



King County Labor Area Summary July 2021



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

Overview

- In July 2021, the not seasonally adjusted unemployment rate in King County was 5.1 percent – unchanged from the rate reported in June. Twelve months ago, the unemployment rate was 9.3 percent.
- The King County labor force expanded by 29,821 or 2.3 percent over the year.
- Nonfarm employment expanded by 13,900 from June to July 2021. There were an estimated 1,438,000 total nonfarm jobs in King County.
- Nine major industries detailed in this report expanded employment over the month and 3 shed jobs. The largest gains were attributable to hiring in leisure and hospitality. Government shed the largest number of jobs over the month.
- Total nonfarm employment in July 2021 was 82,100 above the level observed 12 months earlier— following the peak Covid-19 related job losses in the spring. Compared to July 2020, employment was up 6.1 percent.
- Ten major industries detailed in this report expanded employment over the year and 2 shed jobs. Leisure and hospitality and professional and business services added the largest number of jobs since July 2020. Manufacturing and government each lost jobs over the same time period.

Important note: April 2020 was marked by the highest unemployment rates in recent memory. This report, 15 months after the peak of the pandemic employment crisis, shifts the narrative from crisis to recovery.

This report compares the week containing the 12th of July with the corresponding week in the previous month and year. For all intents and purposes, this is the sixteenth 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.

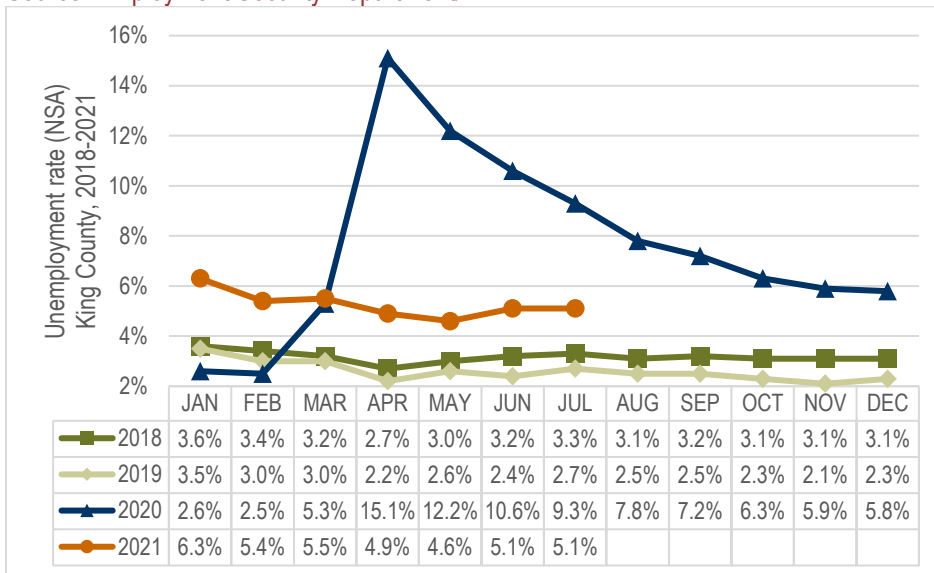
Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for King County was 5.1 percent (preliminary) in July 2021. This is unchanged over the month. The unemployment rate in July 2020 was 9.3 percent, after having reached a record 15.1 percent in April 2020.

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 2020. July 2021 labor force estimates follow:

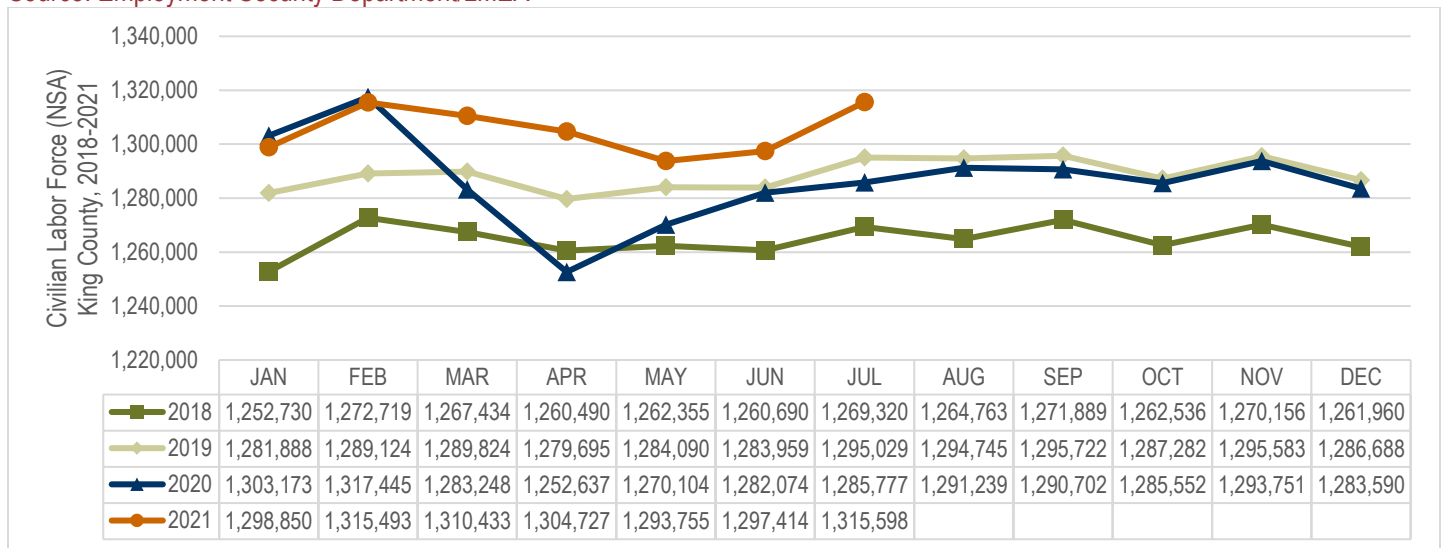
- King County labor force: 1,315,598
- Total employed: 1,248,944
- Total unemployed: 66,654
- Unemployment rate: 5.1%

Figure 1. Unemployment rates, not seasonally adjusted
King County, January 2018 through July 2021
Source: Employment Security Department/LMEA



The unemployment rate has stabilized in the 5 percent range in recent months. Last April, the unemployment rate reached 15.1%
Month-to-month, King County’s labor force increased by 18,184 resident workers. The number counted among the employed expanded by 17,799 and the number of active job seekers expanded by 385. Over-the-year, the labor force expanded by 29,821 people or 2.3 percent. Within that, the number of employed workers expanded by 83,098 or 7.1 percent and the number of unemployed workers contracted by 53,277 or 44.4 percent.

Figure 2. Civilian labor force, not seasonally adjusted
 King County, January 2018 through July 2021
 Source: Employment Security Department/LMEA



The labor force dropped swiftly last year and has been recovering. As of July 2021, the labor force has expanded by 2.3% over the year

Washington state

The not seasonally adjusted unemployment rate for Washington State decreased from 5.2 percent (not seasonally adjusted) in June 2021 to 5.0 percent (preliminary) in July. The statewide labor force increased by 46,155 over the month. Within that, the estimated number of employed people expanded by 51,867 and the number of unemployed job seekers contracted by 5,712, pushing the unemployment rate down. Over the year, the labor force is up 38,185 or 1.0 percent. Beneath the surface, the employed labor force expanded by 260,719 or 7.4 percent and the count of unemployed contracted by 222,534 or 53.1 percent. The unemployment rate 12 months ago was 10.7 percent.

The June forecast by Washington’s Economic and Revenue Forecast Council estimates that the statewide unemployment rate averaged 8.1 percent in 2020. The unemployment rate is expected to decrease to an average rate of 5.4 percent in 2021 and drop to 4.1 percent in 2022, signaling a positive adjustment compared to the March report. 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 remained steady at 5.3 percent. Twelve months ago, the unemployment rate was 9.5 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

