



Snohomish County Labor Area Summary December 2017



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

Overview

- In December 2017, the not seasonally adjusted unemployment rate in Snohomish County was 4.0 percent. This is down from 4.3 percent over the month, and higher than 3.9 percent, observed 12 months ago.
- There were an estimated 287,900 nonfarm jobs in Snohomish County as of December 2017.
- Nonfarm employment in Snohomish County expanded by 500 jobs over the month but contracted by 1,300 or 0.4 percent over the year.
- From November to December, the largest employment gains were observed in retail trade (up 400) and transportation, warehousing and utilities, financial activities and education and health services (each up 200). Declines were observed in government and construction.
- Seven industries added jobs and three shed jobs over the year. The largest annual gains were attributed to education and health services (up 900) and financial activities and construction (each up 700). The deepest losses were attributable to declines in manufacturing (down 4,100).

Unemployment rates and labor force information

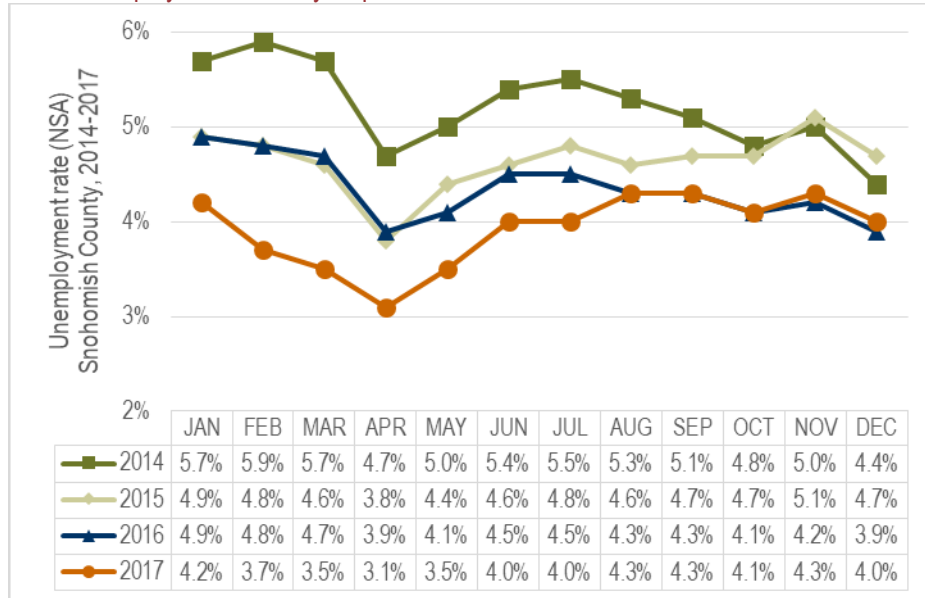
The not seasonally adjusted unemployment rate for Snohomish County was 4.0 percent (preliminary) in December 2017. This is down from 4.3 percent (revised) in November. The unemployment rate in December 2016 was 3.9 percent.

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 2017 figures are:

- Snohomish County labor force: 420,592
- Total employed: 403,650
- Total unemployed: 16,942
- Unemployment rate: 4.0%

Month-to-month, Snohomish County’s total resident labor force expanded by 958 people. The number of employed people increased by 2,043 and the number of active job seekers decreased by 1,085. Over-the-year, the labor force expanded by 7,930 people or 1.9 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 Snohomish County, January 2014 through December 2017
 Source: Employment Security Department/WITS



The unemployment rate peaked at 11.2% in early 2010. In December 2017, the unemployment rate was 4.0 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state increased from 4.4 percent in November (revised) to 4.9 percent in December (preliminary). The statewide labor force increased by 69,434 (1.9 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.3 percent.

The November forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.02 percent in and will dip to 4.40 percent in 2018 (This is a slight downward revision compared to 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 4.0 percent (revised) in November to 3.7 percent (preliminary) in December. Twelve months ago, the unemployment rate was 3.6 percent.

New! City level estimates

The Bureau of Labor Statistics and Employment Security Department publish labor force information for cities with a population of 25,000 or more. Unemployment rates for selected cities can be found at www.esd.wa.gov/labormarketinfo/labor-force.

