

Northwest Washington Labor Market Review

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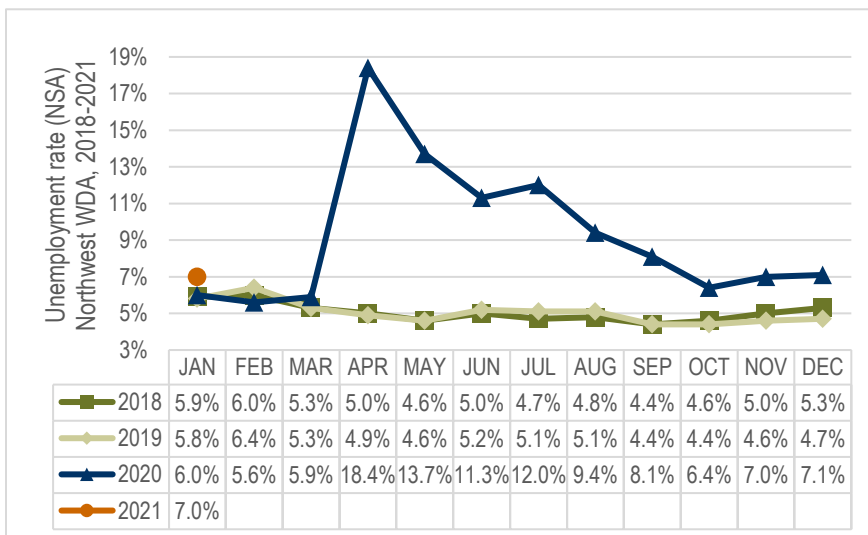
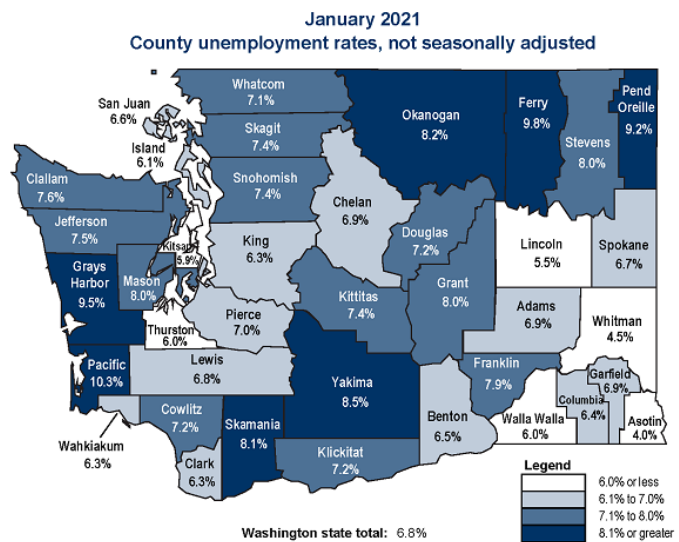
www.esd.wa.gov/labormarketinfo

For all intents and purposes, this is the tenth report to record the effects of the Covid-19 economic situation in Northwest Washington.

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington rose by 4,400 in January 2021.¹ BLS estimates the private sector gained 2,800 jobs during the month and the public sector gained 1,600 jobs.

On a not seasonally adjusted basis, estimates for January 2020 through January 2021 indicate a decrease in employment of 234,000 for the state. The private sector lost 185,600 jobs while the public sector lost an estimated 48,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2021 is 6.0 percent. The revised estimated December 2020 unemployment rate is at 7.1 percent. The



January 2020 unemployment rate was 3.9 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. The December 2020 preliminary estimated loss of 9,900 jobs was revised to a loss of 5,400 jobs.

Whatcom County

Local Area Unemployment Statistics

The unemployment rate in Whatcom County was 7.1 percent in January 2021 (preliminary), unmoved from the December 2020 estimate (revised). For comparison, the unemployment rate in January 2020 was 5.9 percent. During the COVID-19 pandemic, the highest observed unemployment rate for Whatcom County was 18.4 percent in April 2020.

- Over the course of the pandemic, the size of the labor force has dropped, as many people are no longer employed and are not actively employment. Compared to January 2020, the labor force dropped by 8,537 or 7.2 percent. Within that estimate, the number of employed workers dropped by 9,380 (8.4 percent) and the number of unemployed workers expanded by 843 (12.1 percent). Whatcom County's estimated labor force was 109,711 in January.

