



# **Snohomish County**

## **Labor Area Summary**

### **September 2012**

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

## **Overview**

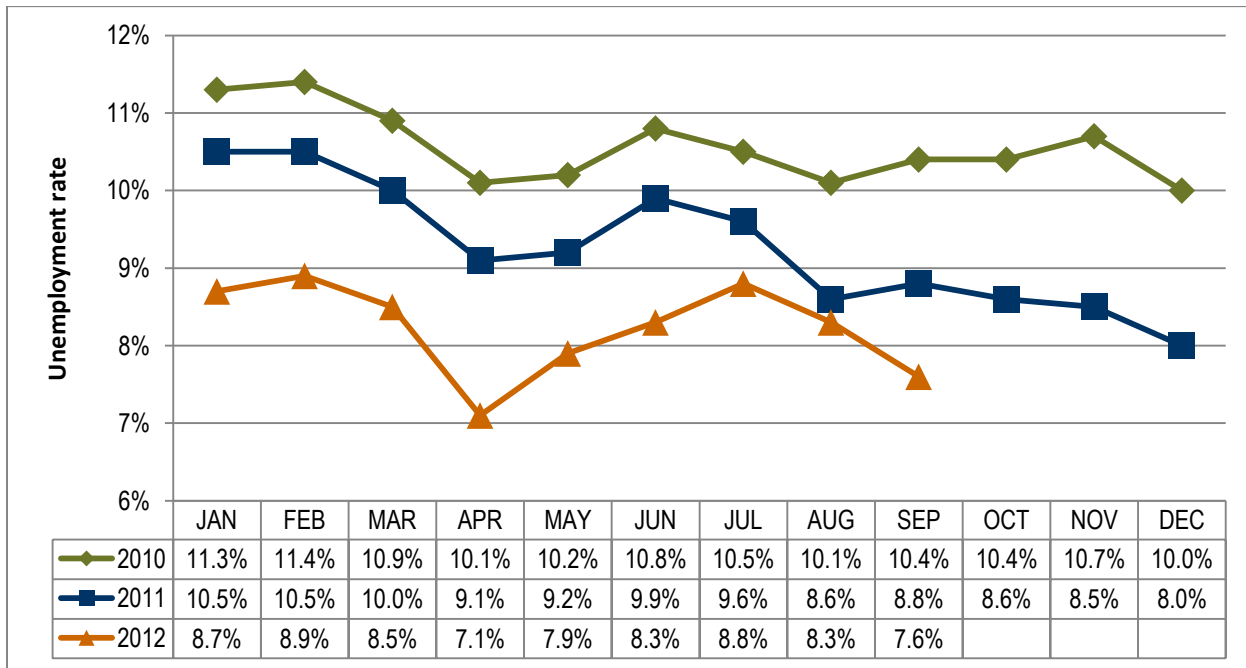
- In September, Snohomish County's unemployment rate fell to 7.6 percent.
- Employment in Snohomish County held steady month-to-month with a job count of 262,700.
- The private sector shed 800 jobs in September, and the public sector added 800. Government jobs added in September were in local and state education, marking the start of the school year.
- From September 2011 to September 2012, 8,000 jobs were added to the local economy. Despite the one-month slide in September, the private sector has been responsible for most job growth year-over-year (7,600).

## **Unemployment rates and labor force information**

The unemployment rate for Snohomish County fell from 8.3 percent in August to 7.6 percent. For comparison, the unemployment rate in September 2011 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 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](http://www.erfc.wa.gov) for more information.

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



*Unemployment rates have been falling since early 2010. In September 2012, the unemployment rate was 7.6 percent.*

- Snohomish County labor force: 389,770
- Total employed: 360,290
- Total unemployed: 29,480
- Unemployment rate: 7.6%

Month-to-month, Snohomish County’s labor market grew by 4,530. The employed expanded by 6,900, and the unemployed dropped by 2,370.

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 7.7 percent in September from 8.5 percent in August. On a seasonally adjusted basis, state unemployment fell from 8.6 percent to 8.5 percent. The seasonally adjusted rate for the U.S. fell from 8.1 percent to 7.8 percent in September.

**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 7.0 percent in September. On a seasonally adjusted basis, the unemployment rate was 7.6 percent.

## Unemployment Insurance (UI) Claims

The largest share of UI claims in Snohomish County continues to come from workers in construction-related occupations. Office and administrative support occupations have also been well-represented. The top five occupational groups filing initial claims for UI in September 2012 follows:

- Construction and extraction occupations
- Office and administrative support occupations
- Production occupations
- Management occupations
- Sales and related occupations

