



King County Labor Area Summary October 2020



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

Overview

- In October 2020, the not seasonally adjusted unemployment rate in King County dropped from 6.9 percent to 4.7 percent. Twelve months ago, the unemployment rate was 2.6 percent.
- The King County labor force contracted by 26,306 or 2.0 percent over the year.
- Nonfarm employment expanded by 3,800 from September to October 2020. There were an estimated 1,395,800 total nonfarm jobs in King County.
- Seven major industries detailed in this report expanded employment over the month and five shed jobs. The largest one-month gains were attributable to educational and health services and professional and business services. The deepest one-month losses were observed in manufacturing.
- Total nonfarm employment in October 2020 was 81,900 below the level observed 12 months earlier. This represents a 5.5 percent decrease in employment over the year.
- Nine major industries detailed in this report shed jobs over the year. The deepest 12-month losses were observed in leisure and hospitality and manufacturing. Three industries expanded employment over the year, with information adding the largest number of jobs.

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 12th of October with the previous month and year. For all intents and purposes, this is the eighth 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

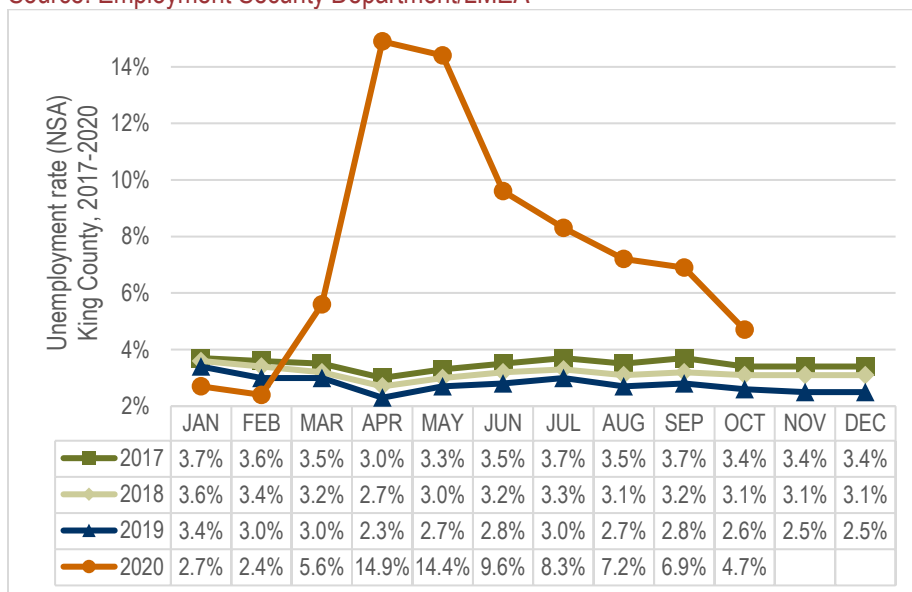
The not seasonally adjusted unemployment rate for King County was 4.7 percent (preliminary) in October 2020. This down from 6.9 percent, in September (revised). For reference, the unemployment rate in October 2019 was 2.6 percent.

Circumstances surrounding Covid-19, specifically social distancing measures, took hold in the Seattle area before expanding statewide and much of the nation. A swift and steep spike in unemployment has been declining since April. October 2020 labor force estimates follow:

- King County labor force: 1,263,930
- Total employed: 1,204,605
- Total unemployed: 59,325
- Unemployment rate: 4.7%

Month-to-month, King County’s labor force decreased by 20,403 resident workers. The number counted among the employed expanded by 8,848 and the number of active job seekers contracted by 29,251. Over-the-year, the labor force contracted by 26,306 people or 2.0 percent. Within that, the number of employed workers decreased by 51,987 or 4.1 percent and the number of unemployed increased by 25,681 or 76.3 percent.

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



King County’s unemployment rate has dropped more than 10 percent from April to October 2020.

Washington state

The not seasonally adjusted unemployment rate for Washington State decreased from 7.8 percent (not seasonally adjusted) in September to 5.6 percent (preliminary) in October. The statewide labor force increased by 69,342 over the month. Within that, the estimated number of employed people expanded by 154,882 and the number of unemployed job seekers contracted by 85,540. Over the year, the labor force is up 53,567 or 1.4 percent. Beneath the surface, the employed labor force contracted by 25,191 or 0.7 percent and the count of unemployed expanded by 78,758 or 54.7 percent. The unemployment rate 12 months ago was 3.6 percent.

