



King County Labor Area Summary November 2020



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

Overview

- In November 2020, the not seasonally adjusted unemployment rate in King County dropped from 4.7 percent to 4.3 percent. Twelve months ago, the unemployment rate was 2.5 percent.
- The King County labor force contracted by 37,198 or 2.9 percent over the year.
- Nonfarm employment expanded by 8,000 from October to November 2020. There were an estimated 1,402,500 total nonfarm jobs in King County.
- Six major industries detailed in this report expanded employment over the month and six shed jobs. The largest one-month gains were attributable to professional and business services. The deepest one-month losses were observed in information and leisure and hospitality.
- Total nonfarm employment in November 2020 was 82,000 below the level observed 12 months earlier. This represents a 5.5 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. Four 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.

This report compares the week containing the 12th of November with the previous month and year. For all intents and purposes, this is the ninth 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.

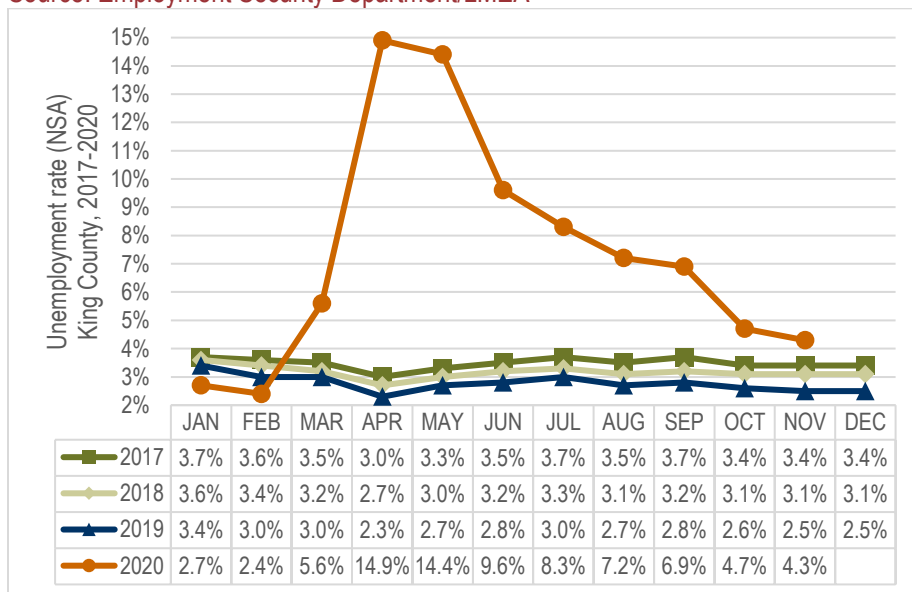
Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for King County was 4.3 percent (preliminary) in November 2020. This down from 4.7 percent reported in October (revised). For reference, the unemployment rate in November 2019 was 2.5 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. November 2020 labor force estimates follow:

- King County labor force: 1,261,238
- Total employed: 1,207,326
- Total unemployed: 53,912
- Unemployment rate: 4.3%

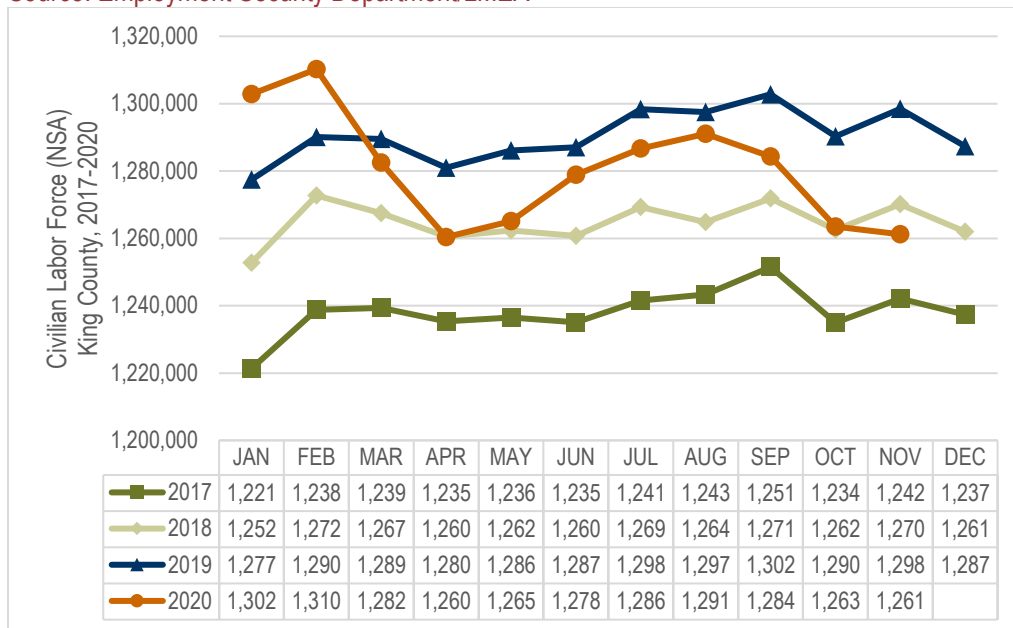
Figure 1. Unemployment rates, not seasonally adjusted
King County, January 2017 through November 2020
Source: Employment Security Department/LMEA



