



King County Labor Area Summary November 2017



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

Overview

- In November 2017, the not seasonally adjusted unemployment rate in King County was 3.9 percent. This up from 3.7 percent, observed in October. Twelve months ago, the unemployment rate was 3.8 percent.
- Nonfarm employment expanded by 3,800 from October to November 2017. There were an estimated 1,431,700 total nonfarm jobs in King County.
- The largest changes over the month were attributable to hiring in retail trade (up 2,800), education and health services (up 1,800) and other services (up 1,000). Five industries shed jobs over the month. The deepest losses were observed in government (down 1,500).
- Total nonfarm employment in November 2017 was 56,200 jobs above the level observed 12 months earlier. This represents a 4.1 percent increase in employment over the year.
- Year-to-year growth was observed in all major industry sectors. The largest gains were observed in professional and business services (up 8,900), retail trade (up 8,800) and leisure and hospitality (up 7,600). Manufacturing was the only industry experiencing declining employment over the year (-300).

Unemployment rates and labor force information

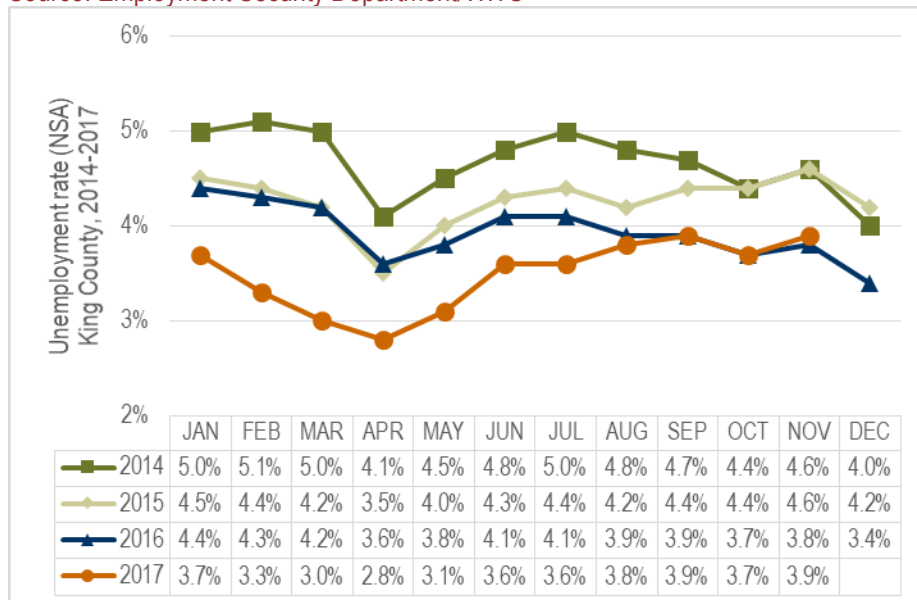
The not seasonally adjusted unemployment rate for King County was 3.9 percent (preliminary) in November 2017. This is up from 3.7 percent observed in October (revised). For reference, the unemployment rate in November 2016 was 3.8 percent.

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. November 2017 figures are:

- King County labor force: 1,230,229
- Total employed: 1,182,611
- Total unemployed: 47,618
- Unemployment rate: 3.9%

Month-to-month, King County's labor force expanded by 5,768 people. The number of employed people increased by 3,264 and the number of active job seekers increased by 2,504. Over-the-year, the labor force expanded by 16,984 people or 1.4 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2014 through November 2017
 Source: Employment Security Department/WITS



The unemployment rate peaked at 9.5% in early 2010. In November 2017, the unemployment rate was 3.9 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state increased from 4.2 percent in October (revised) to 4.5 percent in November (preliminary). The statewide labor force increased by 84,866 (2.3 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.1 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.02 percent in and will dip to 4.40 percent in 2018 (This is a slight downward revision compared to the September 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 increased from 3.8 percent (revised) in October to 4.0 percent (preliminary) in November. Twelve months ago, the unemployment rate was 3.9 percent.

