

Puget Sound Sees Pandemic Employment Recovery



Central Puget Sound region recovers over 126,000 jobs in 2022

In the decade prior to the COVID-19 pandemic, the central Puget Sound region's economy was adding an average of over 46,000 jobs per year*. This represents an average annual growth rate of 2.5% between 2010 and 2020.

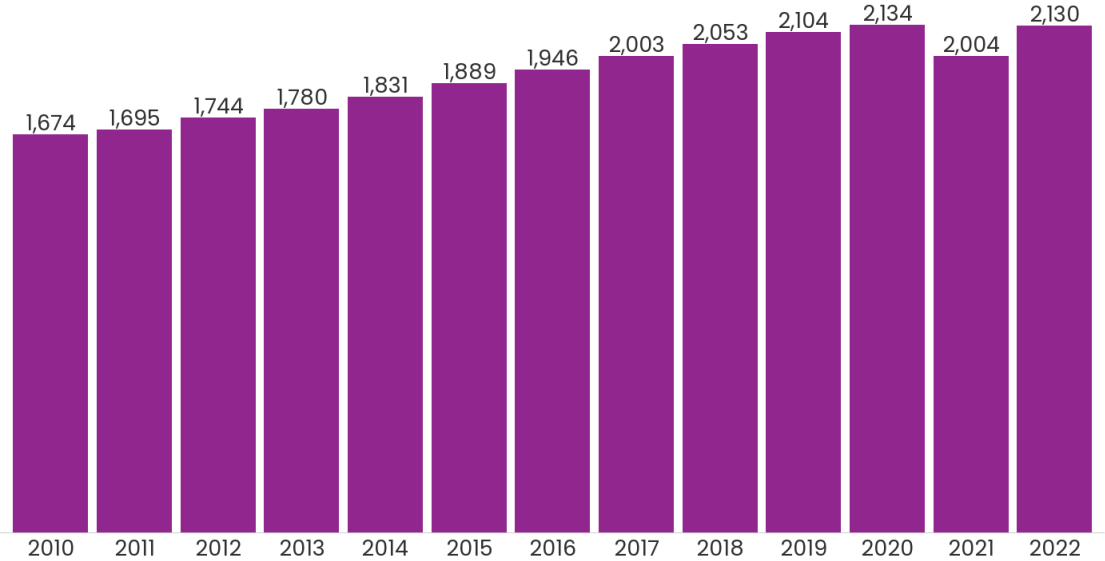
This continuous growth was disrupted by the COVID-19 pandemic with shutdowns, remote work and economic uncertainty. Between 2020 and 2021, over 130,000 jobs, or more than 6.1% of total employment, in the central Puget Sound region were lost. This erased roughly three years of growth.

Nevertheless, with the introduction of COVID-19 vaccines and lifting of pandemic restrictions, employment growth surged after 2021. Employment in the region had broadly recovered by 2022 with an estimated gain of over 126,000 jobs, or 6.3%, over that year.

This recovery wasn't distributed evenly in the central Puget Sound region. Geographically, it transpired to different extents among the four counties. PSRC employment estimates for King and Pierce counties show that they surpassed their 2020 job totals by 2022. Recovery in Kitsap and Snohomish counties has been relatively slower, with neither having 2022 employment returning to 2020 levels.

*PSRC uses data from March to reduce the impact of seasonality in employment

Covered employment (in thousands) in the central Puget Sound region, 2010–2022



Source: PSRC Covered Employment estimates for King, Kitsap, Pierce & Snohomish counties (rounded to the nearest thousand)

Notably, Snohomish County experienced the greatest employment reduction during the pandemic. The county saw an over 8% decline in jobs between 2020 and 2021. It also had the slowest rebound, growing 4.9% between 2021 and 2022.

Pierce County, meanwhile, had a 4% decline in jobs between 2020 and 2021, the lowest percentage decrease in the region. The county’s job count grew 5.2% the next year.