The September forecast by Washington’s Economic and Revenue Forecast Council predicted that the statewide unemployment rate will average 6.65 in 2020, a slight downward revision compared to the June forecast. The unemployment rate is expected to increase to 7.71 in 2021 and drop to 5.93 percent in 2022. 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. King County’s unemployment rate consistently runs below that of Snohomish County. The not seasonally adjusted unemployment rate for the combined MD decreased from 7.0 percent in September (revised) to 4.8 percent in October (preliminary). Twelve months ago, the unemployment rate was 2.7 percent. The labor force contracted by 27,888 over the month. Over the year, the labor force contracted by 34,905 or 2.0 percent, including a decrease in the total number of employed workers (down 70,509 over the year) and an increase of 35,604 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.

Unemployment Insurance (UI) Claims

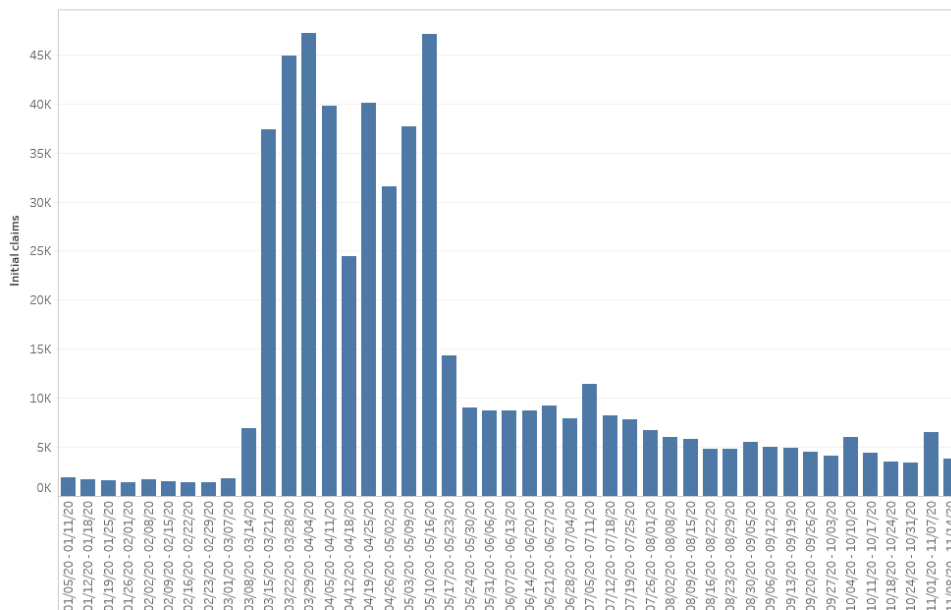
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. In October 2020, 16,023 new claims were filed by King County residents and a total of 65,132 King County residents 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



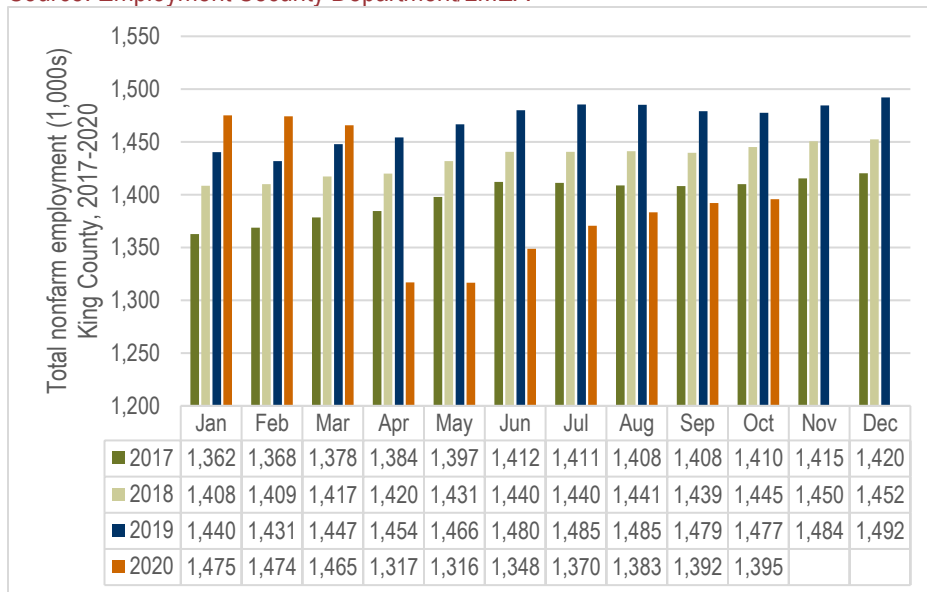
DISCLAIMER: The data presented will not exactly match data that is presented officially in ETA (federal) reports. There are dozens of nuances, caveats, and assumptions that make tying business logic to a system of record. If we want to subdivide the data into demographic groups (county, industry, etc.), 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 October 11-17 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 3,800 from September to October 2020. Over the year, employers in King County shed 81,900 jobs, down 5.5 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 was estimated as 1.39 million in October (preliminary).

