



Snohomish County

Labor Area Summary

January 2013

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

Overview

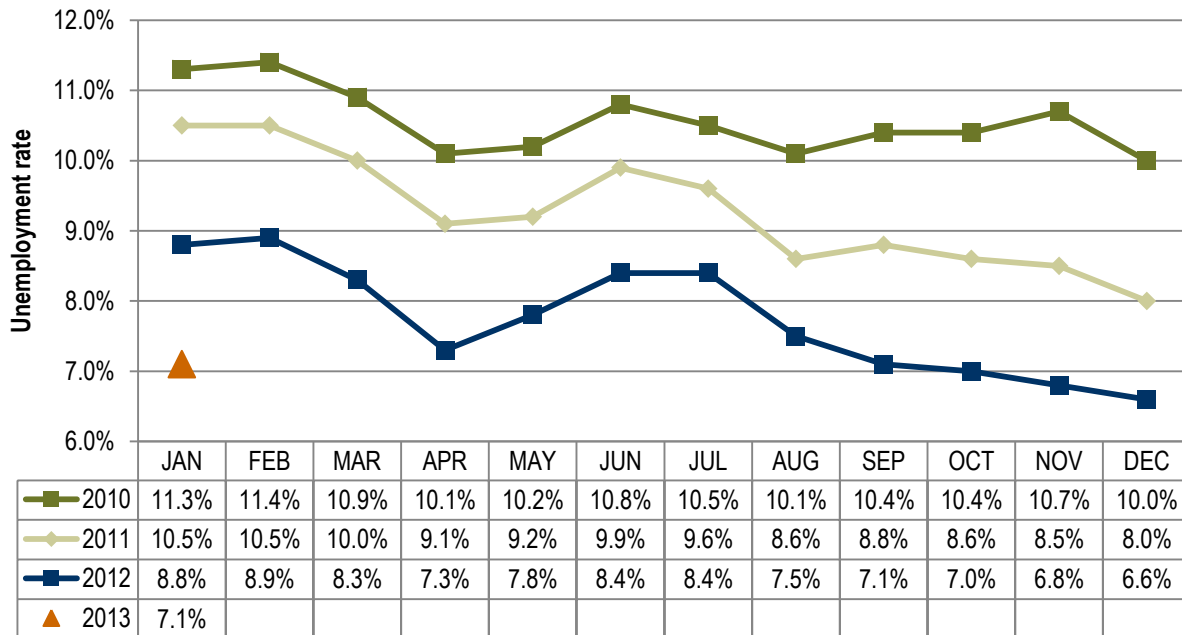
- In January, Snohomish County's not seasonally-adjusted unemployment rate was 7.1 percent.
- Nonfarm employment in Snohomish County contracted by 2,300 from December 2012 to January 2013, with a January tally of 263,300.
- Employment in the private sector as a whole fell in January; the public sector gained 200.
- From January 2012 to January 2013, 7,700 jobs were added to the local economy. The private sector has been responsible for most new jobs year-over-year (8,200).
- September 2012 benchmarks were applied this month. Benchmarks revealed that, as a whole, Snohomish County employment has been somewhat under-estimated.

Unemployment rates and labor force information

The not seasonally-adjusted unemployment rate for Snohomish County rose from 6.6 percent (revised) in December to 7.1 percent. For comparison, the unemployment rate in January 2012 was 8.8 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 January 2013
 Source: Employment Security Department/LMEA



Unemployment rates have been falling since early 2010, following usual seasonal patterns. In January 2013, the unemployment rate was 7.1 percent.

- Snohomish County labor force: 385,020
- Total employed: 357,800
- Total unemployed: 27,220
- Unemployment rate: 7.1%

Month-to-month, Snohomish County’s labor force expanded by 1,410. The number of employed dipped by 300, and the number of unemployed increased by 1,710.

