



Snohomish County Labor Area Summary August 2017



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

Overview

- In August 2017, the not seasonally adjusted unemployment rate in Snohomish County was 4.3 percent. This is up from 4.0 reported in July, and the same rate observed 12 months ago.
- There were an estimated 286,200 nonfarm jobs in Snohomish County as of August 2017.
- Nonfarm employment in Snohomish County contracted by 1,200 jobs over the month and by 1,800 or 0.6 percent over the year.
- From July to August, the largest gains were observed in construction (up 400) and retail trade and professional and business services (each up 200). Declines were observed in government (down 1,600 and manufacturing (down 700).
- Nine industries added jobs and three shed jobs over the year. The largest annual gains were attributed to construction (up 1,400), government (up 600) and retail trade (up 500). The deepest losses were attributable to declines in manufacturing (down 5,400).

Unemployment rates and labor force information

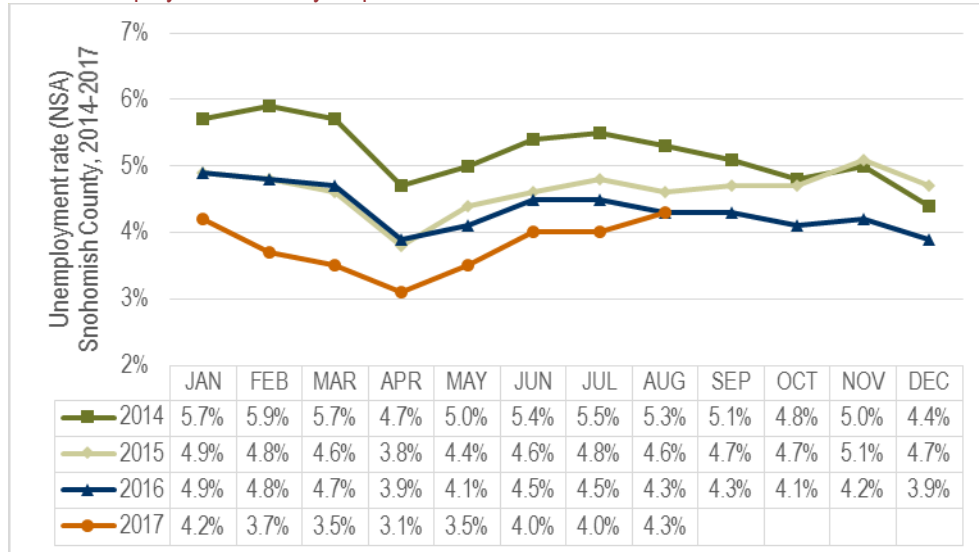
The not seasonally adjusted unemployment rate for Snohomish County was 4.3 percent (preliminary) in August 2017. This is up over the month from 4.0 percent (revised). The unemployment rate in August 2016 was 4.3 percent.

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. August 2017 figures are:

- Snohomish County labor force: 421,549
- Total employed: 403,293
- Total unemployed: 18,256
- Unemployment rate: 4.3%

Month-to-month, Snohomish County’s total resident labor force expanded by 3,867 people. The number of employed people increased by 2,319 and the number of active job seekers increased by 1,548. Over-the-year, the labor force expanded by 6,725 people or 1.6 percent.

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



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

Washington state

The not seasonally adjusted unemployment rate for Washington state increased from 4.4 percent (revised) in July to 4.5 percent (preliminary) in August 2017. The statewide labor force increased by 84,637 (2.3 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.3 percent.

The June forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.01 percent in 2017 (this is a downward revision from the March forecast) and will dip to 4.41 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 3.7 percent (revised) to 4.0 percent (preliminary) in August. 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.

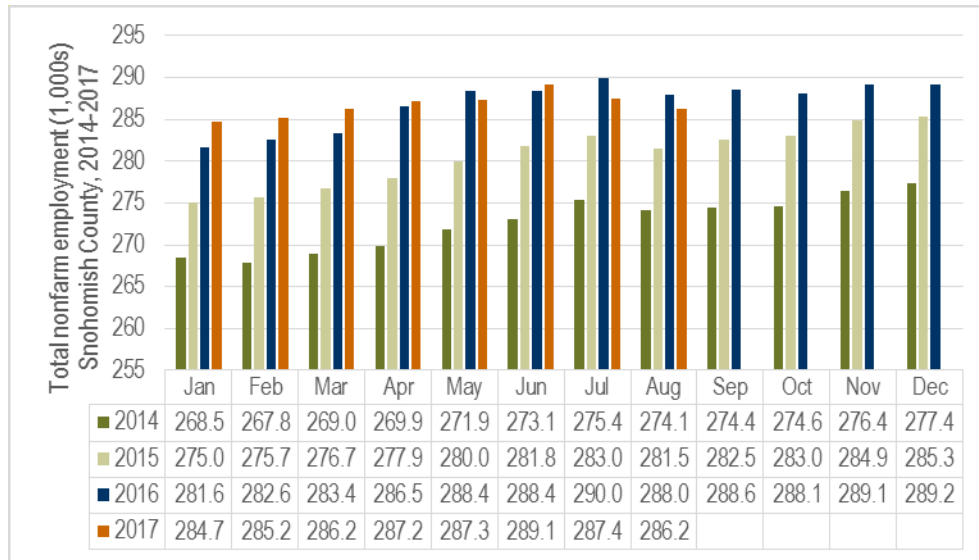
Unemployment Insurance (UI) Claims

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 August 2017, 2,081 new claims were filed in Snohomish County and a total of 5,224 Snohomish County residents collected state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County decreased by 1,200 in August 2017 and by 1,800 or 0.6 percent over the past 12 months. The estimated tally of jobs in August 2017 was 286,200.

