



# Snohomish County Labor Area Summary January 2017



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

## Overview

- In January 2017, the not seasonally adjusted unemployment rate in Snohomish County was 4.2 percent. This is up from 3.9 in December and down from 4.9 percent observed 12 months ago.
- There were an estimated 285,700 nonfarm jobs in Snohomish County as of January 2017.
- Nonfarm employment in Snohomish County contracted by 3,600 jobs over the month but expanded by 4,100 or 1.5 percent over the year.
- Most industries recorded employment losses, which is not unusual for this time of year. The deepest losses were observed in retail trade, reflecting the aftermath of holiday hiring.
- The largest annual gains were attributed to hiring in construction (up 1,400), professional and business services (up 1,200) and leisure and hospitality (up 900). Two industries shed jobs over the year: manufacturing (down 2,700) and financial activities (down 100).

## Unemployment rates and labor force information

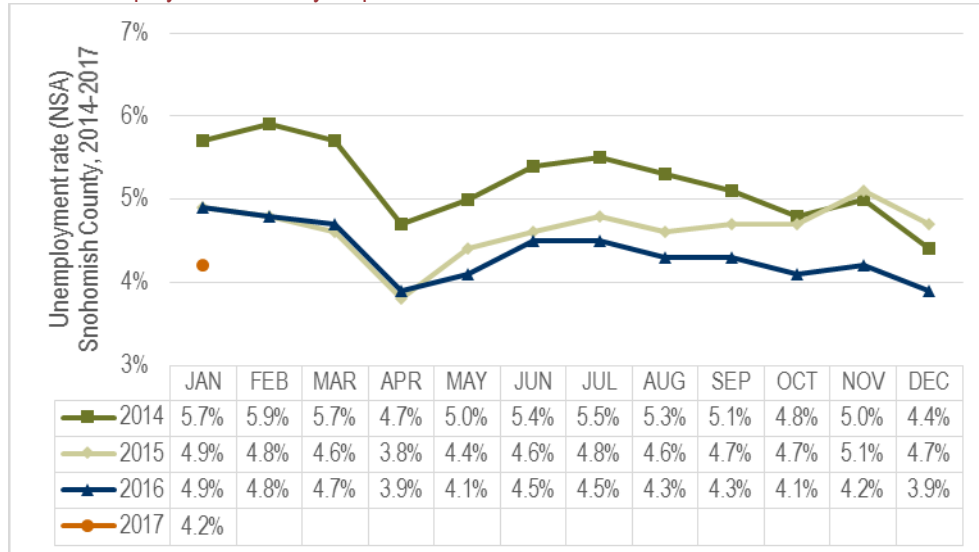
The not seasonally adjusted unemployment rate for Snohomish County was 4.2 percent (preliminary) in January 2017. This is up from 3.9 percent reported in December. For comparison, the unemployment rate in January 2016 was 4.9 percent. The January uptick in the unemployment rate is consistent with the typical seasonal rhythm of the unemployment rate, and is largely a product of the aftermath of holiday hiring and layoffs. January and February are typically characterized by the highest unemployment rates of any given year. The unemployment rate has generally fallen every year since 2010, with some seasonal variation.

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. January 2017 figures are:

- Snohomish County labor force: 416,178
- Total employed: 398,646
- Total unemployed: 17,532
- Unemployment rate: 4.2%

Month-to-month, Snohomish County’s total resident labor force expanded by 3,516. The number of employed people increased by 1,981 and the number of active job seekers increased by 1,535, pushing up the unemployment rate. Over-the-year, the labor force expanded by 14,273 people or 3.6 percent.

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



*The unemployment rate peaked at 11.2% in early 2010. In January 2017, the unemployment rate was 4.2 percent.*

**Washington state**

The not seasonally adjusted unemployment rate for Washington state increased from 5.3 percent (revised) in December 2016 to 5.8 percent (preliminary) in January 2017. The statewide labor force increased by 96,436 (2.7 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 6.2 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](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 increased from 3.6 percent in December (revised) to 3.9 percent (preliminary). Twelve months ago, the unemployment rate was 4.5 percent.

