



# Snohomish County Labor Area Summary September 2016



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

## Overview

- In September 2016, the not seasonally adjusted unemployment rate in Snohomish County was 4.3 percent. This is unchanged from August and down from 4.9 percent observed 12 months ago.
- There were an estimated 287,100 nonfarm jobs in Snohomish County as of September 2016.
- Nonfarm employment in Snohomish County expanded by 200 jobs from August to September 2016.
- The largest private month-to-month gains were observed in manufacturing (up 300). Government employment increased by 900 in step with the academic calendar.
- Total nonfarm employment in September 2016 was 4,600 jobs above the level observed 12 months earlier. This represents a 1.6 percent increase in employment over the year.
- The largest annual gains were attributed to hiring in construction (up 1,900) education and health services (up 1,200) and professional and business services (up 1,100). All broad industry sectors increased except manufacturing and retail, which declined by 500 and 100 jobs respectively.

## Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for Snohomish County was 4.3 percent (preliminary) in September 2016. This is unchanged from the rate observed in August. For comparison, the unemployment rate in September 2015 was 4.9 percent.

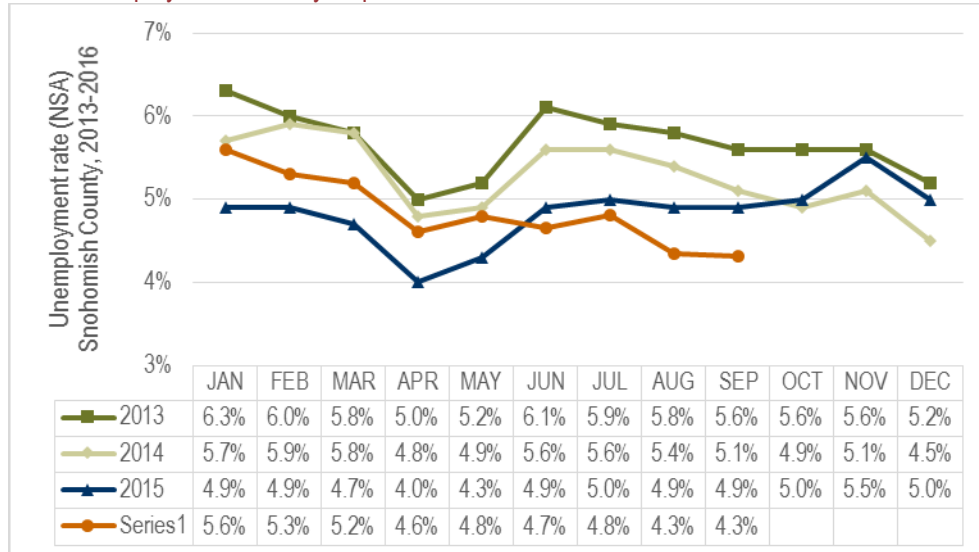
- The unemployment rate has generally fallen every year since 2010, with some seasonal variation. From October 2015 to May 2016, a year-over-year comparison revealed increasing unemployment rates and over the past couple months, the unemployment rate has dipped back below the previous year's estimates. Rising unemployment rates over this period appear to have been a product of an expanding labor force.

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 11.2 percent in January and February, 2010. Since then, the elevated rate has slowly diminished. September 2016 figures are:

- Snohomish County labor force: 418,618
- Total employed: 400,553
- Total unemployed: 18,065
- Unemployment rate: 4.3%

Month-to-month, Snohomish County’s total resident labor force expanded by 3,643. The number of employed people increased by 3,624 and the number of active job seekers increased by 19. Over-the-year, the labor force expanded by 16,643 people or 4.1 percent.

**Figure 1. Unemployment rates, not seasonally adjusted**  
 Snohomish County, January 2013 through September 2016  
 Source: Employment Security Department/LMPA



The unemployment rate peaked at 11.2% in early 2010. In September 2016, the unemployment rate was 4.3 percent.