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



In July and August 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 July and August 2017, year over year declines were observed.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through March 2017

NAICS Industry Title	Prelim Aug-17	Revised Jul-17	Revised Aug-16	Change		
				Jul-17 Aug-17	Aug-16 Aug-17	Aug-16 Aug-17
Total Nonfarm	286,200	287,400	288,000	-1,200	-1,800	-0.6%
Total Private	248,100	247,700	250,500	400	-2,400	-1.0%
Goods Producing	81,400	81,700	85,400	-300	-4,000	-4.7%
Mining, Logging, and Construction	23,900	23,500	22,500	400	1,400	6.2%
Construction of Buildings	4,000	3,900	3,700	100	300	8.1%
Heavy and Civil Engineering Construction	2,400	2,300	2,300	100	100	4.3%
Specialty Trade Contractors	17,200	17,100	16,200	100	1,000	6.2%
Manufacturing	57,500	58,200	62,900	-700	-5,400	-8.6%
Durable Goods	53,700	54,400	59,200	-700	-5,500	-9.3%
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.	5,000	5,100	5,200	-100	-200	-3.8%
Aerospace Product and Parts Mfg.	37,800	38,500	43,200	-700	-5,400	-12.5%
Nondurable Goods	3,800	3,800	3,700	0	100	2.7%
Service Providing	204,800	205,700	202,600	-900	2,200	1.1%
Trade, Transportation, and Utilities	48,600	48,300	48,100	300	500	1.0%
Wholesale Trade	8,200	8,200	8,300	0	-100	-1.2%
Retail Trade	35,600	35,400	35,100	200	500	1.4%
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	7,900	7,800	8,000	100	-100	-1.3%
Transportation, Warehousing, and Utilities	4,800	4,700	4,700	100	100	2.1%
Information	5,900	5,900	6,000	0	-100	-1.7%
Telecommunications	3,900	3,900	4,100	0	-200	-4.9%
Financial Activities	13,100	13,000	12,700	100	400	3.1%
Finance and Insurance	9,600	9,500	9,400	100	200	2.1%
Credit intermediation and related activities	3,100	3,100	3,100	0	0	0.0%
Insurance carriers and related activities	6,200	6,100	6,000	100	200	3.3%
Real estate and rental and leasing	3,500	3,500	3,300	0	200	6.1%
Professional and Business Services	27,700	27,500	27,400	200	300	1.1%
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.	14,500	14,300	14,400	200	100	0.7%
Employment services	4,800	4,700	5,000	100	-200	-4.0%
Educational and Health Services	33,900	33,900	33,700	0	200	0.6%
Ambulatory health care services	12,200	12,200	12,000	0	200	1.7%

Nursing and residential care facilities	5,100	5,000	5,100	100	0	0.0%
Social assistance	9,300	9,300	9,100	0	200	2.2%
Leisure and Hospitality	26,900	26,800	26,800	100	100	0.4%
Arts, Entertainment and Recreation	3,600	3,600	3,800	0	-200	-5.3%
Food Services and Drinking Places	21,500	21,500	21,300	0	200	0.9%
Other Services	10,600	10,600	10,400	0	200	1.9%
Government	38,100	39,700	37,500	-1,600	600	1.6%
Federal Government	2,200	2,200	2,100	0	100	4.8%
State Government	5,200	5,000	5,700	200	-500	-8.8%
State Educational Services	2,100	1,900	2,700	200	-600	-22.2%
Local Government	30,700	32,500	29,700	-1,800	1,000	3.4%
Local Educational Services	14,000	15,700	13,200	-1,700	800	6.1%
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 July to August 2017, employment in construction and manufacturing combined contracted by 300. Year-over-year, goods producers in Snohomish County shed an estimated 4,000 jobs. Within the goods-producing sector, construction added jobs over the month and over the year, while jobs were shed from manufacturing.

Total employment in **construction** expanded by 400 in August. Year-to-year, employment in construction was up 1,400. This is a 6.2 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 in-migration.

Net **Manufacturing** employment fell by 700 over the month, and by 5,400 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 57,500 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 37,800 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 5,400. 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 October.
<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 shed 900 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 government (up 600) retail trade (up 500) and financial activities (up 400).

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** expanded by 200 in August and by 500 jobs or 1.4 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 **transportation, warehousing and utilities** expanded by 100 jobs over the month and by 100 over the year. Transportation warehousing and utilities employed 4,800 in August.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – remained unchanged over the month but dropped by 100 over the year. Information sector businesses employed 5,900 in Snohomish County in August.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment expanded by 100 over the month and by 400 or 3.1 percent over the year. Altogether, the financial activities industries employed an estimated 13,100 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, employment in this diverse sector expanded by 200 jobs over the month. Over the year, employers added 300 jobs or 1.1 percent. There were an estimated 27,700 jobs in this diverse sector.

- Year over year growth was observed in professional, scientific and technical services (up 400) as well as within administrative support, waste management and remediation (up 100).

Employment in the **educational and health services** did not change over the month, but expanded by 200 (0.6 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services (up and social assistance (up 200 each).

- 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 in August and added 100 jobs over the year. Leisure and hospitality accounted for an estimated 26,900 Snohomish County jobs in August.

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 but increased by 200 over the year.

Government employment decreased by 1,600 jobs over the month but expanded by 600 over the year (1.6 percent). Month-to-month declines were concentrated in the local public education system and are related to the rhythm of the academic calendar. Expect to see increases in the next several reports as the school year kicks off. Year-over-year gains were concentrated in local educational services (K-12 public education) and losses were concentrated in the state public education 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 June and updated in September. Forecast information is available at www.erfc.wa.gov.