



Snohomish County Labor Area Summary August 2016



Anneliese Vance-Sherman, Ph.D., Regional Labor Economist
Washington State Employment Security Department
Labor Market and Performance Analysis
Phone: 425-258-6300
Mobile: 360-630-1232
Email: avancesherman@esd.wa.gov
Website: esd.wa.gov/labormarketinfo

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

Overview

- In August 2016, the not seasonally adjusted unemployment rate in Snohomish County was 4.4 percent. This is down from 4.8 percent in July and down from 4.9 percent observed 12 months ago.
- There were an estimated 288,000 nonfarm jobs in Snohomish County as of August 2016.
- Nonfarm employment in Snohomish County contracted by 1,000 jobs from July to August 2016.
- The largest month-to-month gains were observed in construction and the deepest month-to-month losses were observed in government.
- Total nonfarm employment in August 2016 was 6,500 jobs above the level observed 12 months earlier. This represents a 2.3 percent increase in employment over the year.
- The largest annual gains were attributed to hiring in construction (up 1,500) professional and business services (up 1,300) and education and health services (up 1,200). All broad industry sectors increased over the year except manufacturing, which remained unchanged over the year.

Unemployment rates and labor force information

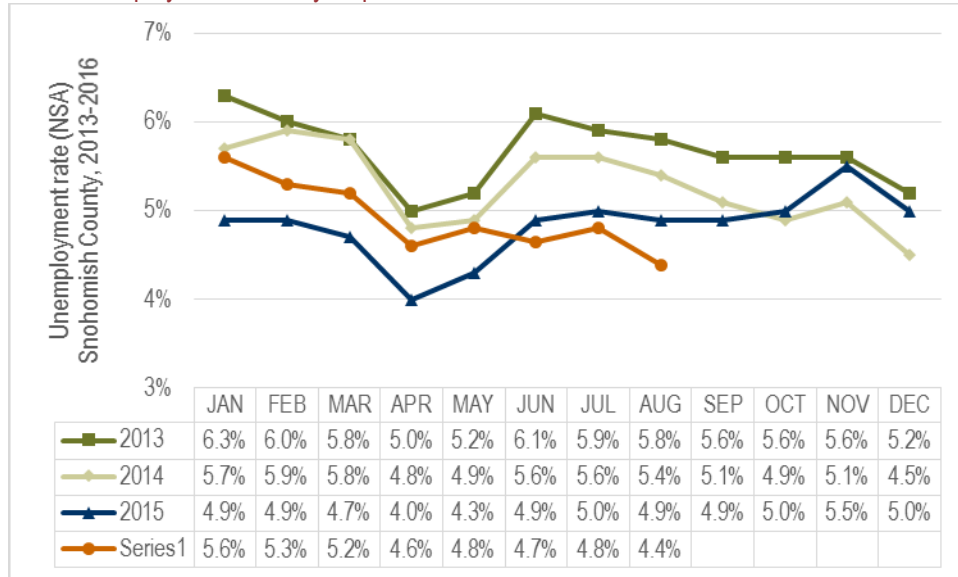
The not seasonally adjusted unemployment rate for Snohomish County was 4.4 percent (preliminary) in August 2016. This is down from July (4.8 percent). For comparison, the unemployment rate in August 2015 was 4.9 percent. The unemployment rate has generally fallen every year since 2010, with some seasonal 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. August 2016 figures are:

- Snohomish County labor force: 415,334
- Total employed: 397,125
- Total unemployed: 18,209
- Unemployment rate: 4.4%

Month-to-month, Snohomish County’s total resident labor force expanded by 3,291. The number of employed people increased by 4,875 and the number of active job seekers increased by 1,584. Over-the-year, the labor force expanded by 13,070 people or 3.2 percent.

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



The unemployment rate peaked at 11.2% in early 2010. In August 2016, the unemployment rate was 4.4 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state decreased from 5.7 percent (revised) in July to 5.4 percent (preliminary) in August. The statewide labor force increased by 101,899 (2.9 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was also 5.4 percent.