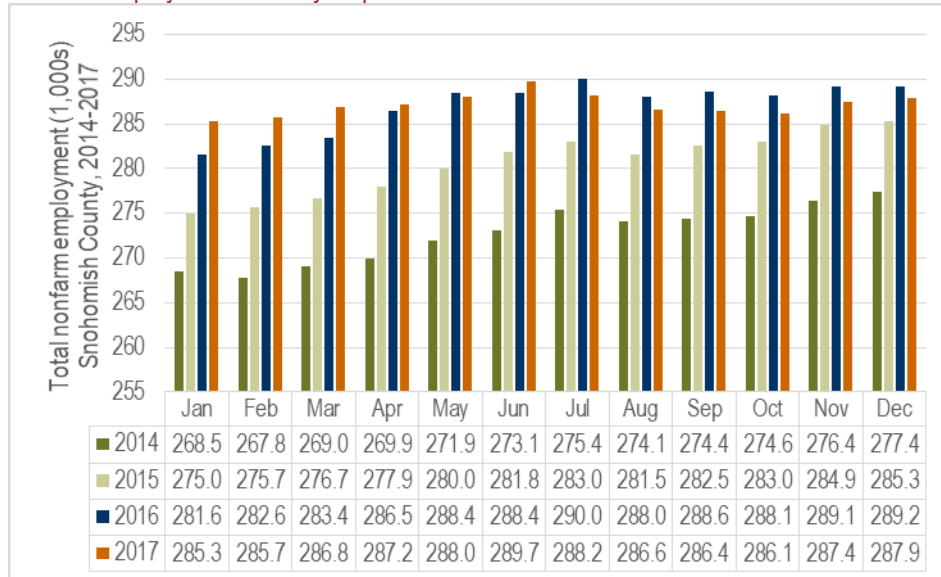
Unemployment Insurance (UI) Claims

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 2017, 2,461 new claims were filed in Snohomish County and a total of 5,689 Snohomish County residents collected state UI benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County expanded by 500 in December 2017 but contracted by 1,300 or 0.4 percent over the year. The estimated tally of jobs in December 2017 was 287,900.

Figure 2. Nonfarm industry employment
Snohomish County, January 2014 through December 2017
Source: Employment Security Department/WITS



As of July 2017, Snohomish County total nonfarm employment has dipped below the levels observed 12 months earlier. Declines are primarily a result of declining employment in manufacturing.

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 5.8 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to levels observed in 2006. Employment since 2010 has grown for all of Snohomish County’s major private sector industries.

Over the past couple years, the rate of growth has been slowing – largely a product of a declining base in manufacturing. In the last six reports—July through December 2017--year over year declines were observed.

**Figure 3. Total nonfarm industry employment, not seasonally adjusted
Snohomish County, December 2016, and November and December 2017.
Source: Employment Security Department/WITS**

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through June 2017

NAICS Industry Title	Prelim Dec-17	Revised Nov-17	Revised Dec-16	Change		
				Nov-17 Dec-17	Dec-16 Dec-17	Dec-16 Dec-17
Total Nonfarm	287,900	287,400	289,200	500	-1,300	-0.4%
Total Private	248,500	247,500	249,100	1,000	-600	-0.2%
Goods Producing	79,600	79,800	83,000	-200	-3,400	-4.1%
Mining, Logging, and Construction	22,500	22,800	21,800	-300	700	3.2%
Construction of Buildings	4,000	4,000	3,700	0	300	8.1%
Heavy and Civil Engineering Construction	1,900	2,000	1,900	-100	0	0.0%
Specialty Trade Contractors	16,400	16,500	15,900	-100	500	3.1%
Manufacturing	57,100	57,000	61,200	100	-4,100	-6.7%
Durable Goods	53,100	53,000	57,500	100	-4,400	-7.7%
Wood Product Manufacturing	800	800	900	0	-100	-11.1%
Fabricated Metal Product Manufacturing	3,800	3,900	4,000	-100	-200	-5.0%
Computer and Electronic Product Mfg.	5,100	5,000	5,300	100	-200	-3.8%
Aerospace Product and Parts Mfg.	37,500	37,400	41,600	100	-4,100	-9.9%
Nondurable Goods	4,000	4,000	3,700	0	300	8.1%
Service Providing	208,300	207,600	206,200	700	2,100	1.0%
Trade, Transportation, and Utilities	50,400	49,800	49,800	600	600	1.2%
Wholesale Trade	8,300	8,300	8,300	0	0	0.0%
Retail Trade	37,000	36,600	36,500	400	500	1.4%
Motor vehicle and parts dealers	4,800	4,900	4,600	-100	200	4.3%
Food and beverage stores	6,800	6,800	6,800	0	0	0.0%
General merchandise stores	8,400	8,300	8,800	100	-400	-4.5%
Transportation, Warehousing, and Utilities	5,100	4,900	5,000	200	100	2.0%
Information	5,700	5,600	6,000	100	-300	-5.0%
Telecommunications	3,800	3,800	4,100	0	-300	-7.3%
Financial Activities	13,200	13,000	12,500	200	700	5.6%
Finance and Insurance	9,700	9,500	9,300	200	400	4.3%
Credit intermediation and related activities	3,200	3,200	3,200	0	0	0.0%
Insurance carriers and related activities	6,200	6,100	5,900	100	300	5.1%
Real estate and rental and leasing	3,500	3,500	3,200	0	300	9.4%
Professional and Business Services	28,100	28,100	27,700	0	400	1.4%
Professional, Scientific, and Technical Services	12,000	11,900	11,500	100	500	4.3%
Architectural and engineering services	2,200	2,200	2,300	0	-100	-4.3%
Administrative, Support, Waste Mgmt., & Remed.	14,500	14,600	14,700	-100	-200	-1.4%
Employment services	5,000	5,000	5,600	0	-600	-10.7%
Educational and Health Services	35,100	34,900	34,200	200	900	2.6%