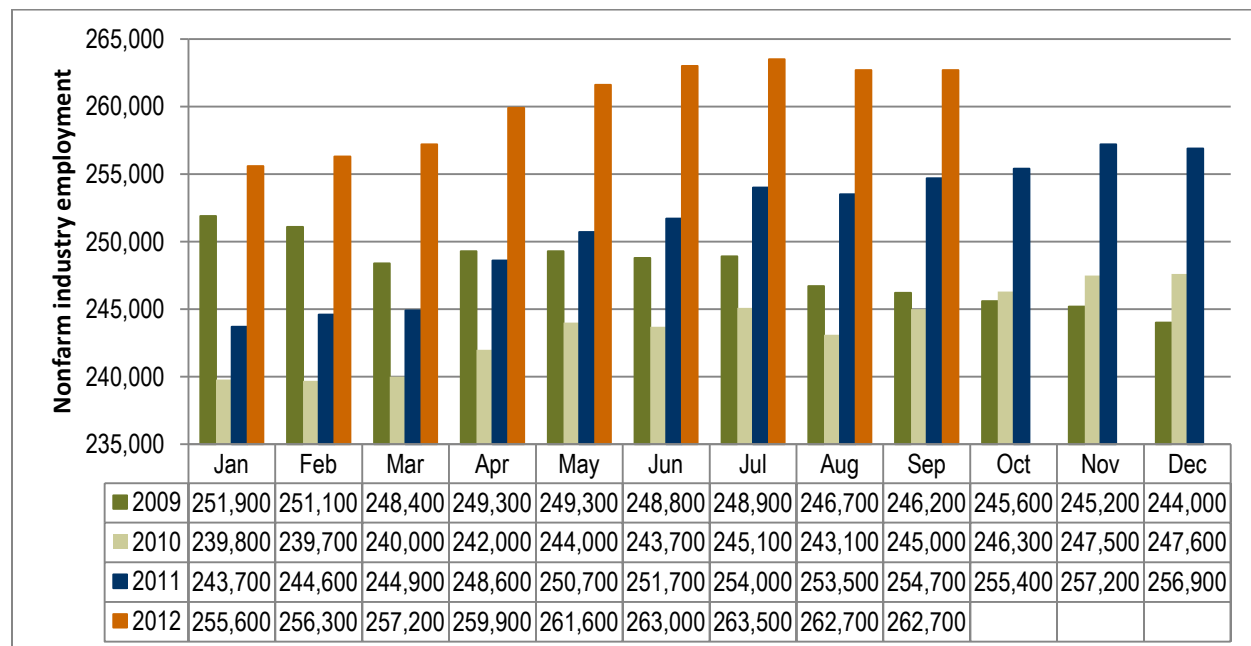
In September, initial claims for UI dropped relative to August. Continued and final claims rose slightly. The number of people claiming federal UI benefit extensions dropped in September.

## Total nonfarm employment

From August to September, total nonfarm industry employment neither expanded nor contracted. Employment held at 262,400. Revisions to initial August estimates boosted the baseline by 300. In September, the private sector shed 800 jobs, and the public sector gained 800 with the start of a new school year.

Year-over-year, Snohomish County employment exceeded September 2011 levels by 8,000 jobs or 3.1 percent.

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



*Year-over-year employment has consistently been higher in 2012. From August to September 2012, total employment did not change.*

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	Change		
	Sep-12	Aug-12	Sep-11	Aug-12 Sep-12	Sep-11 Sep-12	Sep-11 Sep-12
<b>Labor force and unemployment</b>						
Civilian labor force	389,770	385,240	386,840	4,530.0	2,930.0	0.8%
Resident employment	360,290	353,390	352,730	6,900.0	7,560.0	2.1%
Unemployment	29,480	31,850	34,110	-2,370.0	-4,630.0	-13.6%
Unemployment rate	7.6%	8.3%	8.8%	-0.7%	-1.3%	--13.6%
<b>Industry employment</b>						
Total Nonfarm	262,700	262,700	254,700	0.0	8,000.0	3.1%
Total Private	226,100	226,900	218,500	-800.0	7,600.0	3.5%
Goods Producing	80,200	80,300	76,100	-100.0	4,100.0	5.4%
Mining, Logging, and Construction	15,600	15,800	15,800	-200.0	-200.0	-1.3%
Construction of Buildings	2,800	2,800	2,600	0.0	200.0	7.7%
Heavy and Civil Engineering Construction	1,900	1,900	1,800	0.0	100.0	5.6%
Specialty Trade Contractors	10,700	10,900	11,100	-200.0	-400.0	-3.6%
Manufacturing	64,600	64,500	60,300	100.0	4,300.0	7.1%
Durable Goods	61,500	61,400	56,300	100.0	5,200.0	9.2%
Wood Product Manufacturing	1,100	1,100	1,200	0.0	-100.0	-8.3%
Fabricated Metal Product Manufacturing	3,700	3,700	3,600	0.0	100.0	2.8%
Computer and Electronic Product Mfg.	5,800	5,800	4,900	0.0	900.0	18.4%
Aerospace Product and Parts Mfg.	46,300	46,200	42,100	100.0	4,200.0	10.0%
Nondurable Goods	3,100	3,100	4,000	0.0	-900.0	-22.5%
Service Providing	182,500	182,400	178,600	100.0	3,900.0	2.2%
Trade, Transportation, and Utilities	43,500	43,700	42,700	-200.0	800.0	1.9%
Wholesale Trade	8,100	8,100	8,200	0.0	-100.0	-1.2%
Retail Trade	31,400	31,600	30,500	-200.0	900.0	3.0%
Motor vehicle and parts dealers	3,800	3,800	3,800	0.0	0.0	0.0%
Food and beverage stores	6,100	6,100	6,000	0.0	100.0	1.7%
General merchandise stores	7,200	7,100	7,200	100.0	0.0	0.0%
Transportation, Warehousing, and Utilities	4,000	4,000	4,000	0.0	0.0	0.0%
Information	5,800	5,900	5,700	-100.0	100.0	1.8%
Telecommunications	4,200	4,200	4,100	0.0	100.0	2.4%
Financial Activities	11,200	11,100	10,900	100.0	300.0	2.8%
Finance and Insurance	8,300	8,200	7,900	100.0	400.0	5.1%
Credit intermediation and related activities	3,500	3,400	3,400	100.0	100.0	2.9%
Insurance carriers and related activities	4,600	4,600	4,200	0.0	400.0	9.5%
Real estate and rental and leasing	2,900	2,900	3,000	0.0	-100.0	-3.3%

