



Snohomish County Labor Area Summary February 2015



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

Overview

- In February 2015, the not seasonally adjusted unemployment rate in Snohomish County increased to 5.3 percent. This is down from 5.7 percent, observed 12 months ago. The unemployment rate typically reaches peak levels in January and February in Snohomish County, following the winter holiday season. Expect unemployment rates to drop as spring and summer hiring takes hold.
- Nonfarm employment in Snohomish County picked up in February. There were an estimated 274,400 jobs in Snohomish County.
- Total nonfarm employment in February 2015 was 6,000 jobs above the level observed in February 2014. This represents a 2.2 percent increase in employment.
- Local employment growth has been slowing throughout 2013 and 2014. Snohomish County's largest employment sector (manufacturing) has been declining—particularly in aerospace—but other industries continue to expand.
- Year-to-year growth was observed in all major industry sectors except manufacturing. The largest gains were observed in leisure and hospitality (1,300), construction and professional and business services (1,000 each).

Unemployment rates and labor force information

The not seasonally adjusted unemployment rate for Snohomish County was 5.3 percent (preliminary) in February. This is up from 5.2 percent (revised) in January. The unemployment rate in February 2014 was 5.7 percent.

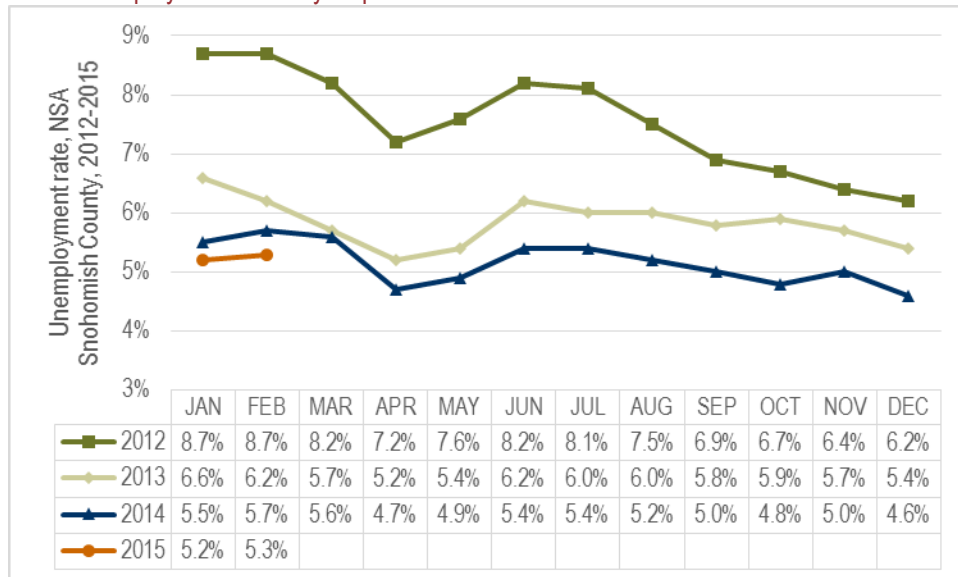
The 'Great Recession' gripped Washington in mid-2008. Through the course of 2008 and 2009, the unemployment rate rapidly increased, reaching a peak rate of 11.3 percent in January and February, 2010. Since then, the elevated rate has slowly diminished. Preliminary February 2015 figures are:

- Snohomish County labor force: 403,660
- Total employed: 382,190
- Total unemployed: 21,470
- Unemployment rate: 5.3%

Month-to-month, Snohomish County’s labor force expanded by 8,650. The number of employed people increased by 7,810 and the number of unemployed increased by 840. Over-the-year, the labor force expanded by 8,350 or 2.1 percent.

At this time last year, year-over-year labor force expansion was 1.6 percent (compared to 2.1 percent this year); in February 2013, year-over-year expansion was only 0.1 percent. It appears that the labor force is finally beginning to expand as people return to work and to the job search.

