



Snohomish County Labor Market Update

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

Major Takeaways

- In July, Snohomish County's **unemployment rate** rose to 8.8 percent.
- **Nonfarm employment** did not change in aggregate from June 2012 to July 2012.
- Year over year **nonfarm employment** in Snohomish County increased by 9,500. The private sector has been responsible for most job growth.

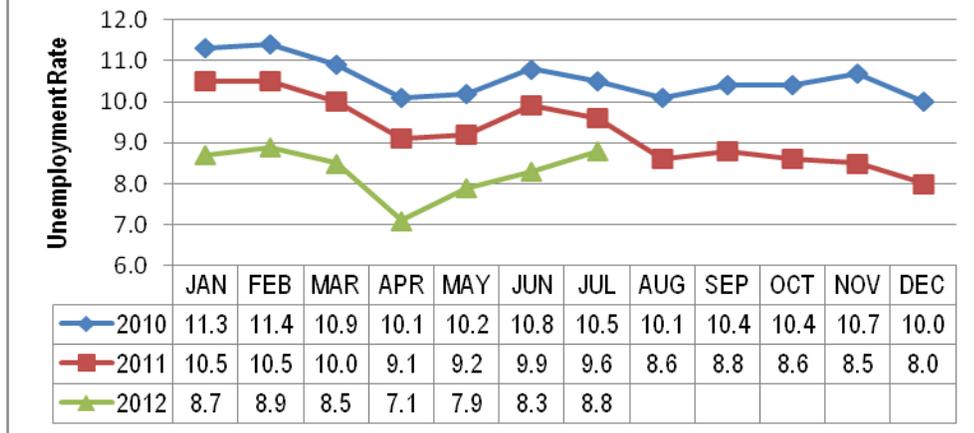
Unemployment Rates and Labor Force Information

The **unemployment rate** for Snohomish County rose from 8.3 percent in June to 8.8 percent in July. For comparison, the unemployment rate in July 2011 was 9.6 percent.

The 'Great Recession' took hold in Snohomish County 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. A comparison of 2010 unemployment rates with those in 2011 indicates a slowly improving labor market situation. The average unemployment for 2011 is estimated at 9.3 percent compared with the annual average rate of 10.6 percent in 2010 and 10.1 percent in 2009.

Similar patterns have been reported at the statewide and national levels through the course of this lengthy economic downturn. The June forecast by Washington's Economic and Revenue Forecast Council indicated that the statewide unemployment rate will average 8.2 percent in 2012 and 7.9 percent in 2013. See www.erfc.wa.gov for more information.

Unemployment Rates Snohomish County, 2010 - 2012



- Snohomish County labor force: 391,530
- Total employed: 357,010
- Total unemployed: 34,520
- Unemployment rate: 8.8%

Snohomish County’s total **labor force** contracted by an estimated 880 workers in July 2012 relative to June 2012. Within this estimate, the number of people employed decreased by 2,840 and the number of active job seekers expanded by 1,960. Over the past year, the number of Snohomish County residents counted as “employed” grew by an estimated 7,220, and the number counted as “unemployed” fell by 2,430.

The local labor force has generally grown 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 rose from 8.3 percent in June 2012 to 8.4 percent in July 2012. On a seasonally adjusted basis, the state unemployment rate rose from 8.3 to 8.5 percent over the month. The seasonally adjusted rate for the U.S. rose from 8.2 percent to 8.3 percent in July 2012 from June 2012.

Seattle-Bellevue-Everett Metropolitan Division (MD)

The Seattle-Bellevue-Everett MD is an aggregate expression of the labor force information for Snohomish and King Counties. King County’s unemployment rate has consistently run below that of Snohomish County. The not seasonally adjusted unemployment rate reported for the combined MD was 8.1 percent in July 2012. On a seasonally adjusted basis, the MD’s unemployment rate was 7.5 percent.

Unemployment Insurance (UI) Claims

Occupational breakdown - The largest share of UI claimants in Snohomish County continues to come from workers in construction related occupations. The top five occupational groups filing initial claims for UI in Snohomish County in July 2012 follows:

1. Construction and Extraction Related Occupations
2. Office and Administrative Support Occupations
3. Production Occupations
4. Transportation and Material Moving Occupations
5. Management Occupations

Regular UI claims Initial and continued UI claims, as well as final payments of regular UI all rose from June 2012 to July 2012. In this period of recession and recovery, the largest number of local initial filings for UI occurred in December 2008. The largest number of continued claims was counted in May 2009.

