



Snohomish County Labor Area Summary May 2017



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

Overview

- In May 2017, the not seasonally adjusted unemployment rate in Snohomish County was 3.5 percent. This is up from 3.1 in April and down from 4.1 percent observed 12 months ago.
- There were an estimated 288,800 nonfarm jobs in Snohomish County as of May 2017.
- Nonfarm employment in Snohomish County expanded by 1,300 jobs over the month and by 400 or 0.1 percent over the year.
- From April to May, the largest gains were observed in leisure and hospitality (up 500), construction and government (up 400 each)
- The largest annual gains were attributed to professional and business services (up 1,600), construction (up 900) and government (up 700). Three industry sectors shed jobs over the year: manufacturing (down 4,200) financial activities (down 200) and information (down 100).

Unemployment rates and labor force information

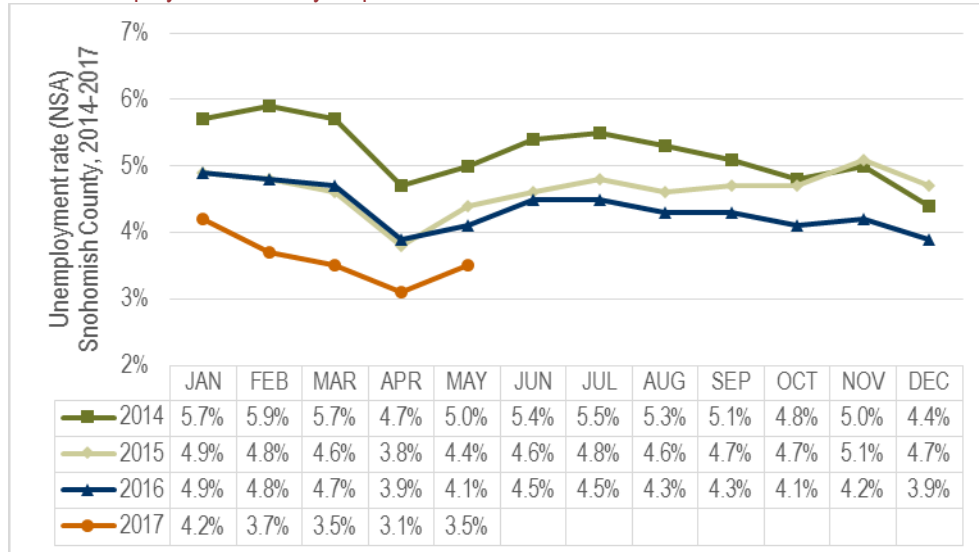
The not seasonally adjusted unemployment rate for Snohomish County was 3.5 percent (preliminary) in May 2017. This is up from 3.1 percent reported in April. For comparison, the unemployment rate in May 2016 was 4.1 percent. The unemployment rate in Snohomish County has been the lowest observed since before the Great Recession.

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. May 2017 figures are:

- Snohomish County labor force: 418,466
- Total employed: 403,920
- Total unemployed: 14,546
- Unemployment rate: 3.5%

Month-to-month, Snohomish County’s total resident labor force declined by 97 people. The number of employed people decreased by 1,592 and the number of active job seekers increased by 1,495, pushing the unemployment rate up. Over-the-year, the labor force expanded by 7,126 people or 1.7 percent.

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



The unemployment rate peaked at 11.2% in early 2010. In May 2017, the unemployment rate was 3.5 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state was maintained at 4.3 percent in April (revised) and May (preliminary). The statewide labor force increased by 50,644 (1.4 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.2 percent.

The March forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 5.15 percent in 2017 and will dip to 4.68 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 2.9 percent in April (revised) to 3.2 percent (preliminary). Twelve months ago, the unemployment rate was 3.9 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.

