



Snohomish County Labor Area Summary September 2017



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

Overview

- In September 2017, the not seasonally adjusted unemployment rate in Snohomish County was 4.3 percent. This is unchanged over the month, and the same rate observed 12 months ago.
- There were an estimated 286,600 nonfarm jobs in Snohomish County as of September 2017.
- Nonfarm employment in Snohomish County expanded by 400 jobs over the month but dropped by 2,000 or 0.7 percent over the year.
- From August to September, the largest gains were observed in government (up 900) and education and health services (up 200). Declines were observed in leisure and hospitality, retail trade, other services, and construction.
- Eight industries added jobs and three shed jobs over the year. The largest annual gains were attributed to construction (up 1,100), financial activities and retail trade (each up 600) and professional and business services (up 400). The deepest losses were attributable to declines in manufacturing (down 5,200).

Unemployment rates and labor force information

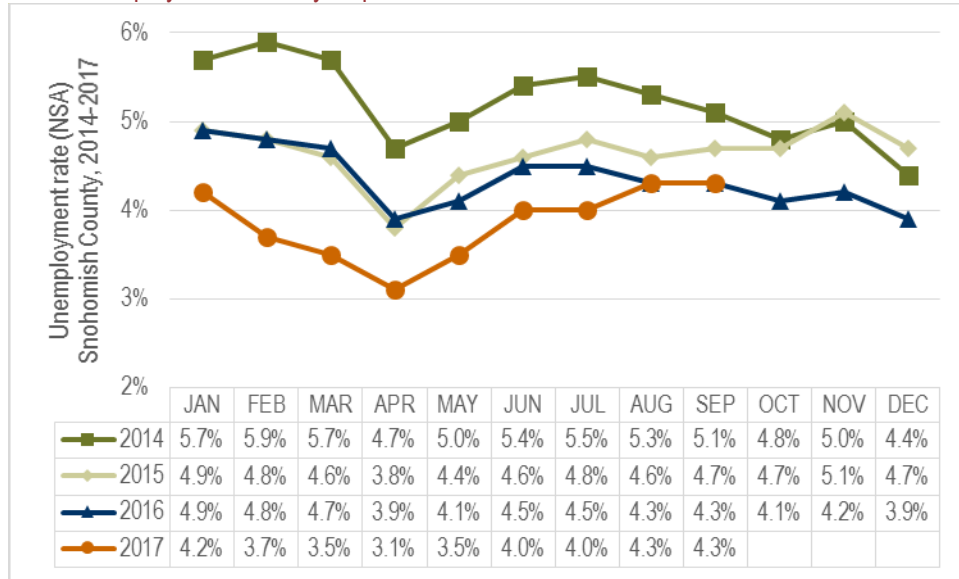
The not seasonally adjusted unemployment rate for Snohomish County was 4.3 percent (preliminary) in September 2017. This is unchanged over the month. The unemployment rate in September 2016 was also 4.3 percent.

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. September 2017 figures are:

- Snohomish County labor force: 424,271
- Total employed: 405,937
- Total unemployed: 18,334
- Unemployment rate: 4.3%

Month-to-month, Snohomish County’s total resident labor force expanded by 2,972 people. The number of employed people increased by 2,749 and the number of active job seekers increased by 223. Over-the-year, the labor force expanded by 7,931 people or 1.9 percent.

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



The unemployment rate peaked at 11.2% in early 2010. In September 2017, the unemployment rate was 4.3 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state dropped from 4.5 percent in August (revised) to 4.4 percent in September (preliminary). The statewide labor force increased by 107,933 (2.9 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.1 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 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 increased from 3.9 percent (revised) to 4.0 percent (preliminary) in September. Twelve months ago, the unemployment rate was also 4.0 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.

