

# COVID-19 ECONOMIC IMPACT

April 27, 2020



**WORKFORCE**  
DEVELOPMENT COUNCIL  
OF SEATTLE - KING COUNTY

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[SEAKINGWDC.ORG](http://SEAKINGWDC.ORG)

# Critical Issues - Current and Future

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## Unprecedented Scale and Pace

## Multifaceted Drivers and Impact

- Challenges across economic, social, health and safety

## Disproportionate Impact: Sectors, Communities and People

- Hospitality, Food Services
- Low wage workers, people of color, immigrants
- Small business

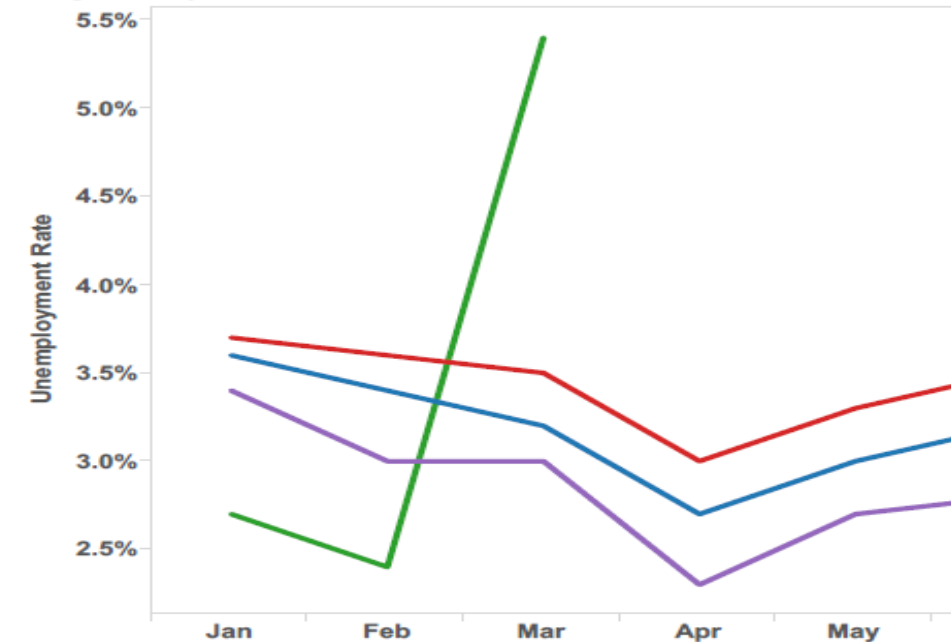
## Depth and Duration of Economic Impact Uncertain

