



Snohomish County

Labor Area Summary

August 2012

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

Overview

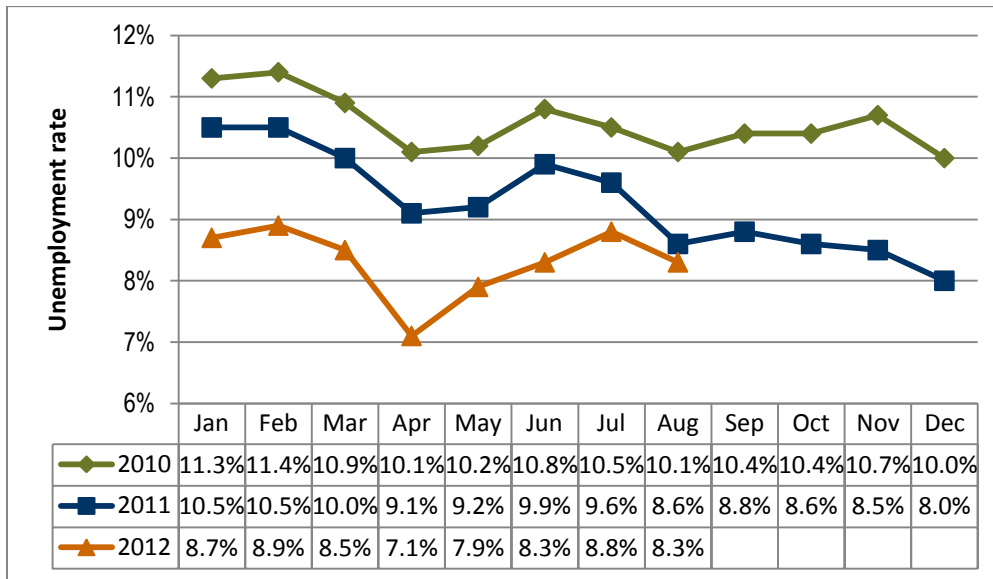
- In August, Snohomish County's unemployment rate fell to 8.3 percent.
- The one-month change in nonfarm employment was a drop on the order of 1,100 jobs.
- The private sector added 500 jobs in August, and the public sector lost 1,600. Most one-month changes were small (involving the addition or subtraction of 100 or fewer jobs by industry).
- Year-over-year employment increased by 8,900 jobs. The private sector has been responsible for most job growth in Snohomish County.

Unemployment rates and labor force information

The unemployment rate for Snohomish County fell from 8.8 percent in July to 8.3 percent in August. For comparison, the unemployment rate in August 2011 was 8.6 percent.

The 'Great Recession' took hold locally in mid-2008. Through the course of 2008 and 2009, the unemployment rate rapidly increased, reaching a peak rate of 11.4 percent in February, 2010. Since then, the elevated rate has slowly diminished. Snohomish County's patterns of unemployment have been similar to those reported at state and national levels throughout the course of this lengthy economic downturn. The June forecast by Washington's Economic and Revenue Forecast Council indicated that the statewide unemployment rate will average 8.2 percent in 2012 and 7.9 percent in 2013. See www.erfc.wa.gov for more information.

Figure 1. Unemployment rates, not seasonally adjusted
 Snohomish County, January 2010 through August 2012
 Source: Employment Security Department/LMEA



Unemployment rates have been falling since early 2010. In August 2012, the unemployment rate was 8.3 percent.

- Snohomish County labor force: 385,080
- Total employed: 353,280
- Total unemployed: 31,800
- Unemployment rate: 8.3%

The local labor force generally grew over the past decade, including during the 2007-2009 recession. The recovery period (starting in 2009) has been characterized by month-to-month fluctuation and a general trend of stagnation. This has been driven by individuals withdrawing from the job search process.

Washington state and the United States

The not seasonally adjusted unemployment rate for Washington state rose to 8.5 percent in August from 8.4 percent in July. On a seasonally adjusted basis, state unemployment rose from 8.5 percent to 8.6 percent. The seasonally adjusted rate for the U.S. fell from 8.3 percent to 8.1 percent in August.

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 was 7.6 percent in August. On a seasonally adjusted basis, the unemployment rate was 7.7 percent.

