



King County Labor Area Summary March 2021



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

Overview

- In March 2021, the not seasonally adjusted unemployment rate in King County was 5.4 percent – unchanged from the previous month. Twelve months ago, the unemployment rate was 5.3 percent.
- The King County labor force expanded by 25,911 or 2.0 percent over the year.
- Nonfarm employment expanded by 15,100 from February to March 2021. There were an estimated 1,396,400 total nonfarm jobs in King County.
- Ten major industries detailed in this report expanded employment over the month and 2 shed jobs. The largest gains were attributable to hiring in leisure and hospitality and construction. The two industries posting one-month losses were financial activities and retail trade.
- Total nonfarm employment in March 2021 was 71,400 below the level observed 12 months earlier. This represents a 4.9 percent decrease in employment over the year.
- Nine major industries detailed in this report shed jobs over the year. The deepest 12-month losses were observed in leisure and hospitality and government. Three industries expanded employment over the year, led by gains in retail trade and information-both of these industries have a strong IT component in King County.

Important note: The first documented case of coronavirus in Washington state was in late January 2020. 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 2020. More information about Washington's roadmap to recovery can be found at <https://coronavirus.wa.gov/what-you-need-know/county-status-and-safe-start-application-process>

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

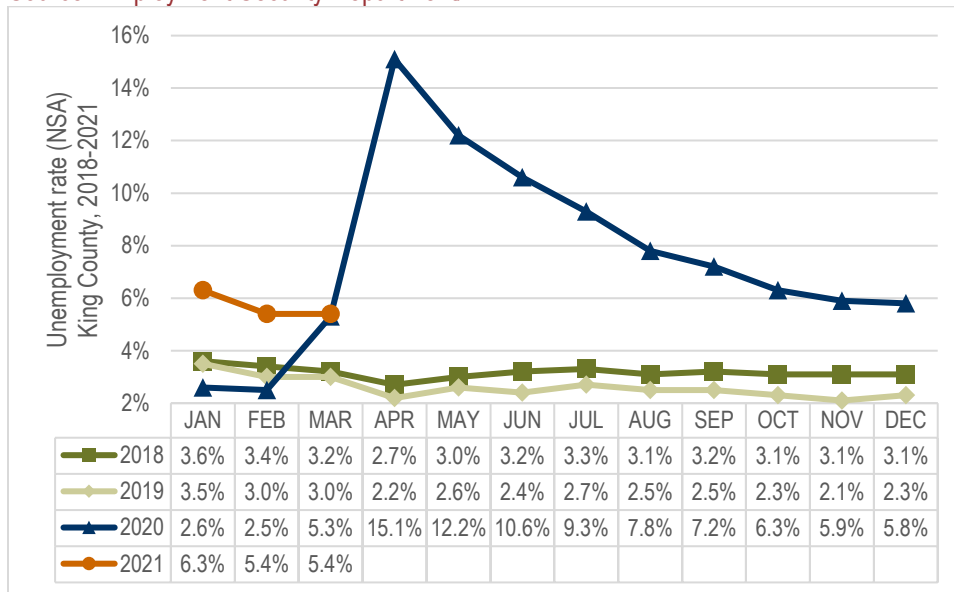
Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for King County was 5.4 percent (preliminary) in March 2021. This is unchanged over the month, and slightly higher than the rate reported in March 2020, which marked the start of the Covid-19 pandemic economic effects.

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. March 2021 labor force estimates follow:

- King County labor force: 1,309,159
- Total employed: 1,238,061
- Total unemployed: 71,098
- Unemployment rate: 5.4%

