

Monthly Employment Report for August 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 July 2016 to August 2016.¹ BLS estimates the private sector gained 1,800 jobs during the month and the public sector gained 800 jobs.

On a not seasonally adjusted basis, estimates for August 2015 through July 2016 indicate an increase in employment of 95,300 for the state. The private sector added 81,500 jobs while the public sector gained an estimated 13,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for August 2016 is 5.7 percent. The revised estimated July 2016 unemployment rate was at 5.8 percent. The August 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. July's preliminary estimated gain of 2,600 jobs was revised to a gain of 1,900 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, July and August, 2015 and 2016
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	August 2016 (Preliminary)	July 2016 (Revised)	August 2015 (Revised)	July 2015 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	4.9%	4.9%	5.1%	5.3%
Washington				
Unemployment rate	5.7%	5.8%	5.6%	5.6%
Resident labor force	3,631,900	3,624,500	3,542,900	3,537,800
Unemployed	208,000	210,200	199,200	198,100
Seattle/Bellevue/Everett				
Unemployment rate	4.1%	4.4%	4.5%	4.4%
Resident labor force	1,610,500	1,602,500	1,581,200	1,579,300
Unemployed	66,400	70,200	70,900	69,600

¹Most 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 August 2016 was 5.7 percent. The revised estimated July 2016 unemployment rate was at 5.8 percent.

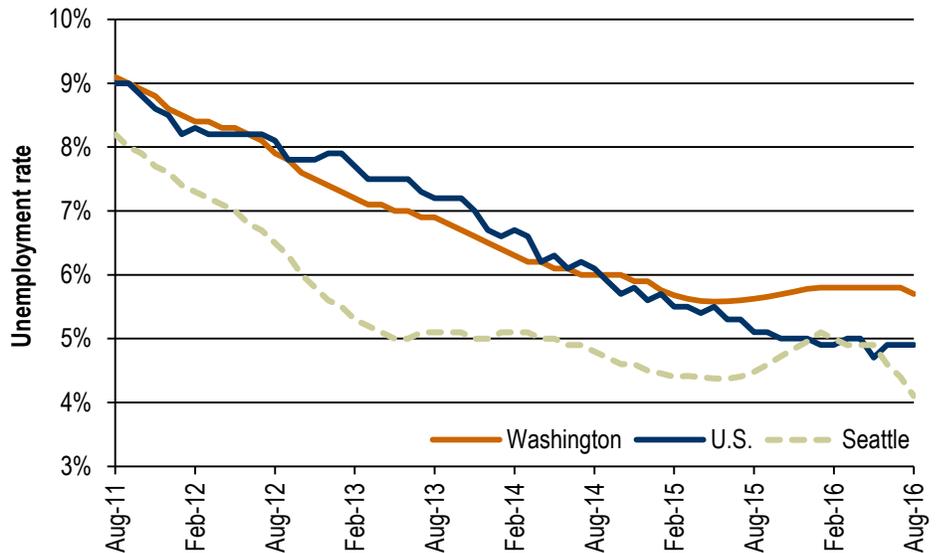
According to BLS estimates, the number of unemployed people fell by 2,200 in August 2016 compared to July 2016. At the same time, the number of employed people rose by an estimated 9,600. Overall, this amounted to an increase of 7,400 people in the labor force.

The preliminary August 2016 unemployment rate is 0.1 percentage points above the August 2015 rate of 5.6 percent.

Unemployment rates, seasonally adjusted

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

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



August 2016 preliminary unemployment rates:

U.S. (preliminary) 4.9%
 Washington (preliminary) 5.7%
 Seattle area (preliminary) 4.1%

Employment change and moving average, seasonally adjusted

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

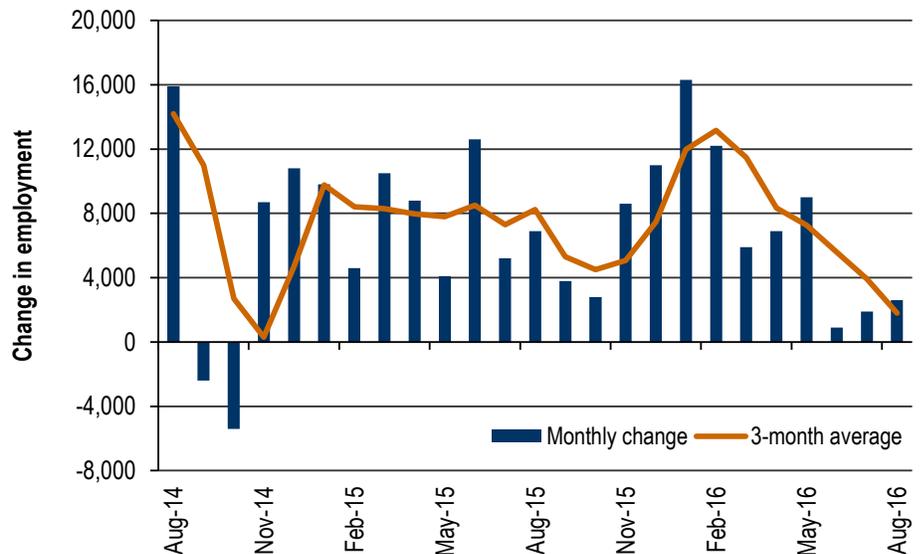
Recent employment change
June 2016: up 900 jobs (revised)