Unemployment Insurance (UI) Claims

The largest share of UI claims in Snohomish County continues to come from workers in construction-related occupations. The top five occupational groups filing initial claims for UI in August 2012 follows:

- Construction and extraction occupations
- Office and administrative support occupations
- Production occupations

- Management occupations
- Sales and related occupations

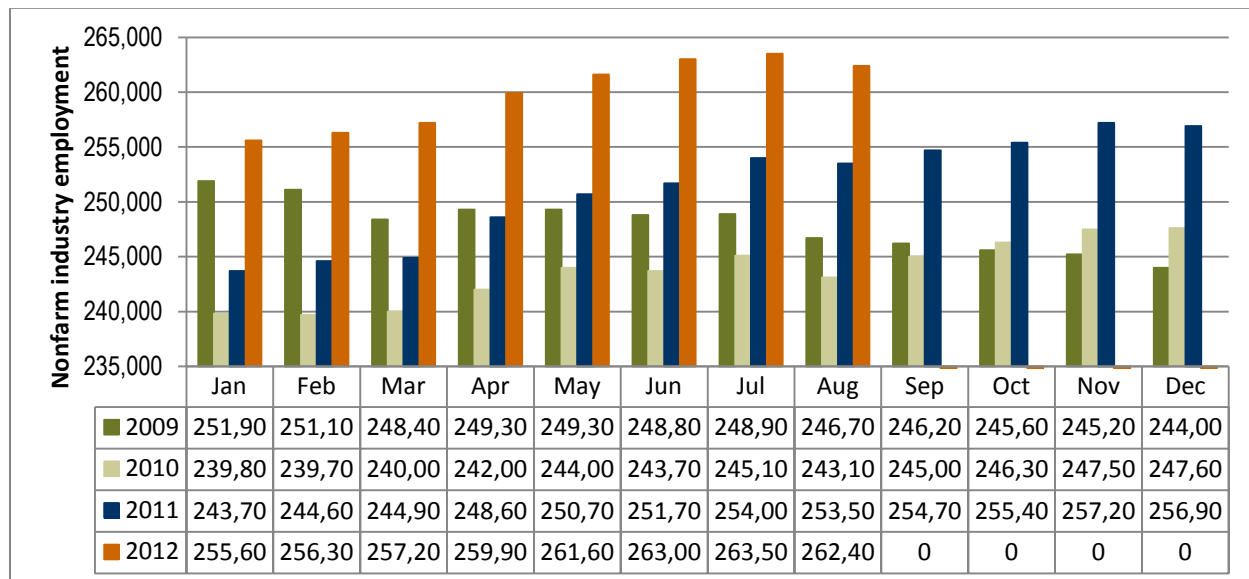
In August, initial, continued, and final claims for UI dropped relative to July. The number of people claiming federal UI benefit extensions also dropped in August.

Total nonfarm employment

From July to August, total nonfarm industry employment declined by 1,100 jobs. The modest gains that were made over-the-month came almost exclusively from private employers--the private sector added 500 jobs in August and the public sector lost 1,600.

Year-over-year, Snohomish County employment exceeded August 2011 levels by 8,900 jobs or 3.5 percent.

Figure 2. Nonfarm industry employment
Snohomish County, January 2009 through August 2012
Source: Employment Security Department/LMEA



Year-over-year employment has consistently been higher in 2012. From July to August 2012, employment dropped by 1,100.

Employment often dips in August as temporary summer employment comes to a close.

Snohomish County's employment levels peaked in 2008, and reached their lowest levels since the start of the economic downturn in early 2010. Average annual nonfarm employment fell by about 7 percent from 2008 to 2010. In 2010, employment levels were roughly the equivalent as 2006 levels. Employment since 2010 has grown slowly and steadily for most (but not all) industries, albeit at a slower rate than is expected following a typical recession.

Figure 3. Labor force and industry employment, not seasonally adjusted
 Snohomish County, 2011 and 2012
 Source: Employment Security Department/LMEA

