



King County Labor Area Summary October 2019



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

Overview

- In October 2019, the not seasonally adjusted unemployment rate in King County was 2.7 percent. This is down from 3.1 percent reported in September. Twelve months ago, the unemployment rate was 3.4 percent.
- The King County labor force expanded by 3.0 percent over the year.
- Nonfarm employment expanded by 4,200 from September to October 2019. There were an estimated 1,491,100 total nonfarm jobs in King County.
- Seven of the major industries detailed in this report added jobs and five shed jobs from September to October on a not seasonally adjusted basis. The largest one-month gains were attributable to government, and the deepest losses were observed in professional and business services.
- Total nonfarm employment in October 2019 was 47,000 above the level observed 12 months earlier. This represents a 3.3 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 the technology-intensive industries of information and professional and business services. The only major industry reporting annual employment losses was wholesale trade.

Unemployment rates and labor force information

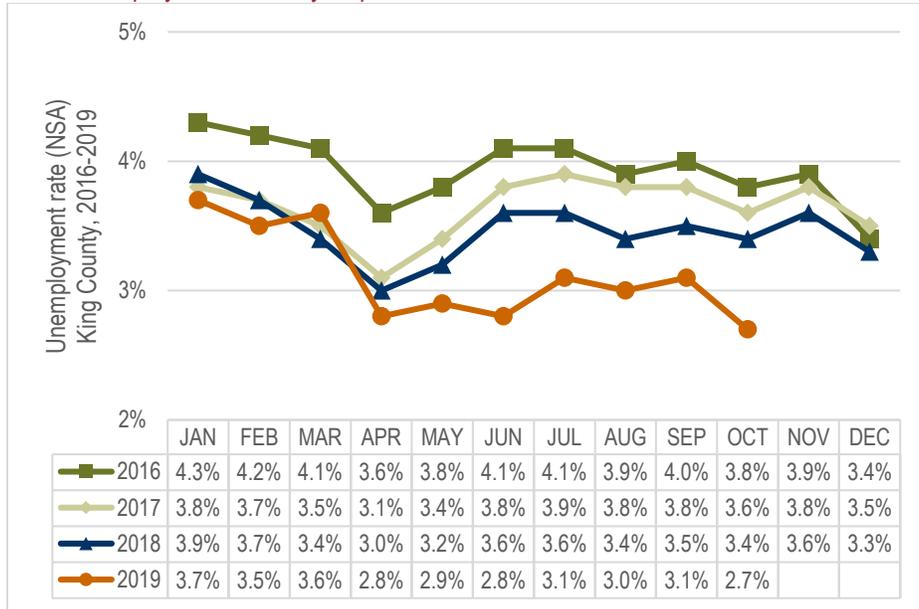
The not seasonally adjusted unemployment rate for King County was 2.7 percent (preliminary) in October 2019. This is below 3.1 percent, as reported in September (revised). For reference, the unemployment rate in October 2018 was 3.4 percent.

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. October 2019 figures are:

- King County labor force: 1,295,936
- Total employed: 1,260,563
- Total unemployed: 35,373
- Unemployment rate: 2.7%

Month-to-month, King County’s labor force contracted by 6,745 people. The number of employed people diminished by 1,712 and the number of active job seekers contracted by 5,033. Over-the-year, the labor force expanded by 38,037 people or 3.0 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2016 through October 2019
 Source: Employment Security Department/LMEA



The unemployment rate peaked at 9.5% in early 2010. In October 2019, the unemployment rate was 2.7 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington State was reported as 4.1 percent (preliminary), unchanged from the rate reported in September (revised). The statewide labor force increased by 131,065 (3.4 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 4.1 percent.

The September 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 4.59 percent in 2020. This is virtually unchanged relative to the June forecast. See www.ercf.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 dropped to 2.8 percent in October 2019, the lowest rate observed this cycle. Twelve months ago, the unemployment rate was 3.4 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.

