

Washington
7.1%



Monthly Employment Report

December 2020



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, please send your emails to lmea@esd.wa.gov.

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.

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington fell by 9,900 in December 2020.¹ BLS estimates the private sector lost 10,600 jobs during the month and the public sector gained 700 jobs.

On a not seasonally adjusted basis, estimates for December 2019 through December 2020 indicate a decrease in employment of 189,000 for the state. The private sector lost 147,100 jobs while the public sector lost an estimated 41,900 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for December 2020 is 7.1 percent. The revised estimated November 2020 unemployment rate is at 5.7 percent. The December 2019 unemployment rate was 4.0 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. November's preliminary estimated gain of 100 jobs was revised to a gain of 23,200 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.



Labor Market and
Economic Analysis
January 2021

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

	December 2020 (Preliminary)	November 2020 (Revised)	December 2019 (Revised)	November 2019 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	6.7%	6.7%	3.6%	3.6%
Washington				
Unemployment rate	7.1%	5.7%	4.0%	4.0%
Resident labor force	3,864,700	3,818,400	3,945,400	3,946,500
Unemployed	272,500	219,200	158,800	158,500
Seattle/Bellevue/Everett				
Unemployment rate	7.1%	4.6%	2.7%	2.7%
Resident labor force	1,733,900	1,691,300	1,742,000	1,742,400
Unemployed	122,200	77,200	46,400	46,300

¹Most of the employment numbers discussed in this report refers to jobs, not people. 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 December 2020 is 7.1 percent. The revised estimated November 2020 unemployment rate is 5.7 percent.

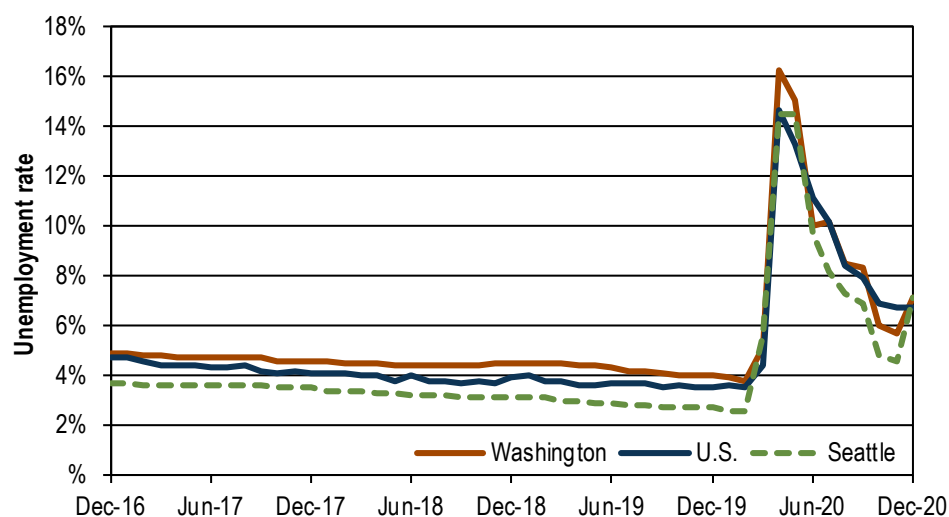
According to BLS estimates, the number of unemployed people rose by 53,300 in December 2020 compared to November 2020. At the same time, the number of employed people fell by an estimated 7,000. Overall, this amounted to an increase of 46,300 people in the labor force.

The preliminary December 2020 unemployment rate is 3.1 percentage points higher than the December 2019 rate of 4.0 percent.

Unemployment rates, seasonally adjusted

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

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



December 2020 preliminary unemployment rates:

U.S. (preliminary) 6.7%
Washington (preliminary) 7.1%
Seattle area (preliminary) 7.1%

Employment change, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment decreased by 9,900 jobs from November 2020 to December 2020.

Recent employment change:

October 2020: up 1,300 jobs (revised)