Figure 1. Unemployment rates, not seasonally adjusted
Snohomish County, January 2012 through February 2015
 Source: Employment Security Department/LMPA



The unemployment rate peaked at 11.3% in early 2010. In February 2015, the unemployment rate was 5.3 percent.

Washington state

The not seasonally adjusted unemployment rate for Washington state decreased from 7.0 percent (revised) in January to 6.8 percent (preliminary) in February 2015. The labor force increased by 23,470 over the month. Over the year, the unemployment rate is down from 7.2 percent.

The February forecast by Washington’s Economic and Revenue Forecast Council predicts that the statewide unemployment rate will average 6.05 percent in 2015. This was revised upward relative to the November forecast. See www.erfc.wa.gov for more information.

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 increased from 4.9 percent (revised) in January to 5.0 percent (preliminary) in February 2015.

Unemployment Insurance (UI) Claims

The largest share of new UI claims in Snohomish County continues to come from workers in seasonally-sensitive construction-related occupations. The top five occupational groups filing initial claims for UI in February 2015 follows:

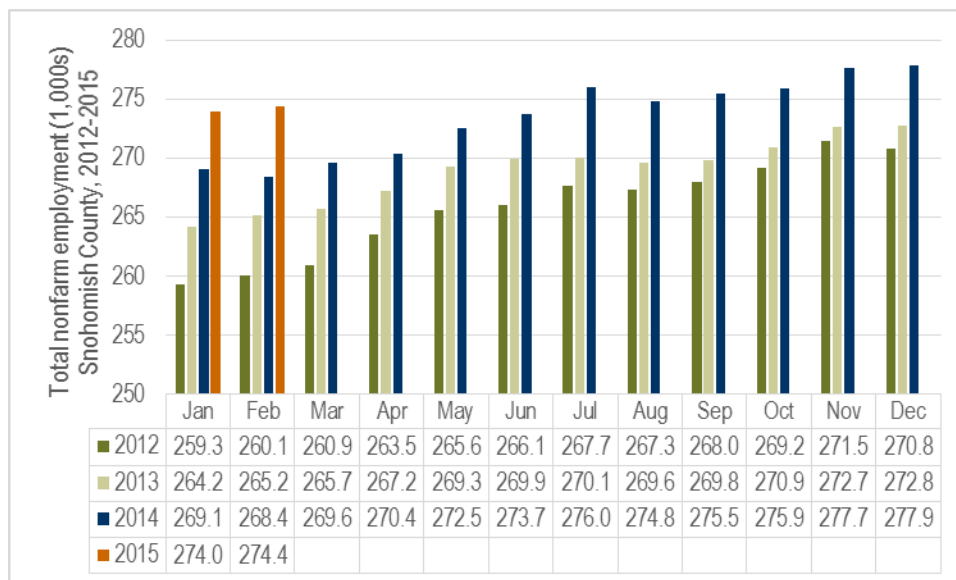
- Construction and extraction occupations
- Office and administrative support occupations
- Production occupations
- Transportation and material moving occupations
- Management occupations

UI claims activity peaked in May 2009 (22,556 continued claims were counted that month) and has been on a downward trend ever since. In February 2015, 2,985 new claims were filed in Snohomish County; down from 3,634 last month; 6,663 people received benefits and 325 exhausted their state benefits.

Total nonfarm employment

Total nonfarm employment in Snohomish County expanded by 400 from January to February 2015 and expanded by 6,000 or 2.2 percent over the year. The estimated tally of jobs in February was 274,400.

Figure 2. Nonfarm industry employment
Snohomish County, January 2012 through February 2015
Source: Employment Security Department/LMPA



The Snohomish County economy continues to expand, despite losses in manufacturing.

Snohomish County employment levels peaked in early 2008 and reached their lowest levels since the start of the economic downturn in early 2010. Average annual nonfarm employment fell by 6.4 percent from 2008 to 2010. In 2010, employment levels were roughly equivalent to 2006 levels. Employment since 2010 has grown for all of Snohomish County's major private sector industries.

