



Snohomish County Labor Area Summary November 2016



Anneliese Vance-Sherman, Ph.D., Regional Labor Economist
Washington State Employment Security Department
Labor Market and Performance Analysis
Phone: 425-258-6300
Mobile: 360-630-1232
Email: avancesherman@esd.wa.gov
Website: esd.wa.gov/labormarketinfo

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

Overview

- In November 2016, the not seasonally adjusted unemployment rate in Snohomish County was 4.2 percent. This is up from 4.0 in October and down from 5.5 percent observed 12 months ago.
- There were an estimated 288,700 nonfarm jobs in Snohomish County as of November 2016.
- Nonfarm employment in Snohomish County expanded by 1,000 jobs from October to November 2016.
- The largest private month-to-month gains were observed in retail trade (up 1,200), in line with holiday hiring. Construction and professional and business services employment was down over the month.
- Total nonfarm employment in November 2016 was 3,800 jobs above the level observed 12 months earlier. This represents a 1.3 percent increase in employment over the year.
- The largest annual gains were attributed to hiring in construction (up 2,600), leisure and hospitality and professional and business services (each up 900). Three industries shed jobs over the year: manufacturing (down 1,900), retail trade (down 800) and information (down 100).

Unemployment rates and labor force information

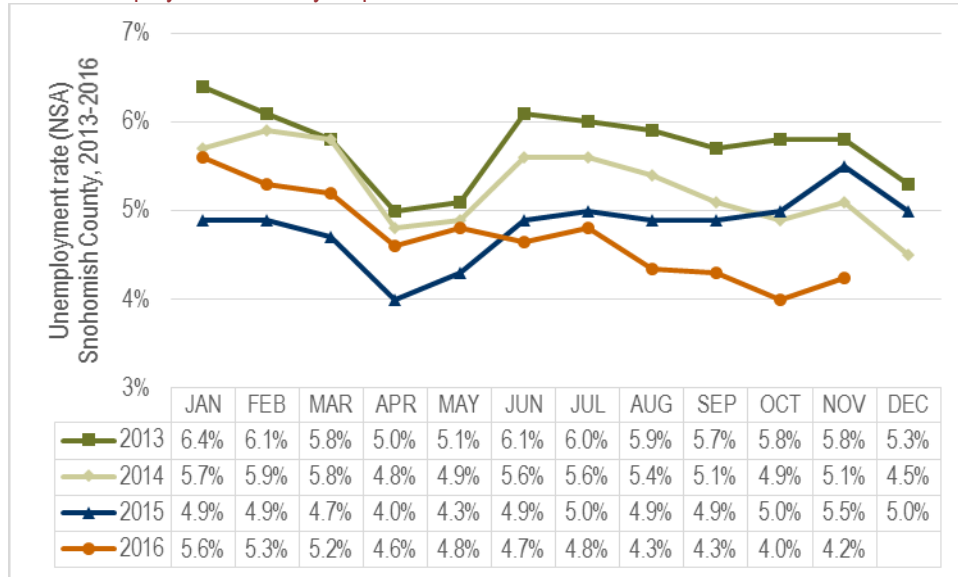
The not seasonally adjusted unemployment rate for Snohomish County was 4.2 percent (preliminary) in November 2016. This is up from 4.0 percent reported in October. For comparison, the unemployment rate in November 2015 was 5.5 percent.

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. November 2016 figures are:

- Snohomish County labor force: 417,177
- Total employed: 399,469
- Total unemployed: 17,708
- Unemployment rate: 4.2%

Month-to-month, Snohomish County’s total resident labor force contracted by 1,162. The number of employed people decreased by 2,124 and the number of active job seekers increased by 962. Over-the-year, the labor force expanded by 15,779 people or 3.9 percent.

Figure 1. Unemployment rates, not seasonally adjusted
 Snohomish County, January 2013 through November 2016
 Source: Employment Security Department/LMPA



The unemployment rate peaked at 11.2% in early 2010. In November 2016, the unemployment rate was 4.2 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state increased from 5.0 percent (revised) in October to 5.2 percent (preliminary) in November. The statewide labor force increased by 116,947 (3.3 percent) over the year. For comparison, the statewide unemployment rate 12 months ago was 5.7 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 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 3.8 percent in October (revised) to 4.0 percent in November (preliminary) 2016. Twelve months ago, the unemployment rate was 5.1 percent.

