



# King County Labor Area Summary March 2020



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

## Overview

- In March 2020, the not seasonally adjusted unemployment rate in King County was 5.4 percent. This is up from 2.4 percent reported in February. Twelve months ago, the unemployment rate was 3.0 percent.
- The King County labor force contracted by 0.5 percent over the year.
- Nonfarm employment contracted by 4,500 from February to March 2020. There were an estimated 1,469,600 total nonfarm jobs in King County.
- Five of the major industries detailed in this report added jobs and 6 shed jobs from February to March 2020 on a not seasonally adjusted basis. The largest one-month gains were attributable to construction and the deepest losses were observed in leisure and hospitality.
- Total nonfarm employment in March 2020 was 21,700 above the level observed 12 months earlier. This represents a 1.5 percent increase in employment over the year—a substantial decrease from the 3 percent gains reported most months over the past several years.
- Year-to-year growth was observed in 6 of the major industries detailed in this report. The largest gains were observed in professional and business services, information and construction. Five industries shed jobs, with the deepest losses coming from leisure and hospitality.

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 12<sup>th</sup> of March with the previous month and year. Therefore, all traditional measures in this report reflect the state of the local economy at a critical turning point 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 King County over the past several weeks is included in this report.

## Unemployment rates and labor force information

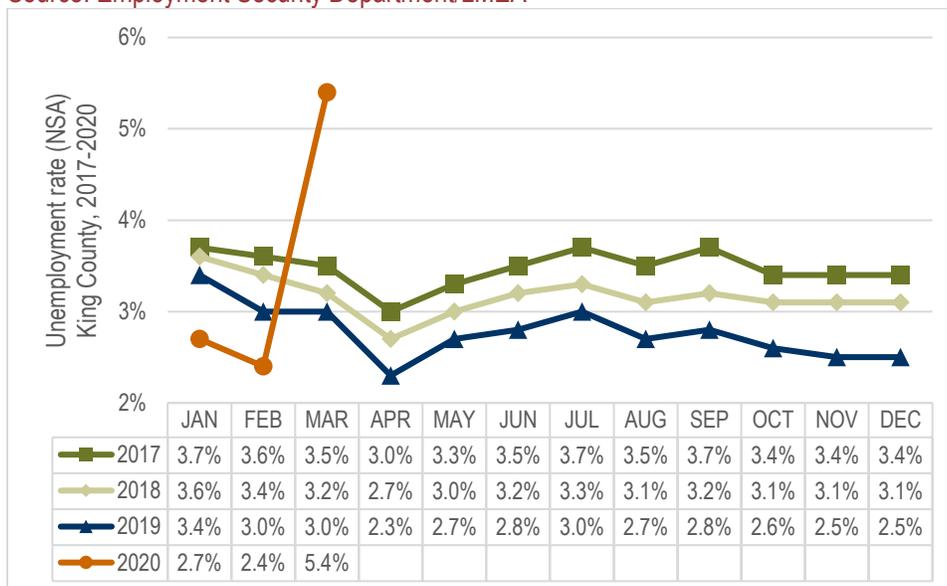
The not seasonally adjusted unemployment rate for King County was 5.4 percent (preliminary) in March 2020. This is a substantial jump from 2.4 percent, as reported in February (revised). For reference, the unemployment rate in March 2019 was 3.0 percent.

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and nationwide. The labor force statistics in this report detail a key turning point in the social and economic response. March 2020 estimates follow:

- King County labor force: 1,282,733
- Total employed: 1,213,769
- Total unemployed: 68,964
- Unemployment rate: 5.4%

Month-to-month, King County’s labor force decreased by 27,506 people. The number of employed people contracted by 64,498 and the number of active job seekers expanded by 36,992. Over-the-year, the labor force contracted by 6,779 people or 0.5 percent.

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



*The unemployment rate jumped from 2.4 percent to 5.4 percent in early March 2020. April will be higher.*

### Washington state

The not seasonally adjusted unemployment rate for Washington State jumped from 4.2 percent (not seasonally adjusted) in February to 5.3 percent in March. The statewide labor force decreased by 83,644 over the month, not seasonally adjusted (note that the labor force typically expands in March). Within that, the estimated number of employed people contracted by 122,178 and the number of unemployed job seekers expanded by 38,534. Over the year, the labor force is up 7,096 or 0.2 percent. The unemployment rate 12 months ago was 4.8 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](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. During the most recent 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 2.5 percent in February (revised) to 5.5 percent in March (preliminary). Twelve months ago, the unemployment rate was 3.0 percent. The labor force typically expands from February to March, however with the circumstances surrounding Covid-19, the labor force declined by 35,925 over the month. Over the year, the jolt to the labor force shifted annual gains to annual losses, with a drop of 50,477 employed (a drop of 3.0 percent of the employed labor force) nearly balanced by an expansion of 42,230 unemployed; an 80.7 percent increase over the previous year.