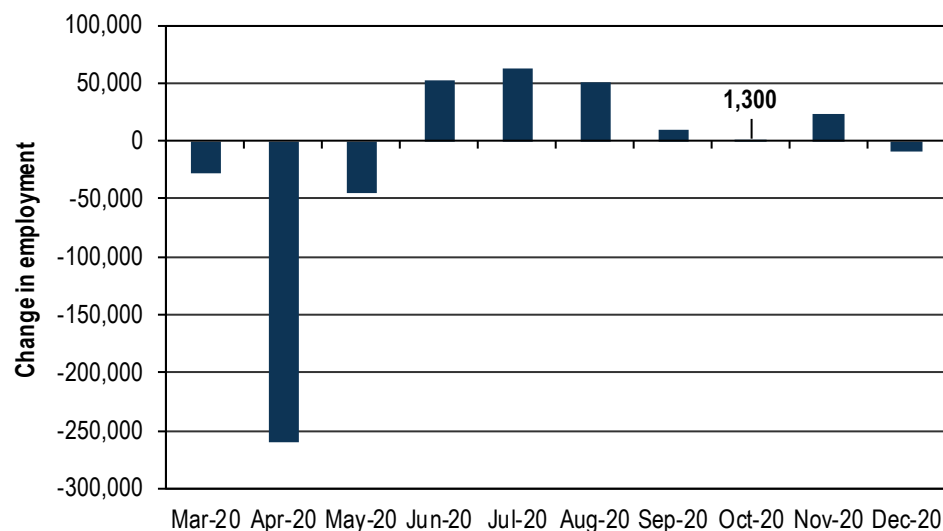
November 2020: up 23,200 jobs (revised)

December 2020: down 9,900 jobs (preliminary)

Monthly employment change, seasonally adjusted

Washington state, March 2020 through December 2020

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



Employment and unemployment, seasonally adjusted

February 2020

(Start of 2020 employment recession in Washington)

Nonfarm employment: 3,480,800

Unemployment rate: 3.8%

December 2020 (preliminary)

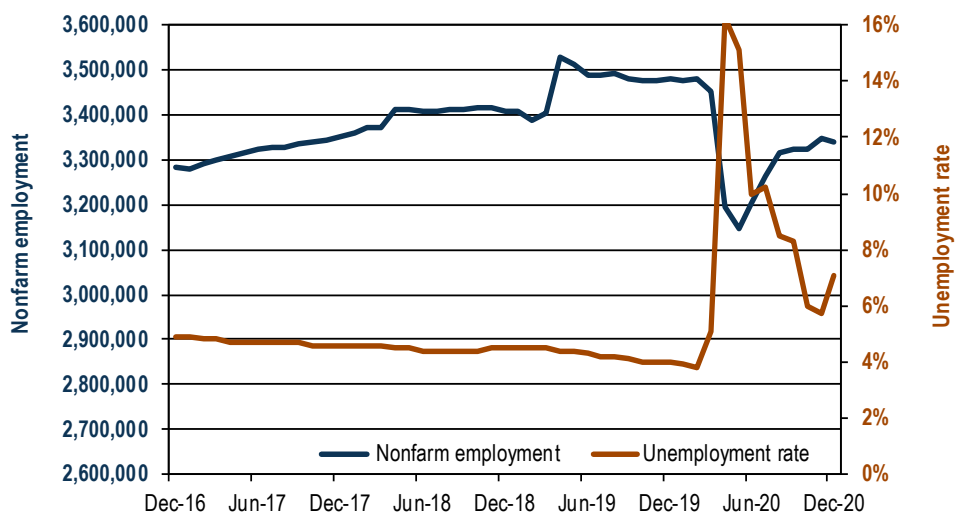
Nonfarm employment: 3,338,000

Unemployment rate: 7.1%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, December 2016 through December 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 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:

COVID-19
Labor market information
News releases
Employer news and resources
Paid Family and Medical Leave
Employer information
Shared work
WorkSource system
Unemployment insurance
Training