Unemployment Insurance (UI) Claims

The largest share of new UI claims in Snohomish County continues to come from workers in seasonally- and contract-sensitive construction-related occupations. The top five occupational groups filing initial claims for UI in November 2016 follows:

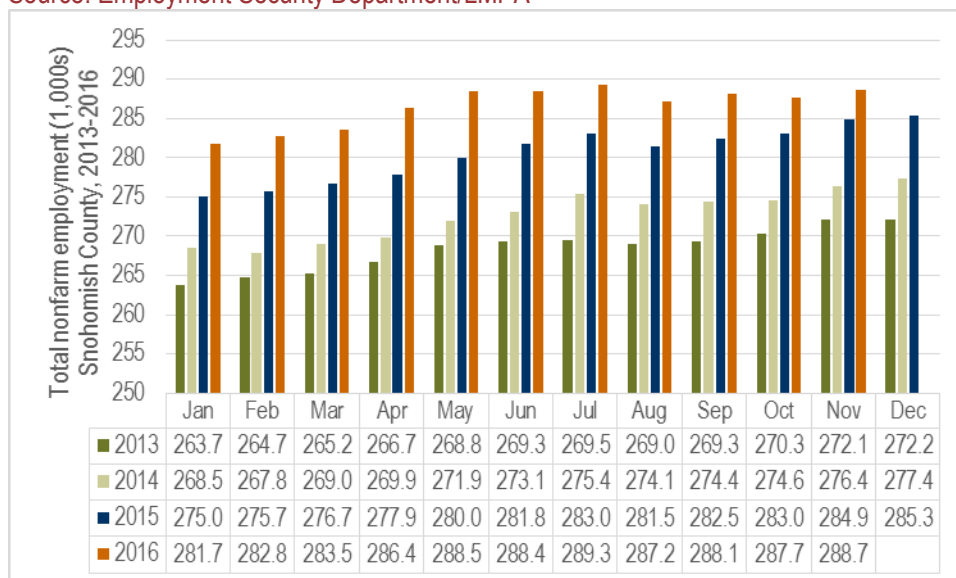
- Construction and extraction occupations
- Transportation and material moving occupations
- Office and administrative support occupations
- Management occupations
- Production occupations

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 November 2016, 3,137 new claims were filed in Snohomish County and 5,774 Snohomish County residents collected state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County increased by 1,000 in November 2016 and by 3,800 or 1.3 percent over the past 12 months. The estimated tally of jobs in November 2016 was 288,700.

Figure 2. Nonfarm industry employment
Snohomish County, January 2013 through November 2016
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 6.4 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to 2006 levels. 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, November 2015, October 2016 and November 2016.
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted
Snohomish County
 Data benchmarked through June 2016

NAICS Industry Title	Prelim Nov-16	Revised Oct-16	Revised Nov-15	Change		
				Oct-16 Nov-16	Nov-15 Nov-16	Nov-15 Nov-16
Total Nonfarm	288,700	287,700	284,900	1,000	3,800	1.3%
Total Private	248,300	247,400	245,200	900	3,100	1.3%
Goods Producing	84,200	84,500	83,500	-300	700	0.8%
Mining, Logging, and Construction	22,500	22,700	19,900	-200	2,600	13.1%
Construction of Buildings	3,600	3,700	3,400	-100	200	5.9%
Heavy and Civil Engineering Construction	2,200	2,300	1,800	-100	400	22.2%
Specialty Trade Contractors	16,400	16,500	14,500	-100	1,900	13.1%
Manufacturing	61,700	61,800	63,600	-100	-1,900	-3.0%
Durable Goods	58,100	58,200	60,200	-100	-2,100	-3.5%
Wood Product Manufacturing	1,000	1,000	1,000	0	0	0.0%
Fabricated Metal Product Manufacturing	4,100	4,100	4,100	0	0	0.0%
Computer and Electronic Product Mfg.	5,200	5,200	5,400	0	-200	-3.7%
Aerospace Product and Parts Mfg.	42,100	42,100	43,900	0	-1,800	-4.1%
Nondurable Goods	3,600	3,600	3,400	0	200	5.9%
Service Providing	204,500	203,200	201,400	1,300	3,100	1.5%
Trade, Transportation, and Utilities	48,900	47,600	49,100	1,300	-200	-0.4%
Wholesale Trade	8,400	8,400	8,100	0	300	3.7%
Retail Trade	35,600	34,400	36,400	1,200	-800	-2.2%
Motor vehicle and parts dealers	4,700	4,700	4,500	0	200	4.4%
Food and beverage stores	6,400	6,400	7,000	0	-600	-8.6%
General merchandise stores	8,800	8,300	8,700	500	100	1.1%
Transportation, Warehousing, and Utilities	4,900	4,800	4,600	100	300	6.5%
Information	5,800	5,700	5,900	100	-100	-1.7%
Telecommunications	4,000	4,000	4,200	0	-200	-4.8%
Financial Activities	12,500	12,500	12,500	0	0	0.0%
Finance and Insurance	9,200	9,200	9,300	0	-100	-1.1%
Credit intermediation and related activities	3,100	3,100	3,100	0	0	0.0%
Insurance carriers and related activities	5,800	5,800	5,900	0	-100	-1.7%
Real estate and rental and leasing	3,300	3,300	3,200	0	100	3.1%
Professional and Business Services	26,600	26,800	25,700	-200	900	3.5%
Professional, Scientific, and Technical Services	11,500	11,500	10,700	0	800	7.5%
Architectural and engineering services	2,400	2,400	2,100	0	300	14.3%
Administrative, Support, Waste Mgmt., & Remed.	13,700	14,000	13,500	-300	200	1.5%
Employment services	4,700	4,900	4,900	-200	-200	-4.1%

