



Snohomish County

Labor Area Summary

October 2012

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

Overview

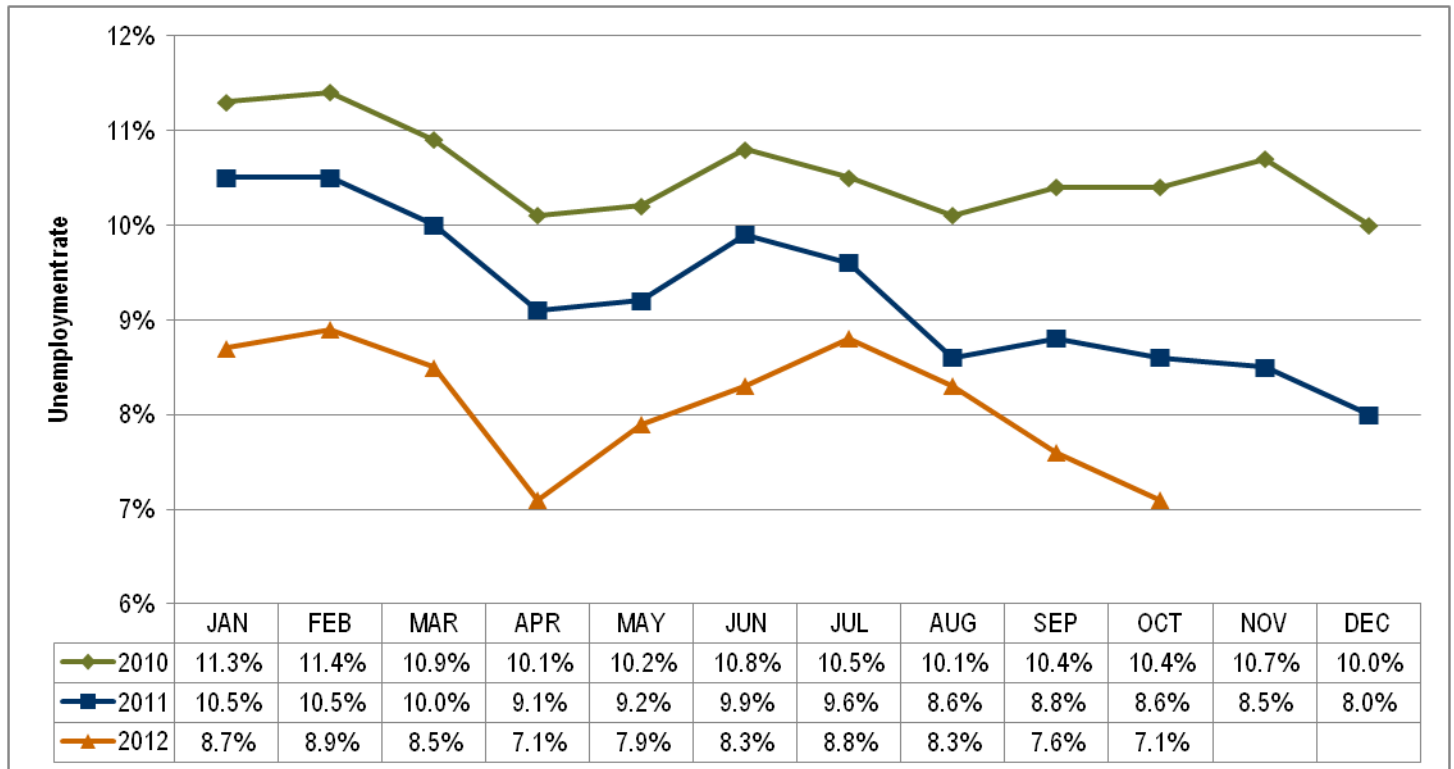
- In October, Snohomish County's unemployment rate fell to 7.1 percent.
- Employment in Snohomish County expanded by 1,000 from September to October, with an October job tally of 264,500.
- The private sector shed 500 jobs in October, and the public sector added 1,500. Government jobs added in October were in local and state education, coinciding with the commencement of the school year.
- From October 2011 to October 2012, 9,100 jobs were added to the county's economy. The private sector has been responsible for most new jobs year-over-year (8,000).