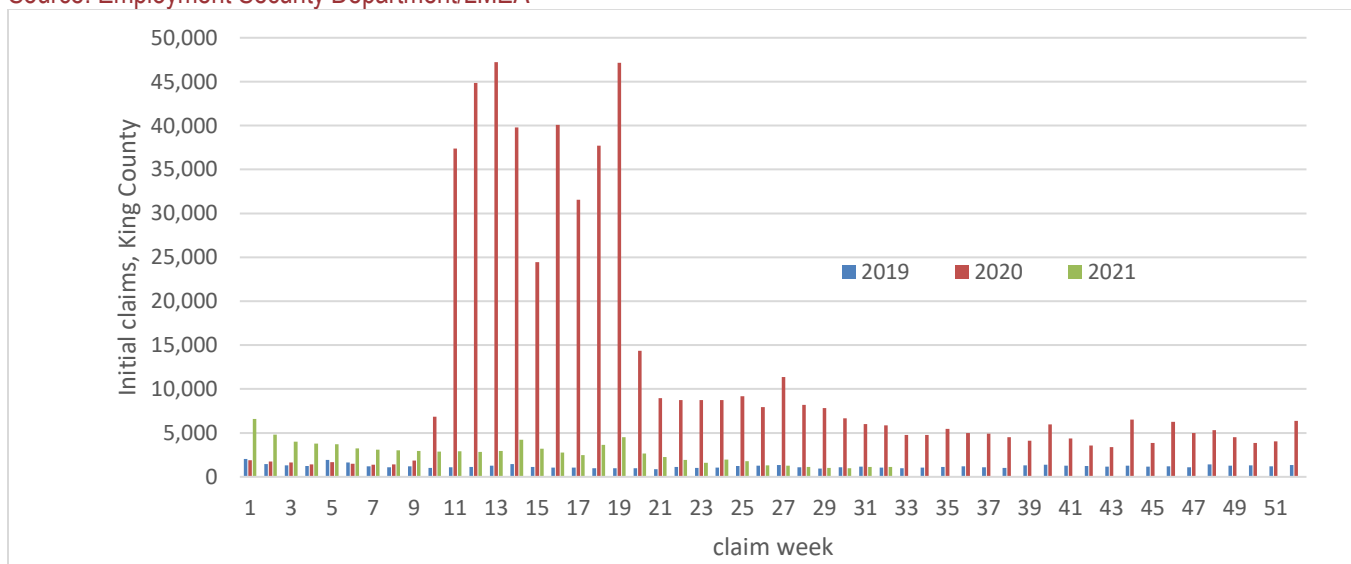
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend that had more-or-less settled out to about 12,000 per month until the arrival of the Coronavirus economy. The wave of claims in April 2020 reached unprecedented levels; 137,755 King County residents filed initial claims and 130,305 individuals collected unemployment insurance that month. In July 2021, 9,304 new claims were filed by King County residents and a total of 23,651 King County residents collected benefits from the state UI system.

Weekly Initial Claims

In March 2020, 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.

Initial claims activity has been dropping in recent weeks. At this point, the number of initial claims is only slightly above the number of claims that we saw at this time of the year in 2019. For reference, 1,126 applications for regular unemployment insurance were received during the 32nd week of 2021 (August 8-14). This compares to 5,860 initial claims received during the 32nd week of 2020 and 1,063 claims during the 32nd week of 2019.

Figure 3. Initial Claims for Unemployment Insurance
King County, January 2020 through July 2021
Source: Employment Security Department/LMEA



The week of July 11-17 (week 28) is the reference week for 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>

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

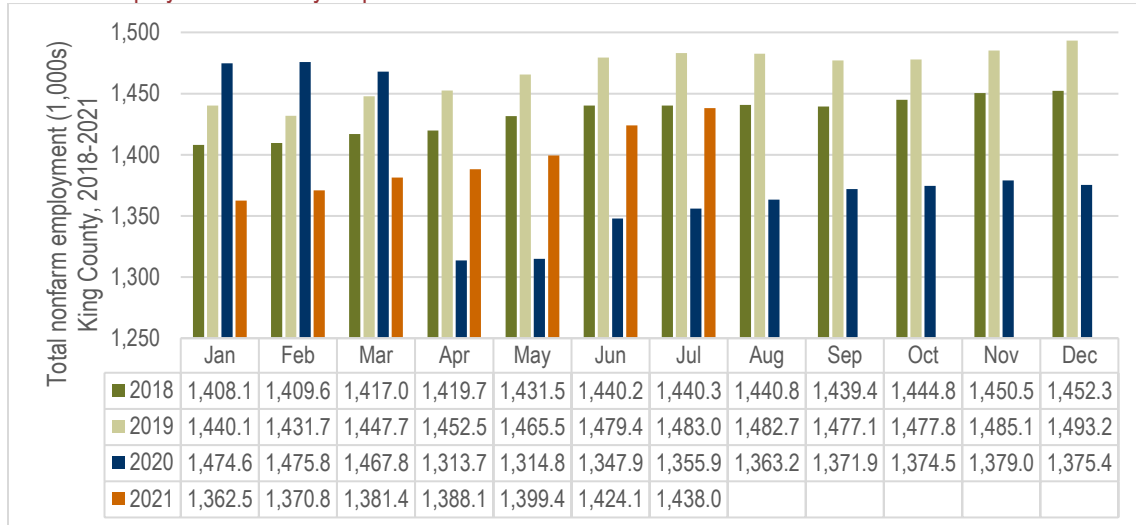
Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 13,900 from June (revised) to July 2021 (preliminary). Over the year, employers in King County collectively recovered 82,100 jobs—up 6.1 percent relative to July 2020. The tally of nonfarm jobs in King County was estimated over 1.4 million in July 2021.

