



Snohomish County Labor Area Summary December 2016



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

Overview

- In December 2016, the not seasonally adjusted unemployment rate in Snohomish County was 3.9 percent. This is down from 4.2 in November and down from 5.0 percent observed 12 months ago.
- There were an estimated 288,400 nonfarm jobs in Snohomish County as of December 2016.
- Nonfarm employment in Snohomish County contracted by 200 jobs over the month but expanded by 3,100 or 1.1 percent over the year.
- The largest private month-to-month gains were observed in retail trade (up 200), in line with holiday hiring. Construction and professional and business services employment were both down over the month.
- The largest annual gains were attributed to hiring in construction (up 2,100), government (up 1,400), leisure and hospitality (up 1,100) and professional and business services (up 1,000). Three industries shed jobs over the year: manufacturing (down 2,600), retail trade (down 1,000) and information (down 200).

Unemployment rates and labor force information

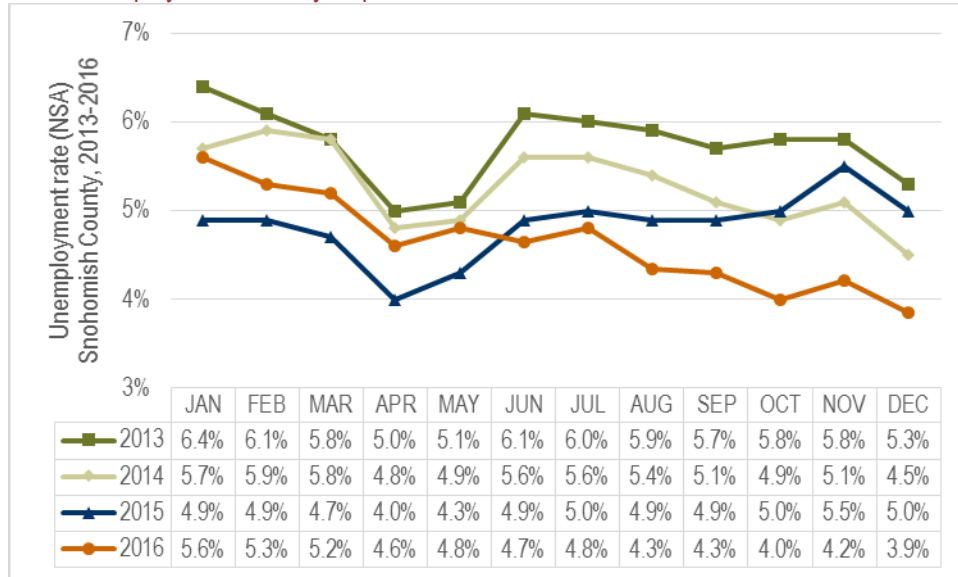
The not seasonally adjusted unemployment rate for Snohomish County was 3.9 percent (preliminary) in December 2016. This is down from 4.2 percent reported in November. For comparison, the unemployment rate in December 2015 was 5.0 percent. The last time the unemployment rate in Snohomish County dipped below 4 percent was early 2008, before the local labor market began to reflect recession conditions.

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. December 2016 figures are:

- Snohomish County labor force: 413,615
- Total employed: 397,683
- Total unemployed: 15,932
- Unemployment rate: 3.9%

Month-to-month, Snohomish County’s total resident labor force contracted by 3,292. The number of employed people decreased by 1,656 and the number of active job seekers decreased by 1,636. Over-the-year, the labor force expanded by 11,536 people or 2.9 percent.

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



The unemployment rate peaked at 11.2% in early 2010. In December 2016, the unemployment rate was 3.9 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state increased from 5.2 percent (revised) in November to 5.3 percent (preliminary) in December. The statewide labor force increased by 93,076 (2.6 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.9 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.74 percent in 2016 and will dip to 5.39 percent in 2017- a greater decrease than had been estimated in the September forecast. 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 decreased from 3.9 percent in November (revised) to 3.5 percent in December (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 December 2016 follows:

