



# King County Labor Area Summary May 2020



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

## Overview

- In May 2020, the not seasonally adjusted unemployment rate in King County dropped from 14.9 percent to 14.3 percent. Twelve months ago, the unemployment rate was 2.7 percent.
- The King County labor force contracted by 1.6 percent over the year.
- Nonfarm employment expanded by 51,100 from April to May 2020. There were an estimated 1,286,100 total nonfarm jobs in King County.
- Eight major industries detailed in this report expanded employment over the month and four shed jobs. The largest one-month gains were attributable to two of the industries most impacted by the initial Covid-related job losses: construction and leisure and hospitality. The deepest losses came from government and information.
- Total nonfarm employment in May 2020 was 180,500 below the level observed 12 months earlier. This represents a 12.3 percent decrease in employment over the year.
- Year-to-year growth was observed in only one of the major industries detailed in this report (Information); all others shed jobs. The deepest 12-month losses were observed in 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 March, April and May. This report compares the week containing the 12<sup>th</sup> of May with the previous month and year. For all intents and purposes, this is the third 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

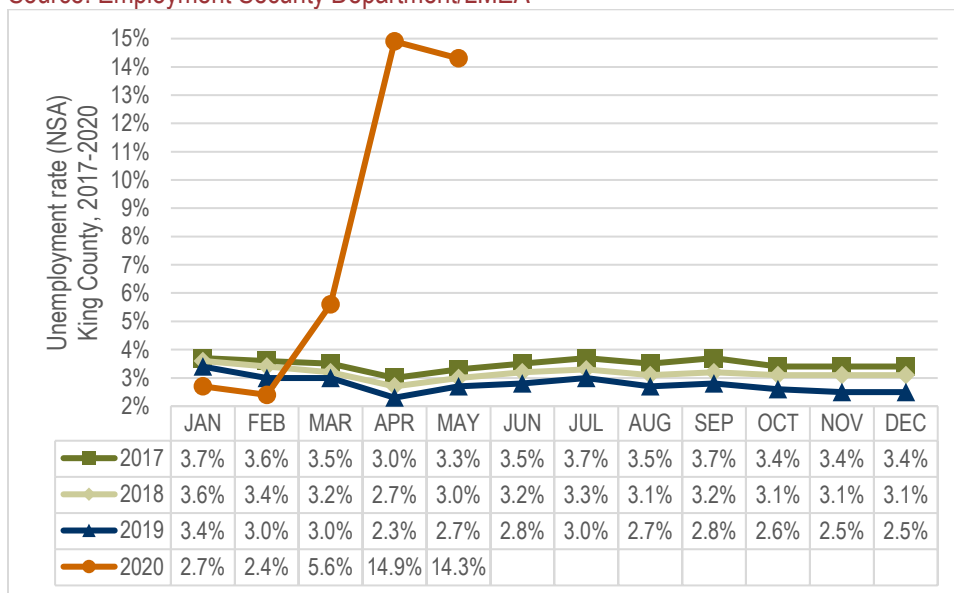
The not seasonally adjusted unemployment rate for King County was 14.3 percent (preliminary) in May 2020. This is a slight drop from 14.9 percent, as reported in April (revised). For reference, the unemployment rate in May 2019 was 2.7 percent.

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and much of the nation. The labor force statistics in this report detail the second month of serious impact. May 2020 estimates follow:

- King County labor force: 1,265,143
- Total employed: 1,083,738
- Total unemployed: 181,405
- Unemployment rate: 14.3%

Month-to-month, King County's labor force increased by 4,765 people. The number of employed people expanded by 11,590 and the number of active job seekers contracted by 6,825. Over-the-year, the labor force contracted by 20,976 people or 1.6 percent.

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



*King County's unemployment rate in dropped from an all-time high 14.9 percent to 14.3 percent in May 2020.*

### Washington state

The not seasonally adjusted unemployment rate for Washington State dropped from 16.1 percent (not seasonally adjusted) in April to 14.8 percent in May. The statewide labor force decreased by 12,273 over the month, not seasonally adjusted. Within that, the estimated number of employed people expanded by 39,266 and the number of unemployed job seekers contracted by 51,539. Over the year, the labor force is up 48,131 or 1.2 percent. The unemployment rate 12 months ago was 4.1 percent.