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

U-6 unemployment rate

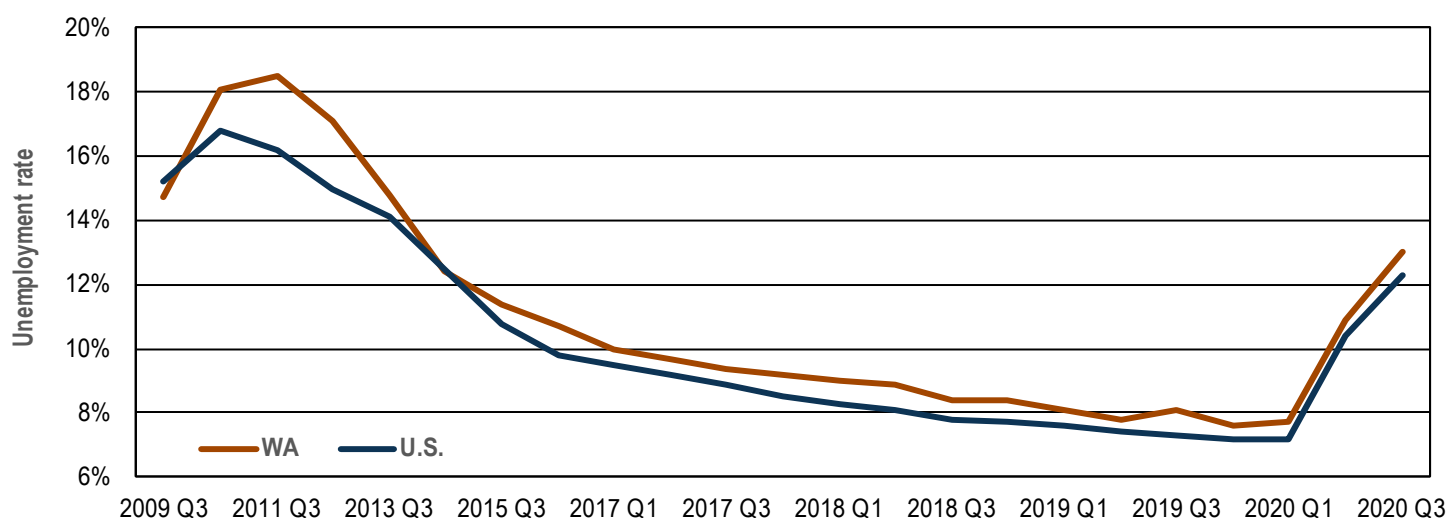
U-6: Broader unemployment measure increased in the four-quarter period ending third quarter 2020

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include annual averages for first quarter 2020. 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 third quarter 2020 for Washington state was 13.0 percent. This was higher compared to the 10.9 percent U-6 unemployment 2020 second quarter rate. The U.S. U-6 unemployment rate was 12.3 percent in third quarter 2020.



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
2020	WA	8.1%	10.9%	13.0%	
	U.S.	7.7%	10.4%	12.3%	
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 9,900 jobs during the month, on a seasonally adjusted basis:

- Overall, employment increased in seven major industries and contracted in six in December.
- Private sector employment is estimated to have decreased by 10,600 and government employment increased by 700.
- Employment in professional and business services increased by 8,900, with 6,600 jobs added in administrative and support services.
- Retail trade employment rose by 4,800 overall, with 1,600 jobs gained in food and beverage stores.
- The number of jobs in manufacturing decreased by 1,700 overall, with a decrease of 900 in durable goods manufacturing and a decrease of 800 in nondurable goods manufacturing.
- Education and health services employment fell by 2,500 overall, with 1,300 jobs lost in ambulatory healthcare services.
- Employment in leisure and hospitality decreased by 20,600, with 14,900 jobs lost in food services and drinking places.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, November 2020 to December 2020

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

Total nonfarm	-9,900
Professional and business services	8,900
Retail trade	4,800
Transportation, warehousing and utilities	1,200
Government	700
Financial activities	500
Construction	400
Information	200
Mining and logging	-100
Wholesale trade	-500
Other services	-1,200
Manufacturing	-1,700
Education and health services	-2,500
Leisure and hospitality	-20,600

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 send your emails to lmea@esd.wa.gov.

Industry employment in Washington, not seasonally adjusted

Change by industry over the year

Based on a BLS survey of businesses and governments, Washington lost an estimated 189,000 jobs from December 2019 through December 2020.

- Overall, five major industries expanded and eight contracted.
- Private sector employment fell 5.0 percent, down an estimated 147,100 jobs.
- Public sector employment fell 7.1 percent, down an estimated 41,900 jobs.
- Professional and business services employment increased by 13,500 overall, with 9,600 jobs gained in professional, scientific, and technical services.
- Retail trade employment rose 6,200 overall, with the most jobs gained in general merchandise stores.
- Education and health services employment decreased by 18,100, with 12,400 jobs lost in private education services.
- Employment in manufacturing is down 26,700, led by a decrease of 14,200 in aerospace product and parts manufacturing.
- Employment in leisure and hospitality is down by 97,900, with food services and drinking places shedding 61,200 jobs.

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

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

Total nonfarm	-189,000
Professional and business services	13,500
Retail trade	6,200
Construction	2,500
Information	2,400
Transportation, warehousing and utilities	1,800
Mining and logging	-500
Financial activities	-3,700
Wholesale trade	-12,700
Other services	-13,900
Education and health services	-18,100
Manufacturing	-26,700
Government	-41,900
Leisure and hospitality	-97,900

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, December 2020

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-4,000	-13,900	-9,900
Transportation, warehousing and utilities	4,000	5,200	1,200
Retail trade	2,700	7,500	4,800
Manufacturing	900	-800	-1,700
Other services	200	-1,000	-1,200
Information	0	200	200
Mining and logging	-100	-200	-100
Financial activities	-200	300	500
Education and health services	-300	-2,800	-2,500
Wholesale trade	-500	-1,000	-500
Construction	-1,900	-1,500	400
Professional and business services	-2,400	6,500	8,900
Government	-2,900	-2,200	700
Leisure and hospitality	-3,500	-24,100	-20,600

Based on historical patterns, Washington employment typically decreases by 4,000 from November to December. This year the state lost an estimated 13,900 jobs, amounting to a seasonally adjusted decrease of 9,900 jobs.