Educational and Health Services	34,100	34,000	33,400	100	700	2.1%
Ambulatory health care services	11,900	11,800	11,600	100	300	2.6%
Nursing and residential care facilities	5,000	5,000	5,200	0	-200	-3.8%
Social assistance	9,400	9,400	9,100	0	300	3.3%
Leisure and Hospitality	25,900	26,000	25,000	-100	900	3.6%
Arts, Entertainment and Recreation	3,300	3,400	3,300	-100	0	0.0%
Food Services and Drinking Places	21,200	21,200	20,300	0	900	4.4%
Other Services	10,300	10,300	10,100	0	200	2.0%
Government	40,400	40,300	39,700	100	700	1.8%
Federal Government	2,000	2,000	2,000	0	0	0.0%
State Government	6,800	6,800	6,800	0	0	0.0%
State Educational Services	3,800	3,800	3,800	0	0	0.0%
Local Government	31,600	31,500	30,900	100	700	2.3%
Local Educational Services	15,600	15,500	15,300	100	300	2.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment expanded by 3,800 over the past 12 months.

Nonfarm industry employment

Goods-producing Industries

From October to November 2016, employment in construction and manufacturing combined contracted by 300. Year-over-year, goods producers in Snohomish County added an estimated 700 jobs.

Total employment in **construction** dropped from 22,700 in October to 22,500 in November. Year-to-year, employment in construction was up 2,600. This is a 13.1 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 43 percent from peak levels in 2007. Recovery has lagged other industries and employment is highly seasonal. Expect to see employment losses in this sector as the days become cooler and shorter in the fall and winter months.

Net **Manufacturing** employment decreased by 100 over the month, and dropped by 1,900 over the year. Manufacturing is the largest set of industries in Snohomish County and accounts for 61,700 jobs in Snohomish County -- nearly one in four jobs.

- Manufacturing is a diverse set of industries experiencing different patterns of growth and decline. Since reaching a post-recession peak of 65,500 in late 2012, employment dropped slightly and more-or-less leveled off.
- Over the year, employment losses for the manufacturing sector came from aerospace manufacturing (Snohomish County's largest manufacturing industry, accounting for 42,100 jobs). Over the year, employment in the aerospace manufacturing industry dropped by 1,800. The past couple years have been characterized by declining employment in aerospace.
 - Expect to see continued aerospace employment losses in the coming year. The Boeing Company indicated plans to reduce production rates of the 777 in Everett, and warned of likely upcoming layoffs <http://www.seattletimes.com/business/boeing-aerospace/boeing-cuts/>
 - 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.

- Despite over the year losses in durable goods, nondurable goods manufacturers created 200 jobs.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 1,300 jobs over the month. Over the year, service-sector employers added 3,100 jobs to the Snohomish County economy, expanding employment by 1.5 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in professional and business services and leisure and hospitality (each up 900), education and health services and government (each up 700).

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** expanded by 1,200 in November but contracted by 800 jobs or 2.2 percent over the past 12 months.

- The recent bump up in monthly employment has to do with holiday-related hiring. The Employment Security Department anticipates the addition of 5,321 temporary jobs in the Seattle MD retail sector in the fourth quarter of this year.
- General merchandise stores and motor vehicle parts and dealers each added jobs over the year. Food and beverage stores shed 600 jobs.

Employment in **transportation, warehousing and utilities** increased by 100 over the month and by 300 jobs over the year. Transportation warehousing and utilities employed 4,900 in November.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – increased by 100 in November but decreased by 100 over the year. Information sector employers were responsible for 5,800 Snohomish County jobs in November 2016.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Net employment remained unchanged over the month and over the year. Altogether, the financial activities industries employed an estimated 12,500 in November.

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 November 2016, employment in this diverse sector fell by about 200 jobs. There were an estimated 26,600 jobs in this sector. Over the year, employers added 900 jobs or 3.5 percent.

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

Employment in the **educational and health services** increased by 100 in November and expanded by 700 (2.1 percent) over the year. Year-over-year growth was concentrated in ambulatory health care services and social assistance (each up 300); Nursing and residential care facilities employment fell (down 200) over the year.

- 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 100 jobs from October to November and 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 25,900 jobs in November 2016.

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 10,300 in November.

Government employment increased by 100 jobs over the month and expanded by 700 over the year (1.8 percent). Year-over-year gains were concentrated in local government including educational services.

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 December. Forecast information is available at www.erfc.wa.gov.

Holiday hiring forecast:

As the holiday season approaches, we typically see a lot of hiring activity, particularly among retailers. Last year, retail hiring in Washington state during the 4th quarter increased by 10,542. In 2016, the Employment Security Department estimates that the increase will be slightly greater; around 12,726, marking a 3.5 percent increase from September through December. In the Seattle MD, the increase is expected to be on the order of 5,321 jobs or 3.1 percent. The largest retail increases are likely to be in general merchandise stores and clothing and clothing accessories retailers.