Whatcom County local area payroll jobs

Nonfarm Employment Estimates, Not Seasonally Adjusted
Bellingham Metropolitan Statistical Area (Whatcom County)

Data benchmarked through September 2020

NAICS Industry Title	Prelim Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20 Jan-21	Jan-20 Jan-21	Jan-20 Jan-21
Total Nonfarm	87,600	89,100	96,000	-1,500	-8,400	-8.8%
Total Private	70,700	72,100	76,900	-1,400	-6,200	-8.1%
Goods Producing	17,000	17,200	18,000	-200	-1,000	-5.6%
Mining, Logging, and Construction	7,800	7,900	7,400	-100	400	5.4%
Manufacturing	9,200	9,300	10,600	-100	-1,400	-13.2%
Service Providing	70,600	71,900	78,000	-1,300	-7,400	-9.5%
Private Services Providing	53,700	54,900	58,900	-1,200	-5,200	-8.8%
Trade, Transportation, Warehousing, and Utilities	15,400	16,000	16,500	-600	-1,100	-6.7%
Retail Trade	10,500	10,700	11,100	-200	-600	-5.4%
Financial Activities	4,300	4,300	4,000	0	300	7.5%
Professional and Business Services	8,000	8,100	8,400	-100	-400	-4.8%
Leisure and Hospitality	7,100	7,100	10,800	0	-3,700	-34.3%
Government	16,900	17,000	19,100	-100	-2,200	-11.5%
Federal Government	1,400	1,400	1,400	0	0	0.0%
Total State Government	6,100	6,100	7,000	0	-900	-12.9%
Total Local Government	9,400	9,500	10,700	-100	-1,300	-12.1%

Total nonfarm payroll in Whatcom County (not seasonally adjusted) decreased by 1,500 from December 2020 to January 2021 Year-over-year, the tally of nonfarm jobs decreased by 8,400 (down 8.8 percent).

- In January, most industries covered in this report shed jobs. The deepest losses were observed in trade, transportation, warehousing and utilities (-600), a sector that includes retail trade (-200). Losses were at least partially related to the aftermath of seasonal retail

hiring for the holidays. Leisure and hospitality and financial activities remained unchanged over the month.

- Most major industries detailed in this report shed jobs over the year. The largest decreases came from leisure and hospitality (-3,700) and government (-2,200). Employment in construction and financial activities expanded over the year.

Skagit County

Local Area Unemployment Statistics

The unemployment rate in Skagit County was 7.4 percent in January 2021 (preliminary); this is down from 7.6 percent in December 2020 (revised). The unemployment rate 12 months ago was 6.6 percent. During the COVID-19 pandemic, the Skagit County unemployment rate reached a peak of 19.6 percent in April.

- Compared to January 2020, the number of people counted as ‘employed’ decreased by 3,802 (6.4 percent) and the number of people counted as ‘unemployed’ expanded by 240 (5.8 percent). Skagit County’s resident labor force was estimated at 59,672 decreasing by 5.6 percent over the year.

Skagit County local area payroll jobs

Nonfarm Employment Estimates, Not Seasonally Adjusted
Mount Vernon-Anacortes Metropolitan Statistical Area (Skagit County)

Data benchmarked through September 2020

NAICS Industry Title	Prelim Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20 Jan-21	Jan-20 Jan-21	Jan-20 Jan-21
Total Nonfarm	47,600	48,100	51,400	-500	-3,800	-7.4%
Total Private	36,900	37,400	39,500	-500	-2,600	-6.6%
Goods Producing	10,200	10,300	10,800	-100	-600	-5.6%
Mining, Logging, and Construction	4,100	4,100	4,400	0	-300	-6.8%
Manufacturing	6,100	6,200	6,400	-100	-300	-4.7%
Service Providing	37,400	37,800	40,600	-400	-3,200	-7.9%
Private Services Providing	26,700	27,100	28,700	-400	-2,000	-7.0%
Trade, Transportation, Warehousing, and Utilities	10,100	10,300	9,900	-200	200	2.0%
Retail Trade	6,800	6,900	7,100	-100	-300	-4.2%
Leisure and Hospitality	3,600	3,700	5,000	-100	-1,400	-28.0%
Government	10,700	10,700	11,900	0	-1,200	-10.1%
Federal Government	400	400	400	0	0	0.0%
State Government	1,200	1,100	1,400	100	-200	-14.3%
Local Government	9,100	9,200	10,100	-100	-1,000	-9.9%

Total nonfarm employment in Skagit County decreased by 500 from December 2020 to January 2021. Year-over-year, the tally of nonfarm jobs contracted by 3,800 or 7.4 percent.