- Employment in retail trade normally rises by 2,700. It is estimated to have increased by 7,500 this December, so it increased by 4,800 on a seasonally adjusted basis.
- Typically, manufacturing employment increases by 900 in December. On a seasonally adjusted basis, manufacturing employment decreased by 1,700 as the estimated decrease was 800.
- The estimated employment decrease in construction was 1,500. The normal seasonal decrease is 1,900, so on a seasonally adjusted basis, construction employment rose by 400.
- The employment increase on a seasonally adjusted basis was 8,900 in professional and business services in December. The normal seasonal decrease is 2,400. It is estimated to have increased this December by 6,500.
- The normal seasonal loss in leisure and hospitality employment is 3,500 in December. The estimated loss was 24,100, so employment decreased by 20,600 on a seasonally adjusted basis.

Media inquiries and contact information

Due to the high volume of requests for information, please send your emails to 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.

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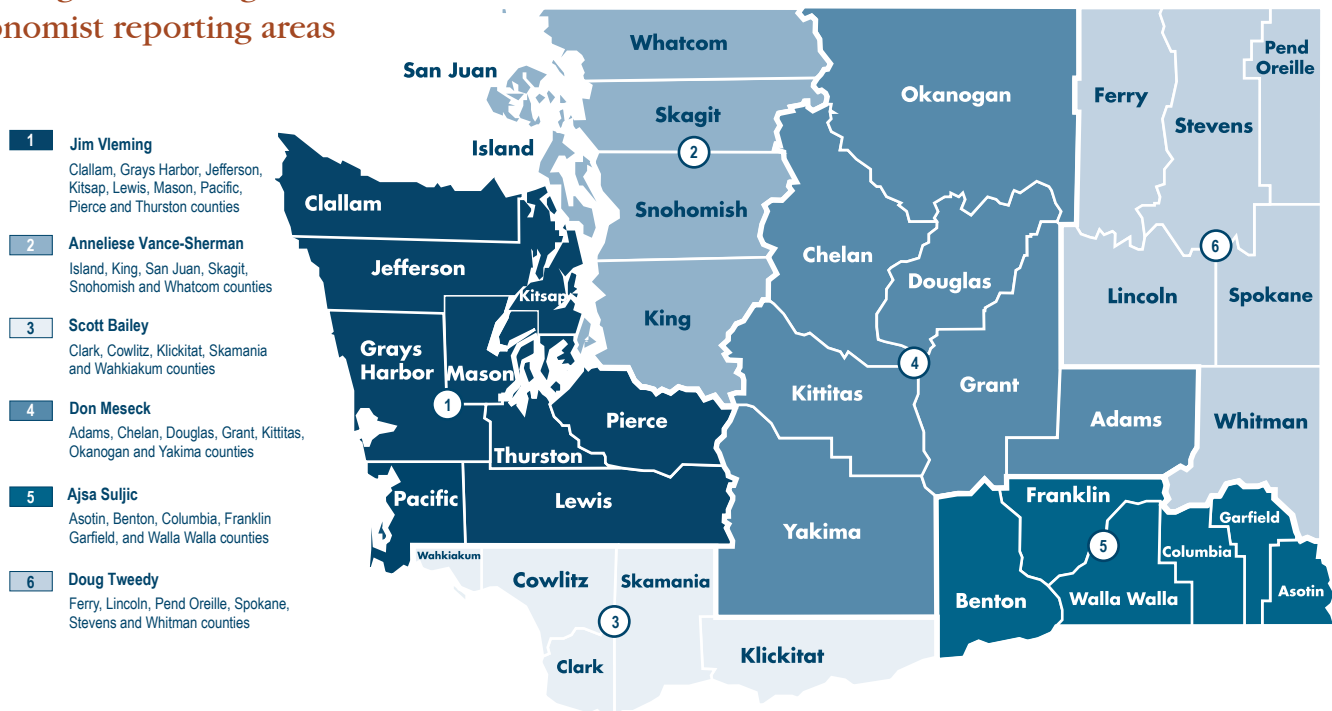
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., January 26, 2021. The publication schedule for 2021 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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