



Snohomish County

Labor Area Summary

November 2012

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

Overview

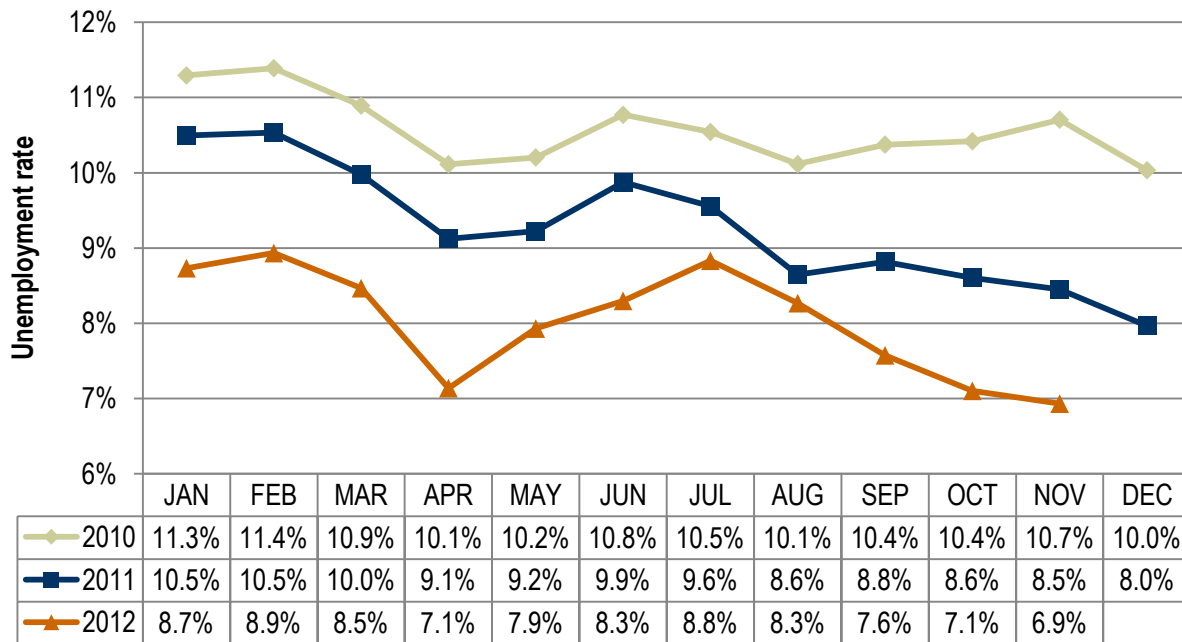
- In November, Snohomish County's unemployment rate fell to 6.9 percent.
- Nonfarm employment in Snohomish County expanded by 1,600 from October to November, with a November tally of 265,300.
- The private sector added 900 jobs in November, and the public sector added 700.
- From November 2011 to November 2012, 8,200 jobs were added to the local economy. The private sector has been responsible for most new jobs year-over-year (8,000).
- June 2012 benchmarks were applied this month. Benchmarks revealed that, as a whole, Snohomish County employment has been somewhat over-estimated.
- One key piece of information emerged with the benchmarking process. Employment in the construction sector reached its low point in 2011, and has been emerging slowly throughout much of 2012. Previous months' estimates placed construction employment in Snohomish County at or below 2011 levels.

Unemployment rates and labor force information

The unemployment rate for Snohomish County fell from 7.1 percent in October to 6.9 percent. For comparison, the unemployment rate in November 2011 was 8.5 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 11.4 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 November 2012
 Source: Employment Security Department/LMEA



Unemployment rates have been falling since early 2010. In November 2012, the unemployment rate was 6.9 percent.

- Snohomish County labor force: 382,740
- Total employed: 356,210
- Total unemployed: 26,530
- Unemployment rate: 6.9%

Month-to-month, Snohomish County’s labor force expanded by 610. The number of employed expanded by 1,220, and the unemployed dropped by 610.

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 held steady at 7.3 percent in November. On a seasonally adjusted basis, the one-month change in state unemployment was a drop from 8.2 percent to 7.8 percent. The seasonally adjusted rate for the U.S. was 7.7 percent in November.

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 November. On a seasonally adjusted basis, the unemployment rate was 6.9 percent; down from 7.3 percent in October

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 November 2012 follows:

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

In November, initial claims for UI increased. Continued claims also rose, and final payments decreased.