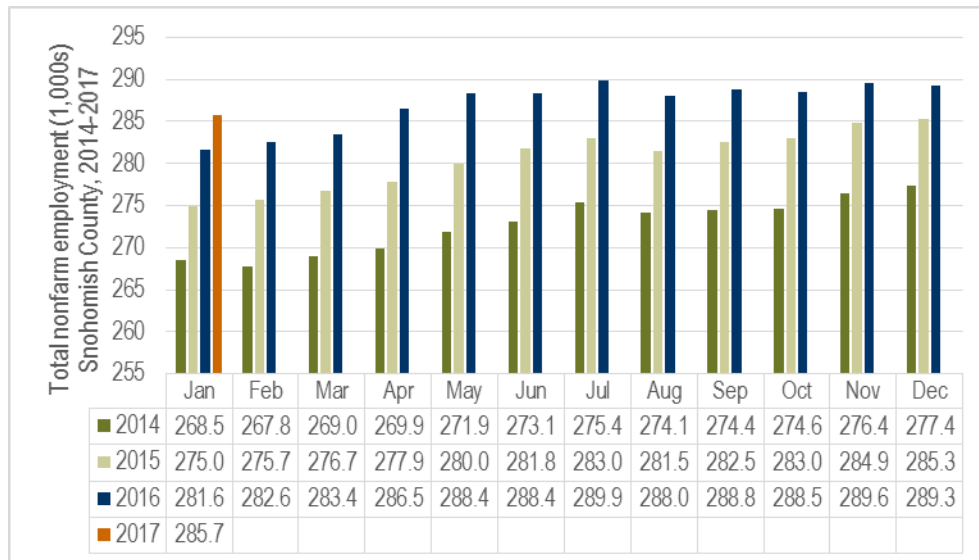
## Unemployment Insurance (UI) Claims

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 January 2017, 3,116 new claims were filed in Snohomish County and a total of 8,226 Snohomish County residents collected state benefits.

## Total nonfarm employment

Total nonfarm employment in Snohomish County decreased by 3,600 in January 2017 but expanded by 4,100 or 1.5 percent over the past 12 months. The estimated tally of jobs in January 2017 was 285,700.

**Figure 2. Nonfarm industry employment**  
Snohomish County, January 2014 through January 2017  
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 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.

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

Nonfarm Employment Estimates, Not Seasonally Adjusted

**Snohomish County**

Data benchmarked through September 2016

NAICS Industry Title	Prelim Jan-17	Revised Dec-16	Revised Jan-16	Change		
				Dec-16 Jan-17	Jan-16 Jan-17	Jan-16 Jan-17
Total Nonfarm	285,700	289,300	281,600	-3,600	4,100	1.5%
Total Private	245,700	249,500	242,400	-3,800	3,300	1.4%
Goods Producing	82,200	82,800	83,500	-600	-1,300	-1.6%
Mining, Logging, and Construction	21,200	21,800	19,800	-600	1,400	7.1%
Construction of Buildings	3,600	3,700	3,200	-100	400	12.5%
Heavy and Civil Engineering Construction	1,800	2,000	1,800	-200	0	0.0%
Specialty Trade Contractors	15,500	15,800	14,500	-300	1,000	6.9%
Manufacturing	61,000	61,000	63,700	0	-2,700	-4.2%
Durable Goods	57,800	57,800	60,200	0	-2,400	-4.0%
Wood Product Manufacturing	1,000	900	900	100	100	11.1%
Fabricated Metal Product Manufacturing	4,100	4,100	4,100	0	0	0.0%
Computer and Electronic Product Mfg.	5,300	5,300	5,300	0	0	0.0%
Aerospace Product and Parts Mfg.	41,800	41,800	44,300	0	-2,500	-5.6%
Nondurable Goods	3,200	3,200	3,500	0	-300	-8.6%
Service Providing	203,500	206,500	198,100	-3,000	5,400	2.7%
Trade, Transportation, and Utilities	48,600	50,700	46,800	-2,100	1,800	3.8%
Wholesale Trade	8,400	8,400	8,100	0	300	3.7%
Retail Trade	34,900	36,500	34,200	-1,600	700	2.0%
Motor vehicle and parts dealers	4,600	4,700	4,500	-100	100	2.2%
Food and beverage stores	6,700	6,800	6,400	-100	300	4.7%
General merchandise stores	8,300	8,800	8,200	-500	100	1.2%
Transportation, Warehousing, and Utilities	5,300	5,800	4,500	-500	800	17.8%
Information	5,800	5,900	5,800	-100	0	0.0%
Telecommunications	4,000	4,000	4,100	0	-100	-2.4%
Financial Activities	12,600	12,700	12,700	-100	-100	-0.8%
Finance and Insurance	9,400	9,400	9,500	0	-100	-1.1%
Credit intermediation and related activities	3,200	3,200	3,100	0	100	3.2%
Insurance carriers and related activities	5,900	5,900	6,100	0	-200	-3.3%
Real estate and rental and leasing	3,200	3,300	3,200	-100	0	0.0%
Professional and Business Services	26,500	27,000	25,300	-500	1,200	4.7%
Professional, Scientific, and Technical Services	11,900	11,700	11,300	200	600	5.3%
Architectural and engineering services	2,300	2,300	2,400	0	-100	-4.2%
Administrative, Support, Waste Mgmt., & Remed.	13,000	13,800	12,400	-800	600	4.8%
Employment services	4,400	4,900	4,100	-500	300	7.3%
Educational and Health Services	33,900	34,000	33,300	-100	600	1.8%
Ambulatory health care services	12,100	12,200	11,600	-100	500	4.3%