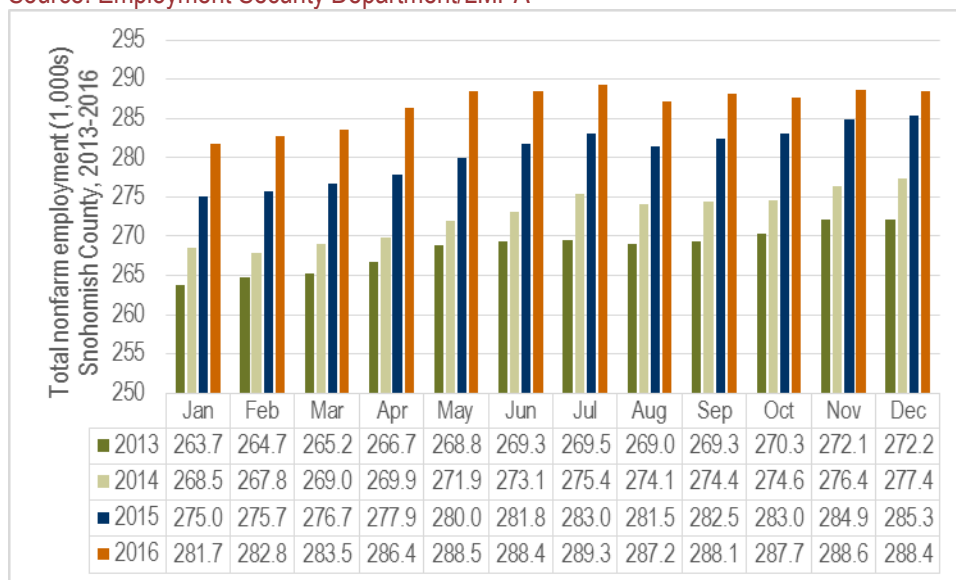
- Construction and extraction occupations
- Transportation and material moving occupations
- Production occupations
- Office and administrative support occupations
- Management occupations

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 December 2016, 3,483 new claims were filed in Snohomish County and 6,187 Snohomish County residents collected state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County decreased by 200 in December 2016 but expanded by 3,100 or 1.1 percent over the past 12 months. The estimated tally of jobs in December 2016 was 288,400.

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



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, December 2015, November 2016 and December 2016.
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through June 2016

NAICS Industry Title	Prelim Dec-16	Revised Nov-16	Revised Dec-15	Change		
				Nov-16 Dec-16	Dec-15 Dec-16	Nov-15 Nov-16
Total Nonfarm	288,400	288,600	285,300	-200	3,100	1.1%
Total Private	248,000	247,800	246,300	200	1,700	0.7%
Goods Producing	83,500	83,600	84,000	-100	-500	-0.6%
Mining, Logging, and Construction	22,300	22,400	20,200	-100	2,100	10.4%
Construction of Buildings	3,700	3,600	3,400	100	300	8.8%
Heavy and Civil Engineering Construction	2,000	2,200	1,800	-200	200	11.1%
Specialty Trade Contractors	16,300	16,400	14,700	-100	1,600	10.9%
Manufacturing	61,200	61,200	63,800	0	-2,600	-4.1%
Durable Goods	58,100	58,100	60,400	0	-2,300	-3.8%
Wood Product Manufacturing	1,000	1,000	1,000	0	0	0.0%
Fabricated Metal Product Manufacturing	4,100	4,100	4,000	0	100	2.5%
Computer and Electronic Product Mfg.	5,200	5,200	5,400	0	-200	-3.7%
Aerospace Product and Parts Mfg.	42,100	42,100	44,000	0	-1,900	-4.3%
Nondurable Goods	3,100	3,100	3,400	0	-300	-8.8%
Service Providing	204,900	205,000	201,300	-100	3,600	1.8%
Trade, Transportation, and Utilities	49,100	48,800	49,700	300	-600	-1.2%
Wholesale Trade	8,400	8,400	8,200	0	200	2.4%
Retail Trade	35,700	35,500	36,700	200	-1,000	-2.7%
Motor vehicle and parts dealers	4,600	4,700	4,400	-100	200	4.5%
Food and beverage stores	6,400	6,400	6,900	0	-500	-7.2%
General merchandise stores	8,700	8,800	8,900	-100	-200	-2.2%
Transportation, Warehousing, and Utilities	5,000	4,900	4,800	100	200	4.2%
Information	5,800	5,800	6,000	0	-200	-3.3%
Telecommunications	4,000	4,000	4,200	0	-200	-4.8%
Financial Activities	12,500	12,500	12,400	0	100	0.8%
Finance and Insurance	9,200	9,200	9,200	0	0	0.0%
Credit intermediation and related activities	3,100	3,100	3,100	0	0	0.0%
Insurance carriers and related activities	5,800	5,800	5,900	0	-100	-1.7%
Real estate and rental and leasing	3,300	3,300	3,200	0	100	3.1%
Professional and Business Services	26,600	26,800	25,600	-200	1,000	3.9%
Professional, Scientific, and Technical Services	11,700	11,600	10,900	100	800	7.3%
Architectural and engineering services	2,400	2,400	2,100	0	300	14.3%
Administrative, Support, Waste Mgmt., & Remed.	13,500	13,700	13,100	-200	400	3.1%
Employment services	4,700	4,700	4,700	0	0	0.0%
Educational and Health Services	34,200	34,100	33,600	100	600	1.8%

