



King County Labor Area Summary May 2018



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

Overview

- In May 2018, the not seasonally adjusted unemployment rate in King County was 3.4 percent. This is up from 3.0 percent, observed in April. Twelve months ago, the unemployment rate was 3.4 percent.
- Nonfarm employment expanded by 12,600 from April to May 2018. There were an estimated 1,439,400 total nonfarm jobs in King County.
- Nine industries added jobs over the month and two industries shed jobs. The largest gains were attributable to hiring in retail trade (up 4,000) and education and health services (up 1,900). The deepest losses were attributable to construction (down 300).
- Total nonfarm employment in May 2018 was 42,800 jobs above the level observed 12 months earlier. This represents a 3.1 percent increase in employment over the year.
- Year-to-year growth was observed in most industries detailed in this report. The largest gains were observed in retail trade (up 11,100), education and health services (up 8,200), and professional and business services (up 7,800). Construction shed 600 jobs over the year.

Unemployment rates and labor force information

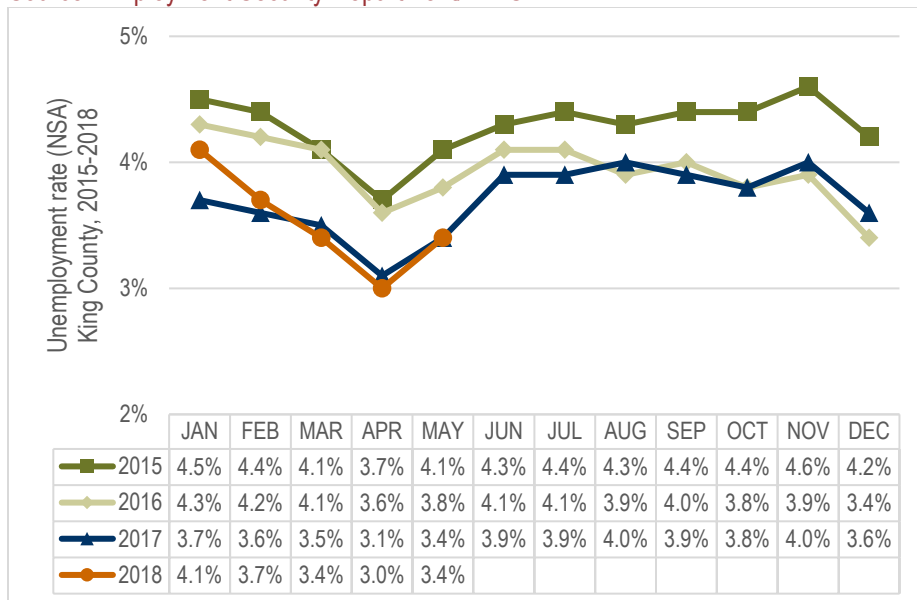
The not seasonally adjusted unemployment rate for King County was 3.4 percent (preliminary) in May 2018. This is up from 3.0 percent observed the previous month (revised). For reference, the unemployment rate in May 2017 was 3.4 percent.

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. May 2018 figures are:

- King County labor force: 1,250,006
- Total employed: 1,208,111
- Total unemployed: 41,895
- Unemployment rate: 3.4%

Month-to-month, King County’s labor force contracted by 5,022 people. The number of employed people decreased by 9,109 and the number of active job seekers increased by 4,087. Over-the-year, the labor force expanded by 21,987 people or 1.8 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2015 through May 2018
 Source: Employment Security Department/WITS



The unemployment rate peaked at 9.5% in early 2010. In May 2018, the unemployment rate was 3.4 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state held steady at 4.4 percent from April (revised) to May (preliminary). The statewide labor force increased by 51,633 (1.4 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 4.5 percent.

The February forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 4.47 percent in 2018 and will dip to 4.14 percent in 2019. 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 3.1 percent (revised) in April to 3.4 percent (preliminary) in May. Twelve months ago, the unemployment rate was 3.5 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.