Ambulatory health care services	12,300	12,100	12,200	200	100	0.8%
Nursing and residential care facilities	5,500	5,400	5,100	100	400	7.8%
Social assistance	9,500	9,400	9,200	100	300	3.3%
Leisure and Hospitality	26,200	26,100	25,700	100	500	1.9%
Arts, Entertainment and Recreation	3,500	3,500	3,300	0	200	6.1%
Food Services and Drinking Places	21,300	21,300	21,100	0	200	0.9%
Other Services	10,200	10,200	10,200	0	0	0.0%
Government	39,400	39,900	40,100	-500	-700	-1.7%
Federal Government	2,100	2,100	2,200	0	-100	-4.5%
State Government	5,200	5,600	6,300	-400	-1,100	-17.5%
State Educational Services	2,100	2,600	3,300	-500	-1,200	-36.4%
Local Government	32,100	32,200	31,600	-100	500	1.6%
Local Educational Services	16,200	16,200	15,700	0	500	3.2%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment contracted by 1,300 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From November to December 2017, employment in construction and manufacturing combined dropped by 200; Construction shed 300 jobs over the month and manufacturing added 100. Year-over-year, goods producers in Snohomish County shed an estimated 3,400 jobs.

Total employment in **construction** contracted by 300 in December. Year-to-year, employment in construction was up 700. This is a 3.2 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 40 percent from peak levels in 2007 to 2011. Recovery has lagged other industries and employment is highly seasonal.
- Employment in construction has surged in recent months, related to population increases in the county. The Census Bureau revealed in a recent report that Snohomish and Pierce Counties were among the highest for domestic in-migration nationwide.

Net **Manufacturing** employment increased by 100 over the month, but declined by 4,100 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 57,100 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 until mid-2016 when employment began to decline again.
- Over the year, employment losses for the manufacturing sector came primarily from aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 37,500 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 4,100 or 9.9 percent. 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.
 - In an interview with Seattle Times reporter Dominic Gates, Boeing CEO Muilenburg indicated that the declining Puget Sound workforce should stabilize in 2018

<https://www.seattletimes.com/business/boeing-aerospace/boeing-ceo-muilenburg-discusses-seattle-area-job-outlook-explains-relationship-with-trump/>

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 700 jobs over the month. Over the year, service-sector employers added 2,100 jobs to the Snohomish County economy, expanding employment by 1.0 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in education and health services (900), financial activities (700) and retail trade and leisure and hospitality (500 each). Government and information each shed jobs over the year (700 and 300 jobs respectively).

Wholesale trade employment neither increased nor decreased over the month, and remained unchanged over the year as well. 8,300 jobs were found in this industry.

Employment in **retail trade** expanded by 400 in December and by 500 jobs or 1.4 percent over the past 12 months. General merchandise stores, the largest industry breakout detailed in this report, added 100 jobs over the month but shed 400 jobs over the year.

- Employment in the retail trade sector tends to be highly seasonal, with orientation around the winter holidays. Expect to see declining retail employment in the first months of 2018.
- Toys R Us announced plans to close 180 stores throughout the U.S.; the Everett store is among them. <http://www.heraldnet.com/business/toys-r-us-closing-180-stores-including-the-one-in-everett/>

Employment in **transportation, warehousing and utilities** expanded by 200 over the month and by 100 over the year. Transportation warehousing and utilities employed 5,100 in December 2017.

- Construction continues on the commercial terminal at Paine Field.
- Southwest Airlines announced plans to join United and Alaska in offering commercial flights from Paine Field. Commercial air service is expected by fall 2018. <http://www.heraldnet.com/business/southwest-announces-it-will-be-third-airline-to-fly-from-paine-field/>

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – added 100 jobs over the month but shed 300 jobs over the year. Information sector businesses employed 5,700 in Snohomish County in December.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment expanded by 200 over the month and by 700 or 5.6 percent over the year. Year over year gains were observed in both finance and insurance and in real estate. Altogether, the financial activities industries employed an estimated 13,200 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, employment in this diverse sector remained unchanged from the previous month. Over the year, employers added 400 jobs, increasing employment by 1.4 percent. There were an estimated 28,100 jobs in this diverse sector.

- Year over year growth was observed in professional, scientific and technical services (up 500 or 4.3 percent); administrative support, waste management and remediation shed 200 jobs over the year. Employment services was down 600.

Employment in the **educational and health services** expanded by 200 over the month and 900 (2.6 percent) over the year. Year-over-year growth was observed in all major breakouts detailed in this report.

- 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 employment levels rose by 100 from November to December. Employers added 500 jobs over the year. Leisure and hospitality accounted for an estimated 26,200 Snohomish County jobs in December.

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 and over the year. Other services employed an estimated 10,200 in December 2017.

Government employment contracted by 500 jobs over the month and dropped by 700 over the year. Year-over-year declines were concentrated in state educational services (down 1,200). Gains were observed in local educational services (up 500) over the year.

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.