Unemployment rates and labor force information

The unemployment rate for Snohomish County fell from 7.6 percent in September to 7.1 percent. For comparison, the unemployment rate in October 2011 was 8.6 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 September forecast by Washington's Economic and Revenue Forecast Council indicated that the statewide unemployment rate will average 8.6 percent in 2012 and 8.42 percent in 2013. See www.erfc.wa.gov for more information.

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



Unemployment rates have been falling since early 2010. In October 2012, the unemployment rate was 7.1 percent.

- Snohomish County labor force: 382,080
- Total employed: 354,960
- Total unemployed: 27,120
- Unemployment rate: 7.1%

Month-to-month, Snohomish County’s labor force contracted by 7,660. The employed fell by 5,260, and the unemployed dropped by 2,400.

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 fell to 7.2 percent in October from 7.7 percent in September. On a seasonally adjusted basis, state unemployment fell from 8.5 percent to 8.2 percent. The seasonally adjusted rate for the U.S. was 7.9 percent in October.

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 6.7 percent in October. On a seasonally adjusted basis, the unemployment rate was 7.3 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 October 2012 follows:

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

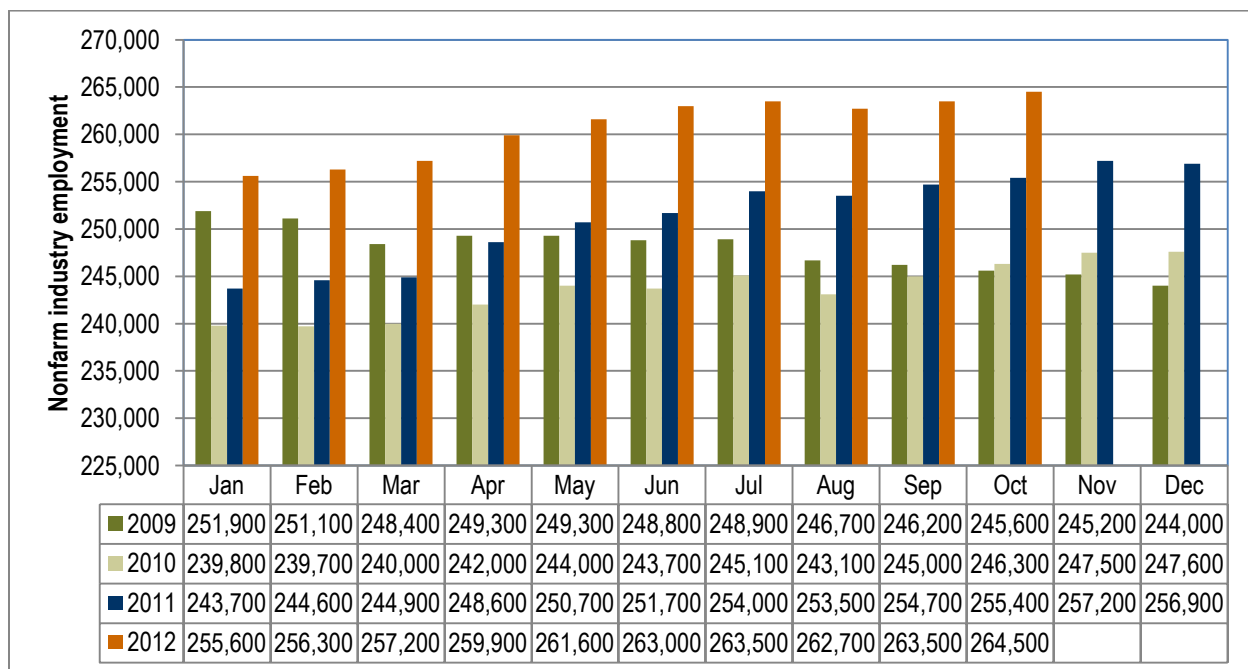
In October, initial claims for UI increased relative to September. Continued claims rose slightly, and final payments decreased.

