



# King County Labor Area Summary May 2021



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

## Overview

- In May 2021, the not seasonally adjusted unemployment rate in King County was 4.8 percent – down from 4.9 percent reported in April. Twelve months ago, the unemployment rate was 12.2 percent.
- The King County labor force expanded by 26,108 or 2.1 percent over the year.
- Nonfarm employment expanded by 11,300 from April to May 2021. There were an estimated 1,409,600 total nonfarm jobs in King County.
- Eight major industries detailed in this report expanded employment over the month and 4 shed jobs. The largest gains were attributable to hiring in leisure and hospitality, while the deepest one-month losses were observed in the transportation, warehousing and utilities and construction industries.
- Total nonfarm employment in May 2021 was 94,800 above the level observed 12 months earlier—immediately following the month of peak Covid-19 related job losses. Compared to May 2020, employment was up 7.2 percent over the year.
- Ten major industries detailed in this report expanded employment over the year and two shed jobs. Leisure and hospitality and retail trade added the largest number of jobs since May 2020. Manufacturing and transportation, warehousing and utilities each shed jobs over the same time period.

**Important note: April 2020 was marked by the highest unemployment rates in recent memory. This report, 13 months after the peak of the pandemic employment crisis, shifts the narrative from crisis to recovery.**

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 fifteenth 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

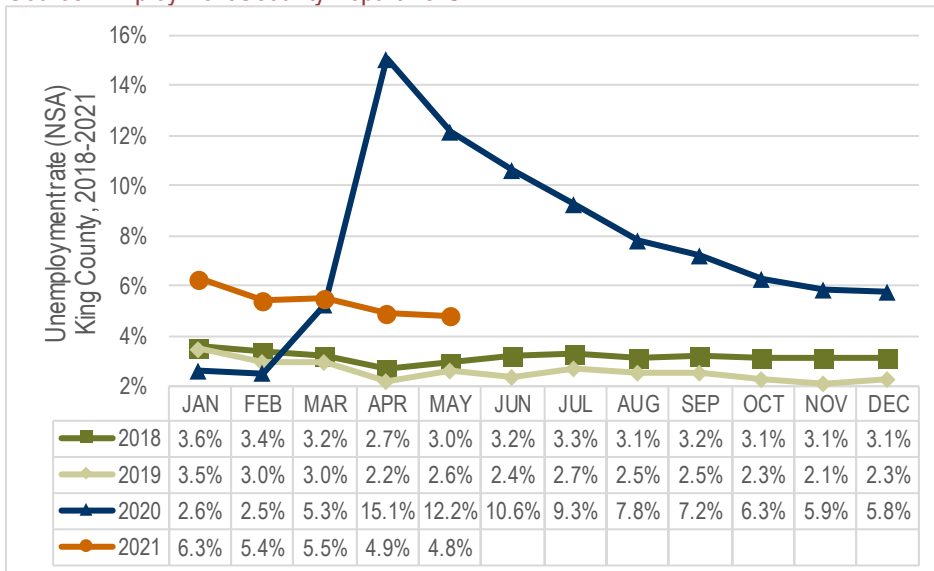
The not seasonally adjusted unemployment rate for King County was 4.8 percent (preliminary) in May 2021. This is down from 4.9 percent (revised) in April. The unemployment rate in May 2020 was 12.2 percent, after having reached a record 15.1 percent the previous month.

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. May 2021 labor force estimates follow:

- King County labor force: 1,296,212
- Total employed: 1,233,957
- Total unemployed: 62,255
- Unemployment rate: 4.8%

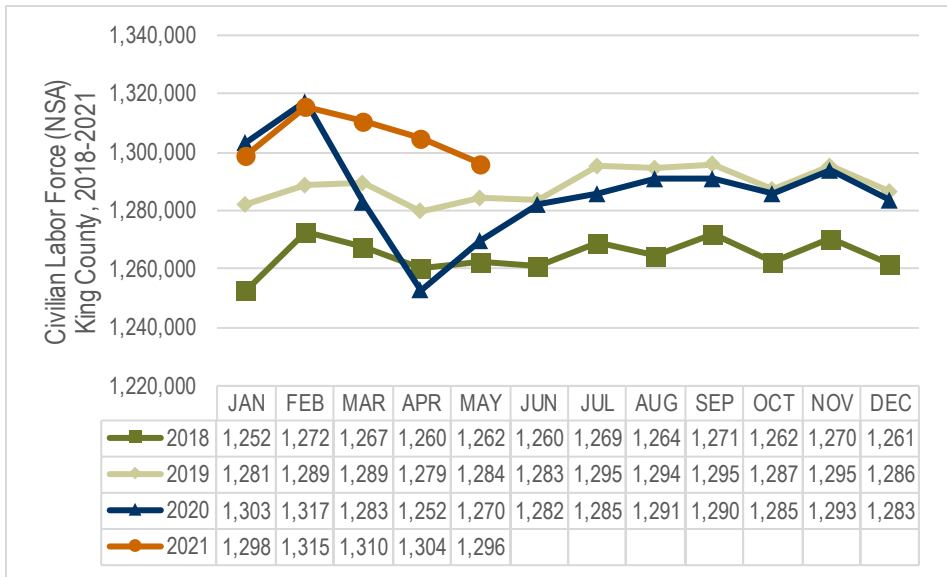
**Figure 1.** Unemployment rates, not seasonally adjusted  
King County, January 2018 through May 2021