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

Month-to-month, King County's labor force decreased by 2,272 resident workers. The number counted among the employed expanded by 3,110 and the number of active job seekers contracted by 5,382. Over-the-year, the labor force contracted by 37,198 people or 2.9 percent. Within that, the number of employed workers decreased by 58,034 or 4.6 percent and the number of unemployed increased by 20,836 or 63.0 percent.

Figure 2. Civilian labor force, not seasonally adjusted
 King County, January 2017 through November 2020
 Source: Employment Security Department/LMEA



The size of the labor force has been contracting as a result of circumstances surrounding the Covid pandemic

Washington state

The not seasonally adjusted unemployment rate for Washington State increased from 5.5 percent (not seasonally adjusted) in October to 5.9 percent (preliminary) in November. The statewide labor force decreased by 167,021 over the month. Within that, the estimated number of employed people contracted by 171,075 and the number of unemployed job seekers expanded by 4,054. Over the year, the labor force is down 113,432 or 2.9 percent. Beneath the surface, the employed labor force contracted by 186,312 or 4.9 percent and the count of unemployed expanded by 72,880 or 47.9 percent. The unemployment rate 12 months ago was 3.9 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicted that the statewide unemployment rate will have averaged 6.57 in 2020, a slight upward revision compared to the September forecast. The unemployment rate is expected to increase to 7.19 in 2021 and drop to 6.14 percent in 2022, signaling a slower recovery than had been previously predicted. 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 4.8 percent in October (revised) to 4.4 percent in November (preliminary). Twelve months ago, the unemployment rate was 2.6 percent. The labor force contracted by 2,739 over the month. Over the year, the labor force contracted by 48,955 or 2.8 percent, including a decrease in the total number of employed workers (down 78,181 over the year) and an increase of 29,226 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. The wave of claims in April reached unprecedented levels; 137,775 King County residents filed initial claims and 154,384 individuals collected unemployment insurance that month. In November 2020, 20,485 new claims were filed by King County residents and a total of 49,915 King County residents collected benefits from the state UI system.

Weekly Initial Claims

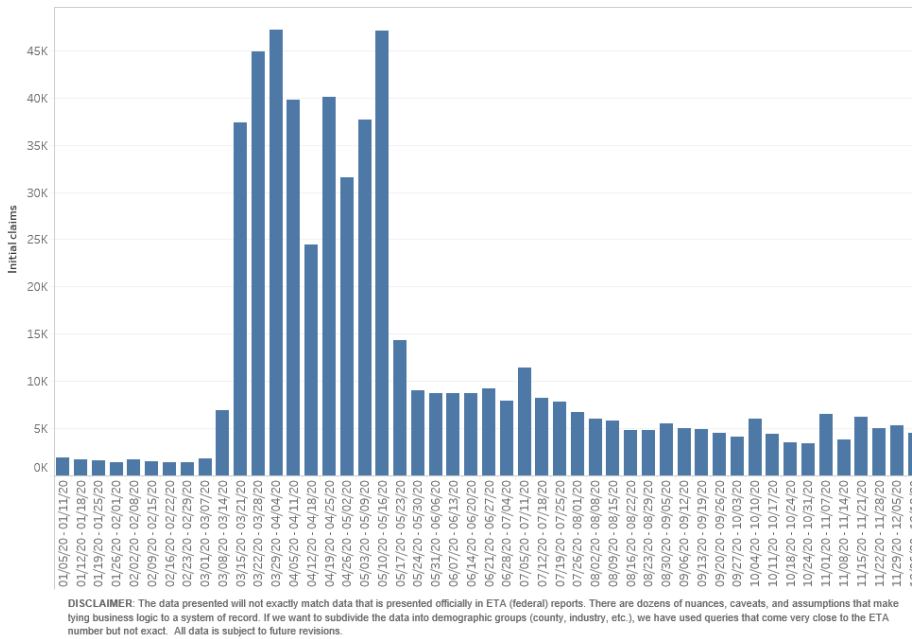
In March, the Employment Security Department began publishing weekly counts of initial claims for Unemployment Insurance. Initial claims provide an indicator of layoffs. Because they are entered weekly, they are a bit more nimble than our survey-based datasets.