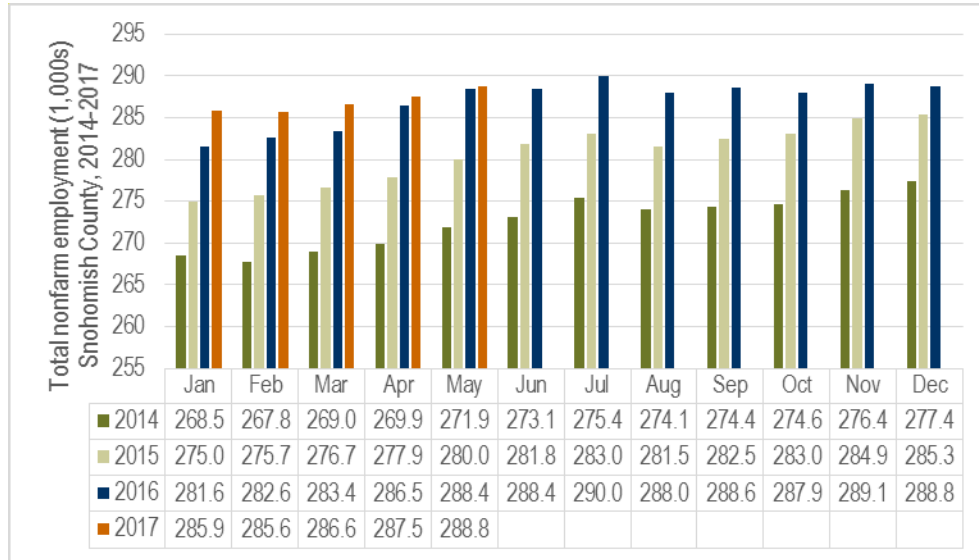
Unemployment Insurance (UI) Claims

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 May 2017, 2,213 new claims were filed in Snohomish County and a total of 5,661 Snohomish County residents collected state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County increased by 1,300 in May 2017 and by 400 or 0.1 percent over the past 12 months. The estimated tally of jobs in May 2017 was 288,800.

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



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, May 2016, and April and May 2017.
 Source: Employment Security Department/WITS

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through December 2016

NAICS Industry Title	Prelim May-17	Revised Apr-17	Revised May-16	Change		
				Apr-17 May-17	May-16 May-17	May-16 May-17
Total Nonfarm	288,800	287,500	288,400	1,300	400	0.1%
Total Private	247,600	246,700	247,900	900	-300	-0.1%
Goods Producing	81,800	81,900	85,100	-100	-3,300	-3.9%
Mining, Logging, and Construction	22,300	21,900	21,400	400	900	4.2%
Construction of Buildings	3,800	3,700	3,400	100	400	11.8%
Heavy and Civil Engineering Construction	2,000	1,900	2,100	100	-100	-4.8%
Specialty Trade Contractors	16,300	16,000	15,700	300	600	3.8%
Manufacturing	59,500	60,000	63,700	-500	-4,200	-6.6%
Durable Goods	55,800	56,300	60,000	-500	-4,200	-7.0%
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.	5,300	5,300	5,300	0	0	0.0%
Aerospace Product and Parts Mfg.	39,900	40,400	43,900	-500	-4,000	-9.1%
Nondurable Goods	3,700	3,700	3,700	0	0	0.0%
Service Providing	207,000	205,600	203,300	1,400	3,700	1.8%
Trade, Transportation, and Utilities	47,800	47,500	47,300	300	500	1.1%
Wholesale Trade	8,400	8,400	8,200	0	200	2.4%
Retail Trade	34,800	34,500	34,500	300	300	0.9%
Motor vehicle and parts dealers	4,800	4,800	4,700	0	100	2.1%
Food and beverage stores	6,800	6,800	6,600	0	200	3.0%
General merchandise stores	7,900	7,900	7,900	0	0	0.0%
Transportation, Warehousing, and Utilities	4,600	4,600	4,600	0	0	0.0%
Information	6,000	5,900	6,100	100	-100	-1.6%
Telecommunications	3,900	4,000	4,100	-100	-200	-4.9%
Financial Activities	12,500	12,500	12,700	0	-200	-1.6%
Finance and Insurance	9,300	9,300	9,400	0	-100	-1.1%
Credit intermediation and related activities	3,200	3,200	3,100	0	100	3.2%
Insurance carriers and related activities	5,800	5,800	6,000	0	-200	-3.3%
Real estate and rental and leasing	3,200	3,200	3,300	0	-100	-3.0%
Professional and Business Services	28,000	28,000	26,400	0	1,600	6.1%
Professional, Scientific, and Technical Services	11,500	11,800	11,300	-300	200	1.8%
Architectural and engineering services	2,200	2,200	2,300	0	-100	-4.3%
Administrative, Support, Waste Mgmt., & Remed.	15,000	14,700	13,600	300	1,400	10.3%
Employment services	5,400	5,300	4,600	100	800	17.4%
Educational and Health Services	34,500	34,400	33,900	100	600	1.8%
Ambulatory health care services	12,300	12,300	11,800	0	500	4.2%