Figure 4. Nonfarm industry employment

King County, January 2018 through July 2021

Source: Employment Security Department/LMEA



King County job growth was disrupted by the Covid-19 pandemic. Employment in July 2021 was 6.2 percent higher than in July 2020.

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 July 11-17 on the unemployment insurance calendar (previous section). Because the deep drop in employment occurred in April 2020, this is the fourth report that shifts the narrative from labor market damage to labor market recovery.

Figure 5. Total nonfarm industry employment, not seasonally adjusted
King County, July 2020 and June and July 2021
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through March 2021

NAICS Industry Title	Prelim Jul-21	Revised Jun-21	Revised Jul-20	Change		
				Jun-21 Jul-21	Jul-20 Jul-21	Jul-20 Jul-21
Total Nonfarm	1,438,000	1,424,100	1,355,900	13,900	82,100	6.1%
Total Private	1,270,300	1,251,800	1,188,100	18,500	82,200	6.9%
Goods Producing	170,700	168,300	171,900	2,400	-1,200	-0.7%
Mining and Logging	400	400	400	0	0	0.0%
Construction	81,800	81,100	77,000	700	4,800	6.2%
Construction of Buildings	23,400	23,600	23,100	-200	300	1.3%
Heavy and Civil Engineering Construction	7,500	7,000	6,700	500	800	11.9%
Specialty Trade Contractors	50,900	50,500	47,200	400	3,700	7.8%
Manufacturing	88,400	86,800	94,400	1,600	-6,000	-6.4%
Durable Goods	64,100	63,200	70,500	900	-6,400	-9.1%
Fabricated Metal Product Manufacturing	5,800	5,900	6,300	-100	-500	-7.9%
Computer and Electronic Product Mfg.	7,100	7,000	8,100	100	-1,000	-12.3%
Navgtnl., Measuring, Electromed., & Control	4,700	4,500	4,800	200	-100	-2.1%
Transportation Equipment Manufacturing	34,000	34,100	38,800	-100	-4,800	-12.4%
Aerospace Product and Parts Mfg.	30,800	30,800	35,600	0	-4,800	-13.5%
Nondurable Goods	24,300	23,600	23,900	700	400	1.7%
Food Manufacturing	11,900	11,500	11,600	400	300	2.6%
Service Providing	1,267,300	1,255,800	1,184,000	11,500	83,300	7.0%
Trade, Transportation, and Utilities	289,300	288,400	274,000	900	15,300	5.6%
Wholesale Trade	61,800	61,200	57,800	600	4,000	6.9%
Retail Trade	177,000	177,200	167,800	-200	9,200	5.5%
Motor Vehicle and Parts Dealers	10,700	10,700	10,100	0	600	5.9%
Food and Beverage Stores	29,400	28,900	24,700	500	4,700	19.0%
General Merchandise Stores	18,700	18,400	17,300	300	1,400	8.1%
Transportation, Warehousing, and Utilities	50,500	50,000	48,400	500	2,100	4.3%
Transportation and Warehousing	48,600	48,100	46,500	500	2,100	4.5%
Air Transportation	14,400	14,000	13,300	400	1,100	8.3%
Truck Transportation	7,800	7,600	6,600	200	1,200	18.2%
Support Activities for Transportation	11,400	11,100	10,300	300	1,100	10.7%
Warehousing and Storage	3,300	3,200	3,400	100	-100	-2.9%
Information	135,400	133,900	128,200	1,500	7,200	5.6%
Software Publishers	72,600	73,300	73,000	-700	-400	-0.5%
Financial Activities	77,000	75,700	71,700	1,300	5,300	7.4%
Finance and Insurance	44,200	43,700	42,500	500	1,700	4.0%
Credit Intermediation and Related	16,700	16,600	16,400	100	300	1.8%
Insurance Carriers and Related	19,700	19,200	18,600	500	1,100	5.9%

