

# Monthly Employment Report for July 2016



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 rose by 2,600 from June 2016 to July 2016.<sup>1</sup> BLS estimates the private sector lost 1,000 jobs during the month and the public sector gained 3,600 jobs.

On a not seasonally adjusted basis, estimates for July 2015 through July 2016 indicate an increase in employment of 100,000 for the state. The private sector added 88,300 jobs while the public sector gained an estimated 11,700 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2016 is 5.8 percent. The revised estimated June 2016 unemployment rate was also at 5.8 percent. The July 2015 unemployment rate was 5.6 percent.

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

For more information, call Paul Turek, labor economist at 360-407-2306.

## 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, June and July, 2015 and 2016  
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	July 2016 (Preliminary)	June 2016 (Revised)	July 2015 (Revised)	June 2015 (Revised)
<b>United States</b>				
Unemployment rate <i>Seasonally adjusted</i>	4.9%	4.9%	5.3%	5.3%
<b>Washington</b>				
Unemployment rate	5.8%	5.8%	5.6%	5.6%
Resident labor force	3,624,000	3,624,200	3,537,800	3,534,100
Unemployed	210,400	208,700	198,100	197,300
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	4.4%	4.6%	4.4%	4.4%
Resident labor force	1,602,400	1,603,700	1,579,300	1,577,700
Unemployed	70,300	74,000	69,600	69,000

<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 July 2016 was 5.8 percent. The revised estimated June 2016 unemployment rate was at 5.8 percent.

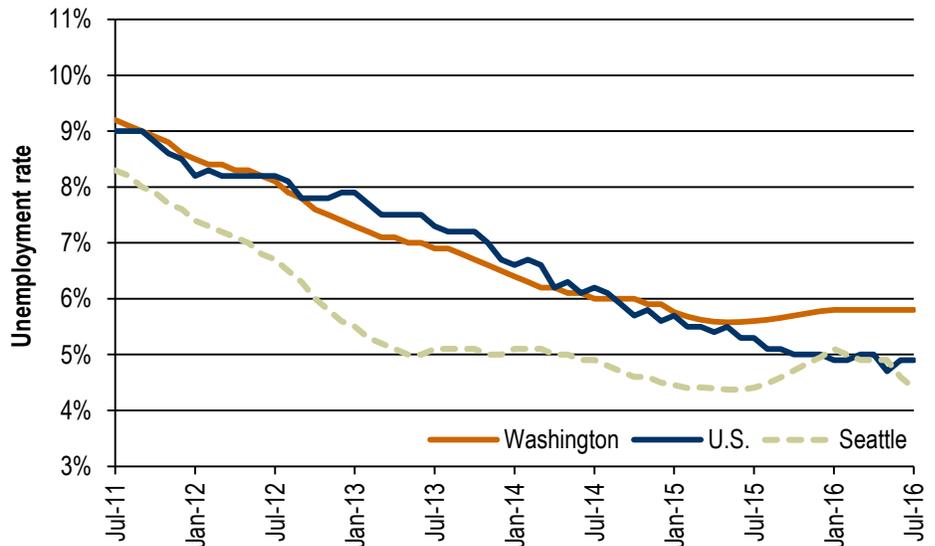
According to BLS estimates, the number of unemployed people rose by 1,700 in July 2016 compared to June 2016. At the same time, the number of employed people fell by an estimated 1,900. Overall, this amounted to a decrease of 200 people in the labor force.

The preliminary July 2016 unemployment rate is 0.2 percentage points above the July 2015 rate of 5.6 percent.

### Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, July 2011 through July 2016

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



**July 2016 preliminary unemployment rates:**

U.S. (preliminary) 4.9%  
 Washington (preliminary) 5.8%  
 Seattle area (preliminary) 4.4%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 2,600 jobs from June 2016 to July 2016.