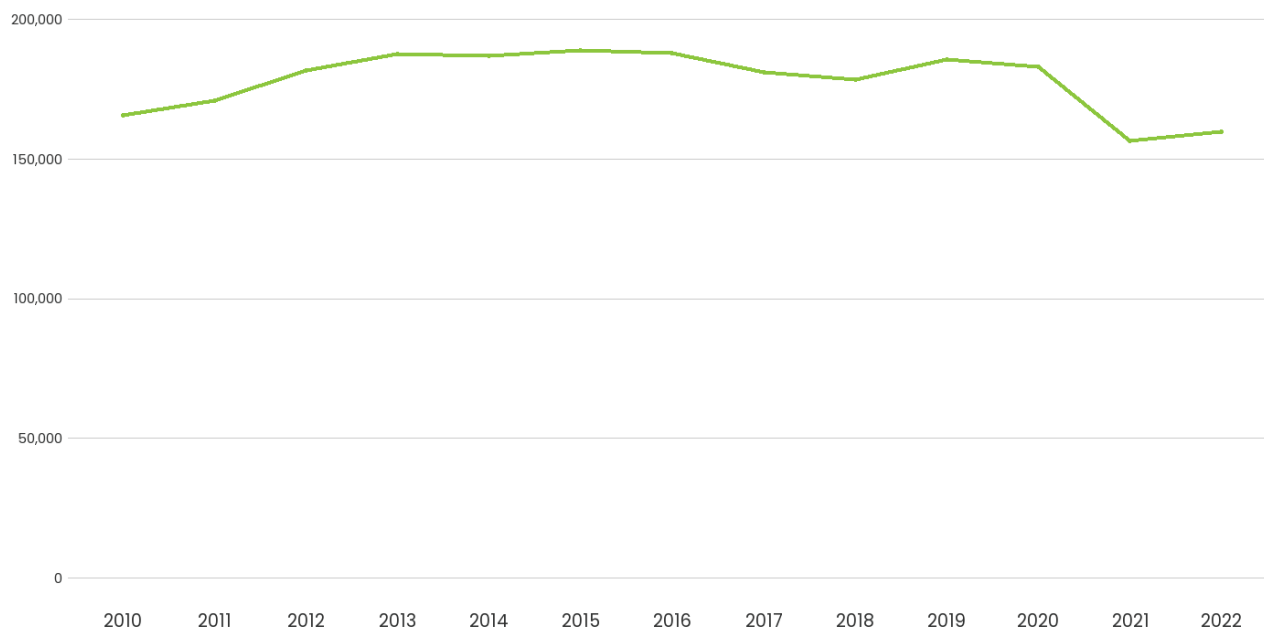
King and Kitsap counties saw similar rates of decline and then growth in jobs between 2020 and 2022. Though, Kitsap County’s rebound in 2022 did not reach its 2020 level, while King County had a slightly better rebound, having more jobs in 2022 than in 2020.

Covered employment by county, 2020–2022

	2020	2021	2022
King	1,431,000	1,342,000	1,434,000
Kitsap	92,000	87,000	91,000
Pierce	319,000	306,000	322,000
Snohomish	293,000	269,000	283,000

Source: PSRC Covered Employment estimates for King, Kitsap, Pierce & Snohomish counties (rounded to the nearest thousand)

Manufacturing sector employment in the Puget Sound region, 2010–2022



Source: PSRC Covered Employment estimates for King, Kitsap, Pierce & Snohomish counties