Source: Employment Security Department/LMEA



King County's unemployment rate has stabilized in the 5 percent range in recent months. Last May, the unemployment rate was 12.2%. Month-to-month, King County's labor force decreased by 8,515 resident workers. The number counted among the employed contracted by 6,544 and the number of active job seekers contracted by 1,971. Over-the-year, the labor force expanded by 26,108 people or 2.1 percent. Within that, the number of employed workers expanded by 118,364 or 10.6 percent and the number of unemployed workers contracted by 92,256 or 59.7 percent.

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



*The labor force dropped swiftly last year and has been recovering. As of May 2021, the labor force has expanded by 2.1% over the year*

**Washington state**

The not seasonally adjusted unemployment rate for Washington State decreased from 5.6 percent (not seasonally adjusted) in April 2021 to 5.3 percent (preliminary) in May. The statewide labor force increased by 9,477 over the month. Within that, the estimated number of employed people expanded by 23,340 and the number of unemployed job seekers contracted by 13,863, pushing the unemployment rate down. Over the year, the labor force is up 8,369 or 0.2 percent. Beneath the surface, the employed labor force expanded by 298,631 or 8.8 percent and the count of unemployed contracted by 290,262 or 58.4 percent. The unemployment rate 12 months ago was 12.7 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](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 dropped from 5.1 percent (revised) in April to 5.0 percent (preliminary) in May. Twelve months ago, the unemployment rate was 12.6 percent, during the early days of the Covid-19 pandemic. The labor force contracted by 11,565 over the month. Over the year, the labor force expanded by 30,233 or 1.8 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](http://www.esd.wa.gov/labormarketinfo/labor-force)

## Unemployment Insurance (UI) Claims

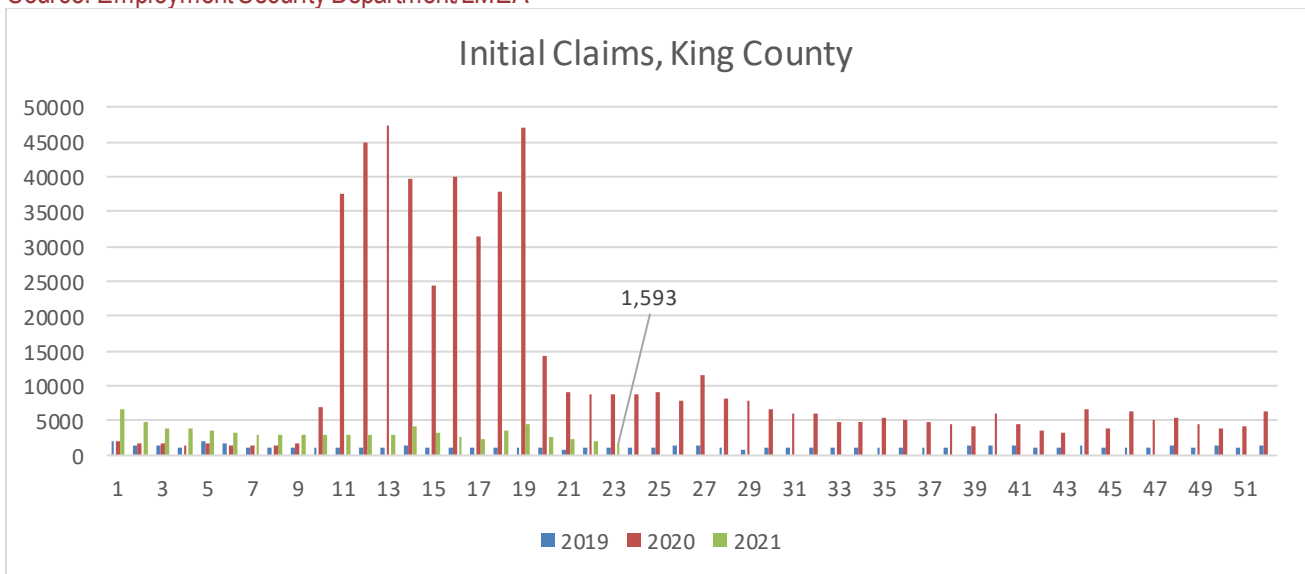
UI claims activity during the Great Recession peaked in May 2009 (49,117 continued claims were counted that month) and were on downward trend that had more-or-less settled out to about 12,000 per month until the arrival of the Coronavirus economy. The wave of claims in April 2020 reached unprecedented levels; 137,755 King County residents filed initial claims and 130,305 individuals collected unemployment insurance that month. In May 2021, 12,562 new claims were filed by King County residents and a total of 23,504 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; however, the number of initial claims remains above the number of claims that we saw at this time of the year in 2019. For reference, 1,593 applications for regular unemployment insurance were received during the 23rd week of 2021. This compares to 8,753 initial claims received during the 23rd week of 2020 and 1,002 claims during the 23rd week of 2019.