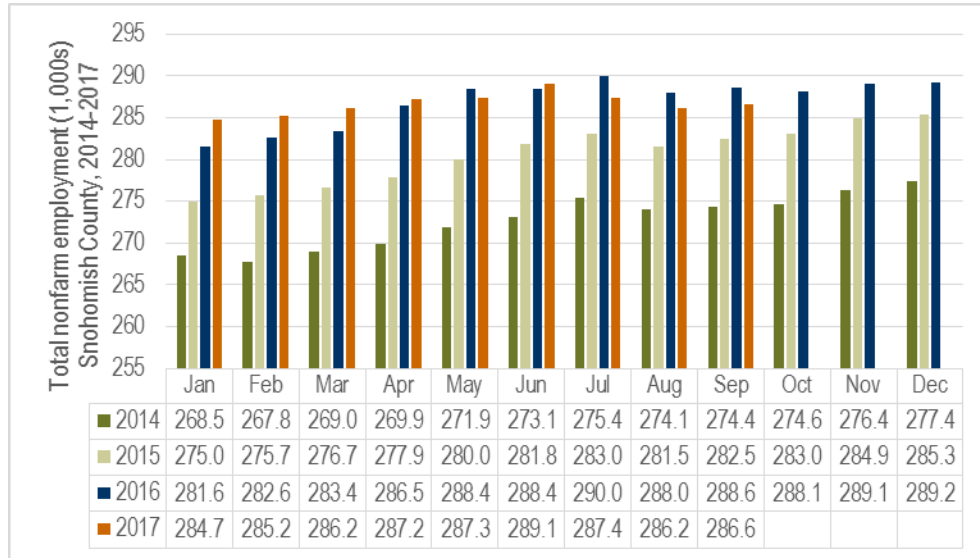
Unemployment Insurance (UI) Claims

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 September 2017, 1,990 new claims were filed in Snohomish County and a total of 5,107 Snohomish County residents collected state UI benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County expanded by 400 in September 2017 but dropped by 2,000 or 0.7 percent over the year. The estimated tally of jobs in September 2017 was 286,600.

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



As of July 2017, Snohomish County total nonfarm employment 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 three reports--July August and September 2017--year-over-year declines were observed.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through March 2017

NAICS Industry Title	Prelim Sep-17	Revised Aug-17	Revised Sep-16	Change		
				Aug-17 Sep-17	Sep-16 Sep-17	Sep-16 Sep-17
Total Nonfarm	286,600	286,200	288,600	400	-2,000	-0.7%
Total Private	247,600	248,100	249,700	-500	-2,100	-0.8%
Goods Producing	81,400	81,400	85,500	0	-4,100	-4.8%
Mining, Logging, and Construction	23,700	23,800	22,600	-100	1,100	4.9%
Construction of Buildings	4,000	4,000	3,700	0	300	8.1%
Heavy and Civil Engineering Construction	2,400	2,400	2,300	0	100	4.3%
Specialty Trade Contractors	17,100	17,200	16,300	-100	800	4.9%
Manufacturing	57,700	57,600	62,900	100	-5,200	-8.3%
Durable Goods	53,800	53,700	59,200	100	-5,400	-9.1%
Wood Product Manufacturing	900	900	1,000	0	-100	-10.0%
Fabricated Metal Product Manufacturing	4,000	4,000	4,100	0	-100	-2.4%
Computer and Electronic Product Mfg.	5,100	5,000	5,300	100	-200	-3.8%
Aerospace Product and Parts Mfg.	38,000	37,800	43,100	200	-5,100	-11.8%
Nondurable Goods	3,900	3,900	3,700	0	200	5.4%
Service Providing	205,200	204,800	203,100	400	2,100	1.0%
Trade, Transportation, and Utilities	48,400	48,600	47,800	-200	600	1.3%
Wholesale Trade	8,200	8,200	8,300	0	-100	-1.2%
Retail Trade	35,400	35,600	34,800	-200	600	1.7%
Motor vehicle and parts dealers	5,000	5,000	4,700	0	300	6.4%
Food and beverage stores	6,600	6,600	6,800	0	-200	-2.9%
General merchandise stores	7,800	7,900	8,000	-100	-200	-2.5%
Transportation, Warehousing, and Utilities	4,800	4,800	4,700	0	100	2.1%
Information	5,900	5,900	5,900	0	0	0.0%
Telecommunications	3,900	3,900	4,100	0	-200	-4.9%
Financial Activities	13,100	13,100	12,500	0	600	4.8%
Finance and Insurance	9,600	9,600	9,300	0	300	3.2%
Credit intermediation and related activities	3,100	3,100	3,100	0	0	0.0%
Insurance carriers and related activities	6,200	6,200	6,000	0	200	3.3%
Real estate and rental and leasing	3,500	3,500	3,200	0	300	9.4%
Professional and Business Services	27,900	27,800	27,500	100	400	1.5%
Professional, Scientific, and Technical Services	11,800	11,800	11,400	0	400	3.5%
Architectural and engineering services	2,300	2,300	2,300	0	0	0.0%
Administrative, Support, Waste Mgmt., & Remed.	14,600	14,600	14,600	0	0	0.0%
Employment services	4,900	4,800	5,300	100	-400	-7.5%
Educational and Health Services	34,100	33,900	33,800	200	300	0.9%
Ambulatory health care services	12,200	12,200	12,000	0	200	1.7%

