



King County Labor Area Summary February 2015



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

Overview

- In February 2015, the not seasonally adjusted unemployment rate in King County increased from 4.8 percent (revised) to 4.9 percent. Last February the unemployment rate was 5.0 percent.
- Nonfarm employment in King County expanded by 1,600 from January to February. In February, there were an estimated 1,292,400 total nonfarm jobs in King County.
- Total nonfarm employment in February 2015 was 41,400 jobs above the level observed in February 2014. This represents a 3.3 percent increase in employment.
- Year-to-year growth was observed in all major industries. The largest gains were observed in construction, professional and business services and retail trade.

Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for King County rose from 4.8 percent (revised) in January to 4.9 percent in February. The unemployment rate in February 2014 was 5.0 percent.

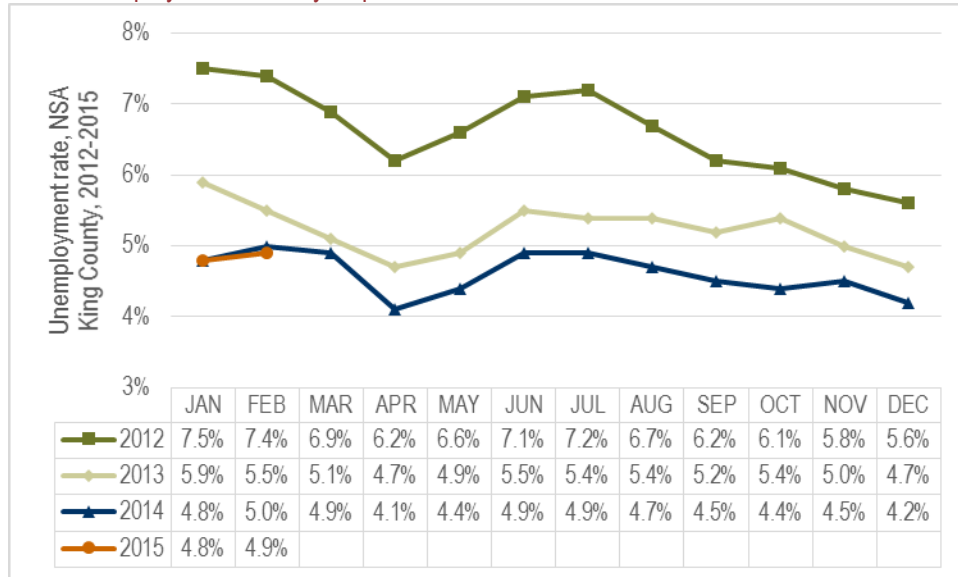
The not seasonally adjusted unemployment rate typically reaches its peak in the first couple months of the year and the labor force contracts as a result of seasonal hiring patterns. Employment increases related to holiday hiring in the fall and winter lead to seasonal workforce reductions in January and February. Expect the unemployment rate to fall in the coming months, as spring and summer hiring take hold.

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 9.6 percent in January, 2010. Since then, the elevated rate has diminished. Preliminary February 2015 figures are:

- King County labor force: 1,184,230
- Total employed: 1,126,730
- Total unemployed: 57,500
- Unemployment rate: 4.9%

Month-to-month, King County’s labor force expanded by 24,510 people. The number of employed people increased by 22,370 and the number of unemployed increased by 2,140. Over-the-year, the labor force expanded by 27,240 or 2.4 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 King County, January 2012 through February 2015
 Source: Employment Security Department/LMPA



The unemployment rate peaked at 9.6% in early 2010. In February 2015, the unemployment rate was 4.9 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state decreased from 7.0 percent (revised) in January to 6.8 percent (preliminary) in February 2015. The labor force increased by 23,470 over the month. Over the year, the unemployment rate is down from 7.2 percent.

The February forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 6.05 percent in 2015. This was revised upward relative to the November 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 4.9 percent (revised) in January to 5.0 percent (preliminary) in February 2015.