Real Estate and Rental and Leasing	32,800	32,000	29,200	800	3,600	12.3%
Professional and Business Services	245,300	242,200	229,700	3,100	15,600	6.8%
Professional, Scientific, and Technical Services	145,000	143,300	133,300	1,700	11,700	8.8%
Legal Services	12,400	12,100	11,700	300	700	6.0%
Accounting, Tax Prep., Bookkpg., and Payroll	10,900	11,000	9,400	-100	1,500	16.0%
Architectural, Engineering, and Related	19,300	19,000	19,100	300	200	1.0%
Computer Systems Design and Related	49,900	48,600	45,600	1,300	4,300	9.4%
Management of Companies and Enterprises	28,300	27,600	29,600	700	-1,300	-4.4%
Admin., Support, Waste Mgmt., and Remediation	72,000	71,300	66,900	700	5,100	7.6%
Administrative and Support Services	68,600	67,900	63,600	700	5,000	7.9%
Employment Services	26,500	26,100	22,700	400	3,800	16.7%
Educational and Health Services	181,900	182,100	174,900	-200	7,000	4.0%
Educational Services	27,200	27,900	24,300	-700	2,900	11.9%
Ambulatory Health Care Services	60,800	61,700	58,400	-900	2,400	4.1%
Hospitals	28,800	28,900	29,700	-100	-900	-3.0%
Nursing and Residential Care Facilities	17,600	17,800	19,000	-200	-1,400	-7.4%
Social Assistance	47,400	45,800	43,400	1,600	4,000	9.2%
Leisure and Hospitality	121,100	113,400	91,400	7,700	29,700	32.5%
Arts, Entertainment, and Recreation	23,800	22,600	15,600	1,200	8,200	52.6%
Accommodation	9,900	9,100	6,700	800	3,200	47.8%
Food Services and Drinking Places	87,400	81,700	69,100	5,700	18,300	26.5%
Other Services	49,600	47,800	46,300	1,800	3,300	7.1%
Repair and Maintenance	8,400	8,400	7,900	0	500	6.3%
Personal and Laundry Services	13,400	12,700	13,200	700	200	1.5%
Religious, Grantmkg., Civic, Professional, & Similar	27,800	26,700	25,200	1,100	2,600	10.3%
Government	167,700	172,300	167,800	-4,600	-100	-0.1%
Federal Government	19,400	19,300	19,500	100	-100	-0.5%
State Government	47,800	51,200	48,600	-3,400	-800	-1.6%
State Government Educational Services	33,600	36,800	34,200	-3,200	-600	-1.8%
Local Government	100,500	101,800	99,700	-1,300	800	0.8%
Local Government Educational Services	41,700	43,000	42,100	-1,300	-400	-1.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County has recovered 82,100 jobs since July 2020.

Nonfarm industry employment

Goods-producing Industries

From June to July 2021, total employment in goods-producing industries expanded by 2,400, with employment gains observed in both construction and manufacturing. Year-over-year, goods-producing employment was down 1,200 or 0.7 percent, reflecting a substantial rebound by construction offset substantial declines in manufacturing employment.

Employment levels in **construction-related industries** expanded by 700 over the month. The tally of jobs in construction was estimated at 81,800. Year-to-year, employment in construction was up 4,800 or 6.2 percent.

- Despite a major temporary setback due to physical distancing protocols in April 2020, King County based employment in construction quickly recovered and surpassed pre-pandemic levels. Recent growth has been concentrated in the largest component of construction; specialty trade contractors added 3,700 jobs over the year.
- Construction is a highly-seasonal industry. While we can expect to see seasonal losses over the winter, a strong real estate market and a boom in home improvement projects is continuing to buoy this set of industries.

Manufacturing represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products to food manufacturing. In July, King County-located manufacturing employers collectively added 1,600 jobs. Over the year, total manufacturing employment was down 6,000 or 6.4 percent. This is largely a reflection of the drop in aerospace that took hold after April 2020.