The June forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.73 percent in 2016 – a slight upward revision since the February forecast - and dip to 5.56 percent in 2017. 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 was 4.0 percent in August 2016 (preliminary); down from 4.5 percent observed in July.

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 August 2016 follows:

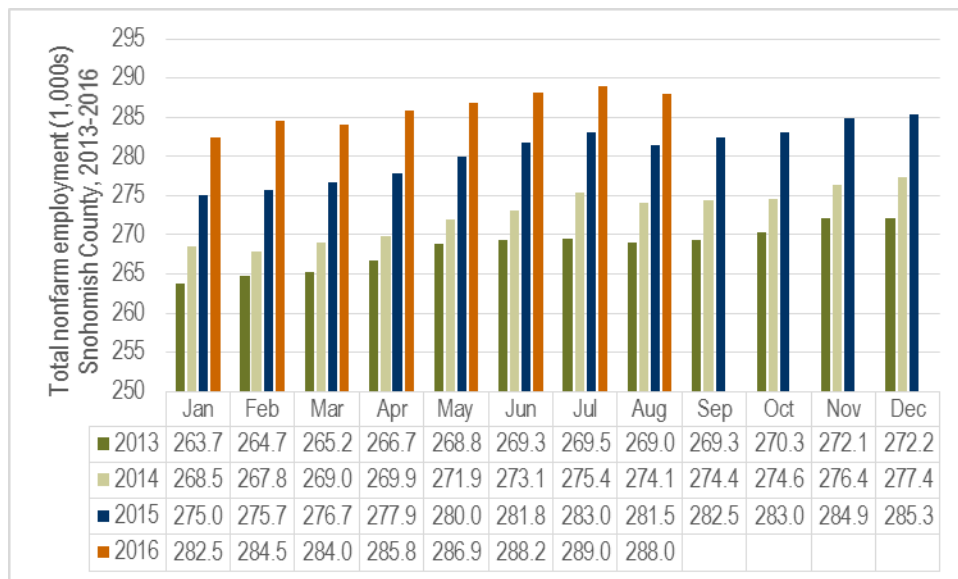
- Construction and extraction occupations
- Office and administrative support occupations
- Management occupations
- Production occupations
- Transportation and material moving occupations

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 August 2016, 2,789 new claims were filed in Snohomish County and 5,502 Snohomish County residents collected state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County decreased by 1,000 in August 2016 but expanded by 6,500 or 2.3 percent over the past 12 months. The estimated tally of jobs in August 2016 was 288,000.

Figure 2. Nonfarm industry employment
 Snohomish County, January 2013 through August 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, August 2015, July 2016 and August 2016.
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through March 2016

NAICS Industry Title	Prelim Aug-16	Revised Jul-16	Revised Aug-15	Change		
				Jul-16 Aug-16	Aug-15 Aug-16	Jul-16 Jul-16
Total Nonfarm	288,000	289,000	281,500	-1,000	6,500	2.3%
Total Private	250,300	249,700	244,900	600	5,400	2.2%
Goods Producing	86,100	85,600	84,600	500	1,500	1.8%
Mining, Logging, and Construction	22,100	21,600	20,600	500	1,500	7.3%
Construction of Buildings	3,600	3,500	3,500	100	100	2.9%
Heavy and Civil Engineering Construction	2,200	2,100	1,900	100	300	15.8%
Specialty Trade Contractors	16,000	15,700	15,000	300	1,000	6.7%
Manufacturing	64,000	64,000	64,000	0	0	0.0%
Durable Goods	60,300	60,300	60,400	0	-100	-0.2%
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.	43,900	44,000	43,900	-100	0	0.0%
Nondurable Goods	3,700	3,700	3,600	0	100	2.8%
Service Providing	201,900	203,400	196,900	-1,500	5,000	2.5%
Trade, Transportation, and Utilities	48,700	48,800	48,100	-100	600	1.2%
Wholesale Trade	8,500	8,500	8,400	0	100	1.2%
Retail Trade	35,600	35,700	35,300	-100	300	0.8%
Motor vehicle and parts dealers	4,800	4,800	4,600	0	200	4.3%
Food and beverage stores	7,200	7,300	6,900	-100	300	4.3%
General merchandise stores	8,000	8,100	8,100	-100	-100	-1.2%
Transportation, Warehousing, and Utilities	4,600	4,600	4,400	0	200	4.5%
Information	6,100	6,100	5,700	0	400	7.0%
Telecommunications	4,000	4,000	4,100	0	-100	-2.4%
Financial Activities	12,500	12,500	12,300	0	200	1.6%
Finance and Insurance	9,200	9,200	9,100	0	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	5,900	5,800	-100	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	26,400	25,200	100	1,300	5.2%
Professional, Scientific, and Technical Services	11,100	11,000	10,600	100	500	4.7%
Architectural and engineering services	2,200	2,200	2,200	0	0	0.0%
Administrative, Support, Waste Mgmt., & Remed.	13,700	13,800	13,200	-100	500	3.8%
Employment services	4,600	4,800	4,600	-200	0	0.0%
Educational and Health Services	34,000	34,000	32,800	0	1,200	3.7%

