



# King County Labor Area Summary September 2020



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

## Overview

- In September 2020, the not seasonally adjusted unemployment rate in King County dropped from 7.2 percent to 7.0 percent. Twelve months ago, the unemployment rate was 2.8 percent.
- The King County labor force contracted by 21,667 over the year.
- Nonfarm employment expanded by 5,100 from August to September 2020. There were an estimated 1,381,600 total nonfarm jobs in King County.
- Six major industries detailed in this report expanded employment over the month and five shed jobs. The largest one-month gains were attributable to leisure and hospitality, government and construction. The deepest one-month losses were observed in retail trade.
- Total nonfarm employment in September 2020 was 97,400 below the level observed 12 months earlier. This represents a 6.6 percent decrease in employment over the year.
- Eight major industries detailed in this report shed jobs over the year. The deepest 12-month losses were observed in leisure and hospitality and manufacturing. Four industries expanded employment over the year, with construction 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 12<sup>th</sup> of September with the previous month and year. For all intents and purposes, this is the seventh 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

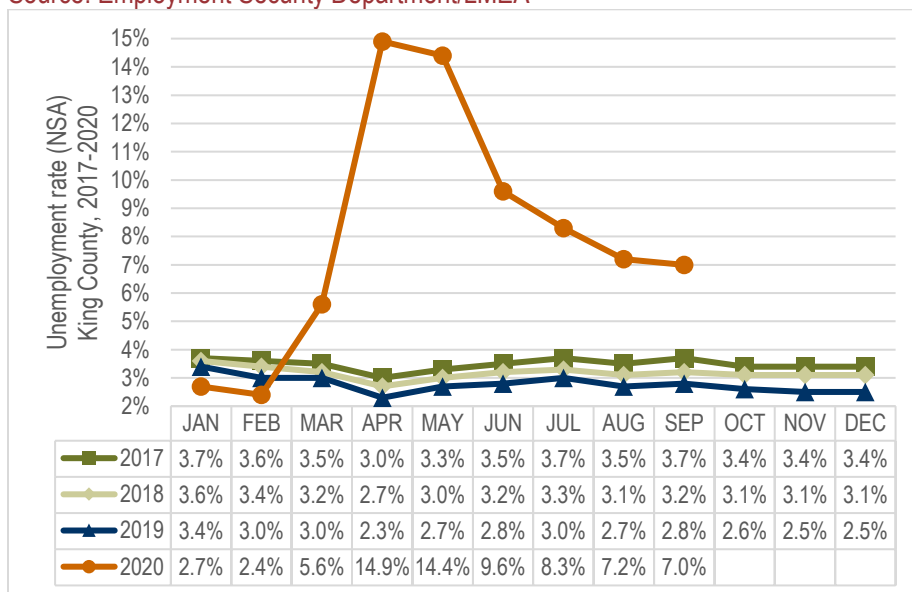
The not seasonally adjusted unemployment rate for King County was 7.0 percent (preliminary) in September 2020. This down from 7.2 percent, in August (revised). For reference, the unemployment rate in September 2019 was 2.8 percent.

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. September 2020 labor force estimates follow:

- King County labor force: 1,281,105
- Total employed: 1,191,968
- Total unemployed: 89,137
- Unemployment rate: 7.0%

Month-to-month, King County's labor force decreased by 9,935 residents. The number of employed people contracted by 6,335 and the number of active job seekers contracted by 3,600. Over-the-year, the labor force contracted by 21,667 people or 1.7 percent. Within that, the number of employed workers decreased by 74,557 or 5.9 percent and the number of unemployed increases by 52,890 or 146 percent.

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



King County's unemployment rate was 7.0 percent in September 2020.

### Washington state

The not seasonally adjusted unemployment rate for Washington State decreased from 8.3 percent (not seasonally adjusted) in August to 7.4 percent (preliminary) in September. The statewide labor force decreased by 54,901 over the month. Within that, the estimated number of employed people contracted by 14,736 and the number of unemployed job seekers contracted by 40,165. Over the year, the labor force is down 30,938 or 0.8 percent. Beneath the surface, the employed labor force contracted by 176,211 or 4.6 percent and the count of unemployed expanded by 145,273 or 100.6 percent. The unemployment rate 12 months ago was 3.7 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](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 7.3 percent in August (revised) to 7.1 percent in September (preliminary). Twelve months ago, the unemployment rate was 2.8 percent. The labor force contracted by 13,393 over the month. Over the year, the labor force contracted by 27,994 or 1.6 percent, including a decrease in the total number of employed workers (down 100,299 over the year) and a decrease of 72,305 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