Unemployment Insurance (UI) Claims

The largest share of new UI claims in King County continues to come from workers in seasonally-sensitive construction-related occupations. The top five occupational groups filing initial claims for UI in February 2015 follows:

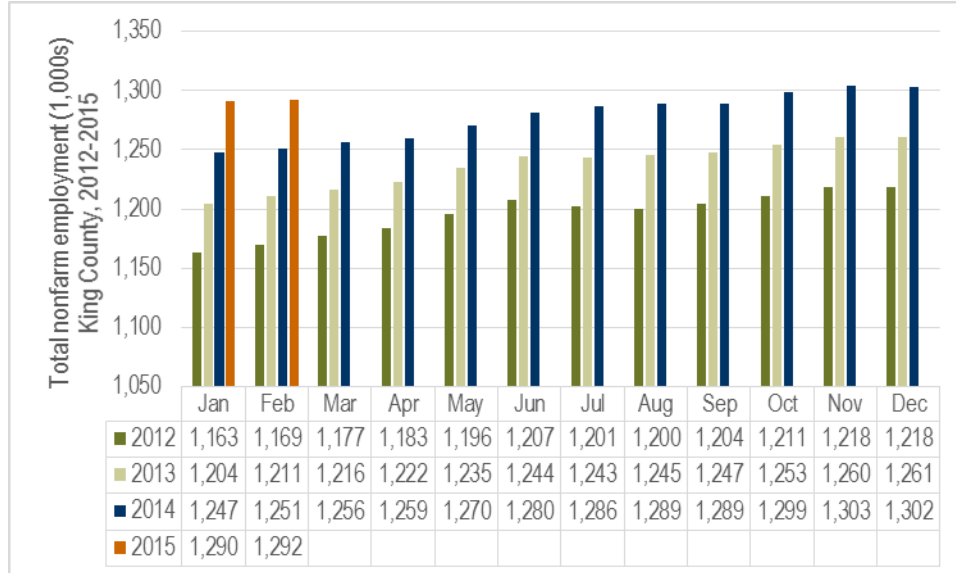
- Construction and extraction occupations
- Management occupations
- Office and administrative support occupations
- Production occupations
- Transportation and material moving occupations

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 February 2015, 6,615 new claims were filed in King County; 16,622 people collected benefits and 936 received their final payment from the state UI system.

Total nonfarm employment

Total nonfarm employment (not seasonally adjusted) in King County expanded by 1,600 from January to February with an estimated tally of nearly 1.3 million jobs. January 2014 employment levels were revised down 800 from 1,291,600 to 1,290,800.

Figure 2. Nonfarm industry employment
King County, January 2012 through February 2015
Source: Employment Security Department/LMPA



King County job growth has been consistently in the 3 percent year-over-year range for the past few years.

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.

Figure 3. Total nonfarm industry employment, not seasonally adjusted
 King County, February 2014, January and February 2015
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted

