



King County Labor Area Summary December 2019



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

Overview

- In December 2019, the not seasonally adjusted unemployment rate in King County was 2.1 percent. This is down from 2.3 percent reported in November. Twelve months ago, the unemployment rate was 3.3 percent. This is noteworthy, as it is the lowest reported unemployment rate for King County in the current series for King County (dating back to 1990).
- The King County labor force expanded by 2.8 percent over the year.
- Nonfarm employment expanded by 3,600 from November to December 2019. There were an estimated 1,497,500 total nonfarm jobs in King County.
- Six of the major industries detailed in this report added jobs and 6 shed jobs from November to December on a not seasonally adjusted basis. The largest one-month gains were attributable to retail trade, reflecting the holiday season, and the deepest losses were observed in government.
- Total nonfarm employment in December 2019 was 46,200 above the level observed 12 months earlier. This represents a 3.2 percent increase in employment over the year.
- Year-to-year growth was observed in almost every major industry detailed in this report. The largest gains were observed in information, retail, and education and health services. The only major industry reporting annual employment losses was wholesale trade.

Unemployment rates and labor force information

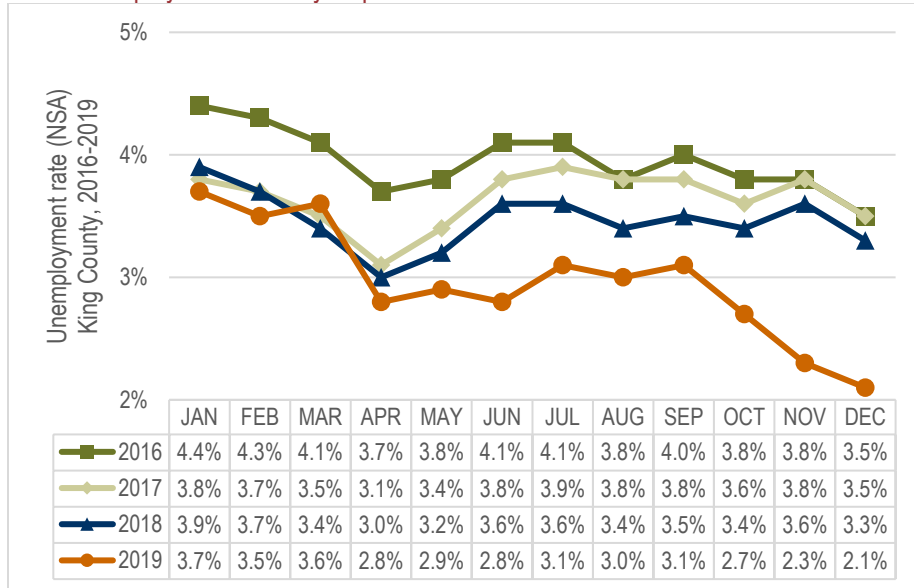
The not seasonally adjusted unemployment rate for King County was 2.1 percent (preliminary) in December 2019. This is below 2.3 percent, as reported in November (revised). For reference, the unemployment rate in December 2018 was 3.3 percent.

The ‘Great Recession’ gripped Washington in mid-2008. Through the course of 2008 and 2009, the unemployment rate rapidly increased, reaching a peak rate of 9.5 percent in the beginning of 2010. Since then, the elevated rate has diminished. December 2019 figures are:

- King County labor force: 1,298,477
- Total employed: 1,270,598
- Total unemployed: 27,879
- Unemployment rate: 2.1%

Month-to-month, King County’s labor force contracted by 7,534 people. The number of employed people diminished by 5,872 and the number of active job seekers fell by 1,662. Over-the-year, the labor force expanded by 35,970 people or 2.8 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2016 through December 2019
 Source: Employment Security Department/LMEA



The unemployment rate peaked at 9.5% in early 2010. In December 2019, the unemployment rate was 2.1 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington State was reported as 3.9 percent (preliminary), slightly below 4.0 percent, reported in November (revised). The statewide labor force increased by 139,665 (3.6 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 4.8 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 4.52 percent in 2019 and will rise to 4.53 percent in 2020. This is only slightly changed relative to the June forecast. 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. During the current economic downturn, King County’s unemployment rate has consistently run below that of Snohomish County. The not seasonally adjusted unemployment rate for the combined MD dropped to 2.2 percent in December 2019, the lowest rate observed in the series (dating back to 1990). Twelve months ago, the unemployment rate was 3.4 percent. Over the year, the civilian labor force expanded by 48,149 or 2.8 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.

