



# Snohomish County Labor Area Summary October 2017



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

## Overview

- In October 2017, the not seasonally adjusted unemployment rate in Snohomish County was 4.1 percent. This is down from 4.3 percent over the month, and the same rate observed 12 months ago.
- There were an estimated 286,300 nonfarm jobs in Snohomish County as of September 2017.
- Nonfarm employment in Snohomish County contracted by 100 jobs over the month and by 1,800 or 0.6 percent over the year.
- From September to October, the largest gains were observed in government (up 1,500) and retail trade (up 200). Declines were observed in manufacturing, leisure and hospitality, construction and other services.
- Seven industries added jobs and three shed jobs over the year. The largest annual gains were attributed to construction (up 1,100), education and health services (up 1,000) and financial activities (up 500). The deepest losses were attributable to declines in manufacturing (down 5,100).

## Unemployment rates and labor force information

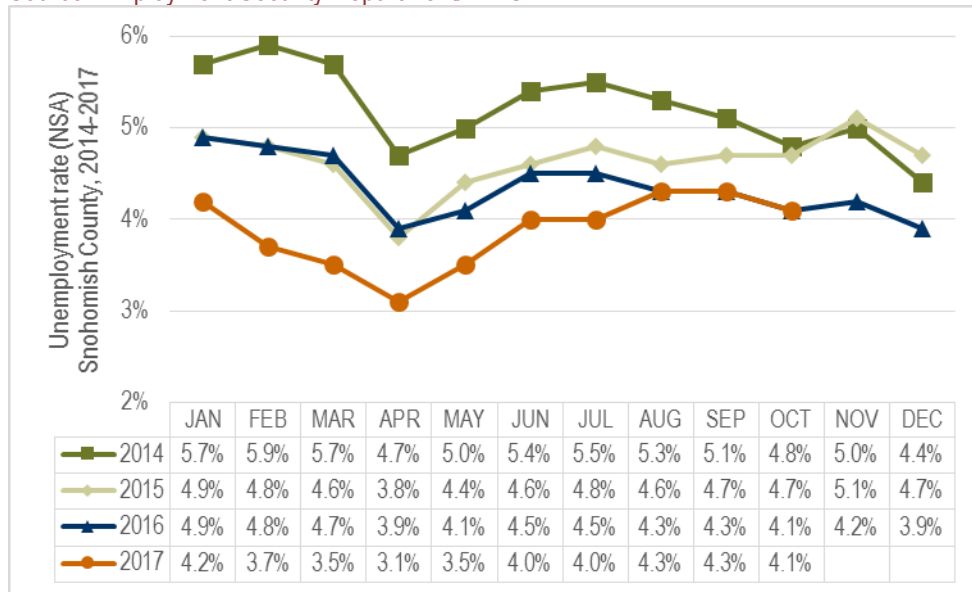
The not seasonally adjusted unemployment rate for Snohomish County was 4.1 percent (preliminary) in October 2017. This is down from 4.3 percent (revised) in September. The unemployment rate in October 2016 was also 4.1 percent.

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. October 2017 figures are:

- Snohomish County labor force: 418,204
- Total employed: 400,915
- Total unemployed: 17,289
- Unemployment rate: 4.1%

The month-to-month decline in the unemployment rate was largely the effect of a declining workforce. Month-to-month, Snohomish County’s total resident labor force contracted by 5,524 people. The number of employed people decreased by 4,599 and the number of active job seekers decreased by 925. Over-the-year, the labor force expanded by 3,038 people or 0.7 percent.

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



*The unemployment rate peaked at 11.2% in early 2010. In October 2017, the unemployment rate was 4.1 percent.*

### Washington state

The not seasonally adjusted unemployment rate for Washington state dropped from 4.4 percent in September (revised) to 4.2 percent in October (preliminary). The statewide labor force increased by 81,373 (2.2 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.0 percent.

The September forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.02 percent in 2017 (this is a slight upward revision from the June forecast) and will dip to 4.46 percent in 2018. 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 decreased from 4.0 percent (revised) in September to 3.8 percent (preliminary) in October. Twelve months ago, the unemployment rate was also 3.8 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](http://www.esd.wa.gov/labormarketinfo/labor-force).