New! 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

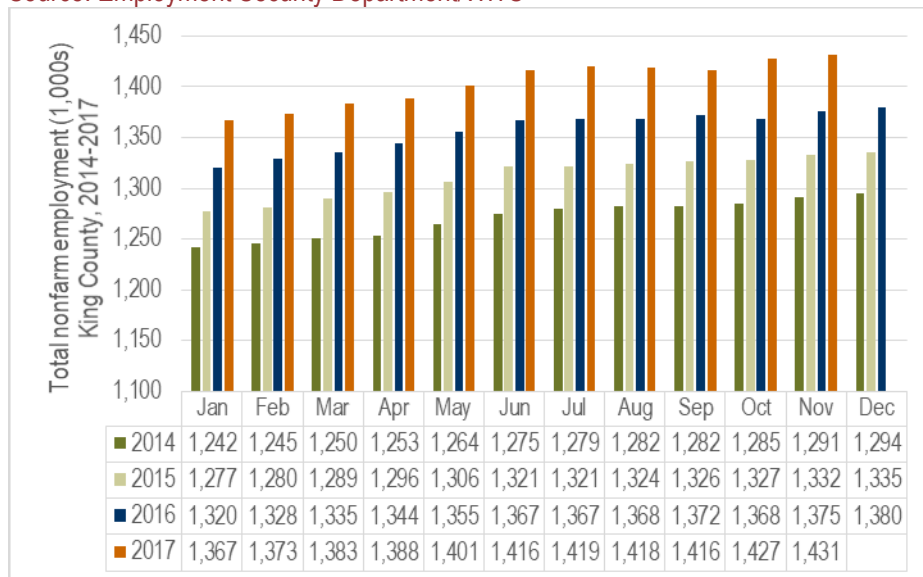
UI claims activity peaked in May 2009 (49,316 continued claims were counted that month) and has been on a downward trend ever since. In November 2017, 4,876 new claims were filed in King County and a total of 12,605 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) in King County increased by 3,800 from October to November 2017. Over the year, employers in King County added 56,200 jobs or 4.1 percent. The tally of nonfarm jobs in King County was over 1.43 million.

Figure 2. Nonfarm industry employment
King County, January 2014 through November 2017

Source: Employment Security Department/WITS



King County job growth continues to climb. From November 2016 to November 2017, King County employment expanded by 56,200.

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, November 2016, October and November 2017
 Source: Employment Security Department/WITS

Nonfarm Employment Estimates, Not Seasonally Adjusted
King County
 Data benchmarked through June 2017

NAICS Industry Title	Prelim Nov-17	Revised Oct-17	Revised Nov-16	Change		
				Oct-17 Nov-17	Nov-16 Nov-17	Nov-16 Nov-17
Total Nonfarm	1,431,700	1,427,900	1,375,500	3,800	56,200	4.1%
Total Private	1,243,800	1,238,500	1,193,200	5,300	50,600	4.2%
Goods Producing	181,900	182,500	177,100	-600	4,800	2.7%
Mining and Logging	600	600	600	0	0	0.0%
Construction	78,200	78,300	73,100	-100	5,100	7.0%
Construction of Buildings	22,500	22,400	20,500	100	2,000	9.8%
Heavy and Civil Engineering Construction	6,400	6,300	6,100	100	300	4.9%
Specialty Trade Contractors	49,300	49,500	46,500	-200	2,800	6.0%
Manufacturing	103,100	103,700	103,400	-600	-300	-0.3%
Durable Goods	76,600	76,800	77,900	-200	-1,300	-1.7%
Fabricated Metal Product Manufacturing	7,000	7,000	6,600	0	400	6.1%
Computer and Electronic Product Mfg.	8,100	8,400	8,200	-300	-100	-1.2%
Navgtnl., Measuring, Electromed., & Control	4,400	4,500	4,400	-100	0	0.0%
Transportation Equipment Manufacturing	42,500	42,500	43,600	0	-1,100	-2.5%
Aerospace Product and Parts Mfg.	39,200	39,200	40,400	0	-1,200	-3.0%
Nondurable Goods	26,500	26,900	25,500	-400	1,000	3.9%
Food Manufacturing	12,200	12,500	12,100	-300	100	0.8%
Service Providing	1,249,800	1,245,400	1,198,400	4,400	51,400	4.3%
Trade, Transportation, and Utilities	277,100	274,500	262,400	2,600	14,700	5.6%
Wholesale Trade	66,500	66,400	63,200	100	3,300	5.2%
Retail Trade	156,400	153,600	147,600	2,800	8,800	6.0%
Motor Vehicle and Parts Dealers	11,900	11,800	11,600	100	300	2.6%
Food and Beverage Stores	24,900	24,500	23,600	400	1,300	5.5%
General Merchandise Stores	21,000	19,700	21,800	1,300	-800	-3.7%
Transportation, Warehousing, and Utilities	54,200	54,500	51,600	-300	2,600	5.0%
Transportation and Warehousing	51,300	51,600	48,700	-300	2,600	5.3%
Air Transportation	13,600	13,600	12,700	0	900	7.1%
Truck Transportation	7,100	7,100	7,100	0	0	0.0%
Support Activities for Transportation	13,100	13,200	12,100	-100	1,000	8.3%
Warehousing and Storage	3,400	3,400	3,400	0	0	0.0%
Information	105,000	104,700	98,300	300	6,700	6.8%
Software Publishers	60,200	60,200	57,700	0	2,500	4.3%
Financial Activities	72,700	72,100	71,300	600	1,400	2.0%
Finance and Insurance	43,000	42,600	43,100	400	-100	-0.2%