The February forecast by Washington's Economic and Revenue Forecast Council predicted that the statewide unemployment rate will average 4.39 percent in 2020 and will drop to 4.30 percent in 2021. A lot has happened since February. The June update documented an unprecedented drop in Washington employment, declining GDP, and declining sales (therefore declining revenues). 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 decreased from 16.1 percent in April (revised) to 14.8 percent in May (preliminary). Twelve months ago, the unemployment rate was 2.7 percent. The labor force declined by 6,841 over the month. Over the year, the jolt to the labor force shifted annual gains to annual losses, with a drop of 225,268 employed (a drop of 13.4 percent of the employed labor force) nearly balanced by an expansion of 205,280 unemployed.

### 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 April 2020, 137,755 new claims were filed by King County residents and a total of 83,951 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 from March 1 to June 13 follow:

|                             |         |
|-----------------------------|---------|
| 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  |
| Week 16 (April 19-25):      | 40,088  |
| Week 17 (April 26-May 2):   | 31,550  |
| Week 18 (May 3-9):          | 37,701  |
| Week 19 (May 10-16):        | 47,136* |
| Week 20 (May 17-23):        | 14,371  |
| Week 21 (May 24-30):        | 8,974   |
| Week 22 (May 31-June 6):    | 8,725   |
| Week 23 (June 7-13):        | 8,753   |
| Week 24 (June 14-20):       | 8,752   |

\*The week of May 10-16 is the reference week for the labor force and payroll statistics in this report.

Weekly initial claims information is published every Thursday.

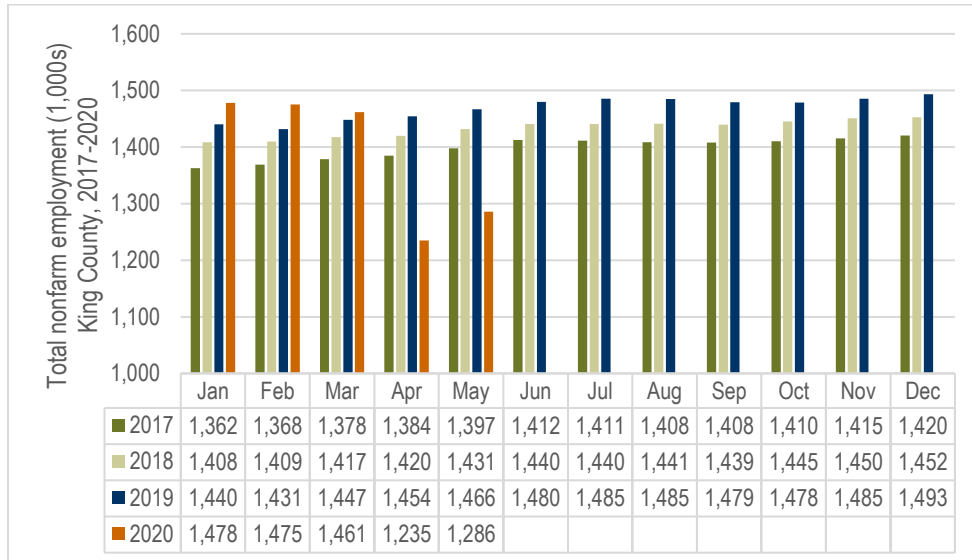
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo/unemployment-insurance-data>

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

## Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 51,100 from April to May 2020. Over the year, employers in King County shed 180,500 jobs or 12.3 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 1.24 million in April (revised) to 1.29 million in May (preliminary).