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



The week of May 9-15 is the reference week for the labor force and payroll statistics in this report.

Weekly initial claims information is published every Thursday.

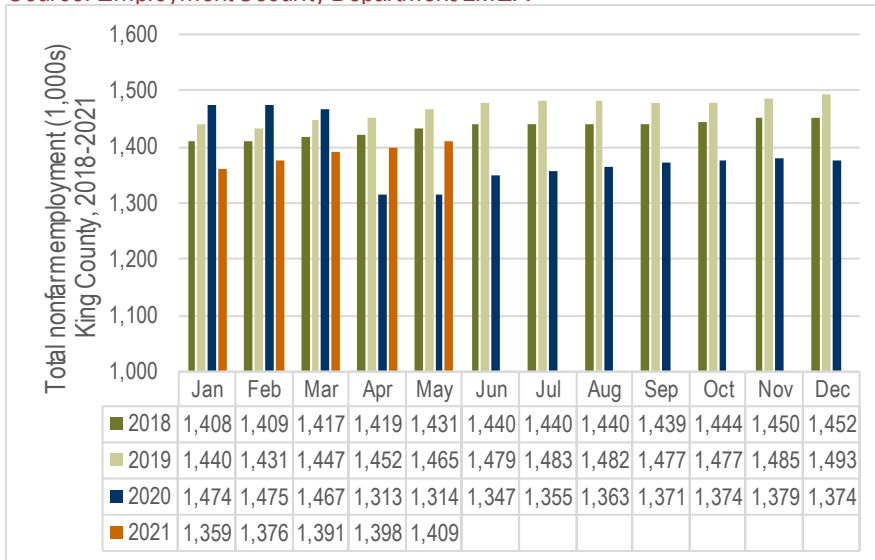
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo>

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

## Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 11,300 from April (revised) to May 2021 (preliminary). Over the year, employers in King County collectively recovered 94,800 jobs—up 7.2 percent relative to May 2020. The tally of nonfarm jobs in King County was estimated as 1.4 million in May 2021.

**Figure 4. Nonfarm industry employment**  
King County, January 2018 through May 2021  
Source: Employment Security Department/LMEA



*King County job growth was disrupted by the Covid-19 pandemic. Employment in May 2021 was 7.2 percent higher than in May 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 May 9-15 on the unemployment insurance calendar (previous section). Because the deep drop in employment occurred in April 2020, this is the second report that shifts the narrative from labor market damage to labor market recovery.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**King County**