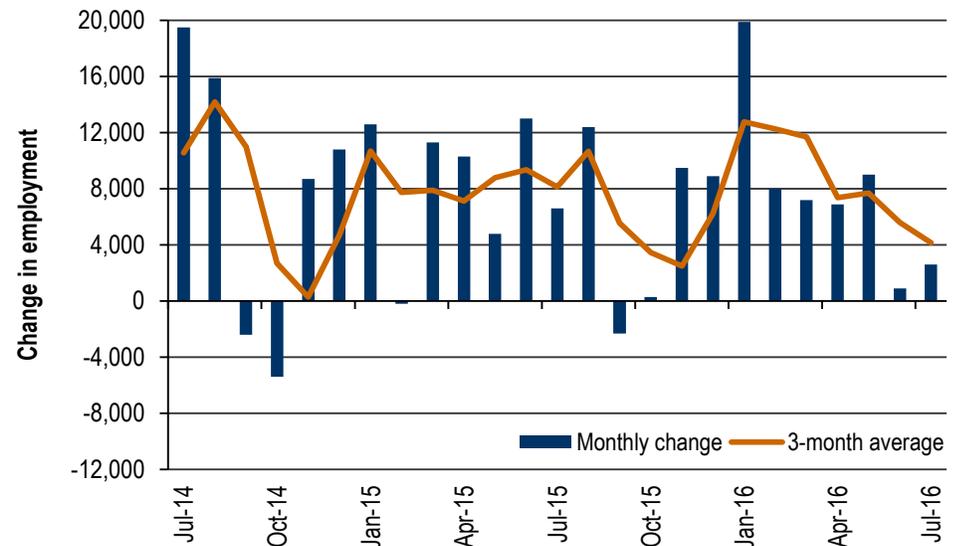
Recent employment change  
**May 2016:** up 9,000 jobs (revised)

**June 2016:** up 900 jobs (revised)

**July 2016:** up 2,600 jobs (preliminary)

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

Washington state, July 2014 through July 2016  
 Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Current Employment Statistics



## Employment and unemployment, seasonally adjusted

### February 2008

(start of recent employment recession in Washington)

Nonfarm employment: 3,012,200  
Unemployment rate: 4.8%

### February 2010

(end of recent employment recession in Washington)

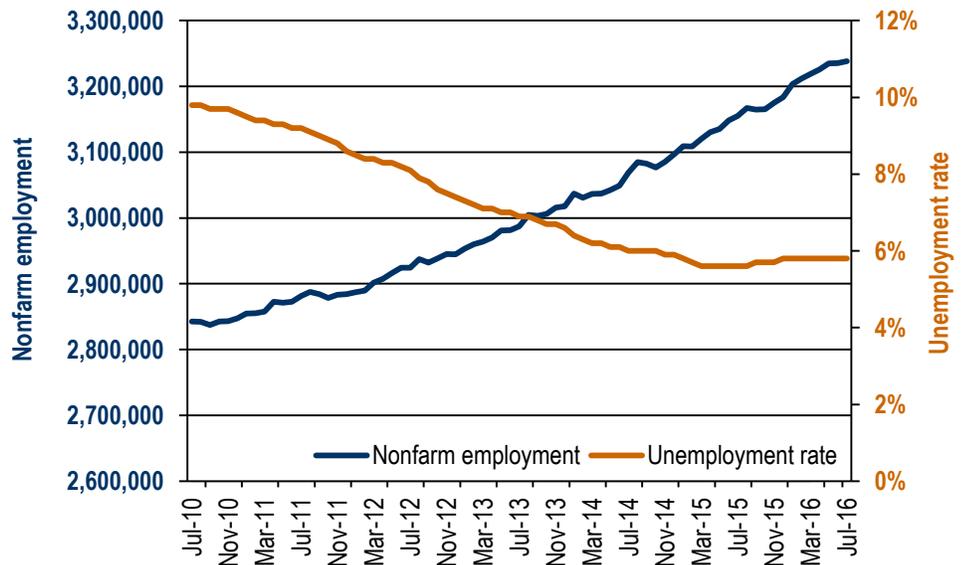
Nonfarm employment: 2,820,500  
Unemployment rate: 10.3%

### June 2016 (preliminary)

Nonfarm employment: 3,238,200  
Unemployment rate: 5.8%

Nonfarm employment and unemployment rate, seasonally adjusted  
Washington state, July 2010 through July 2016

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



## Understanding what seasonally adjusted means

Over the course of a year, the size of the state's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvest, major holidays and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment at the national level.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from one month to the next. These adjustments make nonseasonal developments, such as declines in economic activity, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level

of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Source: U.S. Bureau of Labor Statistics