### Washington state

The not seasonally adjusted unemployment rate for Washington state decreased from 5.4 percent (revised) in August to 5.1 percent (preliminary) in September. The statewide labor force increased by 123,222 (3.5 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.2 percent.

The September forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.74 percent in 2016 – a slight upward revision since the June forecast - and dip to 5.63 percent in 2017. See [www.erfc.wa.gov](http://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 held at 4.0 percent in August (revised) and September (preliminary) 2016. Twelve months ago, the unemployment rate was 4.7 percent.

### Unemployment Insurance (UI) Claims

The largest share of new UI claims in Snohomish County continues to come from workers in seasonally- and contract-sensitive construction-related occupations. The top five occupational groups filing initial claims for UI in September 2016 follows:

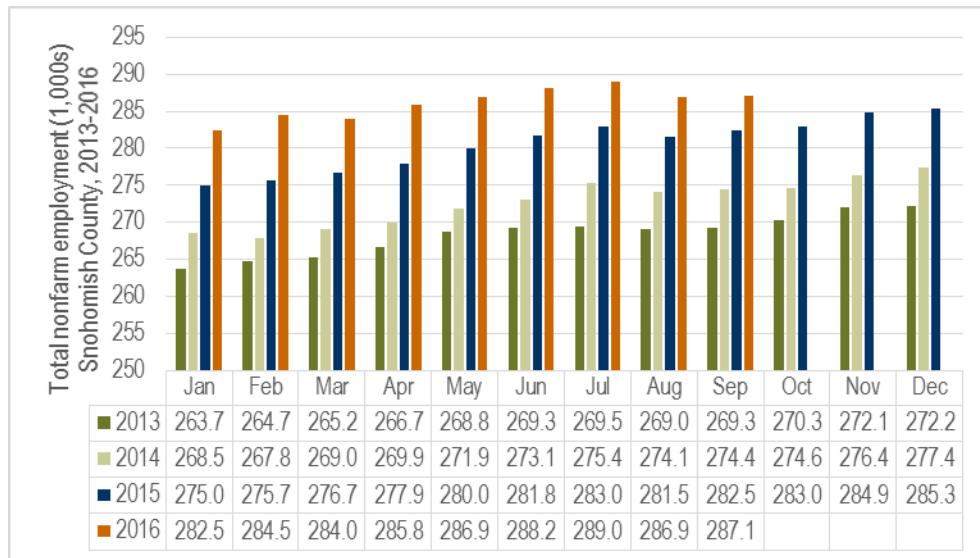
- Construction and extraction occupations
- Office and administrative support occupations
- Production occupations
- Management occupations
- Transportation and material moving occupations

UI claims activity peaked in May 2009 (22,556 continued claims were counted that month) and has been on a downward trend ever since. In September 2016, 2,385 new claims were filed in Snohomish County and 5,377 Snohomish County residents collected state benefits.

## Total nonfarm employment

Total nonfarm employment in Snohomish County increased by 200 in September 2016 and by 4,600 or 1.6 percent over the past 12 months. The estimated tally of jobs in September 2016 was 287,100.

**Figure 2. Nonfarm industry employment**  
 Snohomish County, January 2013 through September 2016  
 Source: Employment Security Department/LMPA



*The Snohomish County employment continues to expand, with year-over-year growth observed in most industry sectors.*

Snohomish County employment levels peaked in early 2008 and reached their lowest levels since the start of the economic downturn in early 2010. Average annual nonfarm employment fell by 6.4 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to 2006 levels. Employment since 2010 has grown for all of Snohomish County’s major private sector industries.