Figure 3. Total nonfarm industry employment, not seasonally adjusted
 Snohomish County, February 2014, January 2015 and February 2015
 Source: Employment Security Department/LMPA

Nonfarm Employment Estimates, Not Seasonally Adjusted

Snohomish County

Data benchmarked through September 2014

NAICS Industry Title	Prelim Feb-15	Revised Jan-15	Revised Feb-14	Change		
				Jan-15 Feb-15	Feb-14 Feb-15	Feb-14 Feb-15
Total Nonfarm	274,400	274,000	268,400	400	6,000	2.2%
Total Private	235,600	235,300	230,000	300	5,600	2.4%
Goods Producing	79,800	79,300	78,900	500	900	1.1%
Mining, Logging, and Construction	17,200	16,900	16,200	300	1,000	6.2%
Construction of Buildings	2,900	2,900	2,900	0	0	0.0%
Heavy and Civil Engineering Construction	1,500	1,500	1,500	0	0	0.0%
Specialty Trade Contractors	12,500	12,300	11,500	200	1,000	8.7%
Manufacturing	62,600	62,400	62,700	200	-100	-0.2%
Durable Goods	59,400	59,200	59,500	200	-100	-0.2%
Wood Product Manufacturing	1,200	1,200	1,000	0	200	20.0%
Fabricated Metal Product Manufacturing	3,800	3,800	3,700	0	100	2.7%
Computer and Electronic Product Mfg.	5,500	5,500	5,600	0	-100	-1.8%
Aerospace Product and Parts Mfg.	43,000	42,900	43,800	100	-800	-1.8%
Nondurable Goods	3,200	3,200	3,200	0	0	0.0%
Service Providing	194,600	194,700	189,500	-100	5,100	2.7%
Trade, Transportation, and Utilities	45,600	46,300	44,300	-700	1,300	2.9%
Wholesale Trade	8,100	8,100	7,900	0	200	2.5%
Retail Trade	33,100	33,800	32,300	-700	800	2.5%
Motor vehicle and parts dealers	4,300	4,200	4,100	100	200	4.9%
Food and beverage stores	6,400	6,300	6,300	100	100	1.6%
General merchandise stores	7,500	8,000	7,300	-500	200	2.7%
Transportation, Warehousing, and Utilities	4,400	4,400	4,100	0	300	7.3%
Information	5,700	5,700	5,600	0	100	1.8%
Telecommunications	4,100	4,100	4,000	0	100	2.5%
Financial Activities	12,700	12,700	12,700	0	0	0.0%
Finance and Insurance	9,700	9,700	9,700	0	0	0.0%
Credit intermediation and related activities	3,300	3,300	3,300	0	0	0.0%
Insurance carriers and related activities	6,100	6,100	6,100	0	0	0.0%
Real estate and rental and leasing	3,000	3,000	3,000	0	0	0.0%
Professional and Business Services	23,700	23,600	22,700	100	1,000	4.4%
Professional, Scientific, and Technical Services	11,100	11,000	10,500	100	600	5.7%
Architectural and engineering services	2,300	2,300	2,200	0	100	4.5%
Administrative, Support, Waste Mgmt., & Remed.	11,300	11,300	10,900	0	400	3.7%
Employment services	3,900	4,000	3,700	-100	200	5.4%
Educational and Health Services	33,800	33,600	33,000	200	800	2.4%
Ambulatory health care services	11,400	11,300	11,000	100	400	3.6%
Nursing and residential care facilities	5,100	5,100	5,000	0	100	2.0%
Social assistance	10,100	10,100	9,800	0	300	3.1%
Leisure and Hospitality	24,200	24,000	22,900	200	1,300	5.7%

Arts, Entertainment and Recreation	3,400	3,400	3,400	0	0	0.0%
Food Services and Drinking Places	19,400	19,300	18,400	100	1,000	5.4%
Other Services	10,100	10,100	9,900	0	200	2.0%
Government	38,800	38,700	38,400	100	400	1.0%
Federal Government	2,100	2,100	2,100	0	0	0.0%
State Government	6,600	6,600	6,500	0	100	1.5%
State Educational Services	3,600	3,500	3,400	100	200	5.9%
Local Government	30,100	30,000	29,800	100	300	1.0%
Local Educational Services	15,200	15,000	14,600	200	600	4.1%
Workers in Labor/Management Disputes	0	0	0	0	0	

Snohomish County employment expanded by 2.2 percent over the year.