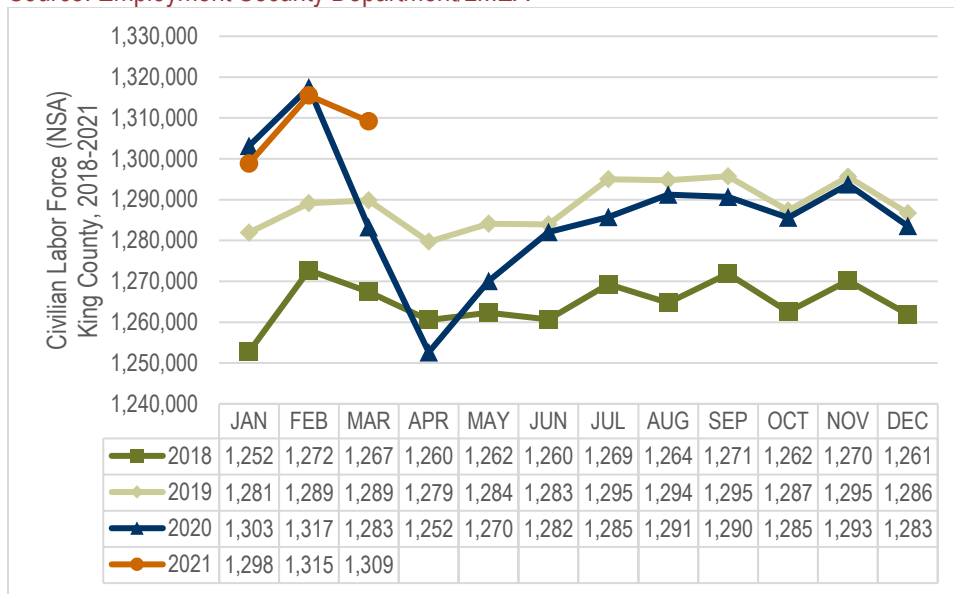
Figure 1. Unemployment rates, not seasonally adjusted
King County, January 2018 through March 2021
Source: Employment Security Department/LMEA



King County's unemployment rate reached 15.1 percent in April 2020.

Month-to-month, King County's labor force decreased by 6,334 resident workers. The number counted among the employed contracted by 6,778 and the number of active job seekers expanded by 444. Over-the-year, the labor force expanded by 25,911 people or 2.0 percent. Within that, the number of employed workers expanded by 22,477 or 1.8 percent and the number of unemployed workers expanded by 3,434 or 5.1 percent.

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



The size of the labor force dropped swiftly in April and has been slowly recovering.

Washington state

The not seasonally adjusted unemployment rate for Washington State decreased from 6.4 percent (not seasonally adjusted) in February 2021 to 6.1 percent (preliminary) in March. The statewide labor force increased by 18,517 over the month. Within that, the estimated number of employed people expanded by 26,541 and the number of unemployed job seekers contracted by 8,024, pushing the unemployment rate down. Over the year, the labor force is down 38,000 or 1.0 percent. Beneath the surface, the employed labor force contracted by 47,273 or 1.3 percent and the count of unemployed expanded by 9,273 or 4.0 percent. The unemployment rate 12 months ago was 5.8 percent.

The March forecast by Washington’s Economic and Revenue Forecast Council predicted that the statewide unemployment rate averaged 6.41 in 2020, a slight downward revision compared to the November forecast. The unemployment rate is expected to increase to 6.84 in 2021 and drop to 5.06 percent in 2022, signaling a positive adjustment compared to the November 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 MD remained at 5.6 percent in February (revised) and March (preliminary). Twelve months ago, the unemployment rate was 5.3 percent, as the Covid-19 pandemic began to show up in the labor market. The labor force contracted by 8,474 over the month. Over the year, the labor force expanded by 38,562 or 2.2 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 until the arrival of the Coronavirus economy. The wave of claims

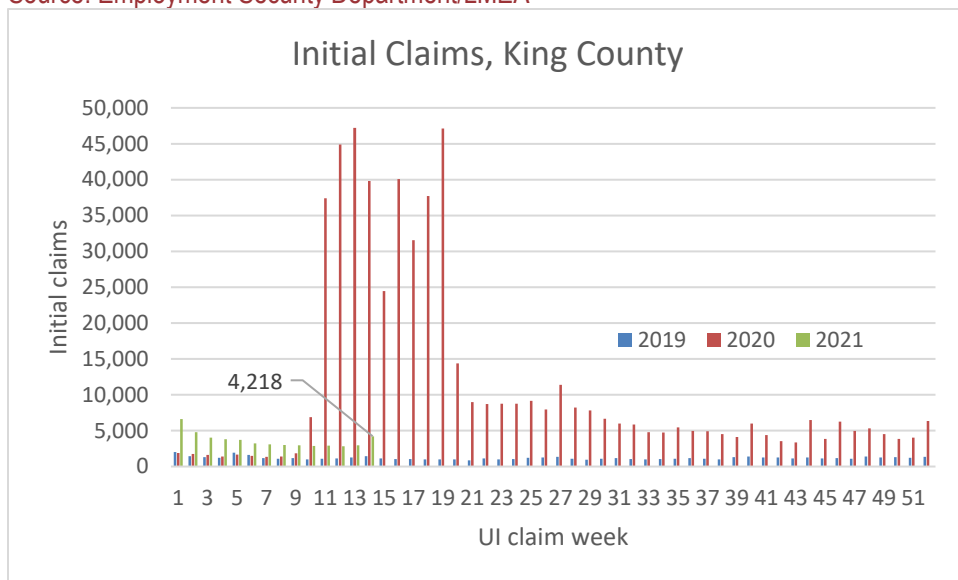
in April reached unprecedented levels; 137,755 King County residents filed initial claims and 130,305 individuals collected unemployment insurance that month. In March 2021, 10,902 new claims were filed by King County residents and a total of 36,545 King County residents collected benefits from the state 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.