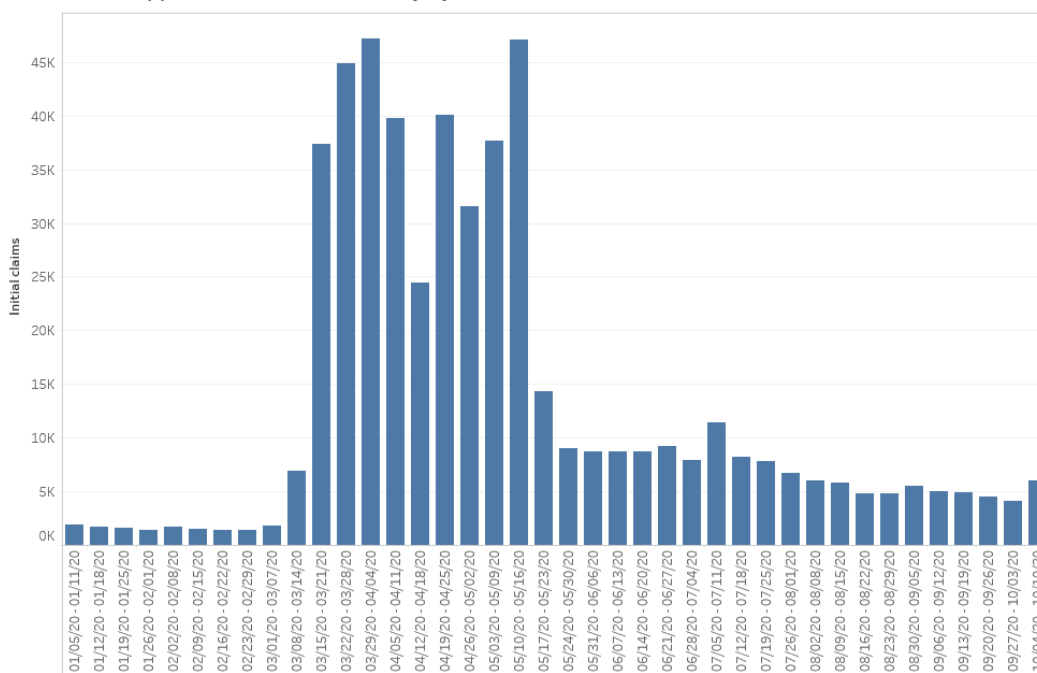
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend until the arrival of the Coronavirus economy. In September 2020, 18,519 new claims were filed by King County residents and a total of 93,921 King County residents 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 lying 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.

Readers may note an uptick in initial claims. I expect to see an increase in the number of claims over the next several weeks. Every year, we see an increase of claims from October through December as a result of the normal seasonal rhythms.

The week of September 6-12 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 5,100 from August to September 2020. Over the year, employers in King County shed 97,400 jobs, down 6.6 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 1.38 million in August (preliminary).

**Figure 2. Nonfarm industry employment**  
King County, January 2017 through September 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 September 6-12 on the unemployment insurance calendar (previous section).