Regular UI Claims in Snohomish County for July 2012

- Initial UI Claims: 3,992
- Continued UI Claims: 9,114
- Final UI Claims: 973

Extended claims Under regular unemployment insurance, claimants can qualify for a maximum of 26 weeks of benefits. During this economic downturn, the federal government made extensions available for eligible claimants, allowing job seekers to claim for longer than 26 weeks. Emergency Unemployment Compensation (EUC) benefits and Extended Benefits (EB) have provided extended benefits to claimants in Washington state. As a consequence of a falling statewide unemployment rate, the maximum weeks of UI benefits in Washington fell with April's improving unemployment rate. Both federal extension programs are triggered by states' unemployment rates. More information will be announced by the Employment Security Department as details from the federal Department of Labor emerge. Details will be posted at ESD's website: <http://www.esd.wa.gov/uibenefits/whatsnew/index.php> as they become available.

Extended UI Claims in Snohomish County for July 2012

- Total Regular UI Claims: 9,175
- Total EUC Claims: 6,221
- Total EB Claims: 5
- Total claiming Training Benefits 127
- Total UI Claimants, all programs 14,822

Exhaustees As of July, 12,430 UI recipients have exhausted all possible state and federal benefits since EUC was implemented in July 2008. The number of exhaustees statewide was 105,002 in July.

Employment Statistics

Labor force vs. Employment data - Labor force data count people where they live. By contrast, payroll data count jobs at the location of employment (not the number of people who are employed). The data tell different parts of the story. Together, these different pieces of information help us to construct a better understanding of what is occurring in our local labor market.

Employment Trends

Snohomish County's employment levels peaked in 2008 and reached their lowest levels since the start of the economic downturn early in 2010. This was the case for most industries. Average annual nonfarm employment level for Snohomish County in 2010 was down about 7 percent from 2008; roughly the equivalent count as 2006 levels. Employment since early 2010 has been growing slowly and steadily, albeit at a much slower rate than is expected following a typical recession.

Employment Over the Month

The following section details month-to-month employment change from June to July across industries. Industry-level views of employment patterns help to shed light on diverse forces affecting job creation and loss.

The general trend since early 2010 has been one of overall job growth; with the majority of growth attributable to the private sector. Public sector employment has declined for the most part, with usual ebbs and flows attributable to the academic calendar year.

From June to July, nonfarm employment in Snohomish County remained flat at 263,300.

The one month changes in employment by industry are summarized in the table below:

Over the month: June - July, 2012	
Total Nonfarm Employment remained unchanged over the month	
Employment Gains	Employment Losses
Construction (+400)	Educational & Health Services (-500)
Other Services (+200)	Government (-400)
Manufacturing (+100)	Leisure & Hospitality (-200)
Retail (+100)	
Transportation, Warehousing & Utilities (+100)	
Financial Activities (+100)	
Professional & Business Services (+100)	

Source: LMEA

Goods Producing Industries

Snohomish County's goods producing industries are dominated by manufacturing and construction. At the broadest industry measure, both industries expanded employment over the month.

- Taken as a whole, the **construction industries** added an estimated 400 jobs over the month. Jobs were added in heavy and civil engineering construction (100), and specialty trade contractors (300).
 - Workers and employers in construction have suffered losses above and beyond most industries in this period of recession and recovery. The construction industry is very sensitive to business cycles: demand waxes during times of economic growth and wanes during times of decline. Although the rate of decline has slowed for construction, the count of jobs in this industry has yet to indicate year over year growth.

- Construction employment tends to be very sensitive to seasonal fluctuations; job losses routinely occur during the autumn and winter months, with growth picking up in the spring and summer. So far, 2012 has followed expected seasonal employment trends.
- Total **manufacturing** payrolls added a modest 100 jobs in July. The only subsector registering growth this month was aerospace product and parts manufacturing. Manufacturing is Snohomish County's largest industrial employer, sustaining 63,800 jobs as of July 2012.
 - Growth in Snohomish County's manufacturing sector has been fueled by hiring in the **aerospace product and parts manufacturing** subsector to a great extent. Over the year, this subsector has been responsible for the creation of 4,400 new jobs. Aerospace manufacturing companies currently employ an estimated 45,500 in Snohomish County.
 - According to their website, the **Boeing Co.** supported 85,453 jobs in Washington state as of July 26, 2012. From June to July 2012 (?), the employer increased payrolls by 625. Since July, 2011, Boeing added 6,696 jobs in Washington. A majority of employment at Boeing is concentrated at facilities in King and Snohomish Counties. More information about Boeing's employment patterns and projections can be found at www.boeing.com.
 - Hiring in Washington's aerospace products and parts manufacturing industry is expected to level off, in terms of absolute numbers.