King County

Data benchmarked through September 2014

NAICS Industry Title	Prelim Feb-15	Revised Jan-15	Revised Feb-14	Change		
				Jan-15 Feb-15	Feb-14 Feb-15	Feb-14 Feb-15
Total Nonfarm	1,292,400	1,290,800	1,251,000	1,600	41,400	3.3%
Total Private	1,119,200	1,118,600	1,080,600	600	38,600	3.6%
Goods Producing	174,100	172,500	163,100	1,600	11,000	6.7%
Mining and Logging	400	400	400	0	0	0.0%
Construction	65,200	65,000	56,000	200	9,200	16.4%
Construction of Buildings	18,100	18,500	15,800	-400	2,300	14.6%
Heavy and Civil Engineering Construction	5,800	6,000	6,300	-200	-500	-7.9%
Specialty Trade Contractors	41,300	40,500	34,000	800	7,300	21.5%
Manufacturing	108,500	107,000	106,600	1,500	1,900	1.8%
Durable Goods	84,000	83,200	82,500	800	1,500	1.8%
Fabricated Metal Product Manufacturing	6,700	6,600	6,500	100	200	3.1%
Computer and Electronic Product Mfg.	8,500	8,500	8,100	0	400	4.9%
Navgtnl., Measuring, Electromed., & Control	4,400	4,500	4,200	-100	200	4.8%
Transportation Equipment Manufacturing	47,600	47,600	48,800	0	-1,200	-2.5%
Aerospace Product and Parts Mfg.	44,900	45,100	45,300	-200	-400	-0.9%
Nondurable Goods	24,500	23,800	24,100	700	400	1.7%
Food Manufacturing	12,100	11,200	11,500	900	600	5.2%
Service Providing	1,118,300	1,118,300	1,087,900	0	30,400	2.8%
Trade, Transportation, and Utilities	236,900	239,400	229,200	-2,500	7,700	3.4%
Wholesale Trade	61,700	61,800	61,100	-100	600	1.0%
Retail Trade	130,000	131,800	123,400	-1,800	6,600	5.3%
Motor Vehicle and Parts Dealers	11,000	11,000	10,800	0	200	1.9%
Food and Beverage Stores	23,300	23,700	22,700	-400	600	2.6%
General Merchandise Stores	19,500	20,300	19,700	-800	-200	-1.0%
Transportation, Warehousing, and Utilities	45,200	45,800	44,700	-600	500	1.1%
Transportation and Warehousing	44,000	44,500	43,500	-500	500	1.1%
Air Transportation	10,900	10,500	9,900	400	1,000	10.1%
Truck Transportation	6,600	6,600	6,700	0	-100	-1.5%
Support Activities for Transportation	11,000	11,100	10,800	-100	200	1.9%
Warehousing and Storage	3,100	3,100	2,900	0	200	6.9%
Information	86,400	85,900	83,900	500	2,500	3.0%
Software Publishers	52,000	52,200	53,000	-200	-1,000	-1.9%
Wired Telecommunications Carriers	3,500	3,400	3,300	100	200	6.1%
Financial Activities	73,000	73,300	70,600	-300	2,400	3.4%
Finance and Insurance	44,700	44,700	44,900	0	-200	-0.4%
Credit Intermediation and Related	14,700	14,700	15,500	0	-800	-5.2%
Insurance Carriers and Related	21,400	21,500	21,000	-100	400	1.9%
Real Estate and Rental and Leasing	28,300	28,600	25,700	-300	2,600	10.1%
Professional and Business Services	211,000	210,500	202,400	500	8,600	4.2%

Professional, Scientific, and Technical Services	115,200	114,900	110,100	300	5,100	4.6%
Legal Services	12,100	12,400	12,200	-300	-100	-0.8%
Accounting, Tax Prep., Bookkpg., and Payroll	9,200	9,200	9,500	0	-300	-3.2%
Architectural, Engineering, and Related	19,100	19,100	18,500	0	600	3.2%
Computer Systems Design and Related	37,400	36,900	33,700	500	3,700	11.0%
Management of Companies and Enterprises	28,500	29,000	27,800	-500	700	2.5%
Admin., Support, Waste Mgmt., and Remediation	67,300	66,600	64,600	700	2,700	4.2%
Administrative and Support Services	65,300	64,700	61,800	600	3,500	5.7%
Employment Services	25,800	25,800	24,700	0	1,100	4.5%
Educational and Health Services	170,100	168,800	167,800	1,300	2,300	1.4%
Educational Services	27,700	26,600	26,900	1,100	800	3.0%
Ambulatory Health Care Services	54,600	54,200	53,200	400	1,400	2.6%
Hospitals	27,100	27,000	26,400	100	700	2.7%
Nursing and Residential Care Facilities	20,900	21,000	20,800	-100	100	0.5%
Social Assistance	39,900	40,100	40,500	-200	-600	-1.5%
Leisure and Hospitality	122,400	122,200	119,000	200	3,400	2.9%
Arts, Entertainment, and Recreation	23,500	22,500	22,300	1,000	1,200	5.4%
Accommodation	12,300	12,100	12,600	200	-300	-2.4%
Food Services and Drinking Places	86,700	87,600	84,000	-900	2,700	3.2%
Other Services	45,300	46,000	44,600	-700	700	1.6%
Repair and Maintenance	8,900	9,000	8,900	-100	0	0.0%
Personal and Laundry Services	16,000	16,500	14,700	-500	1,300	8.8%
Religious, Grantmkg., Civic, Professional, & Similar	20,400	20,600	21,000	-200	-600	-2.9%
Government	173,200	172,200	170,400	1,000	2,800	1.6%
Federal Government	20,200	20,100	20,100	100	100	0.5%
State Government	59,600	59,300	58,500	300	1,100	1.9%
State Government Educational Services	45,600	45,200	44,300	400	1,300	2.9%
Local Government	93,400	92,800	91,800	600	1,600	1.7%
Local Government Educational Services	41,200	40,800	39,800	400	1,400	3.5%
Workers in Labor/Management Disputes	0	0	0	0	0	