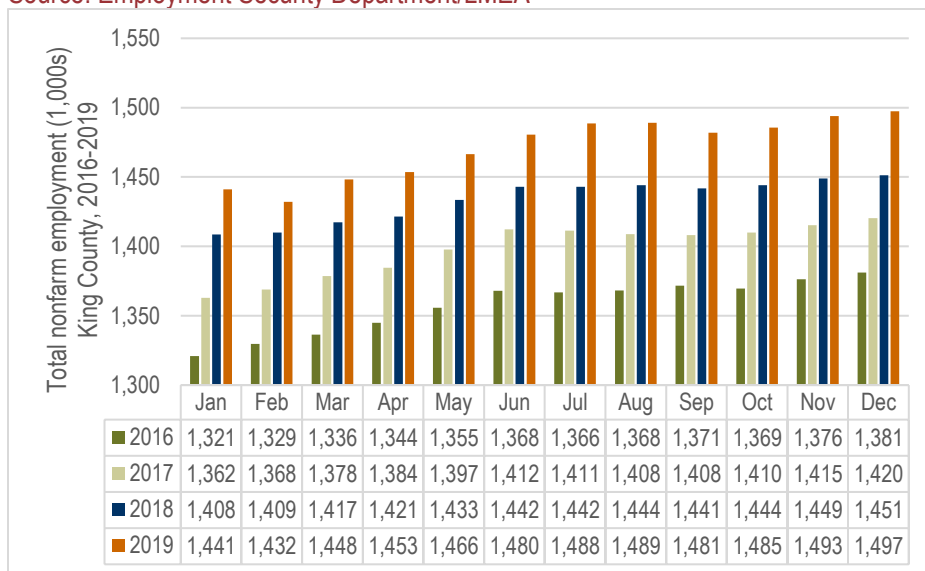
Unemployment Insurance (UI) Claims

UI claims activity peaked in May 2009 (49,117 continued claims were counted that month) and has been on a downward trend ever since. In December 2019, 5,567 new claims were filed by King County residents and a total of 13,192 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 3,600 from November to December 2019. Over the year, employers in King County added 46,200 jobs or 3.2 percent. The tally of nonfarm jobs in King County was nearly 1.5 million.

Figure 2. Nonfarm industry employment
King County, January 2016 through December 2019
Source: Employment Security Department/LMEA



King County job growth continues to climb. From December 2018 to December 2019, King County employment expanded by 46,200.

King County employment levels peaked in 2008 and reached their lowest levels since the start of the economic downturn in early 2010. Average annual total nonfarm employment fell by 6.4 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to 2005 levels. Employment since 2010 has expanded for all of King County’s major private sector industries and has exceeded the 2008 level since 2012.

Figure 3. Total nonfarm industry employment, not seasonally adjusted
King County, December 2018, November and December 2019
 Source: Employment Security Department/LMEA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through June 2019

NAICS Industry Title	Prelim Dec-19	Revised Nov-19	Revised Dec-18	Change		
				Nov-19 Dec-19	Dec-18 Dec-19	Dec-18 Dec-19
Total Nonfarm	1,497,500	1,493,900	1,451,300	3,600	46,200	3.2%
Total Private	1,321,100	1,315,200	1,276,100	5,900	45,000	3.5%
Goods Producing	187,500	187,800	185,700	-300	1,800	1.0%
Mining and Logging	500	500	500	0	0	0.0%
Construction	81,300	81,500	79,700	-200	1,600	2.0%
Construction of Buildings	23,300	23,100	23,000	200	300	1.3%
Heavy and Civil Engineering Construction	5,800	6,100	6,300	-300	-500	-7.9%
Specialty Trade Contractors	52,300	52,400	50,400	-100	1,900	3.8%
Manufacturing	105,700	105,800	105,400	-100	300	0.3%
Durable Goods	79,000	79,200	79,400	-200	-400	-0.5%
Fabricated Metal Product Manufacturing	7,500	7,600	7,100	-100	400	5.6%
Computer and Electronic Product Mfg.	7,900	8,100	8,500	-200	-600	-7.1%
Navgtl., Measuring, Electromed., & Control	4,700	4,800	4,800	-100	-100	-2.1%
Transportation Equipment Manufacturing	44,600	44,000	44,000	600	600	1.4%
Aerospace Product and Parts Mfg.	41,400	40,900	40,800	500	600	1.5%
Nondurable Goods	26,700	26,600	26,000	100	700	2.7%
Food Manufacturing	12,700	12,700	12,700	0	0	0.0%
Service Providing	1,310,000	1,306,100	1,265,600	3,900	44,400	3.5%
Trade, Transportation, and Utilities	290,700	287,200	281,600	3,500	9,100	3.2%
Wholesale Trade	64,800	65,300	65,800	-500	-1,000	-1.5%
Retail Trade	169,900	167,000	160,400	2,900	9,500	5.9%
Motor Vehicle and Parts Dealers	11,100	11,300	11,200	-200	-100	-0.9%
Food and Beverage Stores	23,500	23,800	24,100	-300	-600	-2.5%
General Merchandise Stores	21,100	20,300	20,500	800	600	2.9%
Transportation, Warehousing, and Utilities	56,000	54,900	55,400	1,100	600	1.1%
Transportation and Warehousing	54,000	52,900	53,400	1,100	600	1.1%
Air Transportation	15,000	15,100	14,600	-100	400	2.7%
Truck Transportation	6,900	6,900	6,500	0	400	6.2%
Support Activities for Transportation	12,800	12,800	13,100	0	-300	-2.3%
Warehousing and Storage	3,300	3,200	3,400	100	-100	-2.9%
Information	126,900	125,100	113,900	1,800	13,000	11.4%
Software Publishers	68,600	68,600	64,100	0	4,500	7.0%
Financial Activities	75,600	75,200	73,500	400	2,100	2.9%
Finance and Insurance	43,600	43,700	43,000	-100	600	1.4%
Credit Intermediation and Related	16,100	16,200	16,000	-100	100	0.6%