- Dependent on public health and economic policies

# Unprecedented Scale

## Unemployment Rate Feb - Mar 2.4% to 5.4%

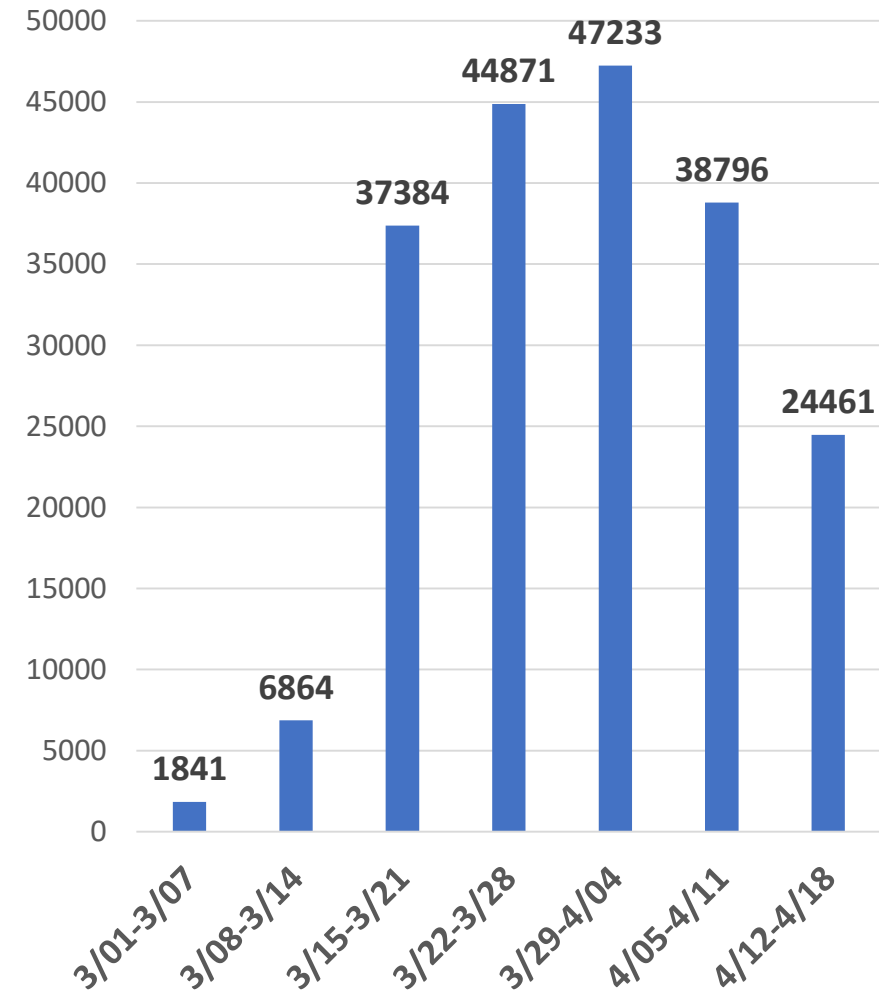
Unemployment rate, not seasonally adjusted  
King County



2017	3.7%	3.6%	3.5%	3.0%	3.3%
2018	3.6%	3.4%	3.2%	2.7%	3.0%
2019	3.4%	3.0%	3.0%	2.3%	2.7%
2020	2.7%	2.4%	5.4%		

2017 2018 2019 2020