Nursing and residential care facilities	5,100	5,100	5,100	0	0	0.0%
Social assistance	9,200	9,200	9,300	0	-100	-1.1%
Leisure and Hospitality	26,700	26,200	26,200	500	500	1.9%
Arts, Entertainment and Recreation	3,600	3,400	3,700	200	-100	-2.7%
Food Services and Drinking Places	21,600	21,300	21,200	300	400	1.9%
Other Services	10,300	10,300	10,200	0	100	1.0%
Government	41,200	40,800	40,500	400	700	1.7%
Federal Government	2,100	2,100	2,100	0	0	0.0%
State Government	6,900	6,800	6,900	100	0	0.0%
State Educational Services	3,800	3,700	3,800	100	0	0.0%
Local Government	32,200	31,900	31,500	300	700	2.2%
Local Educational Services	15,900	15,800	15,500	100	400	2.6%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment expanded by 400 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From April to May 2017, employment in construction and manufacturing combined contracted by 100. Year-over-year, goods producers in Snohomish County shed an estimated 3,300 jobs.

Total employment in **construction** contracted by 100 in May. Year-to-year, employment in construction was up 3,500. 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.

Net **Manufacturing** employment fell by 500 over the month, and by 4,200 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 59,500 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.
- Over the year, employment losses for the manufacturing sector came primarily from aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 39,900 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 4,000. 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.
 - 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 for May, June and July. <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 1,400 jobs over the month. Over the year, service-sector employers added 3,700 jobs to the Snohomish County economy, expanding employment by 1.8 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in professional and business services (up 1,600) and government and education and health services (up 700 and 600 respectively).

Wholesale trade employment neither increased nor decreased over the month, but expanded by 200 jobs over the year. 8,400 jobs are found in this industry.

Employment in **retail trade** expanded by 300 in May and by 300 jobs or 0.9 percent over the past 12 months. The largest employment gains were observed in food and beverage stores.

Employment in **transportation, warehousing and utilities** remained unchanged over the month and over the year. Transportation warehousing and utilities employed 4,600 in May.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – expanded by 100 over the month but dropped by the same amount over the year. Information sector businesses employed 6,000 in Snohomish County in May.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment did not change over the month but dropped by 200 over the year. Altogether, the financial activities industries employed an estimated 12,500 in May.

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 May, employment in this diverse sector held steady at about 28,000 jobs. Over the year, employers added 1,600 jobs or 6.1 percent.

- Year over year growth was observed in professional, scientific and technical services (up 200) as well as within administrative support, waste management and remediation (up 1,400). Employment services was up 800 over the year.

Employment in the **educational and health services** expanded by an estimated 100 from April to May 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 added 500 jobs in May and contributed 500 new jobs to the Snohomish County economy over the year. Leisure and hospitality expanded by 1.9 percent over the year and accounted for an estimated 26,700 jobs.

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 expanded by 100 over the year.

Government employment increased by 400 jobs over the month and by 700 over the year (1.7 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 March and updated in June. Forecast information is available at www.erfc.wa.gov.