Nursing and residential care facilities	5,100	5,100	5,100	0	0	0.0%
Social assistance	9,300	9,300	9,100	0	200	2.2%
Leisure and Hospitality	26,400	26,800	26,500	-400	-100	-0.4%
Arts, Entertainment and Recreation	3,500	3,600	3,700	-100	-200	-5.4%
Food Services and Drinking Places	21,400	21,500	21,400	-100	0	0.0%
Other Services	10,400	10,600	10,200	-200	200	2.0%
Government	39,000	38,100	38,900	900	100	0.3%
Federal Government	2,200	2,200	2,100	0	100	4.8%
State Government	5,800	5,200	6,600	600	-800	-12.1%
State Educational Services	2,700	2,100	3,500	600	-800	-22.9%
Local Government	31,000	30,700	30,200	300	800	2.6%
Local Educational Services	14,200	13,900	13,700	300	500	3.6%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment contracted by 2,000 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From August to September 2017, employment in construction and manufacturing combined did not move; monthly gains in manufacturing canceled out losses in construction. Year-over-year, goods producers in Snohomish County shed an estimated 4,100 jobs. Within the goods-producing sector, construction added jobs over the year, but not enough to offset losses from manufacturing.

Total employment in **construction** contracted by 100 in September. Year-to-year, employment in construction was up 1,100. This is a 4.9 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 dropped by 5,200 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 57,700 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 38,000 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 5,100. 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.
 - More layoffs are coming:
 - The Boeing Company has filed several Worker Adjustment and Retraining Notifications (WARN) with the Employment Security Department over the past few

months for layoffs scheduled each month from May through November.
<https://esd.wa.gov/about-employees/WARN>

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 400 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 retail trade and financial activities (each up 600) and professional and business services (up 400). Wholesale trade and leisure and hospitality each shed 100 jobs over the year.

Wholesale trade employment neither increased nor decreased over the month, but contracted by 100 jobs over the year. 8,200 jobs are found in this industry.

Employment in **retail trade** contracted by 200 in September but expanded by 600 jobs or 1.7 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 4th 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 increased by 100 over the year. Transportation warehousing and utilities employed 4,800 in September.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – remained unchanged over the month and over the year. Information sector businesses employed 5,900 in Snohomish County in September.

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 600 or 4.8 percent over the year. Gains were observed in both finance and insurance and in real estate. Altogether, the financial activities industries employed an estimated 13,100 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, employment in this diverse sector expanded by 100. Over the year, employers added 400 jobs, increasing employment by 1.5 percent. There were an estimated 27,900 jobs in this diverse sector.

- Year over year growth was observed in professional, scientific and technical services (up 400); administrative support, waste management and remediation was, as a whole, unchanged and employment services was down 400.

Employment in the **educational and health services** expanded by 200 over the month and 300 (0.9 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services and social assistance (each up 200).

- 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 in September and lost 100 jobs over the year. Leisure and hospitality accounted for an estimated 26,400 Snohomish County jobs in September.

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 200 over the month but increased by 200 over the year.

Government employment expanded by 900 jobs over the month and by 100 over the year. Month-to-month declines were concentrated in state and local public education services and are related to the rhythm of the academic calendar. Expect to see increases in the next couple reports as the school year kicks off. 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 October. Forecast information is available at www.erfc.wa.gov.