

Washington  
5.1%



# Monthly Employment Report

March 2020



## Covid-19 and the payroll period

The impacts of COVID-19 may not be fully captured in the March report and are more likely to be evident in the April Report.

To be counted on payroll as part of the jobs survey for March, an individual must have worked or received pay during the payroll period that includes March 12th. Although we have seen widespread closings of schools, restaurants, and theaters, these actions largely took effect starting the week of March 16th, after most workers would have been counted. As a result, even if some firms started laying off workers as early as the 2nd week of March, many still would have worked or received pay for at least part of the payroll period including the 12th, and thus their loss of employment will not be reflected in the jobs release for the March report.

Employment estimates in this report are generated by the U.S. Bureau of Labor Statistics (BLS). Monthly employment estimates are subject to revision in subsequent months when more sample data become available. BLS data in this report are rounded to the nearest 100.

*For workers and businesses affected by COVID-19, Employment Security has programs that may help. Please see ESD's website for more information. For labor market information questions regarding COVID-19, you may email our Director of Labor Market and Economic Analysis at [Imea@esd.wa.gov](mailto:Imea@esd.wa.gov).*

## Household and establishment survey measures

Coronavirus (COVID-19) has had impact on the March 2020 survey data. The household survey measures labor force status, including unemployment. The establishment survey measures nonfarm employment by industry. The changes in these measures reflect the effects of the coronavirus (COVID-19) and efforts to contain it. However, it should be noted that the March survey reference periods for both surveys predated many

coronavirus-related business and school closures that occurred in the second half of the month.

March data from the establishment and household surveys broadly reflect some of the early effects of the coronavirus (COVID-19) pandemic on the labor market. We cannot precisely quantify the effects of the pandemic on the job market in March. However, it is clear that the decrease in employment and

the increase in unemployment can be ascribed to effects of the illness and efforts to contain the virus.

For more information, use this link: <https://www.bls.gov/cps/employment-situation-covid19-faq-march-2020.pdf>

## Unemployment, seasonally adjusted

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington fell by 11,100 in March 2020.<sup>1</sup> BLS estimates the private sector lost 11,700 jobs during the month and the public sector gained 600 jobs.

On a not seasonally adjusted basis, estimates for March 2019 through March 2020 indicate an increase in employment of 64,400 for the state. The private sector added 56,400 jobs while the public sector gained an estimated 8,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for March 2020 is 5.1 percent. The revised estimated February 2020 unemployment rate is at 3.8 percent. The March 2019 unemployment rate was 4.5 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. February's preliminary estimated gain of 3,500 jobs was revised to a gain of 3,900 jobs.

For more information, call Paul Turek, labor economist at 360-706-3044.

## Resident civilian labor force and unemployment, seasonally adjusted

The *resident civilian labor force* is the total number of people in the workforce, employed and unemployed, ages 16 and up.

The number of *unemployed* is the estimated number of people who currently do not have a job, are available for work and have actively looked for work in the last four weeks.

The *unemployment rate* is the ratio of the estimated number of unemployed divided by the civilian labor force.

Resident civilian labor force and unemployment, seasonally adjusted  
United States and Washington state, February and March, 2019 and 2020  
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics,  
Local Area Unemployment Statistics

	March 2020 (Preliminary)	February 2020 (Revised)	March 2019 (Revised)	February 2019 (Revised)
<b>United States</b>				
Unemployment rate				
Seasonally adjusted	4.4%	3.5%	3.8%	3.8%
<b>Washington</b>				
Unemployment rate	5.1%	3.8%	4.5%	4.5%
Resident labor force	3,889,700	3,962,500	3,862,000	3,849,100
Unemployed	197,600	151,500	178,800	174,500
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	5.5%	2.6%	3.5%	3.4%
Resident labor force	1,712,700	1,744,600	1,712,900	1,707,300
Unemployed	93,400	44,700	60,200	58,300

<sup>1</sup>Most of the employment numbers discussed in this report refers to jobs, not persons. For example, if a person holds two positions, these positions are counted as two jobs in the employment series. In the section titled "Unemployment," these positions refer to individuals, not jobs. In this case, a person holding two jobs is counted only once.

## Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for March 2020 is 5.1 percent. The revised estimated February 2020 unemployment rate is 3.8 percent.