Data benchmarked through December 2020

NAICS Industry Title	Prelim May-21	Revised Apr-21	Revised May-20	Change		
				Apr-21 May-21	May-20 May-21	May-20 May-21
Total Nonfarm	1,409,600	1,398,300	1,314,800	11,300	94,800	7.2%
Total Private	1,238,600	1,229,500	1,145,000	9,100	93,600	8.2%
Goods Producing	173,100	173,500	166,800	-400	6,300	3.8%
Mining and Logging	500	400	400	100	100	25.0%
Construction	83,400	84,500	72,100	-1,100	11,300	15.7%
Construction of Buildings	24,000	24,600	21,800	-600	2,200	10.1%
Heavy and Civil Engineering Construction	6,800	6,700	6,200	100	600	9.7%
Specialty Trade Contractors	52,600	53,200	44,100	-600	8,500	19.3%
Manufacturing	89,100	88,600	94,300	500	-5,200	-5.5%
Durable Goods	65,400	65,200	71,300	200	-5,900	-8.3%
Fabricated Metal Product Manufacturing	5,600	5,500	6,700	100	-1,100	-16.4%
Computer and Electronic Product Mfg.	7,200	7,300	8,200	-100	-1,000	-12.2%
Navgtnl., Measuring, Electromed., & Control	4,200	4,200	4,800	0	-600	-12.5%
Transportation Equipment Manufacturing	34,900	35,000	39,700	-100	-4,800	-12.1%
Aerospace Product and Parts Mfg.	31,600	31,600	36,500	0	-4,900	-13.4%
Nondurable Goods	23,700	23,400	23,000	300	700	3.0%
Food Manufacturing	11,400	11,300	11,300	100	100	0.9%
Service Providing	1,236,500	1,224,800	1,148,000	11,700	88,500	7.7%
Trade, Transportation, and Utilities	283,900	283,200	257,400	700	26,500	10.3%
Wholesale Trade	61,100	61,200	58,400	-100	2,700	4.6%
Retail Trade	174,900	172,900	150,900	2,000	24,000	15.9%
Motor Vehicle and Parts Dealers	10,500	10,400	9,200	100	1,300	14.1%
Food and Beverage Stores	25,000	24,900	24,100	100	900	3.7%
General Merchandise Stores	16,500	16,600	15,000	-100	1,500	10.0%
Transportation, Warehousing, and Utilities	47,900	49,100	48,100	-1,200	-200	-0.4%
Transportation and Warehousing	45,800	47,000	46,100	-1,200	-300	-0.7%
Air Transportation	13,300	13,600	12,900	-300	400	3.1%
Truck Transportation	7,300	7,200	6,100	100	1,200	19.7%
Support Activities for Transportation	10,600	10,700	10,400	-100	200	1.9%
Warehousing and Storage	3,300	3,300	3,300	0	0	0.0%
Information	131,700	130,600	126,800	1,100	4,900	3.9%
Software Publishers	72,600	72,800	72,300	-200	300	0.4%
Financial Activities	73,500	72,200	71,500	1,300	2,000	2.8%
Finance and Insurance	43,400	43,200	42,300	200	1,100	2.6%
Credit Intermediation and Related	16,200	16,200	16,000	0	200	1.3%
Insurance Carriers and Related	19,100	19,000	18,800	100	300	1.6%

Real Estate and Rental and Leasing	30,100	29,000	29,200	1,100	900	3.1%
Professional and Business Services	235,200	234,300	227,700	900	7,500	3.3%
Professional, Scientific, and Technical Services	138,800	138,000	133,000	800	5,800	4.4%
Legal Services	12,300	12,100	11,500	200	800	7.0%
Accounting, Tax Prep., Bookkpg., and Payroll	10,000	9,900	9,500	100	500	5.3%
Architectural, Engineering, and Related	18,900	18,900	18,900	0	0	0.0%
Computer Systems Design and Related	46,400	46,100	45,700	300	700	1.5%
Management of Companies and Enterprises	29,300	29,100	29,400	200	-100	-0.3%
Admin., Support, Waste Mgmt., and Remediation	67,100	67,100	65,300	0	1,800	2.8%
Administrative and Support Services	63,400	63,700	62,200	-300	1,200	1.9%
Employment Services	22,900	22,100	21,800	800	1,100	5.0%
Educational and Health Services	186,500	187,400	171,200	-900	15,300	8.9%
Educational Services	30,100	30,000	26,300	100	3,800	14.4%
Ambulatory Health Care Services	60,700	61,100	54,400	-400	6,300	11.6%
Hospitals	28,900	29,600	29,300	-700	-400	-1.4%
Nursing and Residential Care Facilities	18,400	18,600	18,800	-200	-400	-2.1%
Social Assistance	48,300	48,100	42,400	200	5,900	13.9%
Leisure and Hospitality	106,200	100,500	80,700	5,700	25,500	31.6%
Arts, Entertainment, and Recreation	21,200	18,000	12,200	3,200	9,000	73.8%
Accommodation	8,100	7,600	6,900	500	1,200	17.4%
Food Services and Drinking Places	77,000	74,900	61,600	2,100	15,400	25.0%
Other Services	48,500	47,800	42,900	700	5,600	13.1%
Repair and Maintenance	8,700	8,600	7,600	100	1,100	14.5%
Personal and Laundry Services	13,400	13,100	10,800	300	2,600	24.1%
Religious, Grantmkg., Civic, Professional, & Similar	26,500	26,100	24,400	400	2,100	8.6%
Government	171,000	168,800	169,800	2,200	1,200	0.7%
Federal Government	19,400	19,400	19,300	0	100	0.5%
State Government	51,400	50,700	51,900	700	-500	-1.0%
State Government Educational Services	37,200	36,500	37,500	700	-300	-0.8%
Local Government	100,200	98,700	98,600	1,500	1,600	1.6%
Local Government Educational Services	43,000	42,300	43,000	700	0	0.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