### 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 peaked in May 2009 (49,117 continued claims were counted that month) and has been on a downward trend ever since. In March 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 and April:

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
Week 13 (March 29-April 4):	47,233
Week 14 (April 5-11):	39,796
Week 15 (April 12-18):	24,461

Weekly initial claims information is published every Thursday.

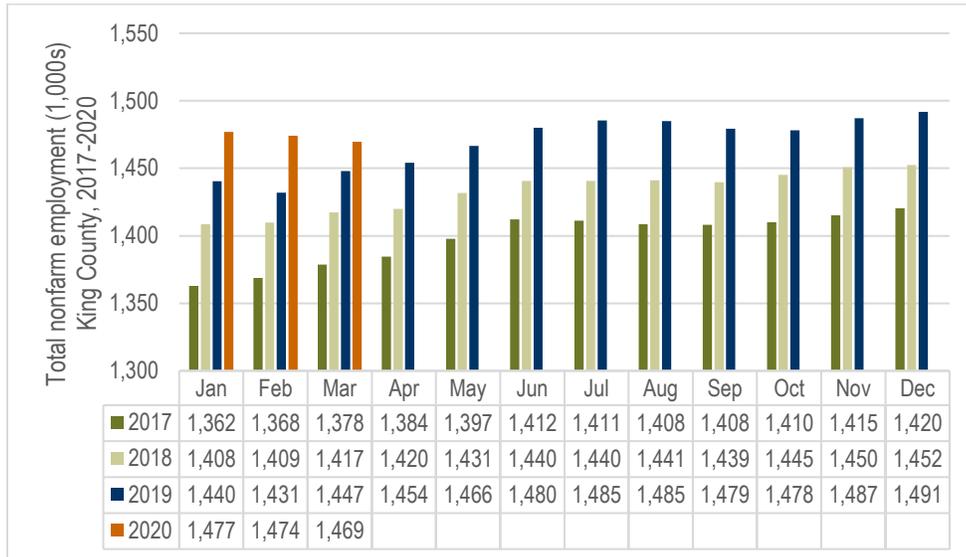
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

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

## Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) contracted by 4,500 from February to March 2020. Over the year, employers in King County added 21,700 jobs or 1.5 percent. Note that this represents a substantial slowdown in annual growth. The tally of nonfarm jobs in King County was nearly 1.47 million.

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



*King County job growth was disrupted by social distancing measures related to Covid-19. From March 2019 to March 2020, King County employment expanded by 21,700.*

The Puget Sound area was impacted before other areas in the state and nationally. This report reveals the initial impacts of Covid-19-related measures. Specifically, data in this report coincides with Week 10 on the unemployment insurance calendar (previous section).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**King County**