Ambulatory health care services	12,000	11,900	11,900	100	100	0.8%
Nursing and residential care facilities	5,000	5,000	5,100	0	-100	-2.0%
Social assistance	9,400	9,400	9,100	0	300	3.3%
Leisure and Hospitality	26,000	25,900	24,900	100	1,100	4.4%
Arts, Entertainment and Recreation	3,300	3,300	3,200	0	100	3.1%
Food Services and Drinking Places	21,300	21,200	20,300	100	1,000	4.9%
Other Services	10,300	10,300	10,100	0	200	2.0%
Government	40,400	40,800	39,000	-400	1,400	3.6%
Federal Government	2,100	2,000	2,000	100	100	5.0%
State Government	6,300	6,800	6,200	-500	100	1.6%
State Educational Services	3,200	3,800	3,200	-600	0	0.0%
Local Government	32,000	32,000	30,800	0	1,200	3.9%
Local Educational Services	15,800	15,800	15,200	0	600	3.9%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment expanded by 3,100 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From November to December 2016, employment in construction and manufacturing combined contracted by 100. Year-over-year, goods producers in Snohomish County shed an estimated 500 jobs.

Total employment in **construction** dropped from 22,400 in November to 22,300 in December, consistent with the season. Year-to-year, employment in construction was up 2,100. This is a 10.4 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. The cold wet months of winter tend to reflect month-to-month losses. Hiring will pick up again in the spring.

Net **Manufacturing** employment remained unchanged over the month, and dropped by 2,600 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 61,200 jobs in Snohomish County -- about one in five nonfarm jobs.

- Manufacturing is a diverse set of industries experiencing different patterns of growth and decline. Since reaching a post-recession peak in late 2012, employment dropped slightly and more-or-less leveled off.
- Over the year, employment losses for the manufacturing sector came primarily from aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 42,100 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 1,900. 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.
 - The Boeing Company recently announced plans to cut the rate of production on the Everett-built 777 line. Layoffs are likely from the 777 production line this year. <http://www.heraldnet.com/news/boeing-to-make-fewer-777s-everett-job-cuts-likely/>

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 3,600 jobs to the Snohomish County economy, expanding employment by 1.8 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in government (up 1,400), leisure and hospitality (up 1,100) and professional and business services (up 1,000).

Wholesale trade employment neither increased nor decreased over the month, but expanded by 200 jobs over the year. 8,400 jobs are found in this industry.

Employment in **retail trade** expanded by 200 in December but contracted by 1,000 jobs or 2.7 percent over the past 12 months.

- Gains observed over the past several months are attributable to holiday hiring. Expect the first jobs reports of 2017 to reflect post-holiday layoffs.
- In the wake of weak holiday sales this year and increasing competition with internet retail sales, several large national retailers announced plans to downsize.
 - Locally, the Macy's store located in the Everett Mall is one of 100 nationwide slated to close. The Everett location employs 109 people. <http://www.heraldnet.com/news/everett-mall-macys-among-nearly-100-set-to-close-nationwide/>
 - Sears plans to close the Alderwood Mall store in March. <http://www.heraldnet.com/business/sears-plans-to-close-its-anchor-location-at-alderwood-mall/>
- Motor vehicle parts and dealers added jobs over the year. Food and beverage stores observed the deepest losses, shedding 500 jobs or 7.2 percent. Employment in general merchandise stores was also down (200 jobs).

Employment in **transportation, warehousing and utilities** increased by 100 over the month and by 200 jobs over the year. Transportation warehousing and utilities employed 5,000 in December.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – remained unchanged over the month but decreased by 200 over the year. Information sector employers were responsible for 5,800 Snohomish County jobs in December 2016.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment remained unchanged over the month but increased by 100 over the year. Altogether, the financial activities industries employed an estimated 12,500 in December.

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 December 2016, employment in this diverse sector fell by about 200 jobs. There were an estimated 26,600 jobs in this sector. Over the year, employers added 1,000 jobs or 3.9 percent.

- Growth was observed in professional, scientific and technical services (up 800) as well as within administrative support, waste management and remediation (up 400).

Employment in the **educational and health services** increased by 100 in December and expanded by 600 (1.8 percent) over the year. Year-over-year growth was concentrated in social assistance and ambulatory

health care services (up 300 and 100 respectively); Nursing and residential care facilities employment fell (down 100) 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 added 100 jobs from November to December and contributed 1,100 new jobs to the Snohomish County economy over the year. Leisure and hospitality expanded by 4.4 percent over the year and accounted for an estimated 26,000 jobs in December 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 remained unchanged over the month but employment was up 200 over the year. Employment in other services was estimated at 10,300 in December.

Government employment decreased by 400 jobs over the month and expanded by 1,400 over the year (3.6 percent). Year-over-year gains were concentrated in local government including educational services.

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 updated in January. Forecast information is available at www.erfc.wa.gov.