King County has been leading the statewide recovery.

Nonfarm industry employment

Goods-producing Industries

From January to February 2015, employment in construction and manufacturing together expanded by 1,600. Year-over-year, goods-producers were up 11,000 jobs – an increase of 6.7 percent.

Employment levels in the **construction** industries increased by 200 from in February. Year-to-year, employment in construction was up 9,200 or 16.4 percent. 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. Recovery in this industry started off slowly, but has taken off in response to pent-up demand during the economic slowdown. Employment is highly seasonal.

In February, **manufacturing** industries added 1,500. Two hundred jobs were shed from aerospace products and parts manufacturing—the largest manufacturing industry in King County. This loss was offset by jobs created in other manufacturing industries. Over the year, manufacturing employment is up 1,900 or 1.8 percent.

- Manufacturing led early economic recovery locally and statewide. Over the past couple years, however, manufacturing growth has been less robust by comparison.
- 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 employment remained unchanged from January to February. Over the year, service providers added 30,400 jobs to the King County economy. The largest year-over-year gains among service-providing industries were attributable to professional and business services and retail trade.

Wholesale trade employment declined by 100 in February and increased by 600 over the year.

Employment in **retail trade** contracted by 1,800 over the month. Year-over-year, retail trade expanded by 6,600 or 5.3 percent.

- Retail hiring is highly seasonal. Holiday hiring picks up from October to December every year. This is followed by large declines in January and February.

Employment in **transportation, warehousing and utilities** contracted by 600 over the month but increased by 500 over the year.

Employment in the **information** sector increased by 500 from January to February and expanded by 2,500 over the year. This represents a 3.0 percent increase in employment.

- The information sector includes software publishing activities. Employment in software publishing declined by 200 over the month and by 1,000 over the year.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Employment contracted by 300 in February and added 2,400 jobs or 3.4 percent 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 February, this diverse sector added 500 jobs. Compared to February 2014, professional and business services expanded by 8,600 jobs (4.2 percent). Increases have been widespread throughout this set of industries.

- Computer systems design and related services has been showing particularly strong growth in King County.

Employment in the **educational and health services** industries increased by 1,300 in February and added 2,300 jobs (1.4 percent) 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 added 200 jobs over the month. Over the year, this sector added 3,400 jobs to the King County economy. Month-to-month gains were concentrated in arts entertainment and recreation.

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. Employment levels dropped by 700 over the month and expanded by 700 or 1.6 percent over the year.

Government employment expanded by 1,000 in February and by 2,800 or 1.6 percent over the year. Year-over-year gains were concentrated in local government educational services (i.e. K-12 public education) and in state government educational services (i.e. public post-secondary education).

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