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 7.6 percent in December to 8.5 percent in January. On a seasonally adjusted basis, the state unemployment rate did not change from January to December. The seasonally adjusted rate for Washington state held at 7.5 percent, and the seasonally adjusted rate for the U.S. was 7.9 percent in January.

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 6.5 percent in January. On a seasonally adjusted basis, the unemployment rate was 6.3 percent; down from 6.4 percent in December.

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 January 2013 follows:

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

From December to January, initial and continued claims for UI increased. Final payments decreased.

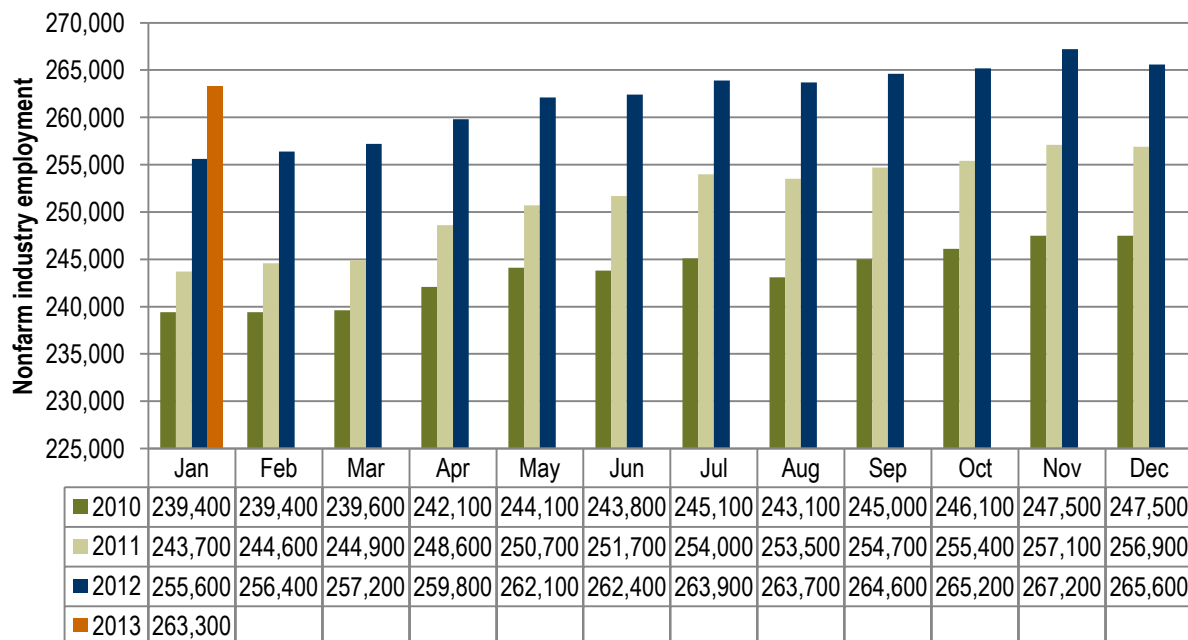
Total nonfarm employment

From December to January, total nonfarm industry employment contracted by 2,300. Snohomish County's job tally for January 2013 was estimated at 263,300. The private sector shed 2,500 jobs, and the public sector added 200. Year-over-year, Snohomish County employment levels exceeded January 2012 levels by 8,200 jobs or 3.0 percent.

A note about benchmarking:

This month, a benchmark was applied (September 2012). Benchmarking involves replacing estimates with concrete historical numbers. It has the effect of providing a more accurate picture of employment. The most recent benchmark revealed that local estimates have been, as a whole, somewhat low – indicating that the employment situation is actually slightly better than had been previously reported. Some key industry-level changes include upward revisions in construction, retail, and professional and business services, and downward revisions in government and leisure and hospitality.