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**King County**

Data benchmarked through March 2020

NAICS Industry Title	Prelim Sep-20	Revised Aug-20	Revised Sep-19	Change		
				Aug-20 Sep-20	Sep-19 Sep-20	Sep-19 Sep-20
Total Nonfarm	1,381,600	1,376,500	1,479,000	5,100	-97,400	-6.6%
Total Private	1,213,600	1,210,300	1,306,200	3,300	-92,600	-7.1%
Goods Producing	176,500	176,000	188,600	500	-12,100	-6.4%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	84,400	83,600	81,300	800	3,100	3.8%
Construction of Buildings	23,300	23,200	23,300	100	0	0.0%
Heavy and Civil Engineering Construction	6,500	6,300	7,000	200	-500	-7.1%
Specialty Trade Contractors	54,600	54,000	51,000	600	3,600	7.1%
Manufacturing	91,700	92,000	106,800	-300	-15,100	-14.1%
Durable Goods	67,500	68,000	80,200	-500	-12,700	-15.8%
Fabricated Metal Product Manufacturing	6,400	6,400	7,600	0	-1,200	-15.8%
Computer and Electronic Product Mfg.	8,600	8,700	8,400	-100	200	2.4%
Navgtnl., Measuring, Electromed., & Control	4,900	5,100	4,700	-200	200	4.3%
Transportation Equipment Manufacturing	37,500	37,200	44,900	300	-7,400	-16.5%
Aerospace Product and Parts Mfg.	34,400	34,100	41,700	300	-7,300	-17.5%
Nondurable Goods	24,200	24,000	26,600	200	-2,400	-9.0%
Food Manufacturing	13,000	13,000	12,900	0	100	0.8%
Service Providing	1,205,100	1,200,500	1,290,400	4,600	-85,300	-6.6%
Trade, Transportation, and Utilities	274,200	275,900	283,200	-1,700	-9,000	-3.2%
Wholesale Trade	59,900	60,100	64,100	-200	-4,200	-6.6%
Retail Trade	165,300	166,200	164,000	-900	1,300	0.8%
Motor Vehicle and Parts Dealers	11,400	11,000	11,200	400	200	1.8%
Food and Beverage Stores	24,500	24,700	23,600	-200	900	3.8%
General Merchandise Stores	15,400	16,200	18,300	-800	-2,900	-15.8%
Transportation, Warehousing, and Utilities	49,000	49,600	55,100	-600	-6,100	-11.1%
Transportation and Warehousing	47,500	48,000	53,100	-500	-5,600	-10.5%
Air Transportation	10,100	10,700	15,000	-600	-4,900	-32.7%
Truck Transportation	6,200	6,200	7,000	0	-800	-11.4%
Support Activities for Transportation	11,200	11,500	12,900	-300	-1,700	-13.2%
Warehousing and Storage	3,100	3,100	3,200	0	-100	-3.1%
Information	125,300	124,500	124,700	800	600	0.5%
Software Publishers	71,900	70,700	68,900	1,200	3,000	4.4%
Financial Activities	77,400	77,400	76,000	0	1,400	1.8%
Finance and Insurance	43,100	43,200	44,000	-100	-900	-2.0%
Credit Intermediation and Related	15,700	16,100	16,400	-400	-700	-4.3%

Insurance Carriers and Related	19,200	19,000	19,100	200	100	0.5%
Real Estate and Rental and Leasing	34,300	34,200	32,000	100	2,300	7.2%
Professional and Business Services	239,900	239,400	242,000	500	-2,100	-0.9%
Professional, Scientific, and Technical Services	140,700	139,600	134,700	1,100	6,000	4.5%
Legal Services	11,500	11,800	11,900	-300	-400	-3.4%
Accounting, Tax Prep., Bookkpg., and Payroll	9,400	9,700	9,400	-300	0	0.0%
Architectural, Engineering, and Related	19,000	19,100	19,500	-100	-500	-2.6%
Computer Systems Design and Related	44,500	43,200	45,100	1,300	-600	-1.3%
Management of Companies and Enterprises	29,000	29,400	31,300	-400	-2,300	-7.3%
Admin., Support, Waste Mgmt., and Remediation	70,300	70,400	76,000	-100	-5,700	-7.5%
Administrative and Support Services	66,400	66,600	72,500	-200	-6,100	-8.4%
Employment Services	25,000	25,100	28,600	-100	-3,600	-12.6%
Educational and Health Services	174,800	173,500	189,400	1,300	-14,600	-7.7%
Educational Services	26,500	25,300	29,200	1,200	-2,700	-9.2%
Ambulatory Health Care Services	56,900	58,100	63,500	-1,200	-6,600	-10.4%
Hospitals	30,300	30,700	32,400	-400	-2,100	-6.5%
Nursing and Residential Care Facilities	19,400	19,600	20,000	-200	-600	-3.0%
Social Assistance	41,700	39,800	44,300	1,900	-2,600	-5.9%
Leisure and Hospitality	98,900	96,300	149,500	2,600	-50,600	-33.8%
Arts, Entertainment, and Recreation	12,600	13,000	28,300	-400	-15,700	-55.5%
Accommodation	8,900	8,100	16,200	800	-7,300	-45.1%
Food Services and Drinking Places	77,400	75,200	105,100	2,200	-27,700	-26.4%
Other Services	46,600	47,300	52,800	-700	-6,200	-11.7%
Repair and Maintenance	8,600	8,700	8,900	-100	-300	-3.4%
Personal and Laundry Services	14,300	14,400	17,800	-100	-3,500	-19.7%
Religious, Grantmkg., Civic, Professional, & Similar	23,700	24,200	26,100	-500	-2,400	-9.2%
Government	168,000	166,200	172,800	1,800	-4,800	-2.8%
Federal Government	20,800	21,500	19,200	-700	1,600	8.3%
State Government	51,700	47,200	50,700	4,500	1,000	2.0%
State Government Educational Services	37,000	32,600	36,000	4,400	1,000	2.8%
Local Government	95,500	97,500	102,900	-2,000	-7,400	-7.2%
Local Government Educational Services	37,500	39,400	42,300	-1,900	-4,800	-11.3%
Workers in Labor/Management Disputes	0	0	0	0	0	