## New UI Claims March 1 – April 18 Total: 201,450



# Sector and Occupation Impact

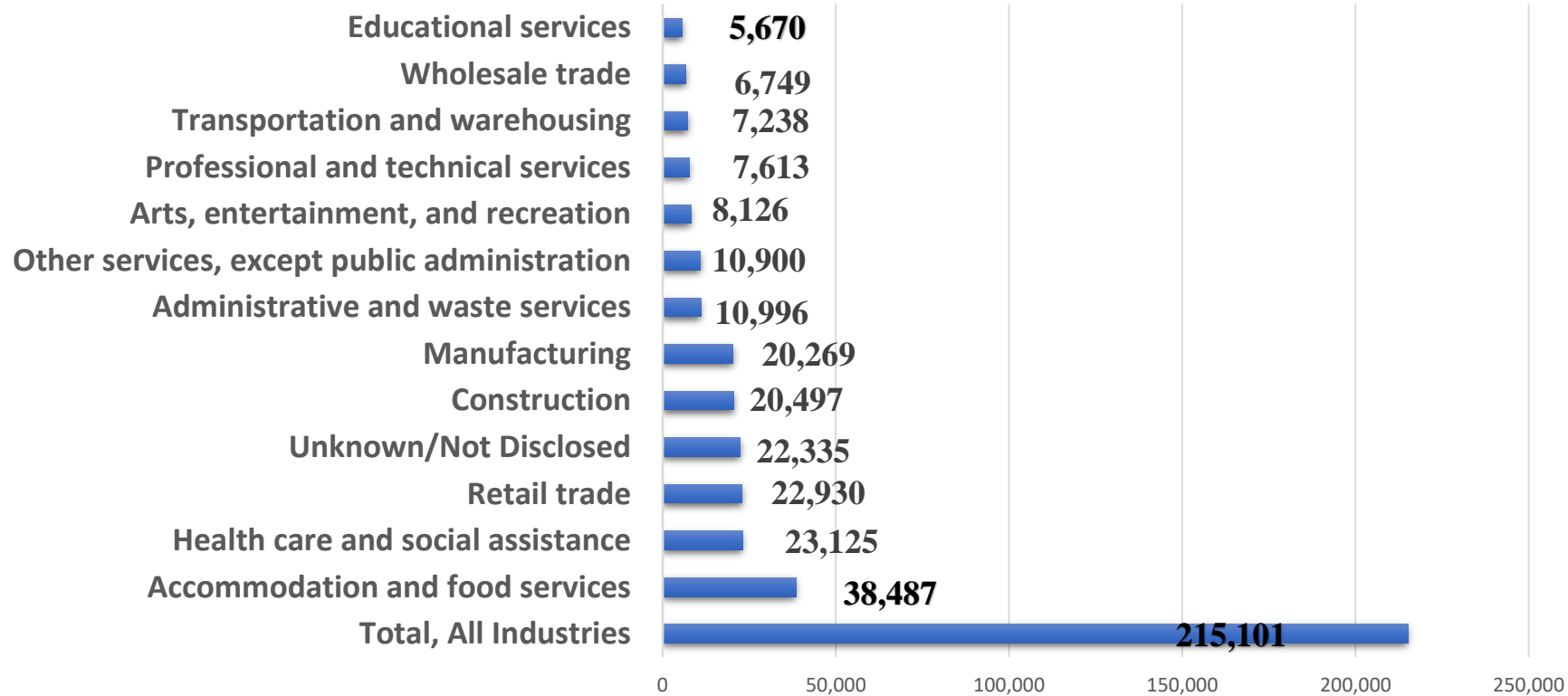
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- All Sectors Impacted
- Vulnerability, Duration and Economic Impact Vary
- Retail, Hospitality, Restaurant Sectors
  - Low wage workers, people of color, immigrants
  - Small business (KC 86% less than 20 emp)
- Temporary increased demand “essential jobs” : Grocery, delivery, health care
  