Figure 2. Nonfarm industry employment
Snohomish County, January 2010 through January 2013
Source: Employment Security Department/LMEA



Year-over-year employment has consistently been higher since the depth of the economic downturn in 2010. From December 2012 to January 2013, 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 nearly 7 percent from 2008 to 2010. In 2010, employment levels were roughly the equivalent as 2006 levels. Employment since 2010 has grown for most of Snohomish County's major sectors.

Figure 3. Labor force, total and nonfarm industry employment, not seasonally adjusted
 Snohomish County, 2012 and 2013
 Source: Employment Security Department/LMEA

	Prelim	Revised	Revised	Change		
				Dec-12	Jan-12	Jan-12
Snohomish County	Jan-13	Dec-12	Jan-12	Jan-13	Jan-13	Jan-13
Labor force and unemployment						
Civilian Labor Force	385,020	383,610	384,780	1,410	240	0.1%
Resident employment	357,800	358,100	350,840	-300	6,960	2.0%
Unemployment	27,220	25,510	33,940	1,710	-6,720	-19.8%
Unemployment rate	7.1%	6.6%	8.8%	0.5%	-1.7%	-19.3%
Industry employment						
Total Nonfarm ³	263,300	265,600	255,600	-2,300	7,700	3.0%
Total Private	226,300	228,800	218,100	-2,500	8,200	3.8%
Goods Producing	81,300	81,100	76,700	200	4,600	6.0%
Mining, Logging, and Construction	15,000	15,300	14,100	-300	900	6.4%
Construction of Buildings	2,600	2,700	2,500	-100	100	4.0%
Heavy and Civil Engineering Construction	1,500	1,600	1,500	-100	0	0.0%
Specialty Trade Contractors	10,600	10,800	9,900	-200	700	7.1%
Manufacturing	66,300	65,800	62,600	500	3,700	5.9%
Durable Goods	63,200	62,600	58,800	600	4,400	7.5%
Wood Product Manufacturing	1,100	1,100	1,100	0	0	0.0%
Fabricated Metal Product Manufacturing	3,700	3,700	3,700	0	0	0.0%
Computer and Electronic Product Mfg.	5,800	5,800	5,900	0	-100	-1.7%
Aerospace Product and Parts Mfg.	48,000	47,300	43,500	700	4,500	10.3%
Nondurable Goods	3,100	3,200	3,800	-100	-700	-18.4%
Service Providing	182,000	184,500	178,900	-2,500	3,100	1.7%
Trade, Transportation, and Utilities	44,700	46,700	42,700	-2,000	2,000	4.7%
Wholesale Trade	8,200	8,300	7,900	-100	300	3.8%
Retail Trade	32,400	34,100	31,000	-1,700	1,400	4.5%
Motor vehicle and parts dealers	3,900	3,900	3,700	0	200	5.4%
Food and beverage stores	6,500	6,500	5,900	0	600	10.2%
General merchandise stores	7,500	8,000	7,400	-500	100	1.4%
Transportation, Warehousing, and Utilities	4,100	4,300	3,800	-200	300	7.9%
Information	5,800	5,700	5,900	100	-100	-1.7%
Telecommunications	4,100	4,100	4,200	0	-100	-2.4%
Financial Activities	11,100	11,100	10,900	0	200	1.8%