Although initial claims activity has more-or-less normalized around 3,000 per week, this is still substantially higher than the number of claims that we would have seen prior to the pandemic. For reference, 4,218 applications for regular unemployment insurance were received during the fourteenth week of 2021. This compares to 39,796 initial claims received during the fourteenth week of 2020 and 1,437 claims during the eleventh week of 2019.

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



The week of March 7-13 is the reference week for the labor force and payroll statistics in this report. Weekly initial claims information is published every Thursday.

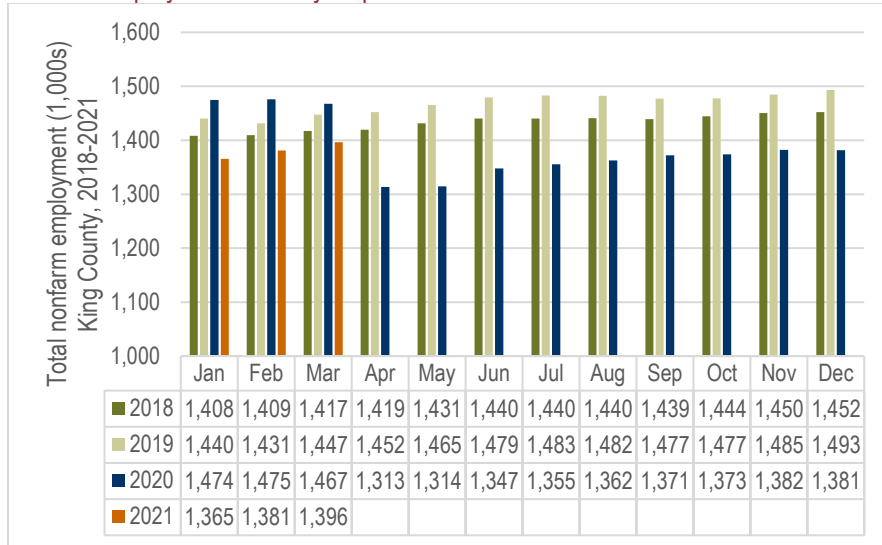
Weekly claims data can be found here: <https://esd.wa.gov/labormarketinfo>

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

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) expanded by 15,100 from February (revised) to March 2021 (preliminary). Over the year, employers in King County collectively shed 71,400 jobs, down 4.9 percent, many as a result of formal and informal 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 March.

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



King County job growth was disrupted by the Covid-19 pandemic. Employment in March 2021 was 4.9 percent below March 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 March 7-13 on the unemployment insurance calendar (previous section). Because the deep drop in employment occurred in April 2020, this is the last report that will document year over year decline. Next month, the year over year narrative will shift to recovery.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through September 2020