July 2016: up 1,900 jobs (revised)

August 2016: up 2,600 jobs (preliminary)

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

Washington state, August 2014 through August 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: 3,010,200
Unemployment rate: 4.8%

February 2010

(end of recent employment recession in Washington)

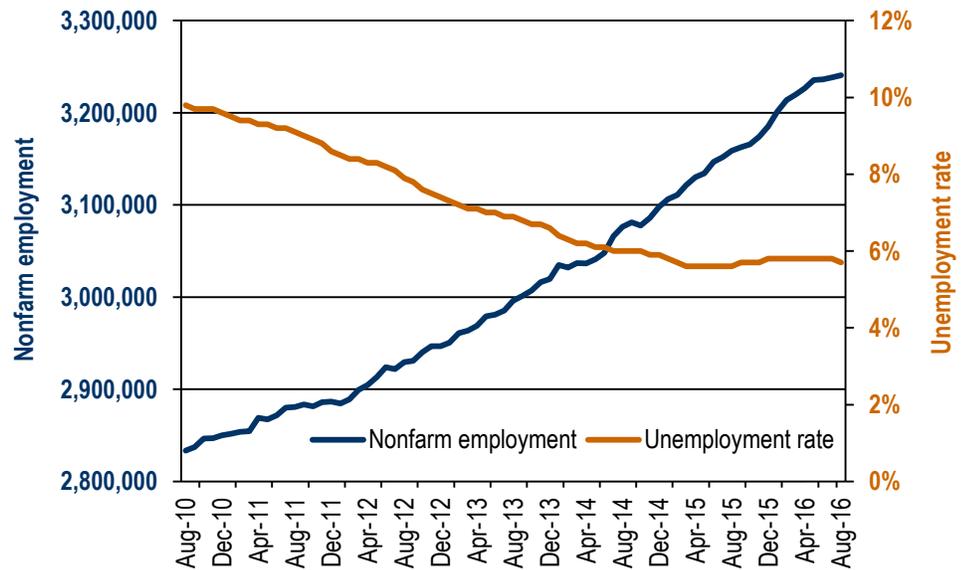
Nonfarm employment: 2,818,400
Unemployment rate: 10.3%

August 2016 (preliminary)

Nonfarm employment: 3,240,900
Unemployment rate: 5.7%

Nonfarm employment and unemployment rate, seasonally adjusted Washington state, August 2010 through August 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 August, five contracted and one was unchanged.
- Private-sector employment is estimated to have increased by 1,800 and government employment increased by 800.
- The number of jobs in education and health services increased by 3,900, with a gain of 1,500 in health services and social assistance adding to a gain of 2,400 in education services.
- Construction employment increased by 600 overall. Job gains were highest for specialty trade contractors while job losses were highest in construction of buildings.
- Professional and business services employment rose by 500, with the most jobs gained in professional, scientific and technical services.
- Employment in leisure and hospitality decreased by 1,700 overall, with 2,200 less jobs occurring in food services and drinking places.
- Manufacturing employment fell by 1,700, with 1,100 jobs lost in durable goods production and 600 jobs lost in nondurable goods production.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, July 2016 through August 2016

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

Total nonfarm	2,600
Education and health services	3,900
Wholesale trade	1,200
Government	800
Transportation, warehousing and utilities	800
Construction	600
Professional and business services	500
Information	100
Mining and logging	0
Financial activities	-400
Retail trade	-600
Other services	-900
Leisure and hospitality	-1,700
Manufacturing	-1,700

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 95,300 jobs from August 2015 through August 2016:

- Overall, twelve major industries expanded and one declined.
- Private-sector employment rose 3.1 percent, up an estimated 81,500 jobs.
- Public-sector employment increased 2.6 percent, a net gain of 13,800 jobs.
- Education and health services employment increased by 19,800 with 5,200 of the jobs added by hospitals.
- Employment in construction is up 14,600 with the number employed as specialty trade contractors up 8,400.
- Professional and business services employment increased by 12,800, led by an 8,700 increase in professional, scientific and technical services.
- Retailers added 9,600 jobs. Other retail trade, which includes online retail trade, was up by 5,900 jobs.
- Employment in the information industry is up by 6,800, with 3,500 jobs added by software publishers.