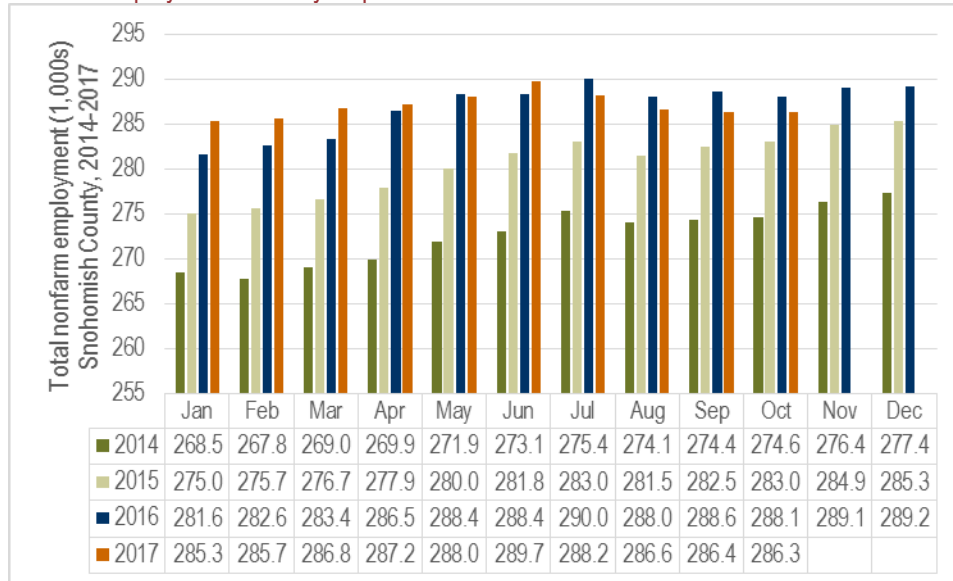
## Unemployment Insurance (UI) Claims

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 October 2017, 2,371 new claims were filed in Snohomish County and a total of 5,336 Snohomish County residents collected state UI benefits.

## Total nonfarm employment

Total nonfarm employment in Snohomish County contracted by 100 in October 2017 and by 1,800 or 0.6 percent over the year. The estimated tally of jobs in October 2017 was 286,300.

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



*As of July 2017, Snohomish County total nonfarm employment has dipped below the levels observed 12 months earlier.*

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 four reports—July, August, September and October 2017--year over year declines were observed.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**Snohomish County**

Data benchmarked through June 2017

NAICS Industry Title	Prelim Oct-17	Revised Sep-17	Revised Oct-16	Change		
				Sep-17 Oct-17	Oct-16 Oct-17	Oct-16 Oct-17
Total Nonfarm	286,300	286,400	288,100	-100	-1,800	-0.6%
Total Private	246,200	247,800	247,900	-1,600	-1,700	-0.7%
Goods Producing	80,000	81,200	84,000	-1,200	-4,000	-4.8%
Mining, Logging, and Construction	23,200	23,400	22,100	-200	1,100	5.0%
Construction of Buildings	4,100	4,100	3,700	0	400	10.8%
Heavy and Civil Engineering Construction	2,100	2,200	2,100	-100	0	0.0%
Specialty Trade Contractors	16,700	16,900	16,000	-200	700	4.4%
Manufacturing	56,800	57,800	61,900	-1,000	-5,100	-8.2%
Durable Goods	52,800	53,700	58,200	-900	-5,400	-9.3%
Wood Product Manufacturing	800	800	900	0	-100	-11.1%
Fabricated Metal Product Manufacturing	3,900	3,900	4,000	0	-100	-2.5%
Computer and Electronic Product Mfg.	5,000	5,000	5,300	0	-300	-5.7%
Aerospace Product and Parts Mfg.	37,300	38,200	42,300	-900	-5,000	-11.8%
Nondurable Goods	4,000	4,100	3,700	-100	300	8.1%
Service Providing	206,300	205,200	204,100	1,100	2,200	1.1%
Trade, Transportation, and Utilities	48,400	48,200	48,000	200	400	0.8%
Wholesale Trade	8,300	8,300	8,300	0	0	0.0%
Retail Trade	35,400	35,200	35,000	200	400	1.1%
Motor vehicle and parts dealers	4,900	4,900	4,700	0	200	4.3%
Food and beverage stores	6,700	6,800	6,800	-100	-100	-1.5%
General merchandise stores	7,900	7,700	8,200	200	-300	-3.7%
Transportation, Warehousing, and Utilities	4,700	4,700	4,700	0	0	0.0%
Information	5,600	5,600	6,000	0	-400	-6.7%
Telecommunications	3,800	3,800	4,100	0	-300	-7.3%
Financial Activities	13,000	13,000	12,500	0	500	4.0%
Finance and Insurance	9,500	9,500	9,300	0	200	2.2%
Credit intermediation and related activities	3,200	3,200	3,200	0	0	0.0%
Insurance carriers and related activities	6,100	6,100	5,900	0	200	3.4%
Real estate and rental and leasing	3,500	3,500	3,200	0	300	9.4%
Professional and Business Services	28,200	28,200	27,800	0	400	1.4%
Professional, Scientific, and Technical Services	11,800	11,800	11,300	0	500	4.4%
Architectural and engineering services	2,200	2,200	2,200	0	0	0.0%
Administrative, Support, Waste Mgmt., & Remed.	14,800	14,800	14,900	0	-100	-0.7%
Employment services	5,200	5,100	5,700	100	-500	-8.8%
Educational and Health Services	34,800	34,700	33,800	100	1,000	3.0%
Ambulatory health care services	12,100	12,100	12,000	0	100	0.8%