- **Workers in At-Risk Industries, King \***
  - 656,400 workers are employed in King County
  - 419,400 workers categories as in industries that are facing immediate risk
  - Most of these occupations pay between \$15 to \$25/hr

Source: COVID-19 Anticipated Economic Impacts in Seattle and Washington; Anticipated Economic Impacts for Near-Term and Longer-Term Considerations March 17, 2020 Business Health, The Chamber Seattle Metropolitan Chamber of Commerce Community Attributes

# Sectors Impacted

New UI Claims Jan - April 18 2020 (sectors with 5,000+)



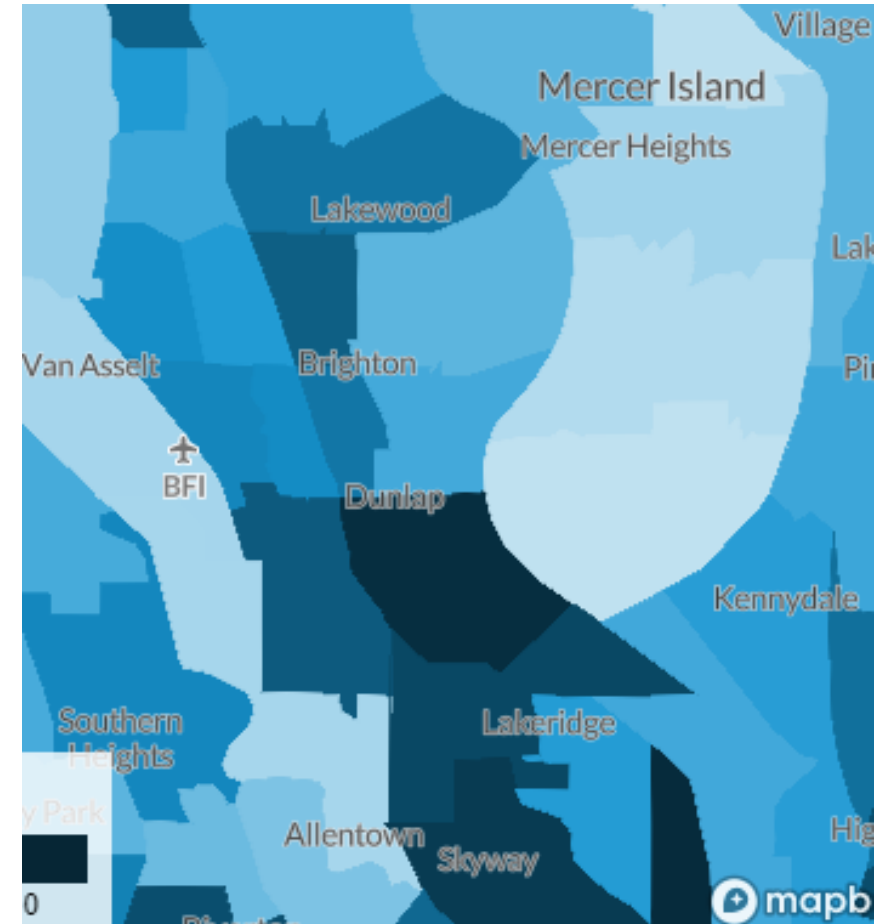
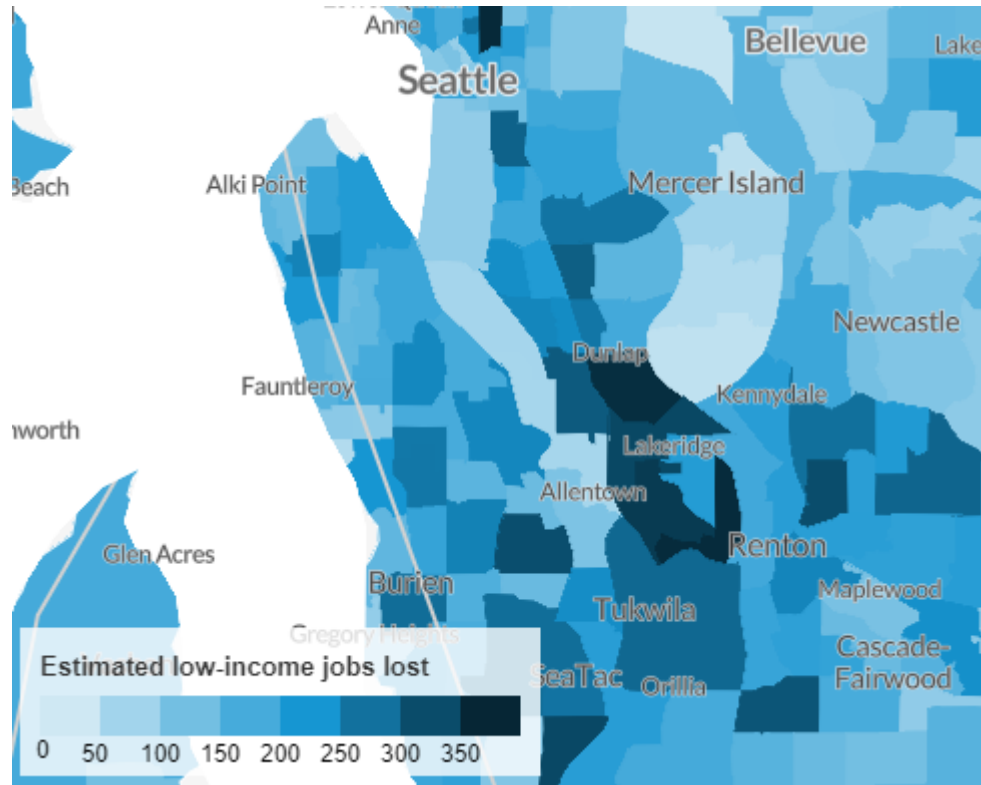
Source: <https://esd.wa.gov/labormarketinfo/report-library>



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Neighborhoods hardest hit by COVID-19 job losses are home to workers in industries like tourism and transportation, which are bearing the brunt of the economic shutdown.