*King County has recovered 94,800 jobs since May 2020.*

## Nonfarm industry employment

### Goods-producing Industries

From April to May 2021, total employment in goods-producing industries contracted by 400, with employment losses observed in construction and growth observed in manufacturing. Year-over-year, goods-producing employment was up 6,300 or 3.8 percent reflecting a substantial rebound by construction offset somewhat by declining employment in manufacturing.

Employment levels in **construction-related industries** contracted by 1,100 over the month. The tally of jobs in construction was estimated at 83,400. Year-to-year, employment in construction was up 11,300 or 15.7 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 8,500 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 May, King County-located manufacturing employers collectively added 500 jobs. Over the year, total manufacturing employment was down 5,200 or 5.5 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 was unchanged over the month and down 4,900 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 300 over the month and by 700 jobs over the year.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 11,700 jobs in May. Over the year, service providers added 88,500 jobs. The largest one-month increases were observed in leisure and hospitality, government and retail trade. The deepest one-month losses were observed in transportation, warehousing and utilities and educational and health services. Over the year, leisure and hospitality and retail trade added the most jobs. The only set of service industries to have shed jobs relative to May 2020 was transportation, warehousing and utilities.

**Wholesale trade** employment dipped by 100 in May but expanded by 2,700 or 4.6 percent over the year. Wholesale trade accounted for 61,100 King County-based jobs in May 2021.

Net employment in **retail trade** expanded by 2,000 over the month. Over the year, retail trade employment expanded by an estimated 24,000 jobs (15.9 percent).

- Since May 2020, each of the industries broken out in this report added jobs.
- 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 24,500 (20.3 percent) over the year.



Net employment in **transportation, warehousing and utilities** contracted by 1,200 over the month and remains 200 jobs below the employment levels observed last May. This set of industries accounted for an estimated 47,900 King County jobs.

- Over the year, air transportation added 400 jobs (3.1 percent) and support activities for transportation was up 200. Truck transportation added 1,200 jobs over the year.
- Employment in warehousing and storage remained unchanged over the year.

Employment in the **information** sector expanded by 1,100 over the month and by 4,900 jobs or 3.9 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had an estimated tally of 131,700 jobs in May. 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 contracted by 200 over the month but expanded by 300 (0.4 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 1,300 over the month and by 2,000 over the year.

- Over the year, employers in finance and insurance collectively added 1,100 jobs. Real estate and rental and leasing employment expanded by 900 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 900 jobs. Over the year, professional and business services expanded employment by 7,500 (3.3 percent).

- From May 2020 to May 2021, professional, scientific and technical services added 5,800 jobs (4.4 percent), management of companies and enterprises fell by 100 (0.3 percent), and administrative support, waste management and remediation was up 1,800 jobs (2.8 percent). Employment services was up 1,100 jobs over the year.

Employment levels in **educational and health services** contracted by 900 over the month. Over the year, this diverse sector recovered 15,300 jobs (8.9 percent). Educational and health services accounted for an estimated 186,500 King County-based jobs in May 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 3,800 jobs. Ambulatory health care services added 6,300 jobs, hospitals shed 400 and nursing and residential care facilities were down 400 jobs. Social assistance added 5,900 jobs over the year.

**Leisure and hospitality** employment grew by 5,700 over the month, following the deepest losses of any industry last year. Over the year, the industries that entertain residents and visitors recovered 25,500 jobs (31.6 percent), but still has a long way to go.

Arts, entertainment, and recreation added 9,000 jobs (73.8 percent), accommodation added 1,200 (17.4 percent) and food services added 15,400 (25.0 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 700 over the month and 5,600 over the year. Other services represented 48,500 King County jobs in May 2021.

- Each breakout in the monthly report appears to be on the path to recovery.

**Government** employers collectively added 2,200 jobs over the month and recovered 1,200 jobs relative to May 2020.

- Month-to-month gains were concentrated at the local level and in the local and state educational systems.
- The deepest year over year losses were observed in state government. Local government jobs have recovered relative to May 2020.

### **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](http://www.erfc.wa.gov).

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