Snohomish County	Preliminary Aug-12	Revised Jul-12	Revised Aug-11	Change		
				Jul-12 Aug-12	Aug-11 Aug-12	Aug-11 Aug-12
Labor force and unemployment						
Civilian labor force	385,080	391,810	383,560	-6,730	1,520	0.4%
Resident employment	353,280	357,210	350,400	-3,930	2,880	0.8%
Unemployment	31,800	34,600	33,160	-2,800	-1,360	-4.1%
Unemployment rate	8.3%	8.8%	8.6%	-0.6%	-0.4%	-4.5%
Industry employment						
Total Nonfarm ¹	262,400	263,500	253,500	-1,100	8,900	3.5%
Total Private	226,500	226,000	218,300	500	8,200	3.8%
Goods Producing	80,100	79,800	75,400	300	4,700	6.2%
Mining, Logging, and Construction	15,800	15,600	15,900	200	-100	-0.6%
Construction of Buildings	2,800	2,700	2,700	100	100	3.7%
Heavy and Civil Engineering Construction	1,900	1,800	1,800	100	100	5.6%
Specialty Trade Contractors	10,900	10,900	11,200	0	-300	-2.7%
Manufacturing	64,300	64,200	59,500	100	4,800	8.1%
Durable Goods	61,200	61,100	55,700	100	5,500	9.9%
Wood Product Manufacturing	1,100	1,100	1,300	0	-200	-15.4%
Fabricated Metal Product Manufacturing	3,700	3,700	3,600	0	100	2.8%
Computer and Electronic Product Mfg.	5,800	5,800	4,900	0	900	18.4%
Aerospace Product and Parts Mfg.	46,000	45,900	41,400	100	4,600	11.1%
Nondurable Goods	3,100	3,100	3,800	0	-700	-18.4%
Service Providing	182,300	183,700	178,100	-1,400	4,200	2.4%
Trade, Transportation, and Utilities	43,600	43,700	43,000	-100	600	1.4%
Wholesale Trade	8,100	8,100	8,300	0	-200	-2.4%
Retail Trade	31,500	31,600	30,700	-100	800	2.6%
Motor vehicle and parts dealers	3,800	3,800	3,900	0	-100	-2.6%
Food and beverage stores	6,100	6,200	6,000	-100	100	1.7%
General merchandise stores	7,100	7,200	7,200	-100	-100	-1.4%
Transportation, Warehousing, and Utilities	4,000	4,000	4,000	0	0	0.0%
Information	5,900	5,900	5,800	0	100	1.7%
Telecommunications	4,200	4,200	4,100	0	100	2.4%
Financial Activities	11,200	11,100	10,900	100	300	2.8%
Finance and Insurance	8,300	8,200	7,900	100	400	5.1%
Credit intermediation and related activities	3,500	3,400	3,500	100	0	0.0%
Insurance carriers and related activities	4,600	4,500	4,200	100	400	9.5%
Real estate and rental and leasing	2,900	2,900	3,000	0	-100	-3.3%
Professional and Business Services	22,900	22,800	22,100	100	800	3.6%

Professional, Scientific, and Technical Services	9,800	9,800	9,400	0	400	4.3%
Architectural and engineering services	2,300	2,300	2,200	0	100	4.5%
Administrative, Support, Waste Mgmt., & Remed.	12,000	11,900	11,500	100	500	4.3%
Employment services	3,600	3,700	3,400	-100	200	5.9%
Educational and Health Services	28,700	28,700	27,900	0	800	2.9%
Ambulatory health care services	11,200	11,200	10,500	0	700	6.7%
Nursing and residential care facilities	4,800	4,800	4,900	0	-100	-2.0%
Social assistance	6,200	6,200	5,600	0	600	10.7%
Leisure and Hospitality	23,900	23,800	23,200	100	700	3.0%
Arts, Entertainment and Recreation	3,700	3,700	4,000	0	-300	-7.5%
Food Services and Drinking Places	19,000	18,900	18,000	100	1,000	5.6%
Other Services	10,200	10,200	10,000	0	200	2.0%
Government	35,900	37,500	35,200	-1,600	700	2.0%
Federal Government	2,300	2,300	2,300	0	0	0.0%
State Government	5,300	5,200	5,000	100	300	6.0%
State Educational Services	2,400	2,300	1,900	100	500	26.3%
Local Government	28,300	30,000	27,900	-1,700	400	1.4%
Local Educational Services	12,600	14,300	12,400	-1,700	200	1.6%
Workers in Labor/Management Disputes	0	0	0			

¹ Nonfarm employment excludes proprietors, self-employed, members of the armed services, workers in private households and agriculture. These figures include nonfarm full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Nonfarm industry employment

One-month employment from July to August changed only slightly in most industries. The largest one-month gains were made in the construction sector (200), and the largest losses came from public employers (-1,600).

Goods-producing Industries

Snohomish County's goods-producers are concentrated in the manufacturing and construction sectors. Both sectors grew over the month, contributing a combined 300 jobs from July to August. Year-over-year, goods-producing industries created 4,700 new jobs--6.2 percent growth.