Data benchmarked through September 2019

NAICS Industry Title	Prelim Mar-20	Revised Feb-20	Revised Mar-19	Change		
				Feb-20 Mar-20	Mar-19 Mar-20	Mar-19 Mar-20
Total Nonfarm	1,469,600	1,474,100	1,447,900	-4,500	21,700	1.5%
Total Private	1,288,900	1,293,800	1,272,000	-4,900	16,900	1.3%
Goods Producing	190,000	187,000	185,000	3,000	5,000	2.7%
Mining and Logging	500	500	500	0	0	0.0%
Construction	84,700	82,100	78,200	2,600	6,500	8.3%
Construction of Buildings	23,600	22,900	22,800	700	800	3.5%
Heavy and Civil Engineering Construction	5,800	5,800	6,200	0	-400	-6.5%
Specialty Trade Contractors	55,200	53,400	49,200	1,800	6,000	12.2%
Manufacturing	104,800	104,400	106,300	400	-1,500	-1.4%
Durable Goods	78,500	78,200	79,900	300	-1,400	-1.8%
Fabricated Metal Product Manufacturing	7,700	7,600	7,300	100	400	5.5%
Computer and Electronic Product Mfg.	7,900	8,100	8,500	-200	-600	-7.1%
Navgtl., Measuring, Electromed., & Control	4,600	4,800	4,800	-200	-200	-4.2%
Transportation Equipment Manufacturing	43,200	43,500	44,400	-300	-1,200	-2.7%
Aerospace Product and Parts Mfg.	40,100	40,500	41,100	-400	-1,000	-2.4%
Nondurable Goods	26,300	26,200	26,400	100	-100	-0.4%
Food Manufacturing	12,600	12,400	12,600	200	0	0.0%
Service Providing	1,279,600	1,287,100	1,262,900	-7,500	16,700	1.3%
Trade, Transportation, and Utilities	277,400	277,800	275,600	-400	1,800	0.7%
Wholesale Trade	64,100	64,100	64,100	0	0	0.0%
Retail Trade	159,600	160,200	157,300	-600	2,300	1.5%
Motor Vehicle and Parts Dealers	11,300	11,300	11,300	0	0	0.0%
Food and Beverage Stores	23,300	23,200	23,300	100	0	0.0%
General Merchandise Stores	17,200	17,500	18,300	-300	-1,100	-6.0%
Transportation, Warehousing, and Utilities	53,700	53,500	54,200	200	-500	-0.9%
Transportation and Warehousing	51,600	51,500	52,200	100	-600	-1.1%
Air Transportation	15,300	15,200	14,800	100	500	3.4%
Truck Transportation	6,700	6,700	6,600	0	100	1.5%
Support Activities for Transportation	12,700	12,600	12,800	100	-100	-0.8%
Warehousing and Storage	3,300	3,200	3,300	100	0	0.0%
Information	124,300	124,700	117,400	-400	6,900	5.9%
Software Publishers	68,400	68,200	65,000	200	3,400	5.2%
Financial Activities	72,900	74,200	74,400	-1,300	-1,500	-2.0%
Finance and Insurance	42,900	42,700	43,600	200	-700	-1.6%
Credit Intermediation and Related	16,100	16,000	16,300	100	-200	-1.2%
Insurance Carriers and Related	18,800	18,800	18,800	0	0	0.0%

Real Estate and Rental and Leasing	30,000	31,500	30,800	-1,500	-800	-2.6%
Professional and Business Services	242,100	240,300	234,100	1,800	8,000	3.4%
Professional, Scientific, and Technical Services	138,100	137,400	131,100	700	7,000	5.3%
Legal Services	12,100	11,900	11,900	200	200	1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	10,500	10,800	9,800	-300	700	7.1%
Architectural, Engineering, and Related	20,000	19,900	18,800	100	1,200	6.4%
Computer Systems Design and Related	44,500	45,100	43,400	-600	1,100	2.5%
Management of Companies and Enterprises	31,000	31,200	31,300	-200	-300	-1.0%
Admin., Support, Waste Mgmt., and Remediation	73,000	71,600	71,700	1,400	1,300	1.8%
Administrative and Support Services	69,600	68,100	68,300	1,500	1,300	1.9%
Employment Services	23,500	24,000	26,200	-500	-2,700	-10.3%
Educational and Health Services	191,500	191,700	189,800	-200	1,700	0.9%
Educational Services	31,500	31,800	32,200	-300	-700	-2.2%
Ambulatory Health Care Services	65,000	63,900	61,800	1,100	3,200	5.2%
Hospitals	32,300	32,200	32,000	100	300	0.9%
Nursing and Residential Care Facilities	19,200	19,300	20,100	-100	-900	-4.5%
Social Assistance	43,500	44,500	43,700	-1,000	-200	-0.5%
Leisure and Hospitality	139,300	146,000	143,500	-6,700	-4,200	-2.9%
Arts, Entertainment, and Recreation	27,200	28,300	26,600	-1,100	600	2.3%
Accommodation	15,700	15,600	15,500	100	200	1.3%
Food Services and Drinking Places	96,400	102,100	101,400	-5,700	-5,000	-4.9%
Other Services	51,400	52,100	52,200	-700	-800	-1.5%
Repair and Maintenance	8,800	8,900	9,000	-100	-200	-2.2%
Personal and Laundry Services	17,600	17,800	17,500	-200	100	0.6%
Religious, Grantmkg., Civic, Professional, & Similar	25,000	25,300	25,700	-300	-700	-2.7%
Government	180,700	180,300	175,900	400	4,800	2.7%
Federal Government	19,100	19,200	19,200	-100	-100	-0.5%
State Government	53,300	53,800	52,500	-500	800	1.5%
State Government Educational Services	38,900	39,400	37,700	-500	1,200	3.2%
Local Government	108,300	107,300	104,200	1,000	4,100	3.9%
Local Government Educational Services	47,500	46,900	45,400	600	2,100	4.6%
Workers in Labor/Management Disputes	0	0	0	0	0	

*King County nonfarm employment decreased by 4,500 in March. Job losses were related to Covid-19 related social distancing measures.*

## Nonfarm industry employment

### Goods-producing Industries

From February to March 2020, total employment in goods-producing industries expanded by 3,000, with construction adding 2,600 jobs and manufacturing adding 400. Year-over-year, goods-producing employment was up 5,000 or 2.7 percent.