- The tally of aerospace products and parts manufacturing jobs neither increased nor decreased over the month but was down 4,800 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 700 over the month and by 400 jobs over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 11,500 jobs in July. Over the year, service providers added 83,300 jobs. The largest one-month increases were observed in leisure and hospitality and professional and business services. Government shed the largest number of jobs, which is not unusual over the summer. Over the year, leisure and hospitality and professional and business services added the most jobs. Government shed 100 jobs over the year.

Wholesale trade employment expanded by 600 in July and expanded by 4,000 or 6.9 percent over the year. Wholesale trade accounted for 61,800 King County-based jobs in July 2021.

Net employment in **retail trade** contracted by 200 over the month. Over the year, retail trade employment expanded by an estimated 9,200 jobs (5.5 percent).

- Since July 2020, motor vehicles and parts dealers added 600 jobs, food and beverage stores added 4,700 and general merchandise stores expanded by 1,400.
- The story of retail trade (especially in King County) goes beyond physical storefronts. Scaling up to the statewide level, “other retail,” a category which includes online retail sales, expanded employment by 6,100 (4.5 percent) over the year.

Net employment in **transportation, warehousing and utilities** expanded by 500 over the month and by 2,100 over the year. This set of industries accounted for an estimated 50,500 King County jobs.

- Over the year, air transportation added 1,100 jobs, truck transportation was up 1,200, and support activities for transportation was up 1,100.
- Employment in warehousing and storage dipped by 100 over the year.

Employment in the **information** sector expanded by 1,500 over the month and by 7,200 jobs or 5.6 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had an estimated tally of 135,400 jobs in July. As a whole, the sector was relatively stable amidst the tumult of the past year.

- The information sector includes software publishing activities. Employment in software publishing dipped by 700 over the month and by 400 over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level increased by 1,300 over the month and by 5,300 over the year.

- Over the year, employers in finance and insurance collectively added 1,700 jobs. Real estate and rental and leasing employment expanded by 3,600 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 July, this diverse sector added 3,100 jobs. Over the year, professional and business services expanded employment by 15,600 (6.8 percent).

- From July 2020 to July 2021, professional, scientific and technical services added 11,700 jobs (8.8 percent), management of companies and enterprises fell by 1,300 (4.4 percent), and administrative support, waste management and remediation was up 5,100 jobs (7.6 percent). Employment services was up 3,8 jobs over the year.

Employment levels in **educational and health services** contracted by 200 over the month. Over the year, this diverse sector recovered 7,000 jobs (4.0 percent). Educational and health services accounted for an estimated 181,900 King County-based jobs in July 2021.

- Healthcare and education is comprised of a diverse set of industries, each of which has been affected somewhat differently in this health crisis. Over the year, private educational services recovered 2,900 jobs. Ambulatory health care services added 2,400 jobs, hospitals shed 900 and nursing and residential care facilities were down 1,400 jobs. Social assistance added 4,000 jobs over the year.

Leisure and hospitality employment grew by 7,700 over the month, following the deepest losses of any industry last year. Over the year, the industries that entertain residents and visitors recovered 29,700 jobs (32.5 percent), but still has a long way to go.

- Arts, entertainment, and recreation added 8,200 jobs (52.6 percent), accommodation added 3,200 (47.8 percent) and food services added 18,300 (26.5 percent) 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 hair dressers, auto mechanics and dry cleaners to membership clubs. Overall employment levels increased by 1,800 over the month and 3,300 over the year. Other services represented 49,600 King County jobs in July 2021.

- Each breakout in the monthly report appears to be on the path to recovery, with the largest 12-month increases attributable to hiring in religious, grantmaking, civic, professional and similar industries.

Government employers collectively dipped by 4,600 jobs over the month and contracted by 100 jobs over the year.

- Month-to-month losses were concentrated at state and local levels of government. Deep losses are typical for this time of the year. Many of these jobs will reappear on payrolls at the start of the academic year
- Year over year, losses were concentrated at the state level. Local government (aside from local schools) expanded employment.

Forecast information for Washington state:

The Washington State Economic and Revenue Forecast Council issues quarterly forecasts that address Washington's projected economic health. The June forecast is currently online at www.erfc.wa.gov.

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