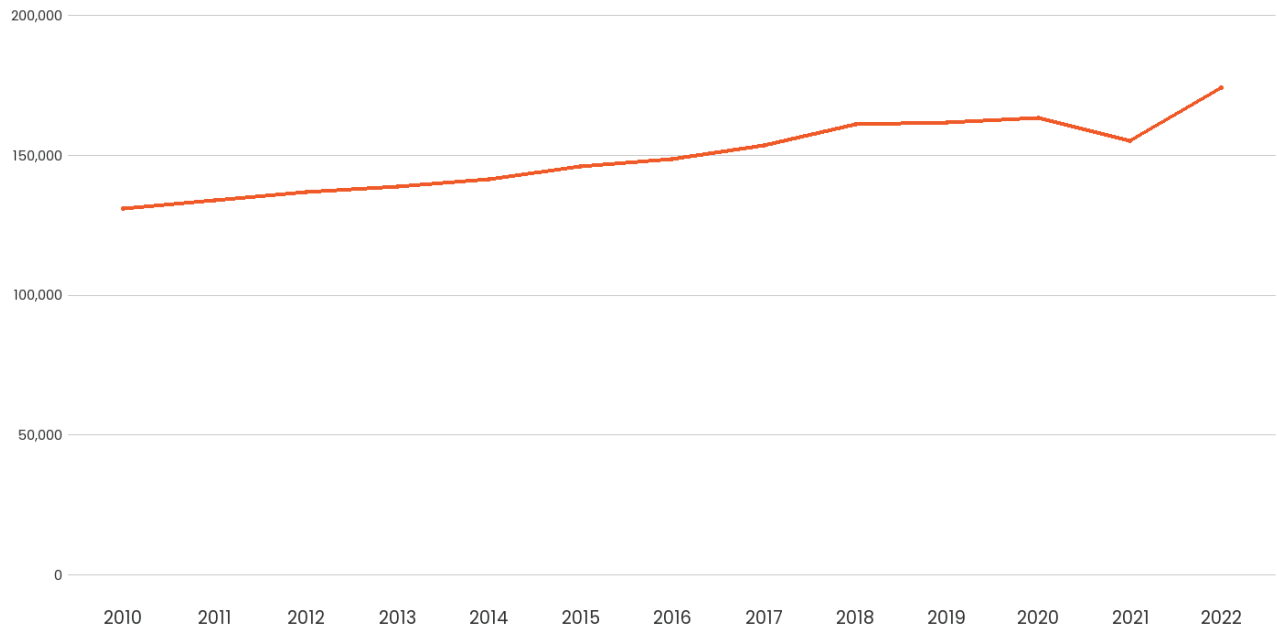
In addition to pandemic recovery differences by county, there are major differences in sector recovery. Sectors such as manufacturing and education had significant employment reductions during the height of the pandemic and have yet to have major rebounds. Other sectors like warehousing, transportation and utilities (WTU) have rebounded far above their pre-pandemic job totals.

Of all the sectors, manufacturing fared the worst and has had recovered at one of the slowest rates. Between 2020 and 2021, 14.5% of manufacturing jobs were lost. In the next year, jobs in this sector only grew by 2.2%. It is important to note that PSRC uses Washington State Employment Security Department (ESD) data, which counts manufacturing jobs in the Puget Sound Naval Shipyard, a major employer in Kitsap County, in the government category, rather than manufacturing. This isolates a potentially more stable count of manufacturing jobs from the numbers calculated in our estimates.

Government and education employment have also not fully recovered from their pandemic dips. In 2022, they were estimated to be 3.5% and 4.9%, respectively, down from their 2020 levels.

The best performing sector was WTU. Between 2020 and 2021, the sector's employment declined 5%. The next year, employment surged over 12%. Construction, agriculture and natural resources, and finance, insurance and real estate (FIRE) are also estimated to have recovered well. Respectively, employment in those sectors were up 0.3% and 2.1% in 2022 compared to 2020.

WTU sector employment in the Puget Sound region, 2010–2022



Source: PSRC Covered Employment estimates for King, Kitsap, Pierce & Snohomish counties

The retail and services sectors saw some superficial flux in their job numbers between 2021 and 2022, as the federal government reclassified jobs in the retail sector. This classification change shows up in PSRC employment estimates with a major decline in retail employment and an increase in services employment.

A deeper look can also be taken by cross-tabulating county and sector data (see tables in pages 6 and 7). The tables show where each sector was impacted the most and how each county's economy was changed based on their economic composition.

King County saw much variability in recovery between its employment sectors. The county's 2022 manufacturing employment count is 11% under its 2020 point. WTU employment in King County is up 7% in 2022 from 2020. Education employment in King County is down 5% in 2022 from 2020. King County is also

where we see the most significant impact of the federal reclassification of jobs in the retail sector.

Kitsap County saw a similar impact as King County with WTU employment up 13% in 2022 from 2020. Education employment also fell 5% in 2022 from 2020. Kitsap County also saw government employment significantly hit by the pandemic, trending down 5% in 2022 from 2020.

For Pierce County, its pandemic recovery has been relatively even across sectors. No one sector had a difference of plus or minus 4% in 2022 compared to 2020.