King County weekly initial claims throughout 2020 are represented in the graph below:

Figure 3. Initial Claims for Unemployment Insurance
King County, January 2020 through November 2020

Source: Employment Security Department/LMEA

Initial claims applications for KING county by week - 2020



The week of November 11-17 is the reference week for the labor force and payroll statistics in this report. Weekly initial claims information is published every Thursday.

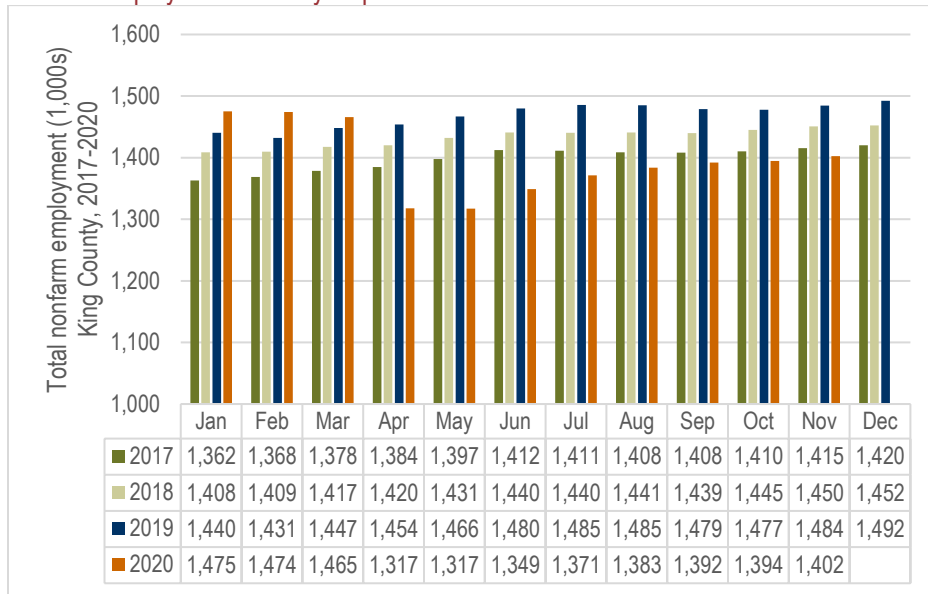
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo>

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

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 8,000 from October to November 2020. Over the year, employers in King County shed 82,000 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 1.4 million in November (preliminary).

Figure 4. Nonfarm industry employment
 King County, January 2017 through November 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 November 8-14 on the unemployment insurance calendar (previous section).

Figure 5. Total nonfarm industry employment, not seasonally adjusted
King County, November 2019 and October and November 2020
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through June 2020