Total nonfarm employment

From September to October, total nonfarm industry employment grew by 1,000 jobs. Snohomish County's job tally for October was estimated at 264,500. Revisions to initial September estimates boosted the baseline by 800. On an industry basis, the largest upward revisions were applied to Aerospace products and parts manufacturing (500). In October, the private sector shed 500 jobs, and the public sector expanded by 1,500 with the start of a new school year.

Year-over-year, Snohomish County employment exceeded October 2011 levels by 9,100 jobs or 3.6 percent.

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



Year-over-year employment has consistently been higher in 2012 compared to 2011. From September to October 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 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	Revised	Revised	12-Sep	Change	11-Oct
	12-Oct	12-Sep	11-Oct	12-Oct	11-Oct	11-Oct
Labor force and unemployment						
Civilian labor force	382,080	389,740	385,590	-7,660	-3,510	-0.9%
Resident employment	354,960	360,220	352,420	-5,260	2,540	0.7%
Unemployment	27,120	29,520	33,170	-2,400	-6,050	-18.2%
Unemployment rate	7.1%	7.6%	8.6%	-0.5%	-1.5%	-17.4%
Industry employment						
Total Nonfarm	264,500	263,500	255,400	1,000	9,100	3.6%
Total Private	226,100	226,600	218,100	-500	8,000	3.7%
Goods Producing	80,600	80,700	76,000	-100	4,600	6.1%
Mining, Logging, and Construction	15,400	15,600	15,500	-200	-100	-0.6%
Construction of Buildings	2,700	2,800	2,700	-100	0	0.0%
Heavy and Civil Engineering Construction	1,900	1,900	1,800	0	100	5.6%
Specialty Trade Contractors	10,600	10,700	10,800	-100	-200	-1.9%
Manufacturing	65,200	65,100	60,500	100	4,700	7.8%
Durable Goods	62,100	62,000	56,600	100	5,500	9.7%
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.	5,800	5,800	4,900	0	900	18.4%
Aerospace Product and Parts Mfg.	46,900	46,800	42,300	100	4,600	10.9%
Nondurable Goods	3,100	3,100	3,900	0	-800	-20.5%
Service Providing	183,900	182,800	179,400	1,100	4,500	2.5%
Trade, Transportation, and Utilities	43,400	43,400	43,000	0	400	0.9%
Wholesale Trade	8,100	8,100	8,200	0	-100	-1.2%
Retail Trade	31,400	31,300	30,900	100	500	1.6%
Motor vehicle and parts dealers	3,800	3,800	3,800	0	0	0.0%
Food and beverage stores	6,200	6,100	5,900	100	300	5.1%
General merchandise stores	7,200	7,200	7,300	0	-100	-1.4%
Transportation, Warehousing, and Utilities	3,900	4,000	3,900	-100	0	0.0%
Information	5,800	5,800	5,700	0	100	1.8%
Telecommunications	4,200	4,200	4,100	0	100	2.4%
Financial Activities	11,200	11,200	11,000	0	200	1.8%

