



Snohomish County

Labor Area Summary

December 2012

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

Overview

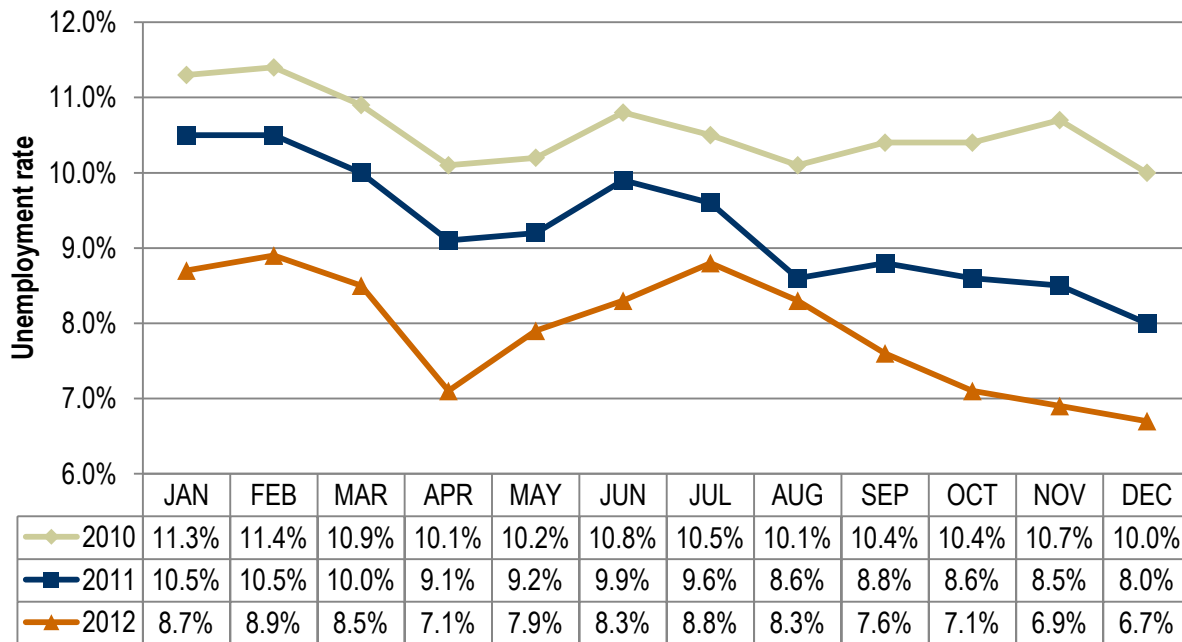
- In December, Snohomish County's unemployment rate fell to 6.7 percent.
- Nonfarm employment in Snohomish County contracted by 600 from November to December, with a December tally of 265,300.
- Employment in the private sector as a whole did not budge in December; the public sector lost 600.
- From December 2011 to December 2012, 8,400 jobs were added to the local economy. The private sector has been responsible for most new jobs year-over-year (8,200).

Unemployment rates and labor force information

The unemployment rate for Snohomish County fell from 6.9 percent in November to 6.7 percent. For comparison, the unemployment rate in December 2011 was 8.0 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 11.4 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 November forecast by Washington's Economic and Revenue Forecast Council indicates that the statewide unemployment rate will average 8.33 percent in 2012 and 8.01 percent in 2013. See www.erfc.wa.gov for more information.

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



Unemployment rates have been falling since early 2010. In December 2012, the unemployment rate was 6.7 percent.

- Snohomish County labor force: 383,180
- Total employed: 357,530
- Total unemployed: 25,650
- Unemployment rate: 6.7%

Month-to-month, Snohomish County’s labor force expanded by 630. The number of employed expanded by 1,300, and the unemployed dropped by 670.

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 grew from 7.3 percent in November to 7.7 percent in December. On a seasonally adjusted basis, the one-month change in state unemployment was a drop from 7.7 percent to 7.6 percent. The seasonally adjusted rate for the U.S. was 7.8 percent in November and December.