NAICS Industry Title	Prelim Nov-20	Revised Oct-20	Revised Nov-19	Change		
				Oct-20 Nov-20	Nov-19 Nov-20	Nov-19 Nov-20
Total Nonfarm	1,402,500	1,394,500	1,484,500	8,000	-82,000	-5.5%
Total Private	1,232,900	1,225,600	1,306,600	7,300	-73,700	-5.6%
Goods Producing	175,000	174,900	186,700	100	-11,700	-6.3%
Mining and Logging	400	400	500	0	-100	-20.0%
Construction	83,200	83,400	80,100	-200	3,100	3.9%
Construction of Buildings	23,300	22,900	23,000	400	300	1.3%
Heavy and Civil Engineering Construction	6,000	6,300	6,800	-300	-800	-11.8%
Specialty Trade Contractors	53,900	54,200	50,300	-300	3,600	7.2%
Manufacturing	91,400	91,000	106,100	400	-14,700	-13.9%
Durable Goods	67,000	67,200	79,600	-200	-12,600	-15.8%
Fabricated Metal Product Manufacturing	5,700	5,700	7,500	0	-1,800	-24.0%
Computer and Electronic Product Mfg.	8,500	8,400	8,400	100	100	1.2%
Navgtnl., Measuring, Electromed., & Control	5,000	5,000	4,800	0	200	4.2%
Transportation Equipment Manufacturing	36,800	37,000	44,500	-200	-7,700	-17.3%
Aerospace Product and Parts Mfg.	33,500	33,700	41,400	-200	-7,900	-19.1%
Nondurable Goods	24,400	23,800	26,500	600	-2,100	-7.9%
Food Manufacturing	12,000	12,100	12,900	-100	-900	-7.0%
Service Providing	1,227,500	1,219,600	1,297,800	7,900	-70,300	-5.4%
Trade, Transportation, and Utilities	282,600	277,800	286,800	4,800	-4,200	-1.5%
Wholesale Trade	59,500	59,400	63,700	100	-4,200	-6.6%
Retail Trade	172,000	169,300	167,800	2,700	4,200	2.5%
Motor Vehicle and Parts Dealers	10,600	10,500	11,200	100	-600	-5.4%
Food and Beverage Stores	24,500	24,600	24,000	-100	500	2.1%
General Merchandise Stores	18,600	17,000	19,300	1,600	-700	-3.6%
Transportation, Warehousing, and Utilities	51,100	49,100	55,300	2,000	-4,200	-7.6%
Transportation and Warehousing	49,400	47,000	53,300	2,400	-3,900	-7.3%
Air Transportation	13,200	12,600	15,200	600	-2,000	-13.2%
Truck Transportation	6,600	6,700	6,700	-100	-100	-1.5%
Support Activities for Transportation	10,700	10,800	12,800	-100	-2,100	-16.4%
Warehousing and Storage	3,400	3,400	3,100	0	300	9.7%
Information	129,500	130,000	124,100	-500	5,400	4.4%
Software Publishers	74,700	74,000	68,500	700	6,200	9.1%
Financial Activities	73,600	74,000	75,700	-400	-2,100	-2.8%
Finance and Insurance	42,300	42,300	43,900	0	-1,600	-3.6%
Credit Intermediation and Related	15,800	15,900	16,300	-100	-500	-3.1%

Insurance Carriers and Related	18,700	18,500	18,900	200	-200	-1.1%
Real Estate and Rental and Leasing	31,300	31,700	31,800	-400	-500	-1.6%
Professional and Business Services	246,200	242,100	243,700	4,100	2,500	1.0%
Professional, Scientific, and Technical Services	143,300	140,200	135,300	3,100	8,000	5.9%
Legal Services	12,200	11,700	12,000	500	200	1.7%
Accounting, Tax Prep., Bookkpg., and Payroll	8,400	8,200	9,400	200	-1,000	-10.6%
Architectural, Engineering, and Related	20,300	19,800	19,300	500	1,000	5.2%
Computer Systems Design and Related	46,800	46,300	45,600	500	1,200	2.6%
Management of Companies and Enterprises	30,300	30,000	32,400	300	-2,100	-6.5%
Admin., Support, Waste Mgmt., and Remediation	72,500	71,900	76,000	600	-3,500	-4.6%
Administrative and Support Services	68,500	67,900	72,600	600	-4,100	-5.6%
Employment Services	27,700	26,500	28,400	1,200	-700	-2.5%
Educational and Health Services	180,700	180,800	192,400	-100	-11,700	-6.1%
Educational Services	26,000	26,400	31,600	-400	-5,600	-17.7%
Ambulatory Health Care Services	60,100	60,000	63,500	100	-3,400	-5.4%
Hospitals	29,400	29,400	32,500	0	-3,100	-9.5%
Nursing and Residential Care Facilities	19,500	19,300	20,000	200	-500	-2.5%
Social Assistance	45,600	45,700	44,800	-100	800	1.8%
Leisure and Hospitality	100,200	100,700	144,400	-500	-44,200	-30.6%
Arts, Entertainment, and Recreation	13,500	13,800	26,000	-300	-12,500	-48.1%
Accommodation	7,700	8,200	16,000	-500	-8,300	-51.9%
Food Services and Drinking Places	78,900	78,600	102,300	300	-23,400	-22.9%
Other Services	45,100	45,300	52,800	-200	-7,700	-14.6%
Repair and Maintenance	8,000	8,200	8,900	-200	-900	-10.1%
Personal and Laundry Services	12,500	12,700	17,800	-200	-5,300	-29.8%
Religious, Grantmkg., Civic, Professional, & Similar	24,600	24,400	26,100	200	-1,500	-5.7%
Government	169,600	168,900	177,900	700	-8,300	-4.7%
Federal Government	19,600	20,200	19,200	-600	400	2.1%
State Government	51,200	50,400	51,500	800	-300	-0.6%
State Government Educational Services	36,700	36,100	37,000	600	-300	-0.8%
Local Government	98,800	98,300	107,200	500	-8,400	-7.8%
Local Government Educational Services	41,100	41,000	46,400	100	-5,300	-11.4%
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 October to November 2020, total employment in goods-producing industries expanded by 100, with one-month gains observed in manufacturing, largely offset by losses in construction. Year-over-year, goods-producing employment was down 11,700 or 6.3 percent.