Insurance Carriers and Related	18,900	19,000	18,400	-100	500	2.7%
Real Estate and Rental and Leasing	32,000	31,500	30,500	500	1,500	4.9%
Professional and Business Services	242,300	243,300	237,400	-1,000	4,900	2.1%
Professional, Scientific, and Technical Services	137,700	137,800	131,600	-100	6,100	4.6%
Legal Services	12,100	12,000	11,800	100	300	2.5%
Accounting, Tax Prep., Bookkpg., and Payroll	9,500	9,500	9,500	0	0	0.0%
Architectural, Engineering, and Related	20,300	20,100	19,200	200	1,100	5.7%
Computer Systems Design and Related	44,800	45,400	44,100	-600	700	1.6%
Management of Companies and Enterprises	31,700	31,400	31,700	300	0	0.0%
Admin., Support, Waste Mgmt., and Remediation	72,900	74,000	74,100	-1,100	-1,200	-1.6%
Administrative and Support Services	69,000	70,100	70,700	-1,100	-1,700	-2.4%
Employment Services	25,800	26,600	28,500	-800	-2,700	-9.5%
Educational and Health Services	193,700	194,900	188,500	-1,200	5,200	2.8%
Educational Services	31,400	32,500	30,600	-1,100	800	2.6%
Ambulatory Health Care Services	65,000	64,600	62,600	400	2,400	3.8%
Hospitals	32,500	32,600	31,800	-100	700	2.2%
Nursing and Residential Care Facilities	19,900	19,600	20,300	300	-400	-2.0%
Social Assistance	44,900	45,600	43,400	-700	1,500	3.5%
Leisure and Hospitality	150,600	148,400	145,900	2,200	4,700	3.2%
Arts, Entertainment, and Recreation	28,300	27,200	26,800	1,100	1,500	5.6%
Accommodation	16,000	16,100	16,000	-100	0	0.0%
Food Services and Drinking Places	106,300	105,100	103,200	1,200	3,100	3.0%
Other Services	53,800	53,300	49,600	500	4,200	8.5%
Repair and Maintenance	9,200	9,100	9,200	100	0	0.0%
Personal and Laundry Services	18,300	18,000	17,800	300	500	2.8%
Religious, Grantmkg., Civic, Professional, & Similar	26,300	26,200	22,600	100	3,700	16.4%
Government	176,400	178,700	175,200	-2,300	1,200	0.7%
Federal Government	19,100	19,100	19,400	0	-300	-1.5%
State Government	49,400	51,600	52,000	-2,200	-2,600	-5.0%
State Government Educational Services	34,800	37,100	37,300	-2,300	-2,500	-6.7%
Local Government	107,900	108,000	103,800	-100	4,100	3.9%
Local Government Educational Services	46,500	46,600	44,700	-100	1,800	4.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 3.2% over the year. Over the past few years, the rate of growth has generally hovered in the 3 percent range.

Nonfarm industry employment

Goods-producing Industries

From November to December 2019, total employment in goods-producing industries declined by 300, with losses attributable to the seasonal rhythm of construction as well as some losses in manufacturing. Year-over-year, goods-producing employment was up 1,800 or 1.0 percent.

Employment levels in **construction**-related industries diminished by 200 from November to December on a not seasonally adjusted basis. The tally of jobs was estimated at 81,300. Year-to-year, employment in construction was up 1,600 or 2.0 percent.

- Employment in construction is highly-seasonal. Expect to see employment drop with the temperature over the fall and winter months.
- Workers and employers in construction suffered losses above and beyond most. Based on annual average employment levels, construction declined an estimated 35 percent from peak levels in 2007 by the time it reached its low point in 2011.