- Over the month, employment levels dropped for most industries detailed in this report. The deepest one-month losses were attributable to trade, transportation, warehousing and utilities – a collection of industries that includes retail trade.
- Covid-19 related losses reverberated throughout the economy, showing up in the year over year estimates for most industries. The deepest losses reported on a yearly basis were observed in leisure and hospitality and government. Employment in transportation, warehousing and utilities was up over the year.

Island County

Local Area Unemployment Statistics

The unemployment rate in Island County was 6.1 percent (preliminary) in January 2021, down from 6.6 (revised) reported in December 2020. The unemployment rate 12 months ago was 5.4 percent. The highest observed unemployment rate was 16.3 percent in April 2020.

- Compared to January 2020, the number of people counted as ‘employed’ decreased by 446 (1.3 percent) and the number of people counted as ‘unemployed’ or actively seeking work expanded by 217 (10.9 percent). Island County’s civilian labor force was estimated as 36,554 in January 2021 – 0.6 percent below last year.

Island County local area payroll jobs

Nonfarm Employment Estimates, Not Seasonally Adjusted
Oak Harbor Micropolitan Statistical Area (Island County)

Data benchmarked through September 2020

NAICS Industry Title	Prelim Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20 Jan-21	Jan-20 Jan-21	Jan-20 Jan-21
Total Nonfarm	17,440	16,220	17,250	1,220	190	1.1%
Total Private	12,930	11,810	12,460	1,120	470	3.8%
Goods Producing	3,120	1,750	1,960	1,370	1,160	59.2%
Mining, Logging, and Construction	2,380	970	1,140	1,410	1,240	108.8%
Manufacturing	740	780	820	-40	-80	-9.8%
Service Providing	14,320	14,470	15,290	-150	-970	-6.3%
Trade, Transportation, and Utilities	2,600	2,680	2,560	-80	40	1.6%
Retail Trade	2,050	2,140	1,990	-90	60	3.0%
Information and Financial Activities	790	800	850	-10	-60	-7.1%
Professional and Business Services	1,570	1,500	1,390	70	180	12.9%
Education and Health Services	2,140	2,300	2,430	-160	-290	-11.9%
Leisure and Hospitality	1,900	1,920	2,380	-20	-480	-20.2%
Government	4,510	4,410	4,790	100	-280	-5.8%
Federal Government	1,370	1,280	1,310	90	60	4.6%
State and Local Government	3,140	3,130	3,480	10	-340	-9.8%
State and Local Government Education	1,330	1,300	1,610	30	-280	-17.4%

**Note: I expect to see significant revisions to the construction employment estimates in the next release. This will also affect the rollup estimations for goods, private sector employment and total nonfarm estimates. If one assumes no change in construction employment over the year, the narrative would shift to over-the-year decline. The description below is based on the preliminary numbers as published for January. -AVS*

Total nonfarm payroll jobs in Island County expanded by 1,220 from December 2020 to January 2021. Year-over-year, the tally of nonfarm jobs expanded by 190 or 1.1 percent.

- From December to January, most industries included in this report saw declining employment levels, with the deepest drops observed in education and health services and retail trade. Government and construction each added jobs over the month.
- Year-over-year, the deepest losses were observed in leisure and hospitality and education and health services. Construction and professional and business services gained the most jobs over the year.

Employment statistics for Island County do not include military employment.

San Juan County

Local Area Unemployment Statistics

The unemployment rate in San Juan County was 6.6 percent in January 2021 (preliminary), down from 7.1, reported in December 2020 (revised). For comparison, the unemployment rate 12 months ago was 5.4 percent. The peak unemployment rate reported during the pandemic was 18.7 percent in April.

- Compared to January 2020, the number of residents counted as ‘employed’ decreased by 167 and the number counted as ‘unemployed’ or actively seeking work increased by 96. Altogether, the San Juan County labor force consisted of an estimated 7,974 resident workers and contracted by 0.9 percent over the year.