NAICS Industry Title	Prelim Mar-21	Revised Feb-21	Revised Mar-20	Change		
				Feb-21 Mar-21	Mar-20 Mar-21	Mar-20 Mar-21
Total Nonfarm	1,396,400	1,381,300	1,467,800	15,100	-71,400	-4.9%
Total Private	1,228,700	1,214,300	1,287,900	14,400	-59,200	-4.6%
Goods Producing	175,100	171,700	182,100	3,400	-7,000	-3.8%
Mining and Logging	500	500	500	0	0	0.0%
Construction	83,400	81,100	79,500	2,300	3,900	4.9%
Construction of Buildings	23,800	23,700	23,600	100	200	0.8%
Heavy and Civil Engineering Construction	6,100	6,100	6,500	0	-400	-6.2%
Specialty Trade Contractors	53,500	51,300	49,400	2,200	4,100	8.3%
Manufacturing	91,200	90,000	102,000	1,200	-10,800	-10.6%
Durable Goods	67,600	66,200	76,200	1,400	-8,600	-11.3%
Fabricated Metal Product Manufacturing	5,600	5,600	7,200	0	-1,600	-22.2%
Computer and Electronic Product Mfg.	8,500	8,200	8,300	300	200	2.4%
Navgtl., Measuring, Electromed., & Control	5,100	4,900	4,800	200	300	6.3%
Transportation Equipment Manufacturing	35,500	34,700	41,800	800	-6,300	-15.1%
Aerospace Product and Parts Mfg.	32,600	31,800	38,300	800	-5,700	-14.9%
Nondurable Goods	23,600	23,800	25,800	-200	-2,200	-8.5%
Food Manufacturing	10,800	10,900	12,400	-100	-1,600	-12.9%
Service Providing	1,221,300	1,209,600	1,285,700	11,700	-64,400	-5.0%
Trade, Transportation, and Utilities	280,500	280,200	282,500	300	-2,000	-0.7%
Wholesale Trade	56,500	56,000	63,000	500	-6,500	-10.3%
Retail Trade	173,900	174,200	165,200	-300	8,700	5.3%
Motor Vehicle and Parts Dealers	9,900	9,800	11,100	100	-1,200	-10.8%
Food and Beverage Stores	24,900	24,900	23,300	0	1,600	6.9%
General Merchandise Stores	17,400	17,600	17,700	-200	-300	-1.7%
Transportation, Warehousing, and Utilities	50,100	50,000	54,300	100	-4,200	-7.7%
Transportation and Warehousing	48,200	48,200	52,300	0	-4,100	-7.8%
Air Transportation	14,300	13,900	15,400	400	-1,100	-7.1%
Truck Transportation	6,800	6,700	6,700	100	100	1.5%
Support Activities for Transportation	10,400	10,300	12,400	100	-2,000	-16.1%
Warehousing and Storage	3,200	3,200	3,300	0	-100	-3.0%
Information	132,100	130,900	126,500	1,200	5,600	4.4%
Software Publishers	74,900	74,000	71,200	900	3,700	5.2%
Financial Activities	71,300	71,800	73,900	-500	-2,600	-3.5%
Finance and Insurance	43,300	43,900	42,800	-600	500	1.2%
Credit Intermediation and Related	16,400	16,700	16,100	-300	300	1.9%
Insurance Carriers and Related	19,200	19,200	19,000	0	200	1.1%

Real Estate and Rental and Leasing	28,000	27,900	31,100	100	-3,100	-10.0%
Professional and Business Services	241,700	239,800	242,000	1,900	-300	-0.1%
Professional, Scientific, and Technical Services	140,000	140,000	136,500	0	3,500	2.6%
Legal Services	12,200	12,100	12,100	100	100	0.8%
Accounting, Tax Prep., Bookkpg., and Payroll	8,800	8,900	10,300	-100	-1,500	-14.6%
Architectural, Engineering, and Related	19,300	19,000	19,200	300	100	0.5%
Computer Systems Design and Related	45,100	45,900	45,600	-800	-500	-1.1%
Management of Companies and Enterprises	29,200	29,200	31,800	0	-2,600	-8.2%
Admin., Support, Waste Mgmt., and Remediation	72,500	70,500	73,700	2,000	-1,200	-1.6%
Administrative and Support Services	69,300	67,800	70,200	1,500	-900	-1.3%
Employment Services	27,000	26,000	26,700	1,000	300	1.1%
Educational and Health Services	186,100	184,700	189,700	1,400	-3,600	-1.9%
Educational Services	29,400	28,900	32,900	500	-3,500	-10.6%
Ambulatory Health Care Services	60,100	59,500	61,700	600	-1,600	-2.6%
Hospitals	29,400	29,500	30,100	-100	-700	-2.3%
Nursing and Residential Care Facilities	18,600	18,800	20,100	-200	-1,500	-7.5%
Social Assistance	48,500	48,100	44,900	400	3,600	8.0%
Leisure and Hospitality	95,200	89,000	137,400	6,200	-42,200	-30.7%
Arts, Entertainment, and Recreation	15,900	14,300	26,600	1,600	-10,700	-40.2%
Accommodation	7,100	6,800	15,200	300	-8,100	-53.3%
Food Services and Drinking Places	72,200	67,800	95,500	4,400	-23,300	-24.4%
Other Services	46,700	46,200	53,800	500	-7,100	-13.2%
Repair and Maintenance	8,200	8,300	8,900	-100	-700	-7.9%
Personal and Laundry Services	12,300	12,100	17,100	200	-4,800	-28.1%
Religious, Grantmkg., Civic, Professional, & Similar	26,200	25,800	27,800	400	-1,600	-5.8%
Government	167,700	167,000	179,900	700	-12,200	-6.8%
Federal Government	19,200	19,300	19,100	-100	100	0.5%
State Government	48,800	49,000	53,600	-200	-4,800	-9.0%
State Government Educational Services	34,600	34,900	39,200	-300	-4,600	-11.7%
Local Government	99,700	98,700	107,200	1,000	-7,500	-7.0%
Local Government Educational Services	43,100	42,200	47,100	900	-4,000	-8.5%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment is down 4.9 percent over the year.