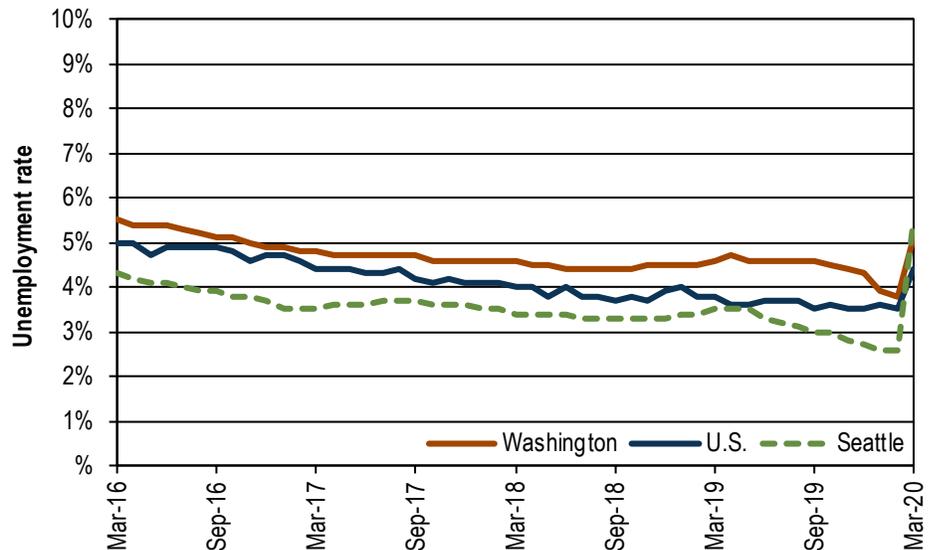
According to BLS estimates, the number of unemployed people rose by 46,100 in March 2020 compared to February 2020. At the same time, the number of employed people fell by an estimated 118,900. Overall, this amounted to a decrease of 72,800 people in the labor force.

The preliminary March 2020 unemployment rate is a 0.6 percentage point higher than the March 2019 rate of 4.5 percent.

### Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, March 2016 through March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics



**March 2020 preliminary unemployment rates:**

U.S. (preliminary) 4.4%

Washington (preliminary) 5.1%

Seattle area (preliminary) 5.5%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment decreased by 11,100 jobs from February 2020 to March 2020.

### Recent employment change:

**January 2020:** up 7,700 jobs (revised)

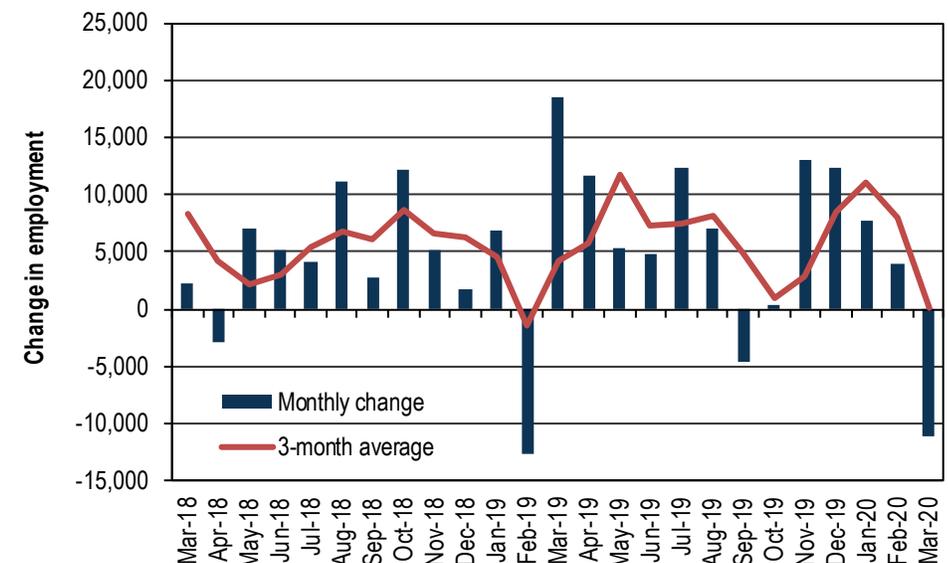
**February 2020:** up 3,900 jobs (revised)

**March 2020:** down 11,100 jobs (preliminary)

### Monthly employment change and three-month moving average, seasonally adjusted

Washington state, March 2018 through March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics



## Employment and unemployment, seasonally adjusted

### March 2008

(start of recent employment recession in Washington)

Nonfarm employment: 3,008,000

Unemployment rate: 4.8%

### February 2010

(end of recent employment recession in Washington)

Nonfarm employment: 2,824,000

Unemployment rate: 10.4%

### March 2020 (preliminary)

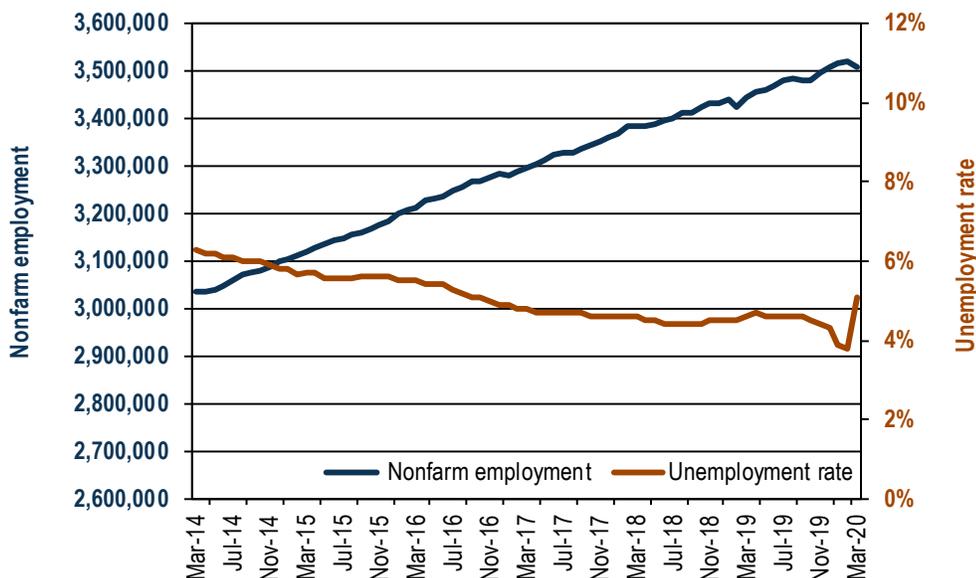
Nonfarm employment: 3,507,200

Unemployment rate: 5.1%

### Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, March 2014 through March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics, Local Area Unemployment Statistics



## Workers and businesses affected by COVID-19

Employment Security's **COVID-19 online information page** covers topics for businesses and workers impacted by COVID-19. Topics include:

- Subscribing for updates
- Frequently asked questions
- Workers Q&A
- Business Q&A
- CARES ACT
- Federal stimulus updates
- Eligibility checker
- COVID-19 rulemaking
- Action alerts and updates

We are all in this together. COVID-19 has created an unprecedented demand for services, but we are building capacity, updating technology, and we thank you for your patience while we work to serve you better.

**Did you know** that you can subscribe for email updates on a number of Employment Security Department topics all at once? Go to [esd.wa.gov/labormarketinfo](https://esd.wa.gov/labormarketinfo) and select the email icon at the top of the page.



Enter your email address and subscribe by checking the boxes for topics such as:

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Many more to come, so sign up today for your email updates!