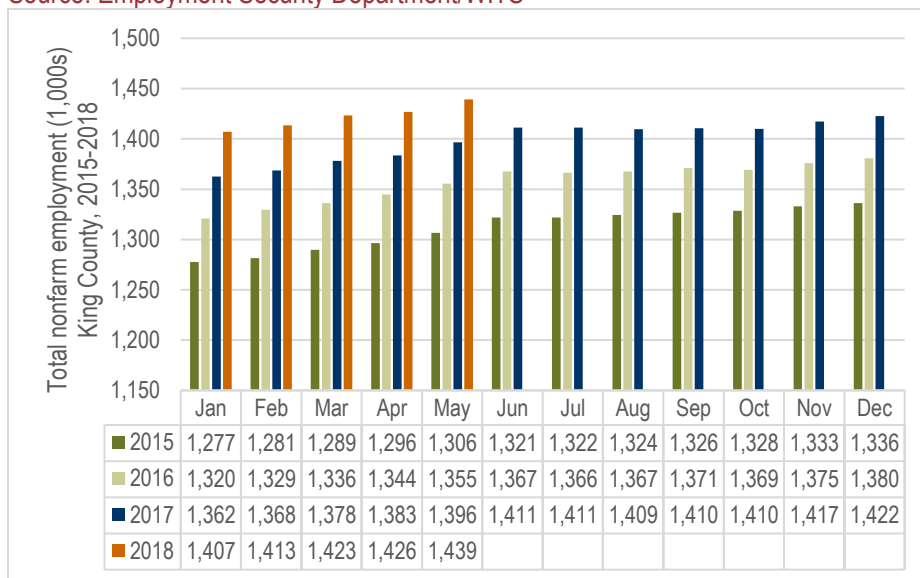
Unemployment Insurance (UI) Claims

UI claims activity peaked in May 2009 (49,316 continued claims were counted that month) and has been on a downward trend ever since. In May 2018, 4,248 new claims were filed in King County and a total of 11,790 King County residents collected benefits from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) in King County increased by 12,600 from April to May 2018. Over the year, employers in King County added 42,800 jobs or 3.1 percent. The tally of nonfarm jobs in King County was nearly 1.44 million.

Figure 2. Nonfarm industry employment
King County, January 2015 through May 2018
Source: Employment Security Department/WITS



King County job growth continues to climb. From May 2017 to May 2018, King County employment expanded by 42,800.

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, May 2017 and April and May 2018
 Source: Employment Security Department/WITS

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through December 2017

NAICS Industry Title	Prelim May-18	Revised Apr-18	Revised May-17	Change		
				Apr-18 May-18	May-17 May-18	May-17 May-18
Total Nonfarm	1,439,400	1,426,800	1,396,600	12,600	42,800	3.1%
Total Private	1,255,100	1,243,600	1,212,400	11,500	42,700	3.5%
Goods Producing	179,300	178,600	177,400	700	1,900	1.1%
Mining and Logging	500	500	500	0	0	0.0%
Construction	73,400	73,700	74,000	-300	-600	-0.8%
Construction of Buildings	22,400	22,000	21,100	400	1,300	6.2%
Heavy and Civil Engineering Construction	5,700	5,400	5,700	300	0	0.0%
Specialty Trade Contractors	45,300	46,300	47,300	-1,000	-2,000	-4.2%
Manufacturing	105,400	104,400	102,800	1,000	2,600	2.5%
Durable Goods	78,800	77,900	77,100	900	1,700	2.2%
Fabricated Metal Product Manufacturing	6,600	6,600	6,800	0	-200	-2.9%
Computer and Electronic Product Mfg.	8,500	8,500	8,300	0	200	2.4%
Navgtnl., Measuring, Electromed., & Control	4,900	4,900	4,600	0	300	6.5%
Transportation Equipment Manufacturing	41,100	40,700	42,400	400	-1,300	-3.1%
Aerospace Product and Parts Mfg.	38,300	37,800	39,200	500	-900	-2.3%
Nondurable Goods	26,600	26,500	25,700	100	900	3.5%
Food Manufacturing	12,500	12,500	11,900	0	600	5.0%
Service Providing	1,260,100	1,248,200	1,219,200	11,900	40,900	3.4%
Trade, Transportation, and Utilities	280,400	275,900	266,200	4,500	14,200	5.3%
Wholesale Trade	65,700	65,700	64,500	0	1,200	1.9%
Retail Trade	160,600	156,600	149,500	4,000	11,100	7.4%
Motor Vehicle and Parts Dealers	11,700	11,700	11,800	0	-100	-0.8%
Food and Beverage Stores	23,800	23,500	23,800	300	0	0.0%
General Merchandise Stores	18,800	18,600	19,000	200	-200	-1.1%
Transportation, Warehousing, and Utilities	54,100	53,600	52,200	500	1,900	3.6%
Transportation and Warehousing	51,200	50,700	50,700	500	500	1.0%
Air Transportation	14,500	14,500	13,200	0	1,300	9.8%
Truck Transportation	6,700	6,600	6,800	100	-100	-1.5%
Support Activities for Transportation	13,600	13,400	13,000	200	600	4.6%
Warehousing and Storage	3,400	3,500	3,400	-100	0	0.0%
Information	106,600	106,300	101,300	300	5,300	5.2%
Software Publishers	60,800	60,500	58,000	300	2,800	4.8%
Financial Activities	72,500	71,700	70,700	800	1,800	2.5%
Finance and Insurance	42,500	42,300	42,200	200	300	0.7%
Credit Intermediation and Related	16,000	16,000	15,800	0	200	1.3%