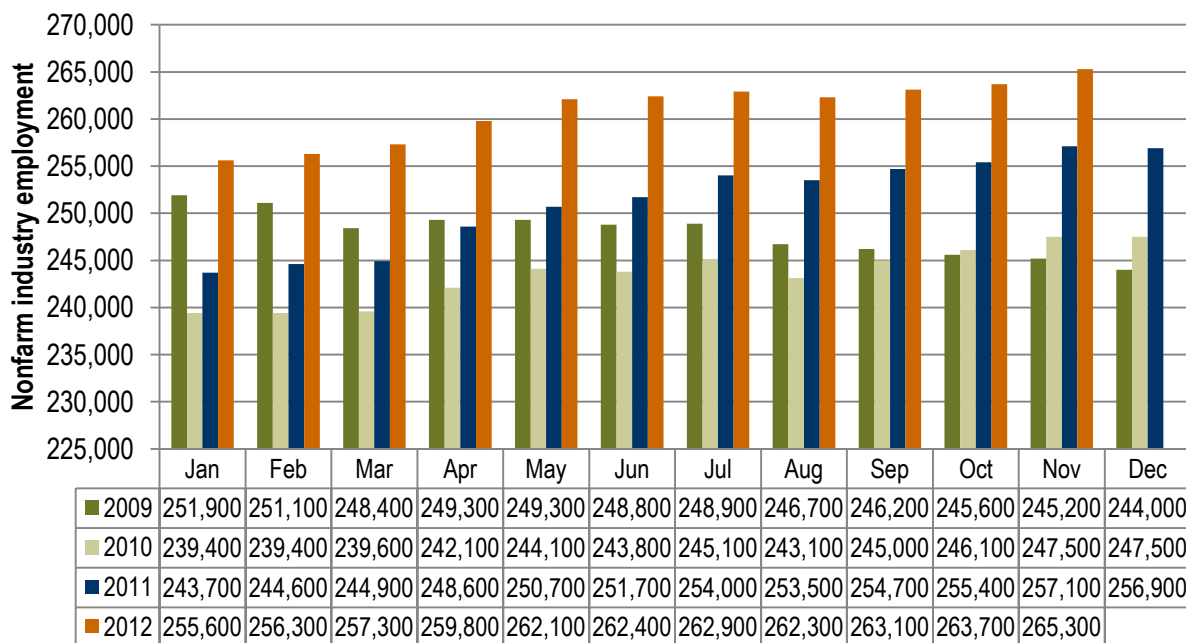
Total nonfarm employment

From October to November, total nonfarm industry employment expanded by 1,600 jobs. Snohomish County’s job tally for November was estimated at 265,300. In November, the private sector added 900 jobs, and the public sector expanded added 700. Year-over-year, Snohomish County employment exceeded November 2011 levels by 8,200 jobs or 3.2 percent.

A note about benchmarking:

This month, a benchmark was applied (June 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 high. Some key industry-level changes include upward revisions in construction, retail, and professional and business services, and downward revisions in educational and health services, financial services, and government.

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



Year-over-year employment has consistently been higher in 2012 compared to 2011. From October to November 2012, total employment increased.

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 and industry employment, not seasonally adjusted

Snohomish County, 2011 and 2012

Source: Employment Security Department/LMEA

Snohomish County	Preliminary	Revised	Revised	Oct-12	Change	
	Nov-12	Oct-12	Nov-11	Nov-12	Nov-11	Nov-11
Labor force and unemployment						
Civilian labor force	382,740	382,130	385,400	610	-2,660	-0.7%
Resident employment	356,210	354,990	352,830	1,220	3,380	1.0%
Unemployment	26,530	27,140	32,570	-610	-6,040	-18.5%
Unemployment rate	6.9%	7.1%	8.5%	-0.2%	-1.5%	-18.0%
Industry employment						
Total Nonfarm	265,300	263,700	257,100	1,600	8,200	3.2%
Total Private	227,300	226,400	219,300	900	8,000	3.6%
Goods Producing	80,700	80,800	76,300	-100	4,400	5.8%
Mining, Logging, and Construction	15,200	15,600	15,000	-400	200	1.3%
Construction of Buildings	2,700	2,700	2,600	0	100	3.8%
Heavy and Civil Engineering Construction	1,800	1,900	1,600	-100	200	12.5%
Specialty Trade Contractors	10,500	10,700	10,500	-200	0	0.0%
Manufacturing	65,500	65,200	61,300	300	4,200	6.9%
Durable Goods	62,300	62,000	57,400	300	4,900	8.5%
Wood Product Manufacturing	1,100	1,100	1,200	0	-100	-8.3%
Fabricated Metal Product Manufacturing	3,700	3,700	3,700	0	0	0.0%
Computer and Electronic Product Mfg.	5,900	5,900	5,000	0	900	18.0%
Aerospace Product and Parts Mfg.	46,900	46,600	43,100	300	3,800	8.8%
Nondurable Goods	3,200	3,200	3,900	0	-700	-17.9%
Service Providing	184,600	182,900	180,800	1,700	3,800	2.1%
Trade, Transportation, and Utilities	45,000	43,900	44,400	1,100	600	1.4%
Wholesale Trade	8,300	8,300	8,300	0	0	0.0%
Retail Trade	32,800	31,700	32,100	1,100	700	2.2%
Motor vehicle and parts dealers	3,800	3,800	3,800	0	0	0.0%
Food and beverage stores	6,400	6,400	5,900	0	500	8.5%
General merchandise stores	7,700	7,200	7,900	500	-200	-2.5%
Transportation, Warehousing, and Utilities	3,900	3,900	4,000	0	-100	-2.5%
Information	5,900	5,800	5,700	100	200	3.5%
Telecommunications	4,200	4,200	4,100	0	100	2.4%
Financial Activities	11,100	11,000	10,900	100	200	1.8%