Service-Providing Industries

Taken as a whole, service-providing employers shed 500 jobs between June and July. About 70 percent of all payroll jobs in Snohomish County are with service-providing employers.

The service-providing sector represents a diverse collection of industries--each experiencing different patterns of growth and decline, and each contributing to and affected differently by market forces. Major industry groups are described below.

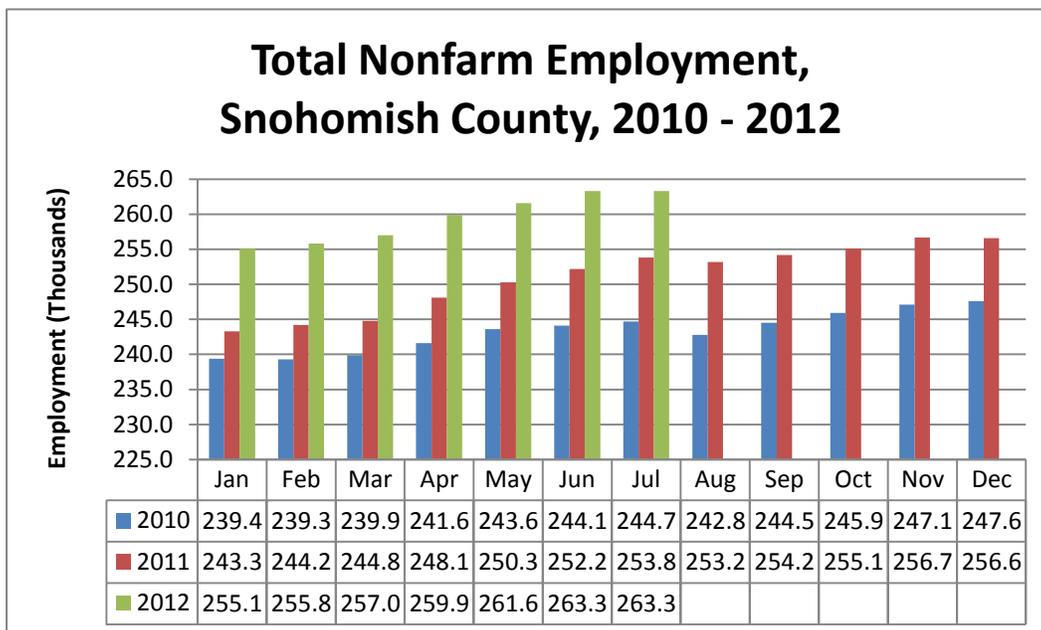
- Over the month, **trade transportation and utilities** added an estimated 200 jobs. New jobs were concentrated in retail trade, and transportation, warehousing and utilities (100 jobs each).
- Snohomish County's **information** sector includes publishing and telecommunications. Between June and July, employment in this sector held steady at 5,900.
- Employment in **financial activities industries**, a sector that includes banking, credit, insurance and real estate (FIRE), has been relatively steady if flat, over the past several months. In July, the sector added 100 jobs, Employment in July was estimated at 11,100. Over the month growth was concentrated in finance and insurance.
 - After tumbling throughout 2008 and 2009, the financial activities sector held relatively steady through the course of 2010 and 2011, and has yet to show any strong indicators of employment growth. 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 wide 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. In July, the sector as a whole added 100 jobs. Growth was not concentrated within any particular subsector this month.

- Private **educational, health and social services** employers shed 500 jobs over the month, bringing the employment level to 28,600. Educational, health and social services is one sector that has weathered the storm rather well over the course of the recession and recovery. This sector continued to grow slowly and steadily amidst overall decline for the past few years.
 - Employment for essential social services such as education and health care tends to be relatively stable over time because demand is largely driven by local population trends and needs rather than global business cycles. Employment growth follows population growth. In the case of health services, employment growth is also spurred by an aging population.
- From June to July, employment in the collection of subsectors that make up **leisure and hospitality** contracted by about 200. Both major subsectors (arts, entertainment and recreation and food services and drinking places) reported losses. Employment in leisure and hospitality was estimated at 23,900 in July.
- **Other services** is an industrial category that includes membership associations and organizations, repair and maintenance operations and laundry services. Employment in this sector expanded by 200 over the month.
- **Government** payrolls declined by 400 in July. Losses were concentrated in local educational services (i.e. K-12 education, etc.) State government also contracted by 100 jobs.

Employment Over the Year

Total nonfarm employment in Snohomish County was 263,300 in July 2012. Compare with the job tally for July 2011 (253,800). Employment grew by approximately 9,500 jobs or 3.7 percent over the past 12 months.