- As a whole, payrolls in the **construction** sector expanded by 200 from July to August. Growth was reported in the industry sectors construction of buildings and heavy and civil engineering construction (100 jobs each). Year-over-year, construction fell 100 short of 2011 employment levels.
 - Workers and employers in construction have suffered losses above and beyond most industries during this economic downturn. The construction industry is very sensitive to business cycles. Although the rate of decline has slowed for construction, the count of jobs has yet to rise above 2011 levels.
 - Employment in construction is also highly seasonal. Job losses routinely occur during autumn and winter months, and gains in spring and summer. Generally speaking, construction employment in 2012 has followed typical seasonal patterns.
- **Manufacturing** payrolls added 100 jobs in August. Industry growth over the month was attributable to aerospace products and parts manufacturing. From August 2011 to August 2012, manufacturing

employment rose by 4,800. The following manufacturing industries grew year-over-year: aerospace products and parts manufacturing (4,600), computer and electronic product manufacturing (900) and fabricated metal product manufacturing (100). Wood product and nondurable goods manufacturing both declined year-over-year (200 and 700 jobs respectively).

- Aerospace products and parts manufacturing is responsible for the lion's share of new hiring (year-over-year) in Snohomish County's manufacturing sector. Aerospace stagnated during the recession and early recovery period, but picked up hiring momentum in early 2010. Year-over-year counts indicate the addition of 4,600 direct aerospace jobs.
- It is important to note that 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.
- Nondurable goods manufacturing shed 700 jobs over the year. This is likely a reflection of the highly-publicized Kimberly-Clark layoffs.

Service-providing industries

Service-providing industries represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 1,400 jobs over the month. With the exception of the government sector, one-month movements were small, with growth or decline not exceeding 100 workers for any given industry. Year-over-year, payrolls expanded by 4,200 or 2.4 percent.

- **Wholesale trade** neither expanded nor contracted in August. Year-over-year, employment in wholesale trade dropped by 200, or 2.4 percent.
- Employment in **retail trade** declined by 100 from July to August. Losses were recorded in food and beverage stores and general merchandise stores (100 each). Since August 2011, Retail trade expanded by 800 or 2.6 percent.
- **Transportation, warehousing and utilities** experienced no aggregate change in employment over-the-month, nor year-over-year.
- The **Information** sector, which includes telecommunications, held steady over-the-month, and expanded by 100 year-to-year.
- **Financial Activities** includes the finance, insurance, real estate, and rental and leasing industries. Payrolls in this sector expanded by 100 in August, with growth attributable to the finance and insurance industries. Year-over-year, the sector added 300 jobs or 2.8 percent.
 - After tumbling throughout 2008 and 2009, the financial activities sector has yet to show any strong indicators of employment growth in Snohomish County. This sector, which plays a supporting role for all other sectors, continues to struggle from the financial and real estate crises.
- **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. Growth in this diverse sector was slow over the month. One hundred jobs were added to the sector as a whole. Activity was registered in the industries that offer administrative, support, waste management and remediation services. Year-over-year, this diverse sector added 800 jobs or 3.6 percent, with growth reported in each industry.
- **Educational and health services** payrolls remained unchanged over-the-month. Since August 2011, the sector added 800 jobs or 2.9 percent. Year-over-year, ambulatory health care services employers added 700 and nursing and social assistance employers added 600. One hundred jobs were shed from nursing and residential care facilities.

- Educational and health services has weathered the economic storm relatively well compared to other industries. Employment in this sector is more dependent on population trends rather than business cycles.
- The one month change in **Leisure and hospitality** was 100 additional jobs, attributable to hiring in food services and drinking places. Year-over-year, 700 jobs were added. One thousand new jobs were reported in food service and drinking places, and 300 jobs were lost from arts, entertainment, and recreation.
- **Other services** represents a diverse collection of industries that do not fit elsewhere. Over-the-month, other services reported no change in employment. Year-over-year, payrolls increased by 200 or 2.0 percent.
- **Government payrolls** declined by 1,600 from July to August 2012. One-month losses were concentrated in local educational employment. Since August 2011, payrolls expanded by 700. Small year-over-year gains were spread across local and state government.
 - One-month losses in August are expected in state and local government due to the rhythms of the academic calendar. Expect employment to pick up again after the start of the school year.

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 update was issued in September, and is available at www.erfc.wa.gov.