Nursing and residential care facilities	5,000	5,000	4,900	0	100	2.0%
Social assistance	9,100	9,100	9,100	0	0	0.0%
Leisure and Hospitality	26,000	26,300	25,100	-300	900	3.6%
Arts, Entertainment and Recreation	3,400	3,400	3,300	0	100	3.0%
Food Services and Drinking Places	21,300	21,600	20,500	-300	800	3.9%
Other Services	10,100	10,100	9,900	0	200	2.0%
Government	40,000	39,800	39,200	200	800	2.0%
Federal Government	2,100	2,100	2,000	0	100	5.0%
State Government	6,600	6,300	6,600	300	0	0.0%
State Educational Services	3,600	3,300	3,600	300	0	0.0%
Local Government	31,300	31,400	30,600	-100	700	2.3%
Local Educational Services	15,600	15,600	15,000	0	600	4.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

*Snohomish County employment expanded by 4,100 over the past 12 months.*

## Nonfarm industry employment

### Goods-producing Industries

From December 2016 to January 2017, employment in construction and manufacturing combined contracted by 600. Year-over-year, goods producers in Snohomish County shed an estimated 1,300 jobs.

Total employment in **construction** dropped from 21,800 in December to 21,200 in January, consistent with the season. Year-to-year, employment in construction was up 1,400. This is a 7.1 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. 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 2,700 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 61,000 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 41,800 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 2,500. 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 shed 3,000 jobs over the month. Over the year, service-sector employers added 5,400 jobs to the Snohomish County economy, expanding employment by 2.7 percent. The largest year-over-year gains

among service-providing industries were attributable to hiring in professional and business services (up 1,200), leisure and hospitality (up 900) and transportation and warehousing and government (each up 800).

**Wholesale trade** employment neither increased nor decreased over the month, but expanded by 300 jobs over the year. 8,400 jobs are found in this industry.

Employment in **retail trade** contracted by 1,600 in January but expanded by 700 jobs or 2.0 percent over the past 12 months.

- January losses in retail tend to be large, reflecting the termination of temporary holiday jobs.
- 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/>
- Year over year employment was up in all major retail industry breakouts detailed in this report.

Employment in **transportation, warehousing and utilities** decreased by 500 over the month but expanded by 800 jobs over the year, representing 17.8 percent growth. Transportation warehousing and utilities employed 5,300 in January.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – decreased by 100 and remained unchanged over the year. Information sector employers were responsible for 5,800 Snohomish County jobs in January 2017.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment decreased by 100 over the month and also decreased by 100 over the year. Altogether, the financial activities industries employed an estimated 12,600 in January.

**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 January 2017, employment in this diverse sector fell by about 500 jobs. Over the year, employers added 1,200 jobs or 4.7 percent.

- Growth was observed in professional, scientific and technical services (up 600) as well as within administrative support, waste management and remediation (also up 600).

Employment in the **educational and health services** decreased by 100 in December and expanded by 600 (1.8 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services (up 500).

- 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 300 jobs from December to January but contributed 900 new jobs to the Snohomish County economy over the year. Leisure and hospitality expanded by 3.6 percent over the year and accounted for an estimated 26,000 jobs in January 2017.

**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 10,100 in January.

**Government** employment increased by 200 jobs over the month and expanded by 800 over the year (2.0 percent). Year-over-year gains were concentrated in local government, particularly reflecting employment gains in public K-12 education.

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