Insurance Carriers and Related	18,500	18,400	18,100	100	400	2.2%
Real Estate and Rental and Leasing	30,000	29,400	28,500	600	1,500	5.3%
Professional and Business Services	234,500	232,900	226,700	1,600	7,800	3.4%
Professional, Scientific, and Technical Services	129,400	128,200	123,500	1,200	5,900	4.8%
Legal Services	11,900	11,900	11,800	0	100	0.8%
Accounting, Tax Prep., Bookkpg., and Payroll	9,700	10,100	9,000	-400	700	7.8%
Architectural, Engineering, and Related	19,500	19,100	18,400	400	1,100	6.0%
Computer Systems Design and Related	42,700	42,100	41,000	600	1,700	4.1%
Management of Companies and Enterprises	31,000	30,600	30,900	400	100	0.3%
Admin., Support, Waste Mgmt., and Remediation	74,100	74,100	72,400	0	1,700	2.3%
Administrative and Support Services	70,200	70,300	69,400	-100	800	1.2%
Employment Services	27,700	28,200	27,600	-500	100	0.4%
Educational and Health Services	187,300	185,400	179,100	1,900	8,200	4.6%
Educational Services	32,100	31,100	29,200	1,000	2,900	9.9%
Ambulatory Health Care Services	62,200	61,800	59,600	400	2,600	4.4%
Hospitals	31,000	30,900	29,800	100	1,200	4.0%
Nursing and Residential Care Facilities	19,700	19,700	20,300	0	-600	-3.0%
Social Assistance	42,300	41,800	40,300	500	2,000	5.0%
Leisure and Hospitality	144,700	142,900	142,500	1,800	2,200	1.5%
Arts, Entertainment, and Recreation	26,900	26,900	27,100	0	-200	-0.7%
Accommodation	14,800	14,400	14,400	400	400	2.8%
Food Services and Drinking Places	103,000	101,600	101,000	1,400	2,000	2.0%
Other Services	49,800	49,900	48,500	-100	1,300	2.7%
Repair and Maintenance	9,400	9,400	9,500	0	-100	-1.1%
Personal and Laundry Services	17,800	17,600	17,000	200	800	4.7%
Religious, Grantmkg., Civic, Professional, & Similar	22,700	22,900	22,000	-200	700	3.2%
Government	184,300	183,200	184,200	1,100	100	0.1%
Federal Government	19,600	19,600	20,100	0	-500	-2.5%
State Government	61,800	61,500	62,600	300	-800	-1.3%
State Government Educational Services	45,600	45,300	48,000	300	-2,400	-5.0%
Local Government	102,900	102,100	101,500	800	1,400	1.4%
Local Government Educational Services	43,900	44,000	44,000	-100	-100	-0.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County nonfarm employment increased by 3.1% over the year. Over the past few years, the rate of growth has generally hovered in the 3- to 4- percent range.