Nonfarm industry employment

Goods-producing Industries

From February to March 2021, total employment in goods-producing industries expanded by 3,400, with employment growth observed in both construction and manufacturing. Year-over-year, goods-producing employment was down 7,000 or 3.8 percent.

Employment levels in **construction-related industries** expanded by 2,300 from February to March. The tally of jobs in construction was estimated at 83,400. Year-to-year, employment in construction was up 3,900 or 4.9 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. Recent growth has

been concentrated in the largest component of construction. Specialty trade contractors added 4,100 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 March, King County-located manufacturing employers collectively added 1,200 jobs. Over the year, total manufacturing employment was down 10,800 or 10.6 percent.

- Aerospace products and parts manufacturing added an estimated 800 jobs over the month and shed 5,700 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 contracted by 200 over the month and by 2,200 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 March. Over the year, service providers shed 64,400 jobs. The largest one-month increases were observed in leisure and hospitality and professional and business services. The deepest one-month losses were observed in financial activities. Over the year, retail trade and information (two industries that have a strong IT component in King County) added the most jobs. The deepest losses to the service sector were observed in leisure and hospitality and government.

Wholesale trade employment increased by 500 in March but declined by 6,500 or 10.3 percent below the employment level observed 12 months ago. Wholesale trade accounted for 56,500 King County-based jobs in March 2021.

Net employment in **retail trade** dropped by 300 over the month. Over the year, retail trade employment expanded by an estimated 8,700 jobs (5.3 percent).

- Motor vehicle and parts dealers were down 1,200 jobs over the year and general merchandise stores were down 300. Food and beverage stores, considered essential businesses, expanded employment by 1,600 over the year.
- 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 by 7,100 jobs over the year.

Net employment in **transportation, warehousing and utilities** expanded by 100 over the month but remains 4,200 below the employment level observed last March. This set of industries accounted for an estimated 50,100 King County jobs.

- Over the year, air transportation was down 1,100 jobs (7.1 percent) and support activities for transportation was down 2,000 (16.1 percent). Truck transportation added 100 jobs.
- Employment in warehousing and storage dipped by 100 over the year.

Employment in the **information** sector expanded by 1,200 over the month and by 5,600 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 132,100 jobs in March.

- The information sector includes software publishing activities. Employment in software publishing expanded by 900 over the month and by 3,700 (5.2 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 500 over the month and by 2,600 over the year.

- Over the year, employers in finance and insurance collectively added 500 jobs. Real estate and rental and leasing employment dropped by 3,100 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 March, this diverse sector added 1,900 jobs. Over the year, professional and business services contracted by 300 jobs (0.1 percent).

- From March 2020 to March 2021, professional, scientific and technical services added 3,500 jobs (2.6 percent), management of companies and enterprises fell by 2,600 (8.2 percent), and administrative support, waste management and remediation was down 1,200 jobs (1.6 percent). Employment services was up 300 jobs over the year.

Employment levels in **educational and health services** expanded by 1,400 over the month. Over the year, this diverse sector was down 3,600 or 1.9 percent. Educational and health services accounted for an estimated 186,100 King County-based jobs in March 2021.

- 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 3,500 jobs. Ambulatory health care services shed 1,600 jobs, hospitals shed 700 and nursing and residential care facilities were down 1,500 jobs. The only industry adding jobs over the year was social assistance (up 3,600).

Leisure and hospitality employment grew by 6,200 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 42,200 jobs or 30.7 percent.

- Food services and drinking places saw the deepest losses (down 23,300 over the year) but accommodation experienced the deepest proportional losses (53.3 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 hair dressers, auto mechanics and dry cleaners to membership clubs. Overall employment levels increased by 500 over the month but remained 7,100 below levels observed one year ago. Other services represented 46,700 King County jobs in March 2021.

- The deepest 12-month losses were observed in personal and laundry services (down 4,800).

Government employers collectively added 700 jobs over the month but shed 12,200 jobs over the year.

- Month-to-month gains were concentrated at the local level (mostly attributable to the expansion of in person learning at local K-12 school districts), while losses were observed at the state level (particularly among state education).
- Faculty and staff reductions in state and state and local education drove decreases at both state and local levels of government.

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 March. Forecast information is available at www.erfc.wa.gov.

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