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 6.2 percent in December. On a seasonally adjusted basis, the unemployment rate was 6.5 percent; down from 6.8 percent in November

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 December 2012 follows:

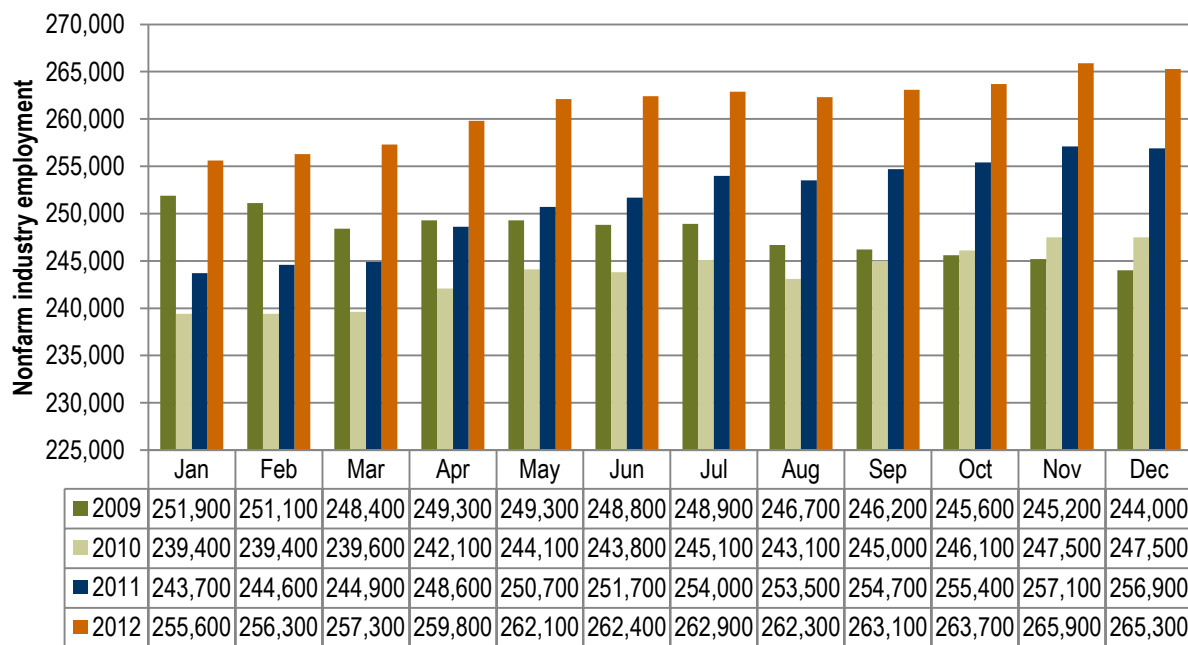
- Construction and extraction occupations
- Transportation and material moving occupations
- Production occupations
- Office and administrative support occupations
- Installation, maintenance and repair occupations

From November to December, initial claims for UI decreased. Continued claims and final payments both increased.

Total nonfarm employment

From November to December, total nonfarm industry employment contracted by 600. Snohomish County's job tally for December was estimated at 265,300. The private sector held steady with an employment level of 227,900, and the public sector shed 600 jobs. Year-over-year, Snohomish County employment exceeded December 2011 levels by 8,400 jobs or 3.3 percent.

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



Year-over-year employment has consistently been higher in 2012 compared to 2011. From November to December 2012, total nonfarm employment decreased.

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 for all of Snohomish County's major sectors, and most (but not all) industries within those major sectors.