Nonfarm industry employment

Goods-producing Industries

From January to February, employment in construction and manufacturing together expanded by 500. At this time last year, the goods-producing sector saw employment drop by 600. Year-over-year, goods-producers were up 900 jobs – an increase of 1.1 percent.

Employment levels in the **construction** industries expanded by 300 from January to February 2015. Year-to-year, employment in construction was up 1,000. Workers and employers in construction suffered losses above and beyond most. Based on annual average employment levels, construction declined an estimated 43 percent from peak levels in 2007. Recovery has been slow and employment is highly seasonal.

In February, **manufacturing** employers collectively added 200 jobs. 100 new jobs showed up in aerospace products and parts manufacturing. Over the year, manufacturing shed 100 jobs. Manufacturing is the largest industry in Snohomish County. An estimated 22 percent of all jobs in Snohomish County are found in this set of industries.

- Manufacturing led early economic recovery locally and statewide. In Snohomish County, peak employment levels were observed in late 2012. Employment has been declining throughout 2013 and 2014.
- At the broadest level, manufacturing employers shed 100 jobs over the year. Manufacturing is a diverse set of industries experiencing different patterns of growth and decline. Over the year, aerospace manufacturing shed 800 jobs or 1.8 percent. This is a smaller decline than had been reported in previous months, suggesting that job losses in this industry are slowing. At the same time, February’s report reveals employment growth in wood product manufacturing and fabricated metal product manufacturing.
- 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.

Service-providing industries

Service providers represent an extremely diverse collection of sectors. Taken as a whole, service-providing employers shed 100 jobs in February. Over the year, service providers added 5,100 jobs to the Snohomish County economy or 2.7 percent. The largest year-over-year gains among service-providing industries were attributable to hiring in leisure and hospitality (1,300), professional and business services (1,000) and retail trade and education and health services (800 each).

Wholesale trade employment remained unchanged from January to February and increased by 200 over the year.

Employment in **retail trade** contracted by 700 over the month. Year-over-year, retail trade expanded by 800 or 2.5 percent.

Employment in **transportation, warehousing and utilities** did not change over the month but expanded by 300 (7.3 percent) over the year.

Employment in the **information** sector – a small sector that is dominated by the telecommunications industry in Snohomish County – did not change from January to February. The information industry expanded by 100 over the year. This represents 1.8 percent increase in employment.

The **financial activities** sector includes the finance, insurance, real estate and rental and leasing industries. Employment was maintained over the month and over the year at an estimated 12,700 jobs.

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. In February, this diverse sector added 100 jobs. Compared to February 2014, professional and business services added 1,000 jobs (4.4 percent). Growth was widespread throughout this diverse set of industries.

Employment in the **educational and health services** expanded by 200 in February and increased by 800 (2.4 percent) over the year.

- Educational and health services weathered the economic storm relatively well compared to other industries. Employment in this sector is generally more dependent on population trends rather than business cycles.

Leisure and hospitality employment expanded by 200 over the month. Over the year, this sector contributed 1,300 new jobs to the Snohomish County economy. Most growth was observed in the food 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 clubs. Employment levels remained unchanged over the month and expanded by 200 over the year.

Government employment increased by 100 in February and expanded by 400 over the year (1.0 percent). Year-over-year gains were concentrated in local government services—particularly in local educational services (K-12 education, mostly).

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 February and updated in March. Forecast information is available at www.erfc.wa.gov.