Finance and Insurance	8,300	8,300	8,000	0	300	3.8%
Credit intermediation and related activities	3,500	3,500	3,400	0	100	2.9%
Insurance carriers and related activities	4,600	4,600	4,300	0	300	7.0%
Real estate and rental and leasing	2,900	2,900	3,000	0	-100	-3.3%
Professional and Business Services	22,700	22,900	21,900	-200	800	3.7%
Professional, Scientific, and Technical Services	9,600	9,700	9,300	-100	300	3.2%
Architectural and engineering services	2,300	2,300	2,200	0	100	4.5%
Administrative, Support, Waste Mgmt., & Remed.	12,000	12,000	11,400	0	600	5.3%
Employment services	4,000	3,900	3,500	100	500	14.3%
Educational and Health Services	29,000	28,800	28,100	200	900	3.2%
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	6,300	6,200	5,700	100	600	10.5%
Leisure and Hospitality	23,400	23,800	22,600	-400	800	3.5%
Arts, Entertainment and Recreation	3,500	3,600	3,500	-100	0	0.0%
Food Services and Drinking Places	18,900	19,100	18,000	-200	900	5.0%
Other Services	10,000	10,000	9,800	0	200	2.0%
Government	38,400	36,900	37,300	1,500	1,100	2.9%
Federal Government	2,300	2,300	2,300	0	0	0.0%
State Government	6,200	5,700	6,000	500	200	3.3%
State Educational Services	3,300	2,800	3,000	500	300	10.0%
Local Government	29,900	28,900	29,000	1,000	900	3.1%
Local Educational Services	14,000	12,700	13,900	1,300	100	0.7%
Workers in Labor/Management Disputes	0	0	0			

Nonfarm industry employment

From September to October, goods producers in Snohomish County shed 100 jobs; service-providers gained 1,100. Although the recovery has been driven primarily by private employers, this month's growth was largely attributable to the government sector. 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 September to October, manufacturing employment expanded (+100) and construction contracted (-200). Year-over-year, goods-producing industries created 4,600 new jobs—6.1 percent growth. September's preliminary estimate was increased by 500, attributable to the aerospace products and parts industry.

- As a whole, payrolls in the **construction** sector contracted by 200 from September to October. Losses came from construction of buildings and specialty trade contractors. Year-over-year, construction fell 100 jobs 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 are made in spring and summer. Generally speaking, construction employment in 2012 has followed typical seasonal patterns.
- **Manufacturing** payrolls added 100 jobs in October. Industry growth over the month was attributable to aerospace products and parts manufacturing. From October 2011 to October 2012, manufacturing employment rose by 4,700. 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 (100 and 800 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 or 10.9 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 800 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 added 1,100 jobs over the month. From October 2011 to October 2012, service employers created 4,500 new jobs or an increase of 2.5 percent.

- **Wholesale trade** neither expanded nor contracted in October. Year-over-year, employment in wholesale trade dropped by 100, or 1.2 percent.
- Employment in **retail trade** increased by 100 month-to-month. Food and beverage stores were responsible for the one month increase. Since October 2011, Retail trade expanded by 500 or 1.6 percent.
- **Transportation, warehousing and utilities** lost 100 jobs month-to-month, and reported no change year-over-year.
- The **Information** sector, which includes telecommunications, maintained 5,800 jobs month-to-month, and expanded by 100 jobs year-to-year.
- **Financial Activities** includes the finance, insurance, real estate, and rental and leasing industries. Payrolls in this sector neither expanded nor contracted month-to-month. 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 September to October, 200 jobs were shed from this sector. Losses came from the professional, scientific, and technical services industries (-100) and gains were made in employment services (+100). Year-over-year, this diverse sector added 800 jobs or 3.7 percent, with growth reported in each industry.

- **Educational and health services** added 200 jobs month-to-month as a whole. Since October 2011, the sector added 900 jobs or 3.2 percent. Year-over-year, ambulatory health care services employers added 700 and nursing and social assistance employers shed 100. Social assistance industries added 600 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 400 jobs. Year-over-year, however, the sector added 800--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 200 or 2.0 percent.
- **Government payrolls** increased by 1,500 month-to-month. One-month gains were concentrated in local and state education, and were related to the start of the school year. Since October 2011, government payrolls expanded by 1,100.

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 September, and is available at www.erfc.wa.gov.