**Figure 3. Total nonfarm industry employment, not seasonally adjusted**  
**Snohomish County, September 2015, August 2016 and September 2016.**  
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted  
**Snohomish County**

Data benchmarked through March 2016

NAICS Industry Title	Prelim Sep-16	Revised Aug-16	Revised Sep-15	Change		
				Aug-16 Sep-16	Sep-15 Sep-16	Sep-15 Sep-16
Total Nonfarm	287,100	286,900	282,500	200	4,600	1.6%
Total Private	248,800	249,500	244,600	-700	4,200	1.7%
Goods Producing	85,700	85,400	84,300	300	1,400	1.7%
Mining, Logging, and Construction	22,200	22,200	20,300	0	1,900	9.4%
Construction of Buildings	3,600	3,600	3,500	0	100	2.9%
Heavy and Civil Engineering Construction	2,200	2,200	1,900	0	300	15.8%
Specialty Trade Contractors	16,100	16,100	14,700	0	1,400	9.5%
Manufacturing	63,500	63,200	64,000	300	-500	-0.8%
Durable Goods	59,800	59,500	60,500	300	-700	-1.2%
Wood Product Manufacturing	900	900	1,000	0	-100	-10.0%
Fabricated Metal Product Manufacturing	4,100	4,100	4,100	0	0	0.0%
Computer and Electronic Product Mfg.	5,200	5,200	5,500	0	-300	-5.5%
Aerospace Product and Parts Mfg.	43,500	43,200	44,000	300	-500	-1.1%
Nondurable Goods	3,700	3,700	3,500	0	200	5.7%
Service Providing	201,400	201,500	198,200	-100	3,200	1.6%
Trade, Transportation, and Utilities	48,200	48,600	48,000	-400	200	0.4%
Wholesale Trade	8,500	8,500	8,400	0	100	1.2%
Retail Trade	35,000	35,500	35,100	-500	-100	-0.3%
Motor vehicle and parts dealers	4,700	4,800	4,500	-100	200	4.4%
Food and beverage stores	7,100	7,200	6,900	-100	200	2.9%
General merchandise stores	7,900	8,100	8,100	-200	-200	-2.5%
Transportation, Warehousing, and Utilities	4,700	4,600	4,500	100	200	4.4%
Information	6,000	6,100	5,800	-100	200	3.4%
Telecommunications	4,000	4,000	4,200	0	-200	-4.8%
Financial Activities	12,400	12,500	12,400	-100	0	0.0%
Finance and Insurance	9,100	9,200	9,200	-100	-100	-1.1%
Credit intermediation and related activities	3,100	3,100	3,100	0	0	0.0%
Insurance carriers and related activities	5,800	5,800	5,800	0	0	0.0%

Real estate and rental and leasing	3,300	3,300	3,200	0	100	3.1%
Professional and Business Services	26,500	26,500	25,400	0	1,100	4.3%
Professional, Scientific, and Technical Services	11,100	11,100	10,600	0	500	4.7%
Architectural and engineering services	2,200	2,200	2,200	0	0	0.0%
Administrative, Support, Waste Mgmt., & Remed.	13,800	13,800	13,400	0	400	3.0%
Employment services	4,800	4,700	4,700	100	100	2.1%
Educational and Health Services	34,200	34,000	33,000	200	1,200	3.6%
Ambulatory health care services	12,000	11,900	11,500	100	500	4.3%
Nursing and residential care facilities	4,900	4,900	5,100	0	-200	-3.9%
Social assistance	9,500	9,500	9,100	0	400	4.4%
Leisure and Hospitality	25,600	26,000	25,500	-400	100	0.4%
Arts, Entertainment and Recreation	3,500	3,600	3,700	-100	-200	-5.4%
Food Services and Drinking Places	20,600	20,700	20,300	-100	300	1.5%
Other Services	10,200	10,400	10,200	-200	0	0.0%
Government	38,300	37,400	37,900	900	400	1.1%
Federal Government	2,100	2,100	2,000	0	100	5.0%
State Government	6,300	5,700	6,300	600	0	0.0%
State Educational Services	3,300	2,700	3,300	600	0	0.0%
Local Government	29,900	29,600	29,600	300	300	1.0%
Local Educational Services	13,800	13,300	13,400	500	400	3.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

*Snohomish County employment expanded by 4,600 over the past 12 months.*

## Nonfarm industry employment

### Goods-producing Industries

From August to September 2016, employment in construction and manufacturing combined expanded by 300. Year-over-year, goods producers in Snohomish County added an estimated 1,400 jobs.