**Figure 2. Nonfarm industry employment**  
King County, January 2017 through May 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 May 2020, King County payroll recovered 51,100 jobs.*

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 19 on the unemployment insurance calendar (previous section).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**King County**

Data benchmarked through December 2019

| NAICS Industry Title                       | Prelim<br>May-20 | Revised<br>Apr-20 | Revised<br>May-19 | Change           |                  |                  |
|--|------------------|-------------------|-------------------|------------------|------------------|------------------|
|  |                  |                   |                   | Apr-20<br>May-20 | May-19<br>May-20 | May-19<br>May-20 |
| Total Nonfarm                              | 1,286,100        | 1,235,000         | 1,466,600         | 51,100           | -180,500         | -12.3%           |
| Total Private                              | 1,115,400        | 1,061,200         | 1,288,600         | 54,200           | -173,200         | -13.4%           |
| Goods Producing                            | 170,100          | 137,900           | 186,900           | 32,200           | -16,800          | -9.0%            |
| Mining and Logging                         | 400              | 400               | 500               | 0                | -100             | -20.0%           |
| Construction                               | 73,300           | 45,400            | 79,700            | 27,900           | -6,400           | -8.0%            |
| Construction of Buildings                  | 20,300           | 14,300            | 22,800            | 6,000            | -2,500           | -11.0%           |
| Heavy and Civil Engineering Construction   | 5,400            | 3,900             | 6,600             | 1,500            | -1,200           | -18.2%           |
| Specialty Trade Contractors                | 47,700           | 27,200            | 50,400            | 20,500           | -2,700           | -5.4%            |
| Manufacturing                              | 96,400           | 92,100            | 106,600           | 4,300            | -10,200          | -9.6%            |
| Durable Goods                              | 73,200           | 69,000            | 80,500            | 4,200            | -7,300           | -9.1%            |
| Fabricated Metal Product Manufacturing     | 5,000            | 6,500             | 7,400             | -1,500           | -2,400           | -32.4%           |
| Computer and Electronic Product Mfg.       | 7,900            | 8,100             | 8,400             | -200             | -500             | -6.0%            |
| Navgtl., Measuring, Electromed., & Control | 4,600            | 4,800             | 4,800             | -200             | -200             | -4.2%            |
| Transportation Equipment Manufacturing     | 41,100           | 41,900            | 44,900            | -800             | -3,800           | -8.5%            |
| Aerospace Product and Parts Mfg.           | 38,300           | 39,500            | 41,700            | -1,200           | -3,400           | -8.2%            |
| Nondurable Goods                           | 23,200           | 23,100            | 26,100            | 100              | -2,900           | -11.1%           |
| Food Manufacturing                         | 11,800           | 11,000            | 12,300            | 800              | -500             | -4.1%            |
| Service Providing                          | 1,116,000        | 1,097,100         | 1,279,700         | 18,900           | -163,700         | -12.8%           |
| Trade, Transportation, and Utilities       | 251,200          | 252,900           | 278,000           | -1,700           | -26,800          | -9.6%            |
| Wholesale Trade                            | 60,800           | 59,800            | 64,000            | 1,000            | -3,200           | -5.0%            |
| Retail Trade                               | 143,400          | 144,200           | 159,900           | -800             | -16,500          | -10.3%           |
| Motor Vehicle and Parts Dealers            | 7,900            | 8,100             | 11,400            | -200             | -3,500           | -30.7%           |
| Food and Beverage Stores                   | 24,400           | 23,900            | 23,600            | 500              | 800              | 3.4%             |
| General Merchandise Stores                 | 15,000           | 14,900            | 18,000            | 100              | -3,000           | -16.7%           |
| Transportation, Warehousing, and Utilities | 47,000           | 48,900            | 54,100            | -1,900           | -7,100           | -13.1%           |
| Transportation and Warehousing             | 44,800           | 46,700            | 52,100            | -1,900           | -7,300           | -14.0%           |
| Air Transportation                         | 9,700            | 10,300            | 14,700            | -600             | -5,000           | -34.0%           |
| Truck Transportation                       | 5,600            | 5,400             | 6,800             | 200              | -1,200           | -17.6%           |
| Support Activities for Transportation      | 11,600           | 11,800            | 12,900            | -200             | -1,300           | -10.1%           |
| Warehousing and Storage                    | 3,000            | 3,100             | 2,900             | -100             | 100              | 3.4%             |
| Information                                | 122,200          | 124,700           | 118,900           | -2,500           | 3,300            | 2.8%             |
| Software Publishers                        | 69,300           | 68,800            | 65,400            | 500              | 3,900            | 6.0%             |
| Financial Activities                       | 73,100           | 71,700            | 75,100            | 1,400            | -2,000           | -2.7%            |
| Finance and Insurance                      | 43,000           | 42,400            | 43,700            | 600              | -700             | -1.6%            |
| Credit Intermediation and Related          | 15,600           | 15,400            | 16,300            | 200              | -700             | -4.3%            |
| Insurance Carriers and Related             | 18,600           | 18,500            | 18,900            | 100              | -300             | -1.6%            |