Professional and Business Services	22,800	22,900	22,100	-100.0	700.0	3.2%
Professional, Scientific, and Technical Services	9,700	9,800	9,300	-100.0	400.0	4.3%
Architectural and engineering services	2,300	2,300	2,200	0.0	100.0	4.5%
Administrative, Support, Waste Mgmt., & Remed.	11,900	11,900	11,600	0.0	300.0	2.6%
Employment services	3,800	3,600	3,500	200.0	300.0	8.6%
Educational and Health Services	28,900	28,800	28,100	100.0	800.0	2.8%
Ambulatory health care services	11,300	11,300	10,600	0.0	700.0	6.6%
Nursing and residential care facilities	4,800	4,800	4,900	0.0	-100.0	-2.0%
Social assistance	6,200	6,300	5,700	-100.0	500.0	8.8%
Leisure and Hospitality	23,700	24,000	23,100	-300.0	600.0	2.6%
Arts, Entertainment and Recreation	3,600	3,700	3,900	-100.0	-300.0	-7.7%
Food Services and Drinking Places	18,900	19,000	18,100	-100.0	800.0	4.4%
Other Services	10,000	10,200	9,800	-200.0	200.0	2.0%
Government	36,600	35,800	36,200	800.0	400.0	1.1%
Federal Government	2,300	2,300	2,300	0.0	0.0	0.0%
State Government	5,700	5,300	5,800	400.0	-100.0	-1.7%
State Educational Services	2,800	2,400	2,800	400.0	0.0	0.0%
Local Government	28,600	28,200	28,100	400.0	500.0	1.8%
Local Educational Services	12,900	12,500	12,500	400.0	400.0	3.2%
Workers in Labor/Management Disputes	0	0	0			

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

From August to September, most industries experienced small employment shifts (100 or less); some notable exceptions include government (+800), leisure and hospitality, (-300), retail (-200) and construction (-200). 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 August to September, manufacturing employment expanded (+100) and construction contracted (-200). Year-over-year, goods-producing industries created 4,100 new jobs--5.4 percent growth.

- As a whole, payrolls in the **construction** sector contracted by 200 from August to September. Losses came from the specialty trade contractors industry. Year-over-year, construction fell 100 jobs short of 2011 employment levels. However year-over-year gains were made in construction of buildings and heavy and civil engineering construction.
  - 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 September. Industry growth over the month was attributable to aerospace products and parts manufacturing. From September 2011 to September 2012, manufacturing employment rose by 4,300. The following manufacturing industries grew year-over-year: aerospace products and parts manufacturing (4,200), 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 900 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 4,200 direct aerospace jobs or 10 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 900 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 100 jobs over the month. From September 2011 to September 2012, service employers created 3,900 new jobs or 2.2 percent.

- **Wholesale trade** neither expanded nor contracted in September. Year-over-year, employment in wholesale trade dropped by 100, or 1.2 percent.
- Employment in **retail trade** declined by 200 month-to-month. One hundred jobs were shed from general merchandise stores. Since September 2011, Retail trade expanded by 900 or 3.0 percent.
- **Transportation, warehousing and utilities** experienced no aggregate change in employment month-to-month, nor year-over-year.
- The **Information** sector, which includes telecommunications, shed 100 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 expanded by 100 in September, 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. From August to September, 100 jobs were lost from this sector. Losses came from the professional, scientific, and technical services industries (-100) and gains were made in employment services (+200). Year-over-year, this diverse sector added 700 jobs or 3.2 percent, with growth reported in each industry.
- **Educational and health services** added 100 jobs month-to-month as a whole. Since September 2011, the sector added 800 jobs or 2.8 percent. However, social assistance industries lost 100. Year-over-year, ambulatory health care services employers added 700 and nursing and social assistance 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 300 jobs. Year-over-year, however, the sector added 600--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 fell by 200. Year-over-year, payrolls increased by 200 or 2.0 percent.
- **Government payrolls** increased by 800 month-to-month. One-month gains were concentrated in local and state education, and were related to the start of the school year. Since September 2011, government payrolls expanded by 400. Gains were seen at the local level--particularly in local education, and losses were reported at the state level. Federal government employment did not change.

### **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](http://www.erfc.wa.gov).