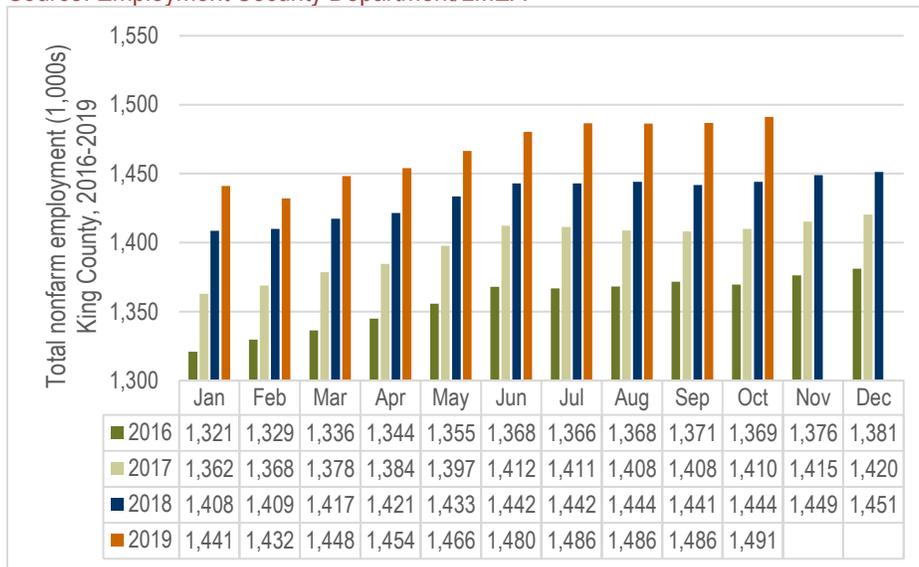
Unemployment Insurance (UI) Claims

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 October 2019, 5,584 new claims were filed by King County residents and a total of 11,551 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 4,200 from September to October 2019. Over the year, employers in King County added 47,000 jobs or 3.3 percent. The tally of nonfarm jobs in King County was more than 1.49 million.

Figure 2. Nonfarm industry employment
King County, January 2016 through October 2019
Source: Employment Security Department/LMEA



King County job growth continues to climb. From October 2018 to October 2019, King County employment expanded by 47,000.

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.

Total nonfarm estimates were benchmarked to June 2019 administrative records for this report. Application of the benchmarks revealed that our estimates had over-counted total nonfarm employment by 5,900 or 0.4 percent for King County. The two largest revisions were down 2,100 each in educational and health services and professional and business services. The largest upward revision was 2,000 jobs in information. In each of these instances, the revision amounted to less than 2 percent and changed the overall story very little.

Figure 3. Total nonfarm industry employment, not seasonally adjusted
 King County, October 2018, September and October 2019
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through June 2019

NAICS Industry Title	Prelim Oct-19	Revised Sep-19	Revised Oct-18	Change		
				Sep-19 Oct-19	Oct-18 Oct-19	Oct-18 Oct-19
Total Nonfarm	1,491,100	1,486,900	1,444,100	4,200	47,000	3.3%
Total Private	1,309,100	1,312,000	1,263,300	-2,900	45,800	3.6%
Goods Producing	191,000	192,400	184,600	-1,400	6,400	3.5%
Mining and Logging	500	500	500	0	0	0.0%
Construction	83,400	83,100	80,100	300	3,300	4.1%
Construction of Buildings	24,000	24,600	22,800	-600	1,200	5.3%
Heavy and Civil Engineering Construction	7,800	8,000	6,600	-200	1,200	18.2%
Specialty Trade Contractors	51,700	50,500	50,700	1,200	1,000	2.0%
Manufacturing	107,100	108,800	104,000	-1,700	3,100	3.0%
Durable Goods	80,300	81,900	78,300	-1,600	2,000	2.6%
Fabricated Metal Product Manufacturing	7,600	7,700	7,000	-100	600	8.6%
Computer and Electronic Product Mfg.	8,400	8,500	8,200	-100	200	2.4%
Navgtnl., Measuring, Electromed., & Control	4,900	4,800	4,700	100	200	4.3%
Transportation Equipment Manufacturing	44,000	45,300	43,500	-1,300	500	1.1%
Aerospace Product and Parts Mfg.	40,900	42,000	40,300	-1,100	600	1.5%
Nondurable Goods	26,800	26,900	25,700	-100	1,100	4.3%
Food Manufacturing	13,000	13,000	12,500	0	500	4.0%
Service Providing	1,300,100	1,294,500	1,259,500	5,600	40,600	3.2%
Trade, Transportation, and Utilities	279,900	280,100	275,600	-200	4,300	1.6%
Wholesale Trade	64,400	64,700	65,100	-300	-700	-1.1%
Retail Trade	161,500	160,700	156,600	800	4,900	3.1%
Motor Vehicle and Parts Dealers	11,300	11,300	11,600	0	-300	-2.6%
Food and Beverage Stores	23,900	24,000	23,700	-100	200	0.8%
General Merchandise Stores	18,600	18,200	19,000	400	-400	-2.1%
Transportation, Warehousing, and Utilities	54,000	54,700	53,900	-700	100	0.2%
Transportation and Warehousing	51,900	52,800	51,900	-900	0	0.0%
Air Transportation	14,800	14,800	14,600	0	200	1.4%
Truck Transportation	7,000	7,000	6,700	0	300	4.5%
Support Activities for Transportation	12,900	13,000	12,800	-100	100	0.8%
Warehousing and Storage	2,900	2,900	3,400	0	-500	-14.7%
Information	126,700	126,400	113,300	300	13,400	11.8%
Software Publishers	69,800	70,000	63,900	-200	5,900	9.2%
Financial Activities	76,900	76,800	73,400	100	3,500	4.8%
Finance and Insurance	44,200	44,500	43,100	-300	1,100	2.6%
Credit Intermediation and Related	16,200	16,300	16,100	-100	100	0.6%