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

Snohomish County	Preliminary	Revised	Revised	Nov-12	Change	
	Dec-12	Nov-12	Dec-11	Dec-12	Dec-11	Dec-11
Labor force and unemployment						
Civilian labor force	383,180	382,550	384,760	630	-1,580	-0.4%
Resident employment	357,530	356,230	354,110	1,300	3,420	1.0%
Unemployment	25,650	26,320	30,650	-670	-5,000	-16.3%
Unemployment rate	6.7%	6.9%	8.0%	-0.2%	-1.3%	-16.0%
Industry employment						
Total Nonfarm	265,300	265,900	256,900	-600	8,400	3.3%
Total Private	227,900	227,900	219,700	0	8,200	3.7%
Goods Producing	80,700	80,800	76,200	-100	4,500	5.9%
Mining, Logging, and Construction	14,900	15,200	14,800	-300	100	0.7%
Construction of Buildings	2,700	2,700	2,600	0	100	3.8%
Heavy and Civil Engineering Construction	1,700	1,800	1,600	-100	100	6.3%
Specialty Trade Contractors	10,300	10,500	10,400	-200	-100	-1.0%
Manufacturing	65,800	65,600	61,400	200	4,400	7.2%
Durable Goods	62,600	62,400	57,600	200	5,000	8.7%
Wood Product Manufacturing	1,100	1,100	1,200	0	-100	-8.3%
Fabricated Metal Product Manufacturing	3,700	3,700	3,600	0	100	2.8%
Computer and Electronic Product Mfg.	5,900	5,900	5,000	0	900	18.0%
Aerospace Product and Parts Mfg.	47,100	46,900	43,300	200	3,800	8.8%
Nondurable Goods	3,200	3,200	3,800	0	-600	-15.8%
Service Providing	184,600	185,100	180,700	-500	3,900	2.2%
Trade, Transportation, and Utilities	45,700	45,400	44,800	300	900	2.0%
Wholesale Trade	8,300	8,300	8,300	0	0	0.0%
Retail Trade	33,400	33,100	32,500	300	900	2.8%
Motor vehicle and parts dealers	3,700	3,800	3,800	-100	-100	-2.6%
Food and beverage stores	6,400	6,400	6,000	0	400	6.7%
General merchandise stores	7,900	7,700	8,100	200	-200	-2.5%
Transportation, Warehousing, and Utilities	4,000	4,000	4,000	0	0	0.0%
Information	5,900	5,900	5,600	0	300	5.4%
Telecommunications	4,200	4,200	4,000	0	200	5.0%
Financial Activities	11,100	11,100	10,900	0	200	1.8%
Finance and Insurance	8,200	8,200	7,900	0	300	3.8%
Credit intermediation and related activities	3,300	3,300	3,400	0	-100	-2.9%
Insurance carriers and related activities	4,700	4,700	4,300	0	400	9.3%

Real estate and rental and leasing	2,900	2,900	3,000	0	-100	-3.3%
Professional and Business Services	22,400	22,700	21,600	-300	800	3.7%
Professional, Scientific, and Technical Services	10,100	10,100	9,400	0	700	7.4%
Architectural and engineering services	2,300	2,300	2,200	0	100	4.5%
Administrative, Support, Waste Mgmt., & Remed.	11,200	11,400	10,900	-200	300	2.8%
Employment services	3,600	3,600	3,300	0	300	9.1%
Educational and Health Services	28,600	28,600	28,300	0	300	1.1%
Ambulatory health care services	11,000	11,000	10,600	0	400	3.8%
Nursing and residential care facilities	4,900	4,800	4,900	100	0	0.0%
Social assistance	6,100	6,200	5,800	-100	300	5.2%
Leisure and Hospitality	23,500	23,400	22,600	100	900	4.0%
Arts, Entertainment and Recreation	3,300	3,300	3,400	0	-100	-2.9%
Food Services and Drinking Places	19,200	19,100	18,200	100	1,000	5.5%
Other Services	10,000	10,000	9,700	0	300	3.1%
Government	37,400	38,000	37,200	-600	200	0.5%
Federal Government	2,200	2,300	2,300	-100	-100	-4.3%
State Government	5,800	6,300	5,700	-500	100	1.8%
State Educational Services	2,800	3,300	2,600	-500	200	7.7%
Local Government	29,400	29,400	29,200	0	200	0.7%
Local Educational Services	14,200	14,300	14,200	-100	0	0.0%
Workers in Labor/Management Disputes	0	0	0	0	0	

Nonfarm industry employment

From November to December, goods producers in Snohomish County shed an estimated 100 jobs; service-providers shed 500. The year-over-year employment situation for all major sectors has been positive or neutral.