## Industry employment in Washington, seasonally adjusted

### One-month employment change by industry

Based on a BLS survey of businesses and governments, Washington gained an estimated 2,600 jobs during the month, on a seasonally adjusted basis:

- Overall, seven industries expanded employment in July and six contracted.
- Private-sector employment is estimated to have decreased by 1,000 and government employment increased by 3,600.
- The number of jobs in education and health services increased by 1,700, with a gain of 3,400 in health services and social assistance offsetting a loss of 1,700 in education services.
- Employment in leisure and hospitality increased by 1,400, with 1,300 additional jobs occurring in food services and drinking places.
- Information employment increased by 600, with 500 jobs added by software publishers.
- Professional and business services employment fell by 1,300, with 800 jobs lost in professional, scientific and technical services.
- Manufacturing employment fell by 2,100, with 1,400 jobs lost in durable goods production and 700 jobs lost in nondurable goods production.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, June 2016 to July 2016

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

<b>Total nonfarm</b>	<b>2,600</b>
Government	3,600
Education and health services	1,700
Leisure and hospitality	1,400
Wholesale trade	900
Information	600
Financial activities	400
Mining and logging	100
Retail trade	-100
Other services	-400
Transportation, warehousing and utilities	-500
Professional and business services	-1,300
Construction	-1,700
Manufacturing	-2,100

## Industry employment in Washington, not seasonally adjusted

### Change by industry over the year

Based on a BLS survey of businesses and governments, Washington added an estimated 100,000 jobs from July 2015 through July 2016:

- Overall, twelve major industries expanded and one declined.
- Private-sector employment rose 3.4 percent, up an estimated 88,300 jobs.
- Public-sector employment increased 2.1 percent, a net gain of 11,700 jobs.
- Professional and business services employment increased by 15,800, led by a 9,700 increase in professional, scientific and technical services.
- Education and health services employment increased by 15,100 with 4,900 of the jobs added by hospitals.
- Retailers added 13,300 jobs. Other retail trade, which includes online retail trade, was up by 6,800 jobs.
- Employment in construction is up 12,900 with the number employed as specialty trade contractors up 6,700.
- Employment in the leisure and hospitality industry is up by 9,900, with 9,400 jobs added in food services and drinking places.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, July 2015 to July 2016

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

<b>Total nonfarm</b>	<b>100,000</b>
Professional and business services	15,800
Education and health services	15,100
Retail trade	13,300
Construction	12,900
Government	11,700
Leisure and hospitality	9,900
Information	7,000
Transportation, warehousing and utilities	5,400
Financial activities	5,300
Other services	4,400
Wholesale trade	2,000
Mining and logging	200
Manufacturing	-3,000

## 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, July 2016

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>-5,900</b>	<b>-3,300</b>	<b>2,600</b>
Construction	4,400	2,700	-1,700
Professional and business services	4,000	2,700	-1,300
Leisure and hospitality	3,800	5,200	1,400
Manufacturing	3,100	1,000	-2,100
Retail trade	2,500	2,400	-100
Other services	2,300	1,900	-400
Transportation, warehousing and utilities	1,500	1,000	-500
Financial activities	1,100	1,500	400
Information	1,100	1,700	600
Wholesale trade	200	1,100	900
Mining and logging	0	100	100
Education and health services	-6,200	-4,500	1,700
Government	-23,700	-20,100	3,600

Based on historical patterns, Washington employment typically falls by 5,900 from June to July. This year the state lost an estimated 3,300 jobs, amounting to a seasonally adjusted increase of 2,600 jobs.

- The estimated employment increase in construction was 2,700. The normal seasonal increase is 4,400, so on a seasonally adjusted basis, construction employment fell by 1,700.
- Employment in leisure and hospitality normally rises by 3,800. It is estimated to have increased by 5,200 this July yielding a gain of 1,400 on a seasonally adjusted basis.
- Typically retail trade employment increases by 2,500 in July. On a seasonally adjusted basis, retail trade employment decreased by 100 as the estimated increase was 2,400.
- The normal seasonal gain in manufacturing employment is 3,100 in July. The estimated increase was 1,000 so employment fell by 2,100 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 1,700 jobs in education and health services in July. The normal seasonal decrease is 6,200. It is estimated to have decreased by 4,500 this July.