## U-6 unemployment rate

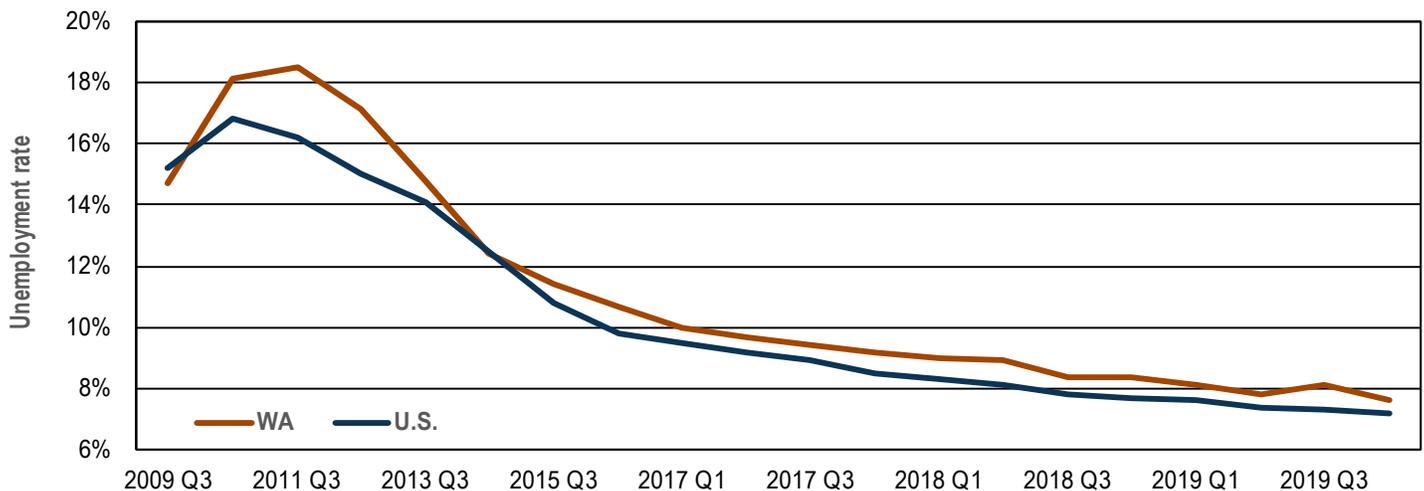
### U-6: Broader unemployment measure declined in the four quarter period ending 2019

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include annual averages for 2019. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but also marginally attached

workers and those employed part time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.” This U-6 measure measures the “unemployed, underemployed, and those who are not looking but who want a job.”

The U-6 annual unemployment rate for 2019 for Washington state was 7.6 percent. This was lower compared to the 8.4 percent U-6 unemployment rate one year prior. The annual U.S. U-6 unemployment rate was 7.2 percent in 2019.

Alternate measures of labor underutilization, four-quarter moving average  
Washington state versus U.S. U-6 unemployment rate



Year	WA/U.S.	Q1	Q2	Q3	Annual average
2019	WA	8.1%	7.8%	8.1%	7.6%
	U.S.	7.6%	7.4%	7.3%	7.2%
2018	WA	9.0%	8.9%	8.4%	8.4%
	U.S.	8.3%	8.1%	7.8%	7.7%
2017	WA	10.0%	9.7%	9.4%	9.2%
	U.S.	9.5%	9.2%	8.9%	8.5%
2016	WA	10.9%	10.7%	10.7%	10.3%
	U.S.	10.1%	9.9%	9.8%	9.6%
2015	WA	12.0%	11.7%	11.4%	11.0%
	U.S.	11.6%	11.3%	10.8%	10.4%
2014	WA	13.3%	12.8%	12.4%	12.5%
	U.S.	13.4%	12.9%	12.5%	12.0%
2013	WA	16.4%	15.7%	14.8%	14.0%
	U.S.	14.5%	14.3%	14.1%	13.8%
2012	WA	17.6%	17.0%	17.1%	16.9%
	U.S.	15.6%	15.3%	15.0%	14.7%

Source: Bureau of Labor Statistics: <https://www.bls.gov/lau/stalt.htm>.

## Industry employment in Washington, seasonally adjusted

### One-month employment change by industry

Based on a BLS survey of businesses and governments, Washington lost an estimated 11,100 jobs during the month, on a seasonally adjusted basis:

- Overall, five industries expanded employment in March and eight contracted.
- Private sector employment is estimated to have decreased by 11,700 and government employment increased by 600.
- Employment in construction increased by 2,500 overall as 3,400 jobs added by specialty trade contractors offset losses in the remaining areas of the industry.
- Employment in professional and business services increased by 1,500 overall, with the largest number of jobs added in employment services.
- Information employment rose by 600 overall, with 700 jobs gained by software publishers.
- Manufacturing employment fell by 1,400, with 700 jobs lost in durable goods manufacturing and 700 jobs lost in nondurable goods manufacturing.
- The number of jobs in leisure and hospitality decreased by 12,300, with a decrease of 11,300 in food services and drinking places.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, February 2020 to March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics

<b>Total nonfarm</b>	<b>-11,100</b>
Construction	2,500
Professional and business services	1,500
Government	600
Information	600
Retail trade	600
Mining and logging	-100
Education and health services	-100
Transportation, warehousing and utilities	-300
Wholesale trade	-500
Other services	-700
Manufacturing	-1,400
Financial activities	-1,500
Leisure and hospitality	-12,300

### As we navigate the COVID-19 developments

in Washington state and beyond, we know Washington state businesses, nonprofits, city and county municipalities, educational institutions, as well as economic and workforce development professionals, are looking for sound data about the short and long term economic and workforce impacts to their individual businesses, industries and regions.