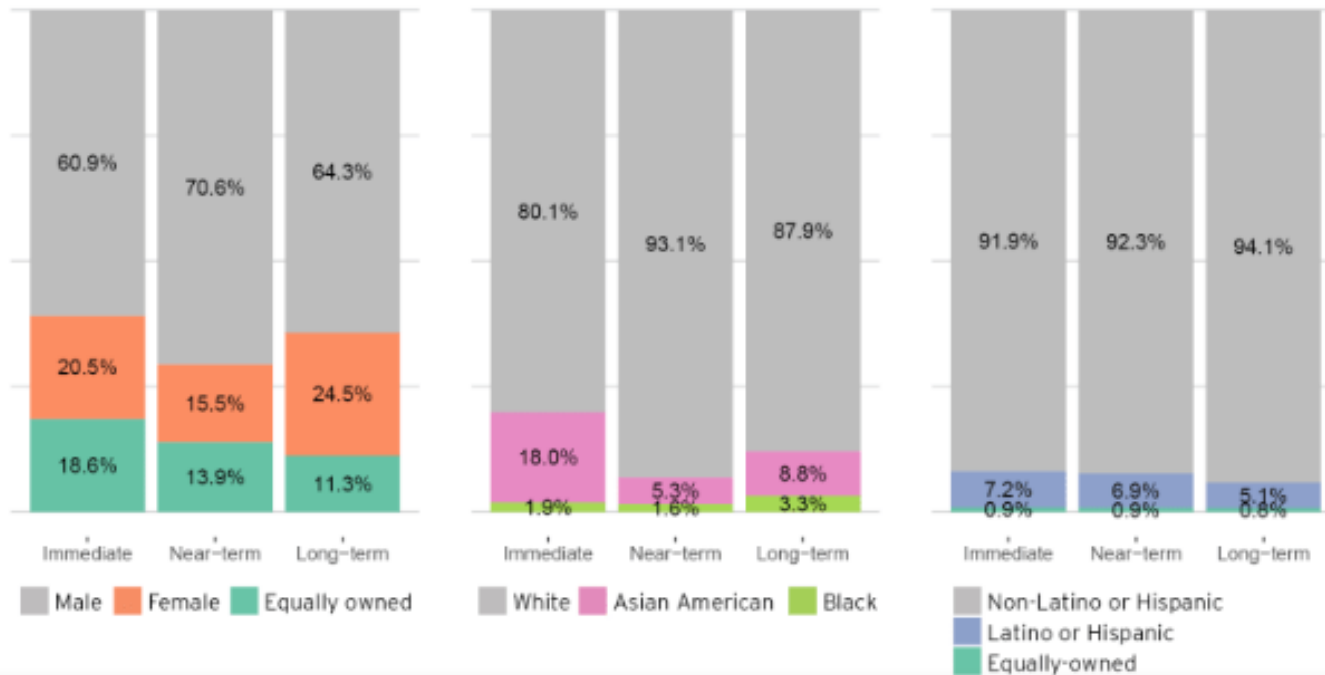
Source: <https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19>; April 23, 2020

## COVID-19 MAY HIT WOMEN- AND MINORITY-OWNED BUSINESSES HARDEST

FIGURE 5

### MWBEs are most represented in industries at immediate risk from COVID-19

Share of ownership by risk levels from COVID-19



### Challenges

- Higher prevalence of MWBEs in the retail, food service, and other industries most affected by closings.
- Pre-existing structural inequities Historical access to capital
- Less capital reserve to cushion continue paying employees.
- Have less access to credit, and less ability to withstand the loss of income.

<https://www.brookings.edu/blog/brookings-now/2020/04/23/charts-of-the-week-covid-19s-impact-on-different-groups-in-america/>

# Recovery: Multi-Sector Comprehensive Coordinated Response

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## Short Term Priorities

- Identify and address systemic barriers to accessing economic, health and social supports
- Address immediate economic challenges
  - Improve access to resources and support (language, technology, navigation)
  - Strengthen the safety net: health care, food and economic supports
- Advocate for worker safety – essential jobs and as workers start returning to work
- Advocated for and leverage local, state, federal and private funding to address community priorities and gaps
- Develop resources to support immigrants, gig workers and other populations that are not eligible for current supports

## Near and Mid Term Recovery

- Targeted economic assistance and support for populations and businesses most vulnerable
- Prepare workers and businesses for long term success recovering from COVID disaster – skills training, subsidized wages and supports to encourage reemployment
- Focus on long-term job quality and economic inclusion
- The economic policy response to COVID-19 should be intended to maximize the share of workers who return to work, reduce duration of unemployment and improve economic stability.