*King County nonfarm employment is down 6.6 percent over the year.*

## Nonfarm industry employment

### Goods-producing Industries

From August to September 2020, total employment in goods-producing industries expanded by 500, with one-month gains observed in construction, and losses posted by King County-located manufacturers. Year-over-year, goods-producing employment was down 12,100 or 6.4 percent.

Employment levels in **construction-related industries** expanded by 800 from August to September. The tally of jobs in construction was estimated at 84,400. Year-to-year, employment in construction was up 3,100 or 3.8 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.
- 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 September, King County-located manufacturing employers collectively shed 300 jobs. Over the year, total manufacturing employment was down 15,100 or 14.1 percent.

- Aerospace products and parts manufacturing added an estimated 300 jobs over the month but shed 7,300 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 200 over the month but dropped by 2,400 over the year.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 4,600 jobs in September. Over the year, service providers shed 85,300 jobs. The largest one-month increases were observed in leisure and hospitality. The deepest one-month losses were observed in retail trade. Over the year, the deepest losses were observed in the industries that make up leisure and hospitality, while financial activities, retail trade and information appear unscathed based on this metric.

**Wholesale trade** employment decreased by 200 in September and remains 4,200 or 6.6 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,900 King County-based jobs in September 2020.

Net employment in **retail trade** decreased by 900 over the month but managed to expand by an estimated 1,300 jobs over the year.

- Motor vehicle and parts dealers were up 200 jobs over the year and general merchandise stores were down 2,900. 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, shed 400 jobs in September but expanded employment by 8,000 over the year.

Net employment in **transportation, warehousing and utilities** contracted by 600 over the month and was down 6,100 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 4,900 jobs or 32.7 percent).
- Warehousing and storage contracted by 100 jobs over the year.

Employment in the **information** sector expanded by 800 over the month and by 600 jobs or 0.5 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had a tally of 125,300 jobs in September.

- The information sector includes software publishing activities. Employment in software publishing increased by 1,200 over the month and by 3,000 (4.4 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level held steady over the month and expanded by 1,400 over the year.

- Over the year, employers in finance and insurance collectively shed 900 jobs but real estate and rental and leasing employment expanded by 2,300.

**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 September, this diverse sector added 500 jobs. Over the year, professional and business services as a whole contracted by 2,100 jobs (0.9 percent).

- From September 2019 to September 2020, professional, scientific and technical services added 6,000 jobs (4.5 percent), management of companies and enterprises fell by 2,300 (7.3 percent), and administrative support, waste management and remediation shed 5,700 jobs (7.5 percent). Employment services was down 3,600 jobs over the year.

Employment levels in **educational and health services** expanded by 1,300 over the month. Over the year, this diverse sector was down 14,600 or 7.7 percent. Educational and health services accounted for an estimated 174,800 King County-based jobs in September 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, every industry included in this sector reported annual losses. The deepest losses were observed in ambulatory health care services (down 6,600).

**Leisure and hospitality** employment expanded by 2,600 over the month, marking the fifth consecutive month of gains following a precipitous drop in April. Over the year, the industries that entertain residents and visitors alike was down 50,600 jobs or 33.8 percent.

- Food services and drinking places saw the deepest losses (27,700 over the year) but arts entertainment and recreation experienced the deepest proportional losses (55.5 percent).

**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 dipped by 700 over the month and by 6,200 over the year. Other services represented 46,600 King County jobs in September 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 3,500).

**Government** employers collectively added 1,800 jobs over the month but shed an estimated 4,800 jobs over the year.

- Month-to-month losses from local public education were offset by a large one-month increase in state educational services, as colleges started fall quarter classes, in person and online.
- The deepest 12-month losses were attributable to local government, including 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. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).

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