Finance and Insurance	8,200	8,100	8,000	100	200	2.5%
Credit intermediation and related activities	3,300	3,300	3,400	0	-100	-2.9%
Insurance carriers and related activities	4,700	4,600	4,300	100	400	9.3%
Real estate and rental and leasing	2,900	2,900	2,900	0	0	0.0%
Professional and Business Services	22,700	22,900	21,700	-200	1,000	4.6%
Professional, Scientific, and Technical Services	10,100	10,100	9,300	0	800	8.6%
Architectural and engineering services	2,300	2,300	2,200	0	100	4.5%
Administrative, Support, Waste Mgmt., & Remed.	11,400	11,700	11,100	-300	300	2.7%
Employment services	3,600	3,700	3,300	-100	300	9.1%
Educational and Health Services	28,500	28,400	28,200	100	300	1.1%
Ambulatory health care services	10,900	10,800	10,600	100	300	2.8%
Nursing and residential care facilities	4,800	4,800	4,900	0	-100	-2.0%
Social assistance	6,200	6,200	5,700	0	500	8.8%
Leisure and Hospitality	23,400	23,600	22,400	-200	1,000	4.5%
Arts, Entertainment and Recreation	3,300	3,500	3,500	-200	-200	-5.7%
Food Services and Drinking Places	19,100	19,100	18,000	0	1,100	6.1%
Other Services	10,000	10,000	9,700	0	300	3.1%
Government	38,000	37,300	37,800	700	200	0.5%
Federal Government	2,300	2,300	2,300	0	0	0.0%
State Government	6,300	6,200	6,200	100	100	1.6%
State Educational Services	3,300	3,300	3,100	0	200	6.5%
Local Government	29,400	28,800	29,300	600	100	0.3%
Local Educational Services	14,300	13,600	14,300	700	0	0.0%
Workers in Labor/Management Disputes	0	0	0			

Nonfarm industry employment

From October to November, goods producers in Snohomish County shed an estimated 100 jobs; service-providers added 1,700. Although the recovery has been driven primarily by private employers, recent growth in services has been in large part attributable to hiring by public sector employers. The year-over-year employment situation for most sectors has been positive.

Goods-producing Industries

Snohomish County's goods-producers are concentrated in the manufacturing and construction sectors. From October to November, manufacturing employment expanded (+300) and construction contracted (-400). Year-over-year, goods-producing industries created 4,400 new jobs—5.8 percent growth.

As a whole, payrolls in the **construction** sector contracted by 400 from October to November. Losses were counted in heavy and civil engineering construction (-100) and specialty trade contractors (-200). Year-over-year, construction employment is up 200 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 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 October to November, 400 jobs were lost. The corresponding decline in 2011 was 500 jobs.
- **Manufacturing** payrolls added 300 jobs in November. Industry growth over the month was attributable to the aerospace products and parts manufacturing industry. From November 2011 to November 2012, manufacturing employment rose by 4,200. The following manufacturing industries grew year-over-year: aerospace products and parts manufacturing and computer and electronic product manufacturing each created jobs year-over-year (3,800 and 900 jobs respectively). Wood product and nondurable goods manufacturing both declined year-over-year (100 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 3,800 direct aerospace jobs or 8.0 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 likely a reflection of the highly-publicized Kimberly-Clark layoffs.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers added 1,700 jobs over the month. From November 2011 to November 2012, service employers created 3,800 new jobs or an increase of 2.1 percent.

- **Wholesale trade** neither expanded nor contracted in November. Year-over-year, employment in wholesale trade also held steady at 8,300.
- Employment in **retail trade** increased by 1,100 month-to-month. General merchandise stores were responsible for much of the one month increase. Since November 2011, Retail trade expanded by 700 or 2.2 percent.
 - Statewide, retail trade expanded by 2,500 in November on a seasonally-adjusted basis (a gain of 10,300 not seasonally adjusted). This means that holiday hiring in 2012 is exceeding expectations. The biggest gain was in what is classified as other retail trade which includes online retailers.
- **Transportation, warehousing and utilities** held steady month-to-month, and reported losses on the order of 100 jobs year-over-year. Employment in November 2012 was 3,900.
- Snohomish County's **information** sector added 100 jobs month-to-month, and expanded by 200 jobs year-to-year.
- **The financial activities** sector includes the finance, insurance, real estate, and rental and leasing industries. Payrolls in this sector expanded by 100 from October to November. 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 October to November, 200 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 1,000 jobs or 4.6 percent.

- **Educational and health services** added 100 jobs month-to-month. Since November 2011, the sector added 300 jobs or 1.1 percent. Year-over-year, ambulatory health care services employers added 300 and nursing and residential care employers shed 100. Social assistance industries added 500 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** shed 200 jobs. Year-over-year, however, the sector added 1,000 jobs--primarily in the food and drink service industries.
- **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 increased by 700 month-to-month. One-month gains were concentrated in local education. Since November 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 December. Forecast information is available at www.erfc.wa.gov.