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



King County job growth was disrupted by the Covid-19 pandemic. The initial shock of job loss was initially met with rapid job recovery, which has been slowing in recent months.

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 October 11-17 on the unemployment insurance calendar (previous section).

The Washington Employment Estimates series is benchmarked quarterly. Some industry estimates in this report have shifted as a result of the application of June 2020 benchmark data. As a whole, King County estimates in the month of June were shifted upward by 8,700 jobs (0.6 percent). The largest industry revision was applied to leisure and hospitality (up 3,700 jobs over our previous estimate).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through June 2020

NAICS Industry Title	Prelim Oct-20	Revised Sep-20	Revised Oct-19	Change		
				Sep-20 Oct-20	Oct-19 Oct-20	Oct-19 Oct-20
Total Nonfarm	1,395,800	1,392,000	1,477,700	3,800	-81,900	-5.5%
Total Private	1,225,500	1,220,400	1,300,700	5,100	-75,200	-5.8%
Goods Producing	175,300	176,900	187,000	-1,600	-11,700	-6.3%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	83,800	82,600	80,500	1,200	3,300	4.1%
Construction of Buildings	23,100	23,300	23,000	-200	100	0.4%
Heavy and Civil Engineering Construction	6,300	6,400	6,900	-100	-600	-8.7%
Specialty Trade Contractors	54,400	53,000	50,600	1,400	3,800	7.5%
Manufacturing	91,000	93,900	105,900	-2,900	-14,900	-14.1%
Durable Goods	67,200	69,700	79,500	-2,500	-12,300	-15.5%
Fabricated Metal Product Manufacturing	5,700	6,100	7,500	-400	-1,800	-24.0%
Computer and Electronic Product Mfg.	8,400	8,000	8,400	400	0	0.0%
Navgtnl., Measuring, Electromed., & Control	5,000	4,500	4,800	500	200	4.2%
Transportation Equipment Manufacturing	37,000	38,900	44,400	-1,900	-7,400	-16.7%
Aerospace Product and Parts Mfg.	33,700	35,700	41,200	-2,000	-7,500	-18.2%
Nondurable Goods	23,800	24,200	26,400	-400	-2,600	-9.8%
Food Manufacturing	12,100	12,300	12,700	-200	-600	-4.7%
Service Providing	1,220,500	1,215,100	1,290,700	5,400	-70,200	-5.4%
Trade, Transportation, and Utilities	278,000	276,500	282,400	1,500	-4,400	-1.6%
Wholesale Trade	59,400	59,300	63,600	100	-4,200	-6.6%
Retail Trade	169,600	168,100	164,300	1,500	5,300	3.2%
Motor Vehicle and Parts Dealers	10,700	10,600	11,300	100	-600	-5.3%
Food and Beverage Stores	24,500	24,600	23,800	-100	700	2.9%
General Merchandise Stores	17,000	16,500	18,100	500	-1,100	-6.1%
Transportation, Warehousing, and Utilities	49,000	49,100	54,500	-100	-5,500	-10.1%
Transportation and Warehousing	46,900	46,900	52,600	0	-5,700	-10.8%
Air Transportation	12,600	12,900	15,000	-300	-2,400	-16.0%
Truck Transportation	6,700	6,600	6,800	100	-100	-1.5%
Support Activities for Transportation	10,800	10,500	12,800	300	-2,000	-15.6%
Warehousing and Storage	3,400	3,500	3,100	-100	300	9.7%
Information	130,200	131,000	123,200	-800	7,000	5.7%
Software Publishers	73,500	75,000	68,200	-1,500	5,300	7.8%
Financial Activities	74,200	73,600	75,400	600	-1,200	-1.6%
Finance and Insurance	42,100	41,800	43,700	300	-1,600	-3.7%
Credit Intermediation and Related	15,800	15,800	16,200	0	-400	-2.5%