Ambulatory health care services	12,000	11,900	11,500	100	500	4.3%
Nursing and residential care facilities	5,000	5,000	5,100	0	-100	-2.0%
Social assistance	9,500	9,500	9,200	0	300	3.3%
Leisure and Hospitality	26,000	25,900	25,900	100	100	0.4%
Arts, Entertainment and Recreation	3,600	3,600	3,800	0	-200	-5.3%
Food Services and Drinking Places	20,700	20,700	20,300	0	400	2.0%
Other Services	10,400	10,400	10,300	0	100	1.0%
Government	37,700	39,300	36,600	-1,600	1,100	3.0%
Federal Government	2,100	2,100	2,000	0	100	5.0%
State Government	5,700	5,800	5,400	-100	300	5.6%
State Educational Services	2,700	2,700	2,400	0	300	12.5%
Local Government	29,900	31,400	29,200	-1,500	700	2.4%
Local Educational Services	13,600	15,100	13,100	-1,500	500	3.8%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment expanded by 6,500 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From July to August 2016, employment in construction and manufacturing combined expanded by 500. Year-over-year, goods producers in Snohomish County added an estimated 1,500 jobs. All of the monthly and annual increases came from the construction industry.

Employment levels in the **construction** industries increased by 500 from July to August. Year-to-year, employment in construction was up 1,500. This is a 7.3 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 did not change over the month or over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 64,000 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, the employment tally for aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 43,900 jobs) did not change. 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.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 1,500 jobs over the month. Over the year, service-sector employers added 5,000 jobs to the Snohomish County economy, expanding employment by 2.5 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in professional and business services (up 1,300), education and health services (up 1,200) and government (up 1,100).

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 100 in August but expanded by 300 jobs or 0.8 percent over the past 12 months.

- The largest year-over-year gains were observed in food and beverage stores (up 300 or 4.3 percent).

Employment in **transportation, warehousing and utilities** maintained the level observed in July (4,600 jobs) and expanded by 200 over the year.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – did not change over the month, but expanded by 400 over the year. Information sector employers were responsible for 6,100 jobs in August 2016.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment remained unchanged over the month but 200 jobs were added over the year. Altogether, the financial activities industries employed an estimated 12,500 in August.

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 August 2016, employment in this diverse sector expanded by 100. Over the year, we observed the addition of 1,300 jobs or 5.2 percent.

- Growth was observed in professional, scientific and technical services as well as within administrative support, waste management and remediation. Both major break-outs expanded by 500 jobs.

Employment in the **educational and health services** did not change in August but expanded by 1,200 (3.7 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services (up 500).

- 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 added 100 jobs from July to August 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 26,000 jobs in August 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 did not change over the month and the broad industry expanded by 100 over the year. Employment in other services was estimated at 10,400 in August.

Government employment dropped by 1,600 jobs over the month but expanded by 1,100 over the year (3.0 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 June and updated in September. Forecast information is available at www.erfc.wa.gov.