Employment levels in **construction-related industries** contracted by 200 from October to November. The tally of jobs in construction was estimated at 83,200. Year-to-year, employment in construction was up 3,100 or 3.9 percent.

- Despite a major temporary setback due to physical distancing protocols 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 November, King County-located manufacturing employers collectively added 400 jobs. Over the year, total manufacturing employment was down 14,700 or 13.9 percent.

- Aerospace products and parts manufacturing shed an estimated 200 jobs over the month and shed 7,900 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 600 over the month but contracted by 2,100 jobs over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 7,900 jobs in November. Over the year, service providers shed 70,300 jobs. The largest one-month increases were observed in professional and business services. The deepest one-month losses were observed in leisure and hospitality and information. 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 November but remains 4,200 or 6.6 percent below the employment level observed 12 months ago. Wholesale trade accounted for 59,500 King County-based jobs in November 2020.

Net employment in **retail trade** expanded by 2,700 over the month and expanded by an estimated 4,200 jobs (2.5 percent) over the year.

- Motor vehicle and parts dealers were down 600 jobs over the year and general merchandise stores were down 700. Food and beverage stores, considered essential businesses, expanded employment by 500 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, expanded by 2,300 jobs over the year.

Net employment in **transportation, warehousing and utilities** expanded by 2,000 over the month but remains 4,200 below last November. This set of industries accounted for an estimated 51,100 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 2,000 jobs or 13.2 percent) and support activities for transportation (down 2,100 or 16.4 percent).
- Employment in warehousing and storage expanded by 300 jobs over the year.

Employment in the **information** sector contracted by 500 over the month but expanded by 5,400 jobs or 4.4 percent over the year. This sector, which includes everything from software publishers to radio stations, newspapers and movie theaters had an estimated tally of 129,500 jobs in November.

- The information sector includes software publishing activities. Employment in software publishing increased by 700 over the month and by 6,200 (9.1 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. The overall employment level decreased by 400 over the month and contracted by 2,100 over the year.

- Over the year, employers in finance and insurance collectively shed 1,600 jobs. Real estate and rental and leasing employment has been relatively healthy, but shed jobs in November. Real estate jobs are down 500 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 November, this diverse sector added 4,100 jobs. Over the year, professional and business services expanded by 2,500 jobs (1.0 percent).

- From November 2019 to November 2020, professional, scientific and technical services added 8,000 jobs (5.9 percent), management of companies and enterprises fell by 2,100 (6.5 percent), and administrative support, waste management and remediation shed 3,500 jobs (4.6 percent). Employment services was down 700 jobs over the year.

Employment levels in **educational and health services** contracted by 100 over the month. Over the year, this diverse sector was down 11,700 or 6.1 percent. Educational and health services accounted for an estimated 180,700 King County-based jobs in November 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 5,600 jobs. Ambulatory health care services shed 3,400 jobs, hospitals shed 3,100 and nursing and residential care facilities were down 500 jobs. The only industry adding jobs over the year was social assistance (up 800).

Leisure and hospitality employment contracted by 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 44,200 jobs or 30.6 percent.

- Food services and drinking places saw the deepest losses (23,400 over the year) but accommodation experienced the deepest proportional losses (51.9 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 decreased by 200 over the month and dropped by 7,700 over the year. Other services represented 45,100 King County jobs in November 2020.

- The deepest 12-month losses were observed in personal and laundry services (down 5,300).

Government employers collectively added 700 jobs over the month but shed an estimated 8,300 jobs over the year.

- Month-to-month gains 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 8,400); more than half of local losses came from educational services (public k-12 systems).

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

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