Insurance Carriers and Related	19,000	18,900	18,400	100	600	3.3%
Real Estate and Rental and Leasing	32,700	32,300	30,300	400	2,400	7.9%
Professional and Business Services	242,500	245,000	235,800	-2,500	6,700	2.8%
Professional, Scientific, and Technical Services	134,200	134,500	130,300	-300	3,900	3.0%
Legal Services	11,900	11,900	11,700	0	200	1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	9,300	9,200	9,200	100	100	1.1%
Architectural, Engineering, and Related	19,700	19,500	19,100	200	600	3.1%
Computer Systems Design and Related	45,400	45,800	43,800	-400	1,600	3.7%
Management of Companies and Enterprises	31,200	31,200	31,500	0	-300	-1.0%
Admin., Support, Waste Mgmt., and Remediation	77,100	79,200	74,000	-2,100	3,100	4.2%
Administrative and Support Services	73,000	75,200	70,600	-2,200	2,400	3.4%
Employment Services	29,500	30,400	28,200	-900	1,300	4.6%
Educational and Health Services	192,200	190,600	187,500	1,600	4,700	2.5%
Educational Services	32,300	30,600	31,100	1,700	1,200	3.9%
Ambulatory Health Care Services	63,700	64,500	61,900	-800	1,800	2.9%
Hospitals	32,400	32,400	31,600	0	800	2.5%
Nursing and Residential Care Facilities	19,600	19,600	20,000	0	-400	-2.0%
Social Assistance	44,200	43,500	42,900	700	1,300	3.0%
Leisure and Hospitality	148,500	149,500	143,700	-1,000	4,800	3.3%
Arts, Entertainment, and Recreation	28,500	29,100	25,700	-600	2,800	10.9%
Accommodation	16,400	16,500	15,700	-100	700	4.5%
Food Services and Drinking Places	103,600	103,800	102,300	-200	1,300	1.3%
Other Services	51,400	51,200	49,400	200	2,000	4.0%
Repair and Maintenance	8,800	8,800	9,200	0	-400	-4.3%
Personal and Laundry Services	17,600	17,500	17,400	100	200	1.1%
Religious, Grantmkg., Civic, Professional, & Similar	25,000	24,800	22,800	200	2,200	9.6%
Government	182,000	174,900	180,800	7,100	1,200	0.7%
Federal Government	19,100	19,200	19,500	-100	-400	-2.1%
State Government	53,800	52,000	57,400	1,800	-3,600	-6.3%
State Government Educational Services	38,900	37,000	42,500	1,900	-3,600	-8.5%
Local Government	109,100	103,700	103,900	5,400	5,200	5.0%
Local Government Educational Services	47,600	41,900	44,400	5,700	3,200	7.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 3.3% 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 September to October 2019, total employment in goods-producing industries declined by 1,400, with losses attributable to manufacturing, despite month-to-month gains in construction. Year-over-year, goods-producing employment was up 6,400 or 3.2 percent.

Employment levels in the **construction** industry increased by 300 from September to October on a not seasonally adjusted basis. The tally of jobs was estimated at 83,400. Year-to-year, employment in construction was up 3,300 or 4.1 percent.