Snohomish County saw all the impacts that both King and Kitsap counties had, but at a greater level. Manufacturing employment in Snohomish County declined 19% from 2020 to 2021. It only increased by 1% the next year, hardly recovering from the pandemic's height. Education employment also fell 5% in 2022 from 2020. Government employment fell 6% in 2022 from 2020. WTU employment figures increased by 11% in 2022 from 2020.

On the surface, the central Puget Sound region had largely recovered to pre-pandemic employment figures by 2022. However, analyses by geography and sector show that the recovery has been uneven. In particular, Snohomish County and manufacturing have not recovered as well as the rest of the economy. Manufacturing's lack of a strong rebound is particularly linked to Snohomish County's slower recovery.

It's also important to note that these figures do not include the major technology sector layoffs that occurred later in 2022 and 2023. PSRC will continue to monitor employment data in the central Puget Sound.

King County sector employment

	2020	2021	<i>2021 vs. 2020</i>	2022	<i>2022 vs. 2021</i>	<i>2022 vs. 2020</i>
Construction & Resources	77,700	76,900	-1%	76,800	0%	-1%
FIRE	69,600	68,800	-1%	72,100	5%	4%
Manufacturing	101,000	87,600	-13%	89,500	2%	-11%
Retail	163,400	166,900	2%	104,500	-37%	-36%
Services	727,300	668,000	-8%	798,300	20%	10%
WTU	115,100	106,400	-8%	122,900	16%	7%
Government	96,300	93,100	-3%	93,800	1%	-3%
Education	80,200	73,900	-8%	76,000	3%	-5%
Total	1,430,600	1,341,600	-6%	1,434,000	7%	0%

Source: PSRC Covered Employment estimates (rounded to the nearest hundred)

Kitsap County sector employment

	2020	2021	<i>2021 vs. 2020</i>	2022	<i>2022 vs. 2021</i>	<i>2022 vs. 2020</i>
Construction & Resources	5,000	5,000	0%	5,000	1%	2%
FIRE	2,900	2,800	-4%	3,000	8%	3%
Manufacturing	2,800	2,500	-11%	2,900	17%	4%
Retail	10,800	10,500	-2%	10,700	2%	-1%
Services	33,700	31,100	-8%	34,400	11%	2%
WTU	2,200	2,300	2%	2,500	10%	13%
Government	27,400	26,500	-3%	26,100	-2%	-5%
Education	7,000	5,900	-16%	6,600	13%	-5%
Total	91,700	86,600	-6%	91,300	5%	0%

Source: PSRC Covered Employment estimates (rounded to the nearest hundred)

Pierce County sector employment

	2020	2021	<i>2021 vs. 2020</i>	2022	<i>2022 vs. 2021</i>	<i>2022 vs. 2020</i>
Construction & Resources	25,500	25,100	-2%	26,200	4%	3%
FIRE	14,000	13,400	-4%	13,600	1%	-3%
Manufacturing	17,300	16,000	-8%	16,900	5%	-3%
Retail	35,400	36,100	2%	36,400	1%	3%
Services	135,400	127,800	-6%	138,600	8%	2%
WTU	31,900	31,800	0%	33,200	5%	4%
Government	35,400	33,800	-5%	33,900	0%	-4%
Education	24,200	22,200	-8%	23,300	5%	-4%
Total	319,200	306,200	-4%	322,100	5%	1%

Source: PSRC Covered Employment estimates (rounded to the nearest hundred)

Snohomish County sector employment

	2020	2021	<i>2021 vs. 2020</i>	2022	<i>2022 vs. 2021</i>	<i>2022 vs. 2020</i>
Construction & Resources	25,400	25,500	0%	26,100	2%	3%
FIRE	13,300	13,100	-1%	13,200	1%	-1%
Manufacturing	61,900	50,300	-19%	50,600	1%	-18%
Retail	34,600	33,500	-3%	34,200	2%	-1%
Services	102,400	95,600	-7%	103,700	9%	1%
WTU	14,200	14,700	4%	15,600	7%	11%
Government	21,800	20,300	-7%	20,600	2%	-6%
Education	19,400	16,500	-15%	18,400	12%	-5%
Total	293,000	269,400	-8%	282,600	5%	-4%

Source: PSRC Covered Employment estimates (rounded to the nearest hundred)