Finance and Insurance	8,200	8,200	8,000	0	200	2.5%
Credit intermediation and related activities	3,300	3,300	3,400	0	-100	-2.9%
Insurance carriers and related activities	4,600	4,700	4,400	-100	200	4.5%
Real estate and rental and leasing	2,900	2,900	2,900	0	0	0.0%
Professional and Business Services	22,000	22,400	21,800	-400	200	0.9%
Professional, Scientific, and Technical Services	9,600	9,600	10,000	0	-400	-4.0%
Architectural and engineering services	2,300	2,300	2,300	0	0	0.0%
Administrative, Support, Waste Mgmt., & Remed.	11,200	11,600	10,600	-400	600	5.7%
Employment services	3,700	3,900	3,400	-200	300	8.8%
Educational and Health Services	28,600	28,600	28,100	0	500	1.8%
Ambulatory health care services	11,000	11,000	10,600	0	400	3.8%
Nursing and residential care facilities	5,000	5,000	4,800	0	200	4.2%
Social assistance	5,900	5,900	5,800	0	100	1.7%
Leisure and Hospitality	22,800	23,200	22,200	-400	600	2.7%
Arts, Entertainment and Recreation	3,400	3,400	3,400	0	0	0.0%
Food Services and Drinking Places	18,200	18,600	17,700	-400	500	2.8%
Other Services	10,000	10,000	9,800	0	200	2.0%
Government	37,000	36,800	37,500	200	-500	-1.3%
Federal Government	2,200	2,200	2,300	0	-100	-4.3%
State Government	6,100	5,800	6,100	300	0	0.0%
State Educational Services	3,300	2,800	3,100	500	200	6.5%
Local Government	28,700	28,800	29,100	-100	-400	-1.4%
Local Educational Services	14,300	14,300	14,200	0	100	0.7%
Workers in Labor/Management Disputes	0	0	0	0	0	

Nonfarm industry employment

From December 2012 to January 2013, goods producers in Snohomish County added an estimated 200 jobs; service-providers shed 2,500.

Goods-producing Industries

Snohomish County's goods-producers are concentrated in the manufacturing and construction sectors. From December to January, manufacturing employment expanded (+500) and construction industry employment contracted (-300). Year-over-year, goods-producing industries created 4,600 new jobs—6.0 percent growth.

As a whole, payrolls in the **construction** sector contracted by 300 from December to January. Month-to-month losses came from all major sectors. Year-over-year, construction employment is up 900 jobs. The most gains were counted among specialty trade contractors who added 700 jobs or 7.1 percent.

- Workers and employers in construction have suffered losses above and beyond most industries during this economic downturn. The lowest level of employment appears to have occurred in 2011. For the last several months, year-over-year comparisons of construction employment indicate 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 over the past year has followed typical seasonal patterns. From December to January, 300 jobs were lost. The corresponding decline in 2012 was 700 jobs.

- **Manufacturing** payrolls added 500 jobs in January. Industry growth over the month was attributable to the aerospace products and parts manufacturing industry. From January 2012 to January 2013, manufacturing employment rose by 3,700.
 - 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 4,500 direct aerospace jobs or 10.3 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 700 jobs over the year. This is largely a reflection of the highly-publicized 2012 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 2,500 jobs over the month. Despite month-to-month losses in January, in the past 12 months, service employers created 3,100 new jobs or an increase of 1.7 percent.

- **Wholesale trade** shed 100 jobs in January. Year-over-year, employment in wholesale trade added 300.
- Employment in **retail trade** decreased by 1,700 from December to January. General merchandise stores were responsible for 500 jobs lost. Retail trade typically loses a large number of jobs from December to January, as the temporary workforce hired to assist with holiday sales is let go. Year-over-year, retail trade expanded by 1,400 or 4.5 percent.
- **Transportation, warehousing and utilities** shed 200 jobs month-to-month, but added 300 year-over-year, expanding the workforce by 7.9 percent.
- Snohomish County's **information** sector added 100 jobs from December to January, but shed 100 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 December to January. 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 December to January, 400 jobs were shed from this diverse sector. Losses predominantly came from the administrative, support, waste management and remediation industry—with many of those coming from the employment services industry. Year-over-year, this diverse sector added 200 jobs or 0.9 percent.
- **Educational and health services** stayed put month-to-month. Since January 2012, the sector added 500 jobs or 1.8 percent. Year-over-year, ambulatory health care services employers added 400 jobs, nursing and residential care facilities added 200, and social assistance added 100.
 - 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** shed 400 jobs. Year-over-year, the sector added 600 jobs or 2.7 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 200.
- **Government** payrolls expanded by 200 month-to-month. Since January 2012, government payrolls contracted by 500.

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