Insurance Carriers and Related	18,500	18,600	18,700	-100	-200	-1.1%
Real Estate and Rental and Leasing	32,100	31,800	31,700	300	400	1.3%
Professional and Business Services	241,100	238,400	243,400	2,700	-2,300	-0.9%
Professional, Scientific, and Technical Services	139,600	138,900	134,900	700	4,700	3.5%
Legal Services	11,700	11,700	11,900	0	-200	-1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	8,200	8,600	9,400	-400	-1,200	-12.8%
Architectural, Engineering, and Related	19,800	19,500	19,200	300	600	3.1%
Computer Systems Design and Related	46,000	46,100	45,300	-100	700	1.5%
Management of Companies and Enterprises	30,000	29,800	32,600	200	-2,600	-8.0%
Admin., Support, Waste Mgmt., and Remediation	71,500	69,700	75,900	1,800	-4,400	-5.8%
Administrative and Support Services	67,600	65,700	72,400	1,900	-4,800	-6.6%
Employment Services	26,500	24,700	28,400	1,800	-1,900	-6.7%
Educational and Health Services	180,900	177,300	191,300	3,600	-10,400	-5.4%
Educational Services	26,300	25,300	31,300	1,000	-5,000	-16.0%
Ambulatory Health Care Services	59,900	58,100	63,100	1,800	-3,200	-5.1%
Hospitals	29,400	29,700	32,400	-300	-3,000	-9.3%
Nursing and Residential Care Facilities	19,300	19,200	19,800	100	-500	-2.5%
Social Assistance	45,800	45,100	44,600	700	1,200	2.7%
Leisure and Hospitality	100,800	102,300	145,300	-1,500	-44,500	-30.6%
Arts, Entertainment, and Recreation	13,900	14,300	26,400	-400	-12,500	-47.3%
Accommodation	8,300	8,300	16,100	0	-7,800	-48.4%
Food Services and Drinking Places	78,600	79,700	102,800	-1,100	-24,200	-23.5%
Other Services	45,000	44,400	52,700	600	-7,700	-14.6%
Repair and Maintenance	8,200	8,000	8,800	200	-600	-6.8%
Personal and Laundry Services	12,500	13,000	17,700	-500	-5,200	-29.4%
Religious, Grantmkg., Civic, Professional, & Similar	24,300	23,300	26,100	1,000	-1,800	-6.9%
Government	170,300	171,600	177,000	-1,300	-6,700	-3.8%
Federal Government	20,400	20,700	19,200	-300	1,200	6.3%
State Government	51,200	52,600	51,000	-1,400	200	0.4%
State Government Educational Services	36,800	38,100	36,500	-1,300	300	0.8%
Local Government	98,700	98,300	106,800	400	-8,100	-7.6%
Local Government Educational Services	41,000	40,500	45,700	500	-4,700	-10.3%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment is down 5.5 percent over the year.

Nonfarm industry employment

Goods-producing Industries

From September to October 2020, total employment in goods-producing industries contracted by 1,600, with one-month gains observed in construction, and losses posted by King County-located manufacturers. Year-over-year, goods-producing employment was down 11,700 or 6.3 percent.

Employment levels in **construction-related industries** expanded by 1,200 from September to October. The tally of jobs in construction was estimated at 83,800. Year-to-year, employment in construction was up 3,300 or 4.1 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. Despite a major temporary setback in April, King County based employment in construction quickly resumed and surpassed last year’s levels.
- Construction is a highly-seasonal industry. As we move into the colder, shorter and wetter days of winter, we can expect to see declining employment and increasing claims.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In October, King County-located manufacturing employers collectively shed 2,900 jobs. Over the year, total manufacturing employment was down 14,900 or 14.1 percent.