In December, King County-located **manufacturing** employers collectively shed 100 jobs. Over the year, total manufacturing employment was up 300 or 0.3 percent. Aerospace products and parts manufacturing added an estimated 500 jobs over the month and added 600 jobs over the year.

- Manufacturing as a whole represents a variety of activities in King County, with products ranging from aircraft, marine and electronic products manufacturing to food manufacturing.
- Manufacturing led early economic recovery locally and statewide. In 2016 and 2017, manufacturing employment fell, but has been building up over the past several months.
- 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 increased by 100 over the month and by 700 (2.7 percent) over the year.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 3,900 jobs in December on a not seasonally adjusted basis. Over the year, service providers added 44,400 new jobs to the King County economy, with gains observed in most industry breakouts. The largest year-over-year gains among service-providing industries were attributable to hiring in information (up 13,000), retail trade (up 9,500), and education and health services (up 5,200).

Wholesale trade was the only broad industry reporting annual employment losses. Employers shed an estimated 500 jobs in December and shed 1,000 jobs over the year. Wholesale trade accounted for 64,800 King County-based jobs in December.

Net employment in **retail trade** increased by 2,900 over the month and expanded by 9,500 (5.9 percent) over the year.

- Every year, ESD publishes a forecast for 4th quarter holiday hiring by retailers. Last year, Seattle-area retailers in King and Snohomish Counties added 4,290 seasonal jobs in the 4th quarter. This year, we predict that retailers in the Seattle MSA will add 5,650 jobs over the holidays.
- Over the year, general merchandise stores added 600 jobs, however motor vehicle and parts dealers and food and beverage stores both reported employment losses.
- Over the past several years, most retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From December 2018 to December 2019, retailers captured under “other retail trade” added 7,600 jobs statewide (6.2 percent growth). Many of these jobs are located in King County.

Net employment in **transportation, warehousing and utilities** expanded by 1,100 over the month and by 600 over the year. This set of industries accounted for an estimated 56,000 jobs.

- The largest annual increases were attributable to air transportation and truck transportation; each added 400 jobs.
- Support activities for transportation dropped 300 jobs, and warehousing and storage shed 100 jobs over the year.

Employment in the **information** sector expanded by 1,800 over the month and by 13,000 jobs or 11.4 percent over the year. This sector, which includes everything from software publishers to radio stations and newspapers had a tally of 126,900 jobs in December.

- The information sector includes software publishing activities. Employment in software publishing did not change over the month but added 4,500 jobs (7.0 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 400 over the month and by 2,100 or 2.9 percent over the year.

- Employment over the year in finance and insurance was up 600 (1.4 percent) and hiring in the real estate component was up 1,500 jobs (4.9 percent)

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 December, this diverse sector shed 1,000 jobs. Over the year, professional and business services as a whole expanded by 4,900 jobs (2.1 percent).

- From December 2018 to December 2019, professional, scientific and technical services added 6,100 jobs (4.6 percent), management of companies and enterprises neither expanded nor contracted, and administrative support, waste management and remediation shed 1,200 jobs (1.6 percent). Employment services was down 2,700 jobs over the year.

Employers in the **educational and health services** industries shed 1,200 jobs over the month but added 5,200 jobs (2.8 percent) over the year. Educational and health services accounted for an estimated 193,700 King County-based jobs in December.

- Most education and health industries detailed in this report added jobs over the year. The largest gains were attributable to hiring in ambulatory health care services (up 2,400). Nursing and residential care facilities is the only industry reporting over-the-year losses (down 400).
- Educational and health services weathered the economic storm relatively well compared to other industries. Employment in this sector is generally dependent on population growth and stability.

Leisure and hospitality employment expanded over the month. Employment was up 2,200 from November to December. Over the year, the industries that entertain residents and visitors alike added 4,700 jobs or 3.2 percent.

- The largest year-over-year changes were observed in food services and drinking places, which added 3,100 jobs or 3.0 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 expanded by 500 over the month and by 4,200 (8.5 percent) over the year. Other services represented 53,800 King County jobs in December 2019. The largest one-year increases were observed among religious, grant making, civic, professional and similar employers (up 3,700 or 16.4 percent).

Government employers collectively shed 2,300 jobs in December but added an estimated 1,200 jobs over the year.

- Losses were attributable to state government educational services (down 2,300) and are likely a reflection of winter recess.
- Over the year, gains were concentrated in local government, with about half of the reported gains originating in local educational services (i.e. local public school districts). Both state and federal government employment levels were down over the year.

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 updated in January. Forecast information is available at www.erfc.wa.gov.

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