Since the current situation is still evolving, we will share information as soon as possible. In the meantime, if you have specific questions regarding labor market information, please don't hesitate to email Steven Ross, Director, Labor Market and Economic Analysis.

## Industry employment in Washington, not seasonally adjusted

### Change by industry over the year

Based on a BLS survey of businesses and governments, Washington gained an estimated 64,400 jobs from March 2019 through March 2020.

- Overall, eight major industries expanded and five contracted.
- Private sector employment rose 2.0 percent, up an estimated 56,400 jobs.
- Public sector employment rose 1.4 percent, up an estimated 8,000 jobs.
- Professional and business services employment increased by 18,000, led by a 9,300 increase in professional, scientific and technical services.
- Employment in construction is up 12,900 with the number employed as specialty trade contractors up 11,300.
- Retail trade added 12,600 jobs overall, with 12,500 jobs added in other retail trade.
- Education and health services employment increased by 6,900 overall, with 8,700 jobs added in health services and social assistance.
- Employment in leisure and hospitality is down by 1,200 overall, with food services and drinking places shedding 6,600 jobs.

Estimated employment change by industry over the year, not seasonally adjusted  
Washington state, March 2019 through March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics

<b>Total nonfarm</b>	<b>64,400</b>
Professional and business services	18,000
Construction	12,900
Retail trade	12,600
Government	8,000
Information	7,300
Education and health services	6,900
Transportation, warehousing and utilities	2,200
Wholesale trade	1,000
Financial activities	-200
Mining and logging	-400
Other services	-1,100
Leisure and hospitality	-1,200
Manufacturing	-1,600

## Seasonally adjusted employment

Seasonally adjusted numbers account for normal seasonal patterns that occur year after year, such as strong seasonal hiring in retail trade around the holidays. Taking into account normal seasonal variations makes it possible to see unusual changes in employment levels.

**Normal seasonal change** is the expected monthly change in employment based on history.

**Estimated change** is the employment change over the month based on BLS survey data.

**Seasonally adjusted change** is change in employment accounting for normal seasonal patterns.

Normal seasonal change, estimated change and seasonally adjusted change  
Washington state, March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>12,800</b>	<b>1,700</b>	<b>-11,100</b>
Professional and business services	3,900	5,400	1,500
Leisure and hospitality	3,200	-9,100	-12,300
Construction	2,900	5,400	2,500
Education and health services	1,300	1,200	-100
Retail trade	800	1,400	600
Government	700	1,300	600
Manufacturing	500	-900	-1,400
Wholesale trade	400	-100	-500
Transportation, warehousing and utilities	300	0	-300
Mining and logging	0	-100	-100
Other services	-200	-900	-700
Financial activities	-300	-1,800	-1,500
Information	-700	-100	600

Based on historical patterns, Washington employment typically increases by 12,800 from February to March. This year the state gained an estimated 1,700 jobs, amounting to a seasonally adjusted decrease of 11,100 jobs.

- The employment increase on a seasonally adjusted basis was 1,500 in professional and business services in March. The normal seasonal increase is 3,900. It is estimated to have increased this March by 5,400.
- The normal seasonal gain in leisure and hospitality employment is 3,200 in March. The estimated loss was 9,100, so employment decreased by 12,300 on a seasonally adjusted basis.
- The estimated employment increase in construction was 5,400. The normal seasonal increase is 2,900, so on a seasonally adjusted basis, construction employment rose by 2,500.
- Employment in retail trade normally rises by 800. It is estimated to have increased by 1,400 this March, so it increased by 600 on a seasonally adjusted basis.
- Typically, manufacturing increases by 500 in March. On a seasonally adjusted basis, manufacturing employment decreased by 1,400 as the estimated decrease was 900.

## Media inquiries and contact information

Due to the high volume of requests for information, please send your emails to [media@esd.wa.gov](mailto:media@esd.wa.gov) so that we can forward your requests to the appropriate staff.