The private sector has been responsible for most job creation over the course of the economic recovery process. Private employers created 9,500 new jobs between July 2011 and July 2012--an expansion of 3.7 percent. Meanwhile, employment in the public sector expanded by 700 jobs or 1.9 percent.

Over the year employment gains and losses for July 2012 are summarized in the table below:

Over the Year: July 2011 to July 2012	
Total Nonfarm Employment up 9,500	
Employment Gains	Employment Losses
Manufacturing (+4,700)	Construction (-100)
Professional & Business Services (+1,200)	Wholesale Trade (-100)
Retail Trade (+1,100)	
Leisure & Hospitality (+800)	
Education & Health Services (+700)	
Government (+700)	
Financial Activities (+200)	
Other Services (+200)	
Information (+100)	

Source: LMEA

Goods Producing Industries Over the Year

Snohomish County's goods producing sector added 4,600 jobs from July 2011. This is an increase of 6.2 percent. Much of the growth has been fueled by manufacturing.

- Compared to July 2011 estimates, employment in **mining, logging and construction** contracted by 100.
 - Some subsectors experienced growth while others declined over the year: construction of buildings experienced no change; heavy and civil engineering expanded by 100; and specialty trade contractors declined by 300.
 - In terms of employment, construction has been hit harder than any other industry in this recession. Contributing factors include an oversupply of housing leftover from the housing bubble and the recent wave of foreclosures, and reduced contracts in general.
- **Manufacturing** employment expanded by approximately 4,700 jobs over the year, or nearly 8 percent. As a whole, employers in the manufacturing sector have collectively contributed the largest number of jobs to the local economy over the course of the recovery. It is worth noting that although hiring continues, month over month increases have been losing momentum lately.
 - Aerospace products and parts manufacturing is responsible for the lion's share of new hiring in Snohomish County's manufacturing sector over the year. 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 4,400 direct aerospace jobs; an increase of 10.7 percent.
 - 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 in the supply chain are counted under their best fit industries.

- The subsectors that manufacture fabricated metal, and computer and electronic products also expanded employment over the year.
- Nondurable goods manufacturing shed 700 jobs (18.4 percent) over the year. This is likely a reflection of the highly-publicized Kimberly-Clark layoffs.

Service Providing Industries Over the Year

Service providing industries represent a very diverse collection of industries. Each industry within this sector experiences different patterns of growth and decline, and is responsive to different market forces. As a whole, employment in this diverse sector expanded by 4,900 jobs or 2.7 percent from July 2011 to July 2012.

- Employers in **trade transportation and utilities** industries added 1,000 jobs when compared to July 2011. Wholesale trade, retail trade and transportation, warehousing and utilities all increased employment.
 - Employment in wholesale trade decreased by 100 or 1.2 percent over the year.
 - Retail trade increased by 1,100 or 3.6 percent since July 2011. Food and beverage stores added 200 jobs and general merchandise stores added 100 over the year. Motor vehicles and parts dealers contracted by 100.
 - Transportation, warehousing and utilities did not change over from July 2011.
- Snohomish County's **information** sector added 100 jobs from July 2011.
- Payrolls in the **financial activities industries** grew by 200 over the year. Gains were recorded in finance and insurance (300). Real estate and rental and leasing lost 100 jobs.
- As a whole, employment in **professional and business services** added 1,200 jobs over the year--an increase of 5.5 percent. Within this collection of industries, growth was observed in both professional, scientific, and technical services (400) as well as administrative, support, waste management & remediation services (800 jobs). Six hundred new jobs were created in employment services.
- From July 2011 to July 2012, private **education and health services'** payrolls expanded by 700, or 2.5 percent. Increases were recorded in the subsectors of ambulatory health care services (700) and social assistance (400). Nursing and residential care facilities decreased employment by 100.
- The collection of industries under the "**leisure and hospitality**" banner added 800 jobs over the year. Jobs came from the subsector of food services and drinking places (1,100 jobs), while arts, entertainment and recreation fell short of last year's figures (-400).
- Employment in "**other services,**" a category for service sector industries that are not appropriately categorized elsewhere increased employment by 200 in a year over year comparison.
- Every year, **government** hiring patterns experience large seasonal shifts coinciding with the school calendar. All together, employment in the public sector expanded by 700 jobs or 1.9 percent over the past 12 months. Over the year, growth was largely attributable to hiring in state educational services.

Forecast information for Washington state:

The Washington State Economic and Revenue Forecast Council issues quarterly forecasts that address Washington state's projected economic health. The most recent forecast was issued for June, and is available at www.erfc.wa.gov.

The Employment Security Department and WorkSource Snohomish County are equal-opportunity employers and providers of programs and services. Auxiliary aids and services are available upon request to persons with disabilities.