- Employment in construction is highly-seasonal. Expect to see employment drop with the temperature over the fall and winter months.
- 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. Recovery in this industry started off slowly, but has taken off in response to pent-up demand during the economic slowdown.

In October, King County-located **manufacturing** employers collectively shed 1,700 jobs. Over the year, total manufacturing employment was up 3,100 or 3.0 percent. Aerospace products and parts manufacturing an estimated 1,100 jobs over the month but added 600 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 decreased by 100 over the month but expanded by 1,100 (4.3 percent) over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 5,600 jobs in October on a not seasonally adjusted basis. Over the year, service providers added 40,600 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 13,400) and professional and business services (up 6,700).

Wholesale trade was the only broad industry reporting annual employment losses. Employers shed an estimated 300 jobs in October and shed 700 jobs over the year. Wholesale trade accounted for 64,400 King County-based jobs in October.

Net employment in **retail trade** increased by 800 over the month and expanded by 4,900 (3.1 percent) over the year.

- Every year, ESD publishes a forecast for 4th quarter holiday hiring by retailers. Last year, Seattle-area retailers in King and Snohomish Counties added 4,290 seasonal jobs in the 4th quarter. This year, we predict that retailers in the Seattle MSA will add 5,650 jobs over the holidays.
- Over the year, general merchandise stores and motor vehicle and parts dealers reported employment losses, while food and beverage stores reported modest employment gains.
- Most retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From October 2018 to October 2019, retailers captured under “other retail trade” added 4,200 jobs statewide. Many of these jobs are located in King County.

Net employment in **transportation, warehousing and utilities** contracted by 700 over the month but increased by 100 over the year. This set of industries accounted for an estimated 54,000 jobs.

- The largest annual increases were attributable to truck transportation (added 300 jobs) and air transportation (added 200).
- Warehousing and storage shed 500 jobs over the year.

Employment in the **information** sector expanded by 300 over the month and by 13,400 jobs or 11.8 percent over the year. This sector, which includes everything from software publishers to radio stations and newspapers had a tally of 126,700 jobs in October.

- The information sector includes software publishing activities. Employment in software publishing contracted by 200 over the month but added 5,900 jobs (9.2 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level rose by 100 over the month, and by 3,500 or 4.8 percent over the year.

- Employment over the year in finance and insurance was up 1,100 (2.6 percent) and hiring in the real estate component was up 2,400 jobs (7.9 percent)

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 October, this diverse sector shed 2,500 jobs. Over the year, professional and business services as a whole expanded by 6,700 jobs (2.8 percent).

- From October 2018 to October 2019, professional, scientific and technical services added 3,900 jobs (3.0 percent), management of companies and enterprises shed 300 (-1.0 percent), and administrative support, waste management and remediation added 3,100 jobs (4.2 percent). Employment services was up 1,300 jobs over the year.

Employers in the **educational and health services** industries added 1,600 jobs over the month and added 4,700 jobs (2.5 percent) over the year. Educational and health services accounted for an estimated 192,200 King County-based jobs in October.

- Most education and health industries detailed in this report added jobs over the year. The largest gains were attributable to hiring in ambulatory health care services (up 1,800).
- Employment in nursing and residential care facilities declined, likely related to the reported closure of nursing homes including Keiro Northwest, as reported by the Seattle Times. The related WARN (worker adjustment retraining notification) is also documented here: esd.wa.gov/about-employees/WARN.
- 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 following its usual mid-summer peak. Employment was down 1,000 from September to October. Over the year, the industries that entertain residents and visitors alike added 4,800 jobs or 3.3 percent.

- The largest year-over-year changes were observed in arts, entertainment and recreation, which added 2,800 jobs or 10.9 percent. Food services and drinking places added 1,300 jobs and employers in accommodation increased employment by 700.

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 200 over the month and by 2,000 (4.0 percent) over the year. Other services represented 51,400 King County jobs in October 2019. The largest one-year increases were observed among religious, grant making, civic, professional and similar employers (up 2,200 or 9.6 percent).

Government employers added 7,100 jobs in October and added an estimated 1,200 jobs over the year.

- The largest one-month gains were attributable to the beginning of the school year for local public school districts (local educational services were up 5,700) as well as public colleges and universities (state government educational services were up 1,900).
- Over the year, gains were concentrated in local government services – particularly local educational services. Both state and federal government employment levels were down over the year.

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 September and updated in November. Forecast information is available at www.erfc.wa.gov.

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