Goods-producing Industries

Snohomish County's goods-producers are concentrated in the manufacturing and construction sectors. From November to December, manufacturing employment expanded (+200) and construction industry employment contracted (-300). Year-over-year, goods-producing industries created 4,500 new jobs—5.9 percent growth.

As a whole, payrolls in the **construction** sector contracted by 300 from November to December. Losses were counted in heavy and civil engineering construction (-100) and specialty trade contractors (-200). Year-over-year, construction employment is up 100 jobs.

- Workers and employers in construction have suffered losses above and beyond most industries during this economic downturn. The application of June 2012 benchmarks somewhat changed the story of construction in Snohomish County. The lowest level of employment appears to have occurred in 2011. Although hiring in 2012 has been slow, year-over-year comparisons of construction employment for 2011 and 2012 reveal employment growth.
- Employment in construction is highly-seasonal. Job losses routinely occur during autumn and winter months, and gains are made in spring and summer. Generally speaking, construction employment in

2012 has followed typical seasonal patterns. From November to December, 300 jobs were lost. The corresponding decline in 2011 was 200 jobs.

- **Manufacturing** payrolls added 200 jobs in December. Industry growth over the month was attributable to the aerospace products and parts manufacturing industry. From December 2011 to December 2012, manufacturing employment rose by 4,400. The largest year-over-year employment gains in manufacturing industries were in aerospace products and parts manufacturing and computer and electronic product manufacturing (3,800 and 900 jobs respectively). Wood product and nondurable goods manufacturing both declined year-over-year (100 and 600 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 3,800 direct aerospace jobs or 8.8 percent growth for the industry.
 - 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 600 jobs over the year. This is likely a reflection of the highly-publicized Kimberly-Clark layoffs in Everett.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 500 jobs over the month. Despite month-to-month losses in December, in the past 12 months, service employers created 3,900 new jobs or an increase of 2.2 percent.

- **Wholesale trade** neither expanded nor contracted in December. Year-over-year, employment in wholesale trade also held steady at 8,300.
- Employment in **retail trade** increased by 300 month-to-month. General merchandise stores were responsible for much of the one month increase. Since December 2011, Retail trade expanded by 900 or 2.8 percent.
 - Statewide, retail trade declined by 4,100 in December on a seasonally-adjusted. This means that holiday hiring in December 2012 fell short of expectations.
- **Transportation, warehousing and utilities** held steady month-to-month, and year-over-year. Employment in December 2012 was 4,000.
- Snohomish County's **information** sector maintained 5,900 jobs from November to December, and added 300 jobs year-over-year.
- **The financial activities** sector includes the finance, insurance, real estate, and rental and leasing industries. Payrolls in this sector held steady at 11,100 from November to December. Year-over-year, the sector added 200 jobs or 1.8 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. From November to December, 300 jobs were shed from this diverse sector. Losses predominantly came from the administrative, support, waste management and remediation industry. Year-over-year, this diverse sector added 800 jobs or 3.7 percent.

- **Educational and health services** stayed put month-to-month. Since December 2011, the sector added 300 jobs or 1.1 percent. Year-over-year, ambulatory health care services employers added 400 jobs. Social assistance industries added 300 jobs.
 - 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.
- Month-to-month, **Leisure and hospitality** added 100 jobs. Year-over-year, the sector added 900 jobs or 4.0 percent.
- **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 organizations. Month-to-month, employment neither expanded nor contracted Year-over-year, payrolls increased by 300.
- **Government** payrolls contracted by 600 month-to-month. One-month losses were concentrated in state education. Since December 2011, government payrolls expanded by 200.

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