|  |         |         |         |        |         |        |
|--|---------|---------|---------|--------|---------|--------|
| Real Estate and Rental and Leasing                   | 30,100  | 29,300  | 31,400  | 800    | -1,300  | -4.1%  |
| Professional and Business Services                   | 229,600 | 224,300 | 237,400 | 5,300  | -7,800  | -3.3%  |
| Professional, Scientific, and Technical Services     | 134,600 | 132,700 | 132,400 | 1,900  | 2,200   | 1.7%   |
| Legal Services                                       | 11,500  | 11,100  | 11,800  | 400    | -300    | -2.5%  |
| Accounting, Tax Prep., Bookkpg., and Payroll         | 9,700   | 9,700   | 9,300   | 0      | 400     | 4.3%   |
| Architectural, Engineering, and Related              | 18,800  | 18,800  | 19,100  | 0      | -300    | -1.6%  |
| Computer Systems Design and Related                  | 45,600  | 45,700  | 44,300  | -100   | 1,300   | 2.9%   |
| Management of Companies and Enterprises              | 28,900  | 29,100  | 31,800  | -200   | -2,900  | -9.1%  |
| Admin., Support, Waste Mgmt., and Remediation        | 66,100  | 62,600  | 73,200  | 3,500  | -7,100  | -9.7%  |
| Administrative and Support Services                  | 63,500  | 59,800  | 69,700  | 3,700  | -6,200  | -8.9%  |
| Employment Services                                  | 21,600  | 19,600  | 26,100  | 2,000  | -4,500  | -17.2% |
| Educational and Health Services                      | 168,100 | 164,200 | 190,700 | 3,900  | -22,600 | -11.9% |
| Educational Services                                 | 27,300  | 27,000  | 32,000  | 300    | -4,700  | -14.7% |
| Ambulatory Health Care Services                      | 52,500  | 50,100  | 62,400  | 2,400  | -9,900  | -15.9% |
| Hospitals  | 32,500  | 32,700  | 32,000  | -200   | 500     | 1.6%   |
| Nursing and Residential Care Facilities              | 18,700  | 18,800  | 20,100  | -100   | -1,400  | -7.0%  |
| Social Assistance                                    | 37,100  | 35,500  | 44,200  | 1,600  | -7,100  | -16.1% |
| Leisure and Hospitality                              | 64,300  | 50,000  | 148,800 | 14,300 | -84,500 | -56.8% |
| Arts, Entertainment, and Recreation                  | 11,200  | 7,700   | 27,900  | 3,500  | -16,700 | -59.9% |
| Accommodation  | 6,300   | 7,000   | 15,900  | -700   | -9,600  | -60.4% |
| Food Services and Drinking Places                    | 46,800  | 35,300  | 104,900 | 11,500 | -58,100 | -55.4% |
| Other Services                                       | 36,800  | 35,500  | 52,800  | 1,300  | -16,000 | -30.3% |
| Repair and Maintenance                               | 7,600   | 6,800   | 9,000   | 800    | -1,400  | -15.6% |
| Personal and Laundry Services                        | 7,900   | 6,800   | 17,700  | 1,100  | -9,800  | -55.4% |
| Religious, Grantmkg., Civic, Professional, & Similar | 21,300  | 21,900  | 26,100  | -600   | -4,800  | -18.4% |
| Government   | 170,700 | 173,800 | 178,000 | -3,100 | -7,300  | -4.1%  |
| Federal Government                                   | 19,400  | 19,400  | 19,100  | 0      | 300     | 1.6%   |
| State Government                                     | 51,200  | 51,900  | 52,800  | -700   | -1,600  | -3.0%  |
| State Government Educational Services                | 37,000  | 37,600  | 37,800  | -600   | -800    | -2.1%  |
| Local Government                                     | 100,100 | 102,500 | 106,100 | -2,400 | -6,000  | -5.7%  |
| Local Government Educational Services                | 41,200  | 43,000  | 46,600  | -1,800 | -5,400  | -11.6% |
| Workers in Labor/Management Disputes                 | 0       | 0       | 0       | 0      | 0       |        |

