. This set of industries accounted for an estimated 49,800 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 5,300 jobs or 35 percent).
- Warehousing and storage expanded by 100 jobs over the year.

Employment in the **information** sector expanded by 1,100 over the month but contracted by 1,800 jobs or 1.4 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 123,200 jobs in July.

- The information sector includes software publishing activities. Employment in software publishing increased by 500 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 1,000 over the month but decreased by 1,200 over the year.

- Both finance and insurance and real estate and rental and leasing components expanded employment over the month.
- Finance and insurance was down 1,200 but real estate and rental and leasing employment remained unchanged 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 July, this diverse sector added 4,800 jobs. Over the year, professional and business services as a whole contracted by 6,000 jobs (2.5 percent).

- From July 2019 to July 2020, professional, scientific and technical services added 2,200 jobs (1.6 percent), management of companies and enterprises fell by 2,200 (6.9 percent), and administrative support, waste management and remediation shed 5,900 jobs (7.9 percent). Employment services was down 2,900 jobs over the year.

Employment levels in **educational and health services** neither increased nor decreased over the month. Over the year, this diverse sector was down 16,300 or 8.7 percent. Educational and health services accounted for an estimated 171,900 King County-based jobs in July 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 ambulatory health care services (down 5,300 or 8.4 percent) and educational services (down 4,800 or 16.6 percent).
- Over the month, educational services shed 2,600 jobs, which were balanced by increases in health and social services. Social assistance added 2,200 jobs in July.

**Leisure and hospitality** employment expanded by 7,500 over the month, marking the third consecutive month of gains following a precipitous drop in April. Over the year, the industries that entertain residents and visitors alike was down 58,800 jobs or 38.4 percent.

- Food services and drinking places saw the deepest losses; 31,100 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 expanded by 1,500 over the month but contracted by 6,200 over the year. Other services represented 47,700 King County jobs in July 2020.

- The deepest 12-month losses were observed in religious, grantmaking, civic, professional and similar services (down 3,000).

**Government** employers collectively shed 1,200 jobs over the month and shed an estimated 6,300 jobs over the year.

- Month-to-month losses were concentrated in state government, including state education services.
- The deepest 12-month losses were attributable to local government, including 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 June and updated in August. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).

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