San Juan County local area payroll jobs

Nonfarm Employment Estimates, Not Seasonally Adjusted

San Juan County

Data benchmarked through September 2020

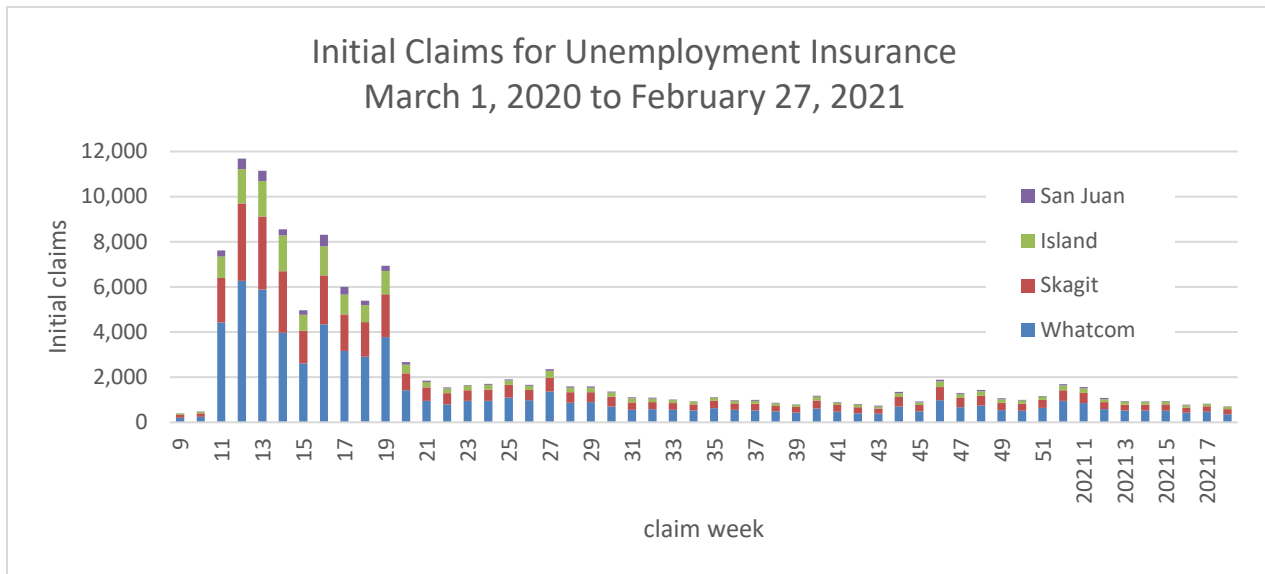
NAICS Industry Title	Prelim Jan-21	Revised Dec-20	Revised Jan-20	Change		
				Dec-20 Jan-21	Jan-20 Jan-21	Jan-20 Jan-21
Total Nonfarm	5,030	4,890	5,210	140	-180	-3.5%
Total Private	4,230	4,140	4,340	90	-110	-2.5%
Goods Producing	970	930	890	40	80	9.0%
Mining, Logging, and Construction	740	730	700	10	40	5.7%
Manufacturing	230	200	190	30	40	21.1%
Service Providing	4,060	3,960	4,320	100	-260	-6.0%
Trade, Transportation, and Utilities	940	900	940	40	0	0.0%
Information and Financial Activities	370	360	320	10	50	15.6%
Professional and Business Services	460	420	420	40	40	9.5%
Education and Health Services	640	610	620	30	20	3.2%
Leisure and Hospitality	660	730	970	-70	-310	-32.0%
Government	800	750	870	50	-70	-8.0%

Net nonfarm payroll in San Juan County expanded over the month (up 140). Year-over-year, total nonfarm employment was down 180 or 3.5 percent.

- San Juan County has a highly seasonal economy, due to its orientation toward tourism. Most industries shed jobs in the winter and return with the sun. Economically speaking, summer never arrived at the San Juan Islands this year, but seasonal declines continue to affect the local labor market.
- Over the month, a number of industries experienced some amount of growth, with the largest gains attributable to government. Leisure and hospitality employment dropped in January.
- Over the year, the deepest losses were attributable to the largest industry – leisure and hospitality shed 310 jobs. The largest gains were observed in information and financial activities.

Weekly Unemployment Insurance Claims information:

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.



New claims for unemployment insurance have stabilized, but are still higher than pre-pandemic levels.

**Labor force and payroll reporting reflects employment during 2021 week 2 (January 10-16)*

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

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Washington Relay Service 711.