Credit Intermediation and Related	15,700	15,600	15,600	100	100	0.6%
Insurance Carriers and Related	18,500	18,400	18,800	100	-300	-1.6%
Real Estate and Rental and Leasing	29,700	29,500	28,200	200	1,500	5.3%
Professional and Business Services	232,800	231,900	223,900	900	8,900	4.0%
Professional, Scientific, and Technical Services	126,800	126,600	122,000	200	4,800	3.9%
Legal Services	11,900	11,700	11,900	200	0	0.0%
Accounting, Tax Prep., Bookkpg., and Payroll	9,300	9,600	9,400	-300	-100	-1.1%
Architectural, Engineering, and Related	19,100	18,800	18,900	300	200	1.1%
Computer Systems Design and Related	41,100	40,600	39,200	500	1,900	4.8%
Management of Companies and Enterprises	31,200	30,900	31,000	300	200	0.6%
Admin., Support, Waste Mgmt., and Remediation	74,800	74,500	70,900	300	3,900	5.5%
Administrative and Support Services	71,800	71,600	68,100	200	3,700	5.4%
Employment Services	27,100	27,500	26,900	-400	200	0.7%
Educational and Health Services	181,800	180,000	177,600	1,800	4,200	2.4%
Educational Services	31,500	30,900	28,700	600	2,800	9.8%
Ambulatory Health Care Services	59,000	59,200	58,200	-200	800	1.4%
Hospitals	30,000	29,700	29,800	300	200	0.7%
Nursing and Residential Care Facilities	20,200	20,000	21,100	200	-900	-4.3%
Social Assistance	41,000	40,300	39,900	700	1,100	2.8%
Leisure and Hospitality	141,900	143,200	134,300	-1,300	7,600	5.7%
Arts, Entertainment, and Recreation	26,700	28,300	23,600	-1,600	3,100	13.1%
Accommodation	14,400	14,700	14,000	-300	400	2.9%
Food Services and Drinking Places	100,800	100,200	96,800	600	4,000	4.1%
Other Services	50,600	49,600	48,300	1,000	2,300	4.8%
Repair and Maintenance	9,700	9,500	9,400	200	300	3.2%
Personal and Laundry Services	17,900	17,400	16,900	500	1,000	5.9%
Religious, Grantmkg., Civic, Professional, & Similar	23,000	22,700	22,100	300	900	4.1%
Government	187,900	189,400	182,300	-1,500	5,600	3.1%
Federal Government	19,900	20,000	20,100	-100	-200	-1.0%
State Government	65,300	67,000	62,200	-1,700	3,100	5.0%
State Government Educational Services	49,400	51,200	47,800	-1,800	1,600	3.3%
Local Government	102,700	102,400	100,000	300	2,700	2.7%
Local Government Educational Services	43,700	43,000	42,800	700	900	2.1%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 4.1% over the year. Over the past few years, the rate of growth has generally hovered around 3%.

Nonfarm industry employment

Goods-producing Industries

From October to November 2017, total employment in goods-producing industries contracted by 600. Year-over-year, goods-producing employment was up 4,800.

Employment levels in the **construction** industry decreased by 100 over the month. The tally of jobs estimated for November was 78,200. Year-to-year, employment in construction was up 5,100 or 7.0 percent.

- Employment in construction is highly-seasonal. Tallies rise and fall with the temperature.
- 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. Recovery in this industry started off slowly, but has taken off in response to pent-up demand during the economic slowdown.