For labor market information questions, please send your emails to [lmea@esd.wa.gov](mailto:lmea@esd.wa.gov).

### Statewide labor economist:

Paul Turek, Ph.D.  
[pturek@esd.wa.gov](mailto:pturek@esd.wa.gov)  
 360-706-3044

### Regional labor economists:

Scott Bailey  
[scott.bailey@esd.wa.gov](mailto:scott.bailey@esd.wa.gov)  
 360-810-0048

Don Meseck  
[dmeseck@esd.wa.gov](mailto:dmeseck@esd.wa.gov)  
 509-574-0176

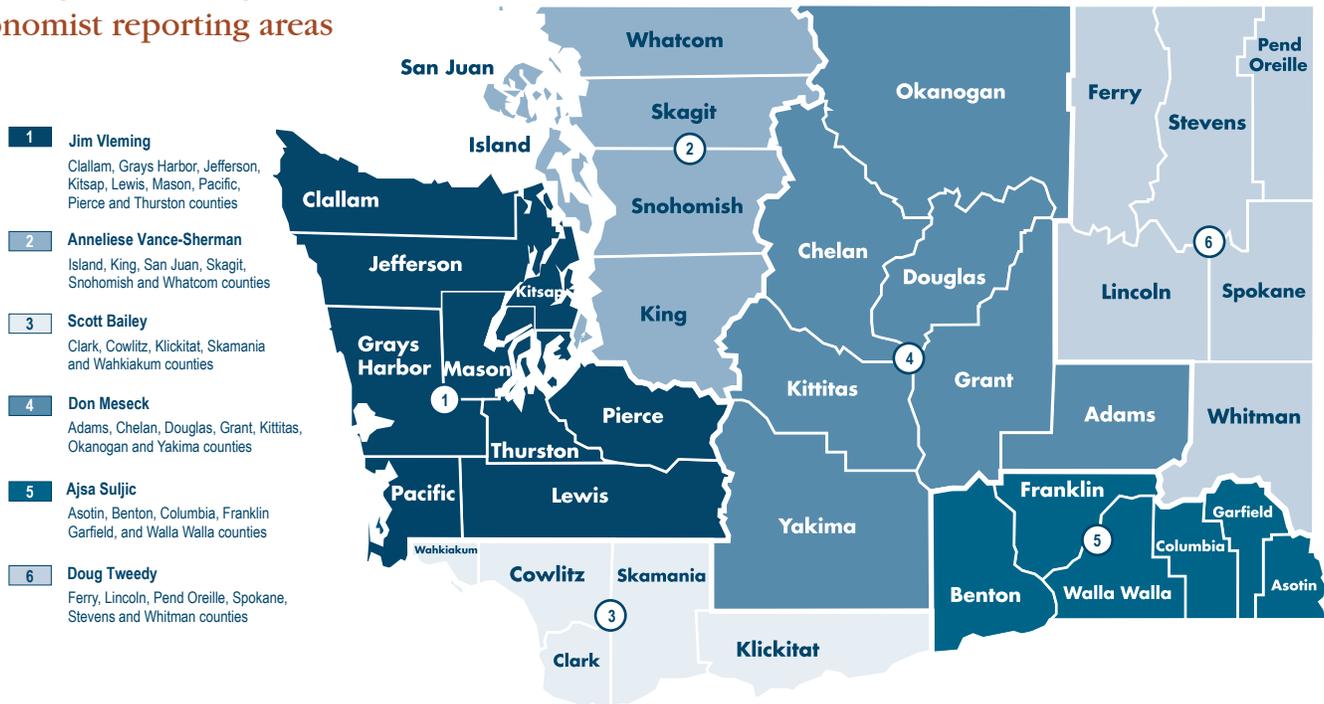
Ajsa Suljic  
[asuljic@esd.wa.gov](mailto:asuljic@esd.wa.gov)  
 509-734-5928

Doug Tweedy  
[dtweedy@esd.wa.gov](mailto:dtweedy@esd.wa.gov)  
 509-434-5278

Anneliese Vance-Sherman, Ph.D.  
[avancesherman@esd.wa.gov](mailto:avancesherman@esd.wa.gov)  
 425-258-6315

Jim Vleming  
[jvleming@esd.wa.gov](mailto:jvleming@esd.wa.gov)  
 360-819-3427

## Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., April 21, 2020. The publication schedule for 2020 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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