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

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

Total nonfarm	95,300
Education and health services	19,800
Construction	14,600
Government	13,800
Professional and business services	12,800
Retail trade	9,600
Information	6,800
Leisure and hospitality	6,200
Transportation, warehousing and utilities	5,300
Financial activities	4,500
Other services	3,900
Wholesale trade	2,000
Mining and logging	500
Manufacturing	-4,500

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, August 2016

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-10,100	-7,500	2,600
Construction	2,000	2,600	600
Leisure and hospitality	1,500	-200	-1,700
Information	900	1,000	100
Retail trade	600	0	-600
Other services	500	-400	-900
Manufacturing	300	-1,400	-1,700
Mining and logging	100	100	0
Professional and business services	-100	400	500
Financial activities	-400	-800	-400
Wholesale trade	-400	800	1,200
Transportation, warehousing and utilities	-600	200	800
Education and health services	-1,200	2,700	3,900
Government	-13,300	-12,500	800

Based on historical patterns, Washington employment typically decreases by 10,100 from July to August. This year the state lost an estimated 7,500 jobs, amounting to a seasonally adjusted increase of 2,600 jobs.

- The estimated employment increase in construction was 2,600. The normal seasonal increase is 2,000, so on a seasonally adjusted basis, construction employment rose by 600.
- Employment in leisure and hospitality normally rises by 1,500. It is estimated to have decreased by 200 this August yielding a loss of 1,700 on a seasonally adjusted basis.
- Typically retail trade employment increases by 600 in August. On a seasonally adjusted basis, retail trade employment decreased by 600 as the estimated change was zero.
- The normal seasonal gain in manufacturing employment is 300 in August. The estimated decrease was 1,400 so employment fell by 1,700 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 3,900 jobs in education and health services in August. The normal seasonal decrease is 1,200. It is estimated to have increased by 2,700 this August.

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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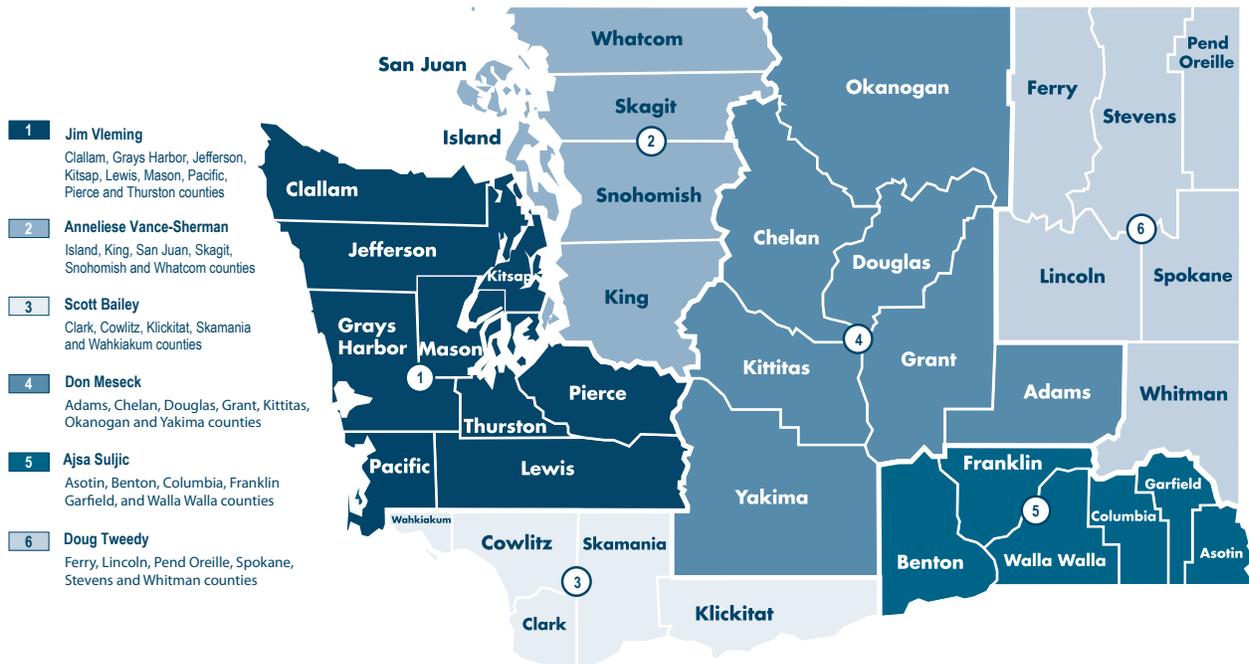
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Washington state regional labor economist reporting areas



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., September 20, 2016. The publication schedule for 2016 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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