Nursing and residential care facilities	5,400	5,400	5,100	0	300	5.9%
Social assistance	9,400	9,400	9,100	0	300	3.3%
Leisure and Hospitality	26,000	26,600	25,700	-600	300	1.2%
Arts, Entertainment and Recreation	3,500	3,700	3,400	-200	100	2.9%
Food Services and Drinking Places	21,200	21,400	20,900	-200	300	1.4%
Other Services	10,200	10,300	10,100	-100	100	1.0%
Government	40,100	38,600	40,200	1,500	-100	-0.2%
Federal Government	2,100	2,100	2,100	0	0	0.0%
State Government	5,800	5,600	6,800	200	-1,000	-14.7%
State Educational Services	2,800	2,400	3,800	400	-1,000	-26.3%
Local Government	32,200	30,900	31,300	1,300	900	2.9%
Local Educational Services	15,600	14,000	15,300	1,600	300	2.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

*Snohomish County employment contracted by 1,800 over the past 12 months.*

## Nonfarm industry employment

### Goods-producing Industries

From September to October 2017, employment in construction and manufacturing combined dropped by 1,200; Construction shed 200 jobs over the month and manufacturing shed 1,000. Year-over-year, goods producers in Snohomish County shed an estimated 4,000 jobs.

Total employment in **construction** contracted by 200 in October. Year-to-year, employment in construction was up 1,100. This is a 5.0 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 dropped by 1,000 over the month, and by 5,100 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 56,800 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 37,300 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 5,000. 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 added 1,100 jobs over the month. Over the year, service-sector employers added 2,200 jobs to the Snohomish County economy, expanding employment by 1.1 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in education and health services (1,000), financial activities (500) and retail trade and professional and business services (each up 400). Information and government each shed jobs over the year (400 and 100 jobs respectively).

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

Employment in **retail trade** expanded by 200 in October and by 400 jobs or 1.1 percent over the past 12 months. Gains were observed in motor vehicles and parts dealers; other retailers including food and beverage and general merchandise shed jobs over the year.

- Employment in the retail trade sector tends to be highly seasonal. The Employment Security Department estimates that approximately 8,033 seasonal retail jobs will be created in the Seattle MD (King and Snohomish Counties) during the 4<sup>th</sup> quarter of 2017. This amounts to a seasonal increase of 4.4 percent.

Employment in **transportation, warehousing and utilities** remained steady over the month and over the year. Transportation warehousing and utilities employed 4,700 in October 2017.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – remained unchanged over the month but shed 400 jobs over the year. Information sector businesses employed 5,600 in Snohomish County in October.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment remained unchanged over the month but expanded by 500 or 4.0 percent over the year. Gains were observed in both finance and insurance and in real estate. Altogether, the financial activities industries employed an estimated 13,000 in October.

**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 October, employment in this diverse sector remained unchanged from levels observed in September. Over the year, employers added 400 jobs, increasing employment by 1.4 percent. There were an estimated 28,200 jobs in this diverse sector.

- Year over year growth was observed in professional, scientific and technical services (up 500); administrative support, waste management and remediation shed 100 jobs over the year. Employment services was down 500.

Employment in the **educational and health services** expanded by 100 over the month and 1,000 (3.0 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** shed 600 jobs in October but added 300 jobs over the year. Leisure and hospitality accounted for an estimated 26,000 Snohomish County jobs in October.

**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 fell by 100 over the month but increased by 100 over the year.

**Government** employment expanded by 1,500 jobs over the month but dropped by 100 over the year. Year-over-year gains were concentrated in local government, much of which was attributable to local educational services (K-12 public education). Losses were concentrated in the state public educational system.

### **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 November. Forecast information is available at [www.erfc.wa.gov](http://www.erfc.wa.gov).