Employment levels in **construction-related industries** expanded by 2,600 from February to March on a not seasonally adjusted basis. The tally of jobs was estimated at 84,700. Year-to-year, employment in construction was up 6,500 or 8.3 percent.

- The construction sector was not initially impacted by the recent downturn. Early social distancing measures did not call out construction, however, a number of construction activities were later

named among non-essential activities. Initial claims for unemployment insurance in late March included a wave of construction workers, which will show up in the April report.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In early March, King County-located **manufacturing** employers collectively added 400 jobs. Over the year, total manufacturing employment was down 1,500 or 1.4 percent.

- Aerospace products and parts manufacturing shed an estimated 400 jobs over the month and 1,000 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 expanded by 100 over the month but contracted by 100 over the year.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 7,500 jobs in March on a not seasonally adjusted basis. Over the year, service providers added 16,700 new jobs to the King County economy. The largest year-over-year gains among service-providing industries were attributable to hiring in professional and business services (up 8,000), and information (6,900); the deepest losses were observed in leisure and hospitality (down 4,200).

**Wholesale trade** neither expanded nor contracted in March or over the year. Wholesale trade accounted for 64,100 King County-based jobs.

Net employment in **retail trade** decreased by 600 over the month but expanded by 2,300 (1.5 percent) over the year.

- Over the year, general merchandise stores shed 1,100 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 March 2019 to March 2020, retailers captured under “other retail trade” added 12,500 jobs statewide (10.4 percent growth). Many of these jobs are located in King County.
- 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.

Net employment in **transportation, warehousing and utilities** expanded by 200 over the month but contracted by 500 over the year. This set of industries accounted for an estimated 53,700 King County jobs.

- Annual increases were attributable to air transportation and truck transportation, adding 500 and 100 jobs respectively.
- Since early March, air travel has slowed substantially, but activity related online sales (and warehousing and transportation related to online sales) is likely to pick up as people stay home.

Employment in the **information** sector contracted by 400 over the month but expanded by 6,900 jobs or 5.9 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 124,300 jobs in March.

- The information sector includes software publishing activities. Employment in software publishing increased by 200 over the month and added 3,400 jobs (5.2 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 1,300 over the month and by 1,500 over the year.

- Losses over the month were concentrated in the real estate segment, which lost 1,500 jobs.
- Employment over the year in finance and insurance was down 700 and real estate was down 800 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 March, 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 March 2019 to March 2020, professional, scientific and technical services added 7,000 jobs (5.3 percent), management of companies and enterprises fell by 300, and administrative support, waste management and remediation added 1,300 jobs (1.8 percent). Employment services was down 2,700 jobs over the year.

Employment levels in **educational and health services** decreased by 200 from February to March, but expanded by 1,700 (0.9 percent) over the year. Educational and health services accounted for an estimated 191,500 King County-based jobs in March 2020.

- Over the month, ambulatory care services added 1,100 jobs and hospitals added 100. Educational services dropped by 300 jobs and social assistance was down 1,000.
- The largest annual gains were attributable to hiring in ambulatory health care services (up 3,200). Hospitals added 300 over the year. Losses were observed in nursing and residential care facilities, private educational services, and social assistance (down 900, 700, and 200 respectively)

**Leisure and hospitality** employment contracted by 6,700 over the month. Over the year, the industries that entertain residents and visitors alike was down 4,200 jobs or 2.9 percent.

- Food services and drinking places saw the deepest losses; 5,700 over the month and 5,000 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 700 over the month and by 800 over the year. Other services represented 51,400 King County jobs in March 2020.

**Government** employers collectively added 400 jobs over the month, and added an estimated 4,800 jobs over the year.

- Month-to-month gains were concentrated in local government educational services (up 600), including education related jobs; losses were observed in state government educational services (down 500).
- 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 April. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).

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