In November, King County-located **manufacturing** employers collectively shed 600 jobs. Over the year, total manufacturing employment was down 300 or 0.3 percent. Aerospace products and parts manufacturing shed 1,200 over the year. Nondurable goods manufacturing was up 1,000 over the year.

- Manufacturing led early economic recovery locally and statewide. Over the past couple years, however, employment growth in manufacturing has more-or-less stagnated.
- 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.
- The Boeing Company has been downsizing in the Puget Sound area over the past couple years. Worker Adjustment and Retraining Notifications (WARN) are received and published by ESD. More information is available here: <https://esd.wa.gov/about-employees/WARN>

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers in November added 4,400 jobs. Over the year, service providers added 51,400 new jobs to the King County economy, with gains observed in all major industry breakouts. The largest year-over-year gains among service-providing industries were attributable to hiring in professional and business services (up 8,900), retail trade (up 8,800) and leisure and hospitality (up 7,600).

Wholesale trade employment levels increased by 100 over the month and by 3,300 or 5.2 percent over the year. Wholesale trade accounted for 66,500 King County-based jobs in November.

Employers in **retail trade** added an estimated 2,800 jobs in November and created 8,800 new jobs (6.0 percent) over the year.

- Within the overall estimate, motor vehicle and parts dealers added 300 jobs and food and beverage stores expanded employment by 1,300. General merchandise stores shed 800.
- Retail trade tends to be highly seasonal, with hiring reaching a crescendo during the winter holiday season. ESD forecasts that Seattle-area employment in retail trade will increase by 8,033 jobs (4.4%) over the fourth quarter.
- A large percentage of retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From November 2016 to November 2017, retailers captured under “other retail trade” added 6,400 jobs statewide; a 5.6 percent increase.
 - The Seattle Times recently published an article observing that Amazon’s hiring pace may be slowing. More information here:

<https://www.seattletimes.com/business/amazon/amazons-seattle-hiring-frenzy-slows-sharply-whats-going-on/>

Employment in **transportation, warehousing and utilities** contracted by 300 jobs in November but expanded by 2,600 over the year. This set of industries accounted for an estimated 54,200 jobs in King County.

- The greatest increases were attributable to hiring by employers in support activities for transportation (up 1,000 or 8.3 percent) and air transportation (900 or 7.1 percent).

Employers in the **information** sector added 300 jobs in November 2017 and added an estimated 6,700 jobs (6.8 percent) over the year.

- The information sector includes software publishing activities. Employment in software publishing remained unchanged over the month but grew by 2,500 net jobs (4.3 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Employment levels expanded by 600 over the month and by 1,400 or 2.0 percent over the year.

- Employment in the real estate component was up 1,500 jobs over the year but employment in finance and insurance was down 100.

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 900 jobs. Over the year, professional and business services as a whole expanded by 8,900 jobs (4.0 percent).

- From November 2016 to November 2017, professional, scientific and technical services added 4,800 jobs (3.9 percent) and management of companies and enterprises added 200. Administrative support, waste management and remediation added 3,900 jobs (5.5 percent).

Employers in the **educational and health services** industries added 1,800 jobs in November and added 4,200 (2.4%) over the year. Educational and health services accounted for an estimated 181,800 King County-based jobs in November.

- Year over year employment gains were observed in most major breakouts of this sector. Education services saw the largest employment gain, adding 2,800 jobs over the year. Ambulatory health care services added 800, hospitals added 200 and social assistance added 1,100. The only breakout not reporting year over year gains was nursing and residential care facilities, which shed 900 jobs.
- Educational and health services weathered the economic storm relatively well compared to other industries. Employment in this sector is generally more dependent on population trends rather than business cycles.
- Moving forward, an aging population is likely to increase demand for health care services in the long run, while a shifting regulatory environment could have a dampening effect in the near term.

Leisure and hospitality employers collectively shed 1,300 jobs over the month. Over the year, this collection of industries contributed 7,600 new jobs to the King County economy.

- Year over year gains were observed in each of the major breakouts of this set of industries.

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 1,000 over the month and by 2,300 over the year.

Government employers shed 1,500 jobs in November but added 5,600 jobs or 3.1 percent over the year.

- The largest year over year gains were attributable to hiring in state government; about half of these jobs were attributable to state educational services (i.e. state colleges and universities).

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