Total employment in the **construction** industries remained unchanged from August to September. Year-to-year, employment in construction was up 1,900. This is a 9.4 percent increase over last year's observed employment level.

- Workers and employers in construction suffered losses above and beyond most. Based on annual average employment levels, construction declined an estimated 43 percent from peak levels in 2007. Recovery has lagged other industries and employment is highly seasonal. Expect to see month-to-month increases in the summer months and losses as the weather cools in the autumn.

Net **Manufacturing** employment increased by 300 over the month, but dropped by 500 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 63,500 jobs in Snohomish County -- nearly one in four jobs.

- Manufacturing is a diverse set of industries experiencing different patterns of growth and decline. Since reaching a post-recession peak of 65,500 in late 2012, employment dropped slightly and more-

or-less leveled off. Total employment in manufacturing has been hovering in the 63,000 range since late 2013.

- Over the year, employment losses for the manufacturing sector came from aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 43,500 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 500. The past couple years have been characterized by declining employment in aerospace.
  - 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.
- Despite over the year losses in durable goods, nondurable goods manufacturers created 200 jobs.

### Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 100 jobs over the month. Over the year, service-sector employers added 3,200 jobs to the Snohomish County economy, expanding employment by 1.6 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in education and health services (up 1,200), professional and business services (up 1,100) and government (up 400).

**Wholesale trade** employment neither increased nor decreased over the month, but expanded by 100 jobs over the year. 8,500 jobs are found in this industry.

Employment in **retail trade** contracted by 500 in September and by 100 jobs or 0.3 percent over the past 12 months.

- Employment in retail trade increased in motor vehicle and parts dealers as well as food and beverage stores. General merchandisers are among those that observed decreasing employment.

Employment in **transportation, warehousing and utilities** increased by 100 over the month and by 200 jobs over the year. Transportation warehousing and utilities employed 4,700 in September.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – fell by 100 in September, but expanded by 200 over the year. Information sector employers were responsible for 6,000 Snohomish County jobs in September 2016.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment fell by 100 jobs over the month. Employment levels were unchanged over the year. Altogether, the financial activities industries employed an estimated 12,400 in September.

**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 September 2016, employment in this diverse sector was unchanged from August at an estimated 26,500 jobs. Over the year, employers added 1,100 jobs or 4.3 percent.

- Growth was observed in professional, scientific and technical services (up 500) as well as within administrative support, waste management and remediation (up 400).

Employment in the **educational and health services** increased by 200 in September and expanded by 1,200 (3.6 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services (up 500) and social assistance (up 400); Nursing and residential care facilities employment fell (down 200) 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.

**Leisure and hospitality** shed 400 jobs from August to September and contributed 100 new jobs to the Snohomish County economy over the year. Leisure and hospitality expanded by 0.4 percent over the year and accounted for an estimated 25,600 jobs in September 2016.

**Other services** represents a diverse collection of industries that do not fit elsewhere and include employers ranging from auto mechanics and dry cleaners to membership clubs. Net employment declined over the month (down 200) and industry employment remained unchanged over the year. Employment in other services was estimated at 10,200 in September.

**Government** employment increased by 900 jobs over the month and expanded by 400 over the year (1.1 percent). Year-over-year gains were concentrated in local and state educational services. Since a large portion of government employment is related to education, expect to see large temporary drops in employment over the summer months followed by a resurgence when the leaves begin to turn.

### **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 September and updated in October. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).

### **Holiday hiring forecast:**

As the holiday season approaches, we typically see a lot of hiring activity, particularly among retailers. Last year, retail hiring in Washington state during the 4<sup>th</sup> quarter increased by 10,542. In 2016, the Employment Security Department estimates that the increase will be slightly greater; around 12,726, marking a 3.5 percent increase from September through December. In the Seattle MD, the increase is expected to be on the order of 5,321 jobs or 3.1 percent. The largest retail increases are likely to be in general merchandise stores and clothing and clothing accessories retailers.