## Benchmarking highlights

Benchmarking is a process that replaces employment estimates with the actual number of job gains or losses.

Each month, economists estimate monthly job gains and losses based on a survey of employers. Each quarter, economists benchmark the estimates by replacing them with data from employer tax records before applying seasonal adjustments.

Benchmarked employment data are now available through March 2016. Employment estimates for July 2016 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked March 2016 data:

- The two largest upward revisions were for professional and business services, and education and health services, up 3,400 and 3,100, respectively.
- Retail trade had the largest downward revision, 3,300.

Quarterly benchmarked industry employment, seasonally adjusted  
Washington state, March 2016

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Industry sector	Revisions to March 2016 employment level
<b>Total nonfarm</b>	<b>3,000</b>
Professional and business services	3,400
Education and health services	3,100
Manufacturing	2,400
Information	1,800
Leisure and hospitality	1,600
Government	400
Mining and logging	200
Construction	-200
Transportation, warehousing and utilities	-700
Financial activities	-800
Other services	-2,400
Wholesale trade	-2,500
Retail trade	-3,300

## Contact an economist

We have seven regional economists serving local labor markets in Washington. Regional economists can help you find and use labor-market data, fulfill special data requests and answer questions about the labor market in your area. They serve professionals and organizations in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media.

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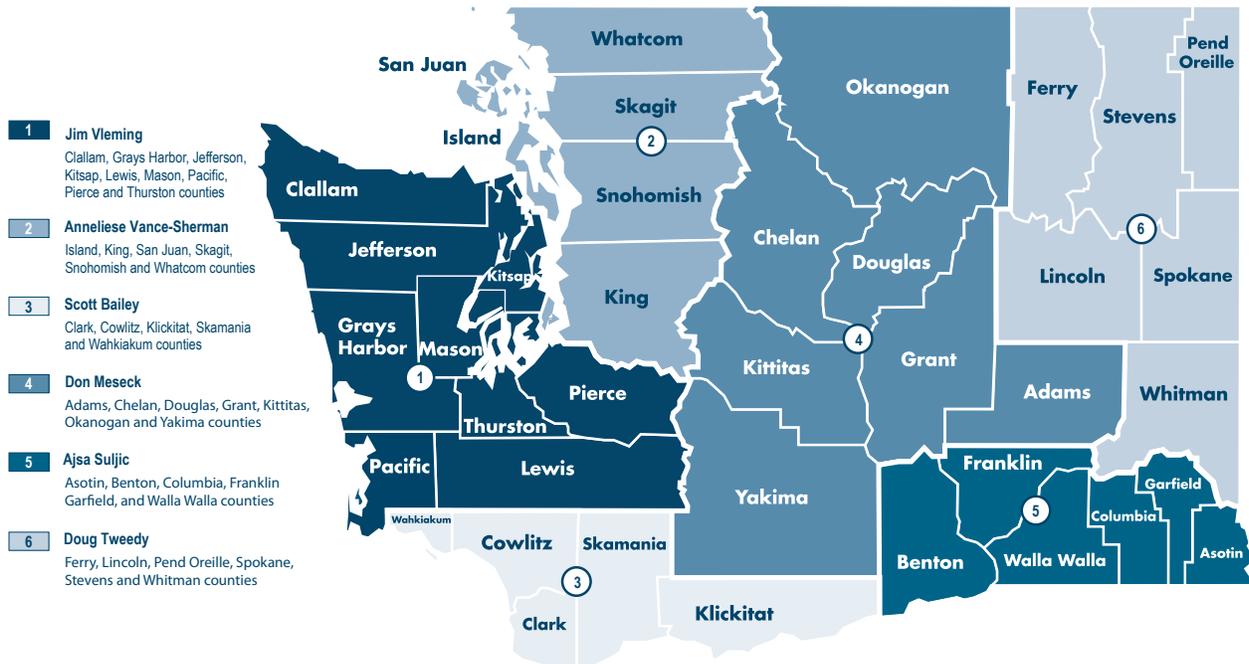
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### Washington state regional labor economist reporting areas



**Note:** Due to changes in the processing of the monthly employment data by the U.S. Bureau of Labor Statistics, the county level information will be available at 10 a.m., August 23, 2016. The publication schedule for 2016 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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