*King County nonfarm employment is down 12.3 percent over the year.*

## Nonfarm industry employment

### Goods-producing Industries

From April to May 2020, total employment in goods-producing industries expanded by 32,200, with one-month gains observed in construction and manufacturing. Year-over-year, goods-producing employment was down 16,800 or 9.0 percent.

Employment levels in **construction-related industries** expanded by 27,900 from April to May; this one-month increase follows a one month drop of 36,600 in April. The tally of jobs in construction was estimated at 73,300. Year-to-year, employment in construction was down 6,400 or 8.0 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 May, King County-located manufacturing employers collectively added 4,300 jobs. Over the year, total manufacturing employment was down 10,200 or 9.6 percent.

- Aerospace products and parts manufacturing shed an estimated 1,200 jobs over the month and 3,400 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 dropped by 2,900 over the year.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 18,900 jobs in May. Over the year, service providers shed 163,700 jobs. The largest one-month increases appeared in the sector that was most impacted by physical distancing measures in April; Leisure and hospitality replaced 14,300 jobs in May but remains nearly 57% below last year's employment level. The deepest one-month losses were observed in government (down 3,100).

**Wholesale trade** employment increased by 1,000 in May but remains 3,200 below the employment level observed 12 months ago. Wholesale trade accounted for 60,800 King County-based jobs in May 2020.

Net employment in **retail trade** decreased by 800 over the month and by 16,500 (10.3 percent) over the year.

- Motor vehicle and parts dealers were down 3,500 jobs over the year and general merchandise stores were down 3,000. Food and beverage stores, considered essential businesses, expanded employment by 500 over the month and 800 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.

Net employment in **transportation, warehousing and utilities** contracted by 1,900 over the month and by 7,100 over the year. This set of industries accounted for an estimated 47,000 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 5,000 jobs or 34 percent).
- Warehousing and storage expanded by 100 jobs over the year.

Employment in the **information** sector contracted by 2,500 over the month but expanded by 3,300 jobs or 2.8 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 122,200 jobs in May.

- The information sector includes software publishing activities. Employment in software publishing increased by 500 over the month and by 3,900 (6.0 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 1,400 over the month but decreased by 2,000 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 700 and real estate was down 1,300 jobs 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 May, this diverse sector added 5,300 jobs. Over the year, professional and business services as a whole contracted by 7,800 jobs (3.3 percent).

- From May 2019 to May 2020, professional, scientific and technical services added 2,200 jobs (1.7 percent), management of companies and enterprises fell by 2,900 (9.1 percent), and administrative support, waste management and remediation shed 7,100 jobs (9.7 percent). Employment services was down 4,500 jobs over the year.

Employment levels in **educational and health services** increased by 3,900 from April to May, with the largest one-month increase observed in ambulatory health care services (up 2,400). Over the year, this diverse sector was down 22,600 or 11.9 percent. Educational and health services accounted for an estimated 168,100 King County-based jobs in May 2020.

- Healthcare and education is comprised of a diverse set of industries, each of which is being affected differently in this health crisis.

**Leisure and hospitality** employment expanded by 14,300 over the month, following the observed loss of 81,100 jobs in April. Over the year, the industries that entertain residents and visitors alike was down 84,500 jobs or 56.8 percent.

- Food services and drinking places saw the deepest losses; 58,100 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 1,300 over the month but contracted by 16,000 over the year. Other services represented 36,800 King County jobs in May 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 9,800).

**Government** employers collectively shed 3,100 jobs over the month and shed an estimated 7,300 jobs over the year.

- Month-to-month and 12-month losses were particularly evident in local government, including local 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 June. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).

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