Nonfarm industry employment

Goods-producing Industries

From April to May 2018, total employment in goods-producing industries expanded by 700, with losses in construction offset by gains in manufacturing. Year-over-year, goods-producing employment was up 1,900, with gains observed in manufacturing and losses in construction.

Employment levels in the **construction** industry decreased by 300 from April to May. The tally of jobs was estimated at 73,400. Year-to-year, employment in construction was down 600 or 0.8 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.
- Construction employment has been expanding rapidly over the past few years, but seems to have hit a soft patch in recent months. The last two reports show a leveling-off of construction employment and slight year over year declines rather than the rapid growth we have become accustomed to.
- Businesses that are classified under Construction of Buildings continued to expand their employment base, adding an estimated 1,300 jobs over the year. Specialty Trade Contractors shed 2,000.

In May, King County-located **manufacturing** employers collectively added 1,000 jobs. Over the year, total manufacturing employment was up 2,600 or 2.5 percent. Aerospace products and parts manufacturing added 500 jobs over the month but shed 900 jobs over the year. Nondurable goods manufacturing was up 900 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.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers in May added 11,900 jobs. Over the year, service providers added 40,900 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 retail trade (up 11,100), education and health services (up 8,200) and professional and business services (up 7,800).

Wholesale trade employment neither expanded nor contracted over the month, but added 1,200 jobs over the year. Wholesale trade accounted for 65,700 King County-based jobs in May.

Net employment in **retail trade** expanded by 4,000 in May, and by 11,100 (7.4 percent) over the year.

- None of the retail industries broken out in the local monthly data reported year over year growth. General merchandise stores and car dealerships reported year over year losses.
- A large percentage of retail growth statewide has been observed in “other retail trade”; a category that includes non-store retailers. From May 2017 to May 2018, retailers captured under “other retail trade” added 17,000 jobs statewide; a 14.8 percent increase.

Employment in **transportation, warehousing and utilities** expanded by 500 jobs in May and by 1,900 over the year. This set of industries accounted for an estimated 54,100 jobs in King County.

Employers in the **information** sector added 300 jobs in May and added an estimated 5,300 jobs (5.2 percent) over the year.

- The information sector includes software publishing activities. Employment in software publishing expanded by 300 over the month and grew by 2,800 net jobs (4.8 percent) over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Employment levels expanded by 800 over the month and by 1,800 or 2.5 percent over the year.

- Employment in the real estate component was up 1,500 jobs over the year and employment in finance and insurance was up 300.

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 1,600 jobs. Over the year, professional and business services as a whole expanded by 7,800 jobs (3.4 percent).

- From May 2017 to May 2018, professional, scientific and technical services added 5,900 jobs (4.8 percent), management of companies and enterprises added 100, and administrative support, waste management and remediation added 1,700 jobs (2.3 percent).

Employers in the **educational and health services** industries added 1,900 jobs in May and added 8,200 (4.6 percent) over the year. Educational and health services accounted for an estimated 187,300 King County-based jobs in May.

- Year over year employment gains were observed in most major breakouts of this sector. Private sector educational services saw the largest employment gain, adding 2,900 jobs over the year. Ambulatory health care services added 2,600, social assistance added 2,000, and hospitals added 1,200. The only breakout not reporting year over year gains was nursing and residential care facilities, which shed 600 jobs over the year.
- 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 added 1,800 jobs over the month. Over the year, this collection of industries contributed 2,200 new jobs to the King County economy.

- Year over year gains were observed in the accommodation and food services components. Arts, entertainment and recreation shed 200 jobs 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 auto mechanics and dry cleaners to membership clubs. Overall employment levels contracted by 100 over the month but expanded by 1,300 over the year.

Government employers added 1,100 jobs in May and added 100 jobs or 0.1 percent over the year.

- Net employment gains were observed in local government, excluding local educational services. State and federal employment tallies dropped 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 February and updated in June. Forecast information is available at www.erfc.wa.gov.

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