- Aerospace products and parts manufacturing shed an estimated 2,000 jobs over the month and shed 7,500 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.
- The Federal Aviation Administration approved the Renton-built 737 MAX for passenger air travel on November 18, after the aircraft had been grounded for 20 months. The Boeing Company will need to address technology and training requirements before the aircraft is approved to fly. Following the news, Seattle-based Alaska Airlines announced plans to add 13 MAXs to its fleet.
- Employment in nondurable goods contracted by 400 over the month and by 2,600 over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 5,400 jobs in October. Over the year, service providers shed 70,200 jobs. The largest one-month increases were observed in educational and health services. The deepest one-month losses were observed in leisure and hospitality. Over the year, the deepest losses were observed in the industries that make up leisure and hospitality, while information and retail trade appear unscathed based on this metric.

Wholesale trade employment increased by 100 in October but remains 4,200 or 6.6 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,400 King County-based jobs in October 2020.

Net employment in **retail trade** expanded by 1,500 over the month and expanded by an estimated 5,300 jobs (3.2 percent) over the year.

- Motor vehicle and parts dealers were down 600 jobs over the year and general merchandise stores were down 1,100. Food and beverage stores, considered essential businesses, expanded employment by 700 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 300 jobs in October and expanded employment by 5,600 over the year.

Net employment in **transportation, warehousing and utilities** contracted by 100 over the month and by 5,500 over the year. This set of industries accounted for an estimated 49,000 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 2,400 jobs or 16.0 percent) and support activities for transportation (down 2,000 or 15.6 percent).

- Employment in warehousing and storage expanded by 300 jobs over the year.

Employment in the **information** sector contracted by 800 over the month but expanded by 7,000 jobs or 5.7 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had an estimated tally of 130,200 jobs in October.

- The information sector includes software publishing activities. Employment in software publishing decreased by 1,500 over the month but expanded by 5,300 (7.8 percent) over the year.
- As a sector, information was revised up 5,700 jobs with the June benchmark, indicating that this set of industries expanded to a greater extent than our models initially picked up on.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level increased by 600 over the month but contracted by 1,200 over the year.

- Over the year, employers in finance and insurance collectively shed 1,600 jobs but real estate and rental and leasing employment expanded by 400.
- The local real estate market continues to thrive despite the global pandemic. According to the Seattle Times, home prices in the Seattle rose faster year-over-year in 2020 than they have since 2018.

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 added 2,700 jobs. Over the year, professional and business services as a whole contracted by 2,300 jobs (0.9 percent).

- From October 2019 to October 2020, professional, scientific and technical services added 4,700 jobs (3.5 percent), management of companies and enterprises fell by 2,600 (8.0 percent), and administrative support, waste management and remediation shed 4,400 jobs (5.8 percent). Employment services was down 1,900 jobs over the year.

Employment levels in **educational and health services** expanded by 3,600 over the month. Over the year, this diverse sector was down 10,400 or 5.4 percent. Educational and health services accounted for an estimated 180,900 King County-based jobs in October 2020.

- Healthcare and education is comprised of a diverse set of industries, each of which is being affected somewhat differently in this health crisis. Over the year, private educational services shed 5,000 jobs. Ambulatory health care services shed 3,200 jobs, hospitals shed 3,000 and nursing and residential care facilities were down 500 jobs. The only industry adding jobs over the year was social assistance (up 1,200).

Leisure and hospitality employment contracted by 1,500 over the month, following the deepest losses of any industry in April. Over the year, the industries that entertain residents and visitors alike was down 44,500 jobs or 30.6 percent.

- Food services and drinking places saw the deepest losses (24,200 over the year) but arts entertainment and recreation experienced the deepest proportional losses (47.3 percent).
- On November 15, Governor Inslee declared a rollback of county-by-county phased reopening in response to surging COVID-19 cases throughout Washington. The new round of restrictions explicitly closes indoor dine-in service at restaurants and bars, and places restrictions on other entertainment and recreation activities until December 14. <https://www.governor.wa.gov/news-media/inslee-announces-statewide-restrictions-four-weeks>

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 increased by 600 over the month but dropped by 7,700 over the year. Other services represented 45,500 King County jobs in October 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 5,200).

Government employers collectively shed 1,300 jobs over the month and shed an estimated 6,700 jobs over the year.

- Month-to-month losses were concentrated at the state level – particularly within state government educational services (public colleges and universities).
- The deepest 12-month losses were attributable to local government (down 8,100); more than half of local losses came from educational services (public k-12 systems). The largest gains were observed in federal employment, related to the decennial Census.

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 revised in November. Forecast information is available at www.erfc.wa.gov.

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