

Monthly Employment Report for September 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 20,000 from August 2016 to September 2016.¹ BLS estimates the private sector gained 14,300 jobs during the month and the public sector gained 5,700 jobs.

On a not seasonally adjusted basis, estimates for September 2015 through September 2016 indicate an increase in employment of 92,600 for the state. The private sector added 81,800 jobs while the public sector gained an estimated 10,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for September 2016 is 5.6 percent. The revised estimated August 2016 unemployment rate was at 5.7 percent. The September 2015 unemployment rate was 5.7 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. August's preliminary estimated gain of 2,600 jobs was revised to a loss of 600 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, August and September, 2015 and 2016
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	September 2016 (Preliminary)	August 2016 (Revised)	September 2015 (Revised)	August 2015 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	5.0%	4.9%	5.1%	5.1%
Washington				
Unemployment rate	5.6%	5.7%	5.7%	5.6%
Resident labor force	3,652,800	3,631,400	3,549,100	3,542,900
Unemployed	202,900	207,700	200,700	199,200
Seattle/Bellevue/Everett				
Unemployment rate	3.9%	4.1%	4.6%	4.5%
Resident labor force	1,624,800	1,609,900	1,583,200	1,581,200
Unemployed	64,100	66,200	72,700	70,900

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 September 2016 was 5.6 percent. The revised estimated August 2016 unemployment rate was at 5.7 percent.

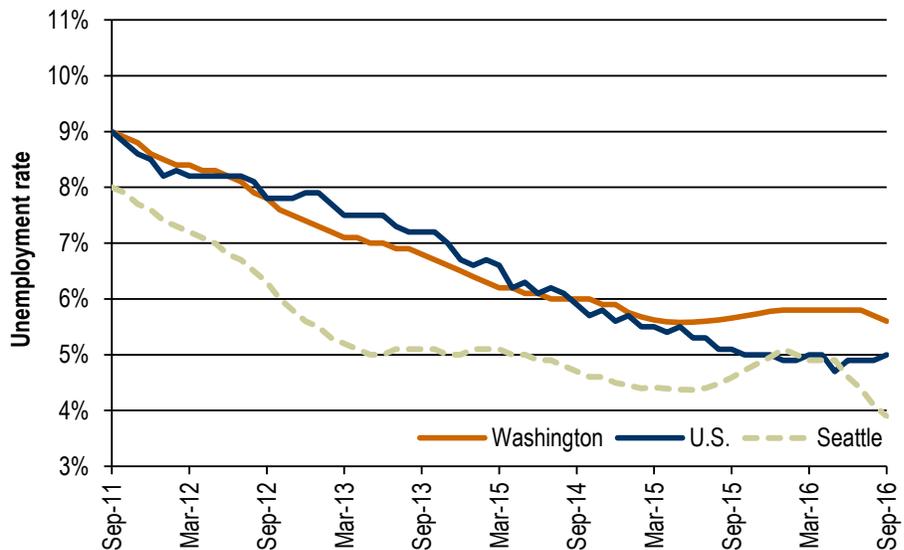
According to BLS estimates, the number of unemployed people fell by 4,800 in September 2016 compared to August 2016. At the same time, the number of employed people rose by an estimated 26,200. Overall, this amounted to an increase of 21,400 people in the labor force.

The preliminary September 2016 unemployment rate is .01 percentage points below the September 2015 rate of 5.7 percent.

Unemployment rates, seasonally adjusted

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

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



September 2016 preliminary unemployment rates:

U.S. (preliminary) 5.0%
 Washington (preliminary) 5.6%
 Seattle area (preliminary) 3.9%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 20,000 jobs from August 2016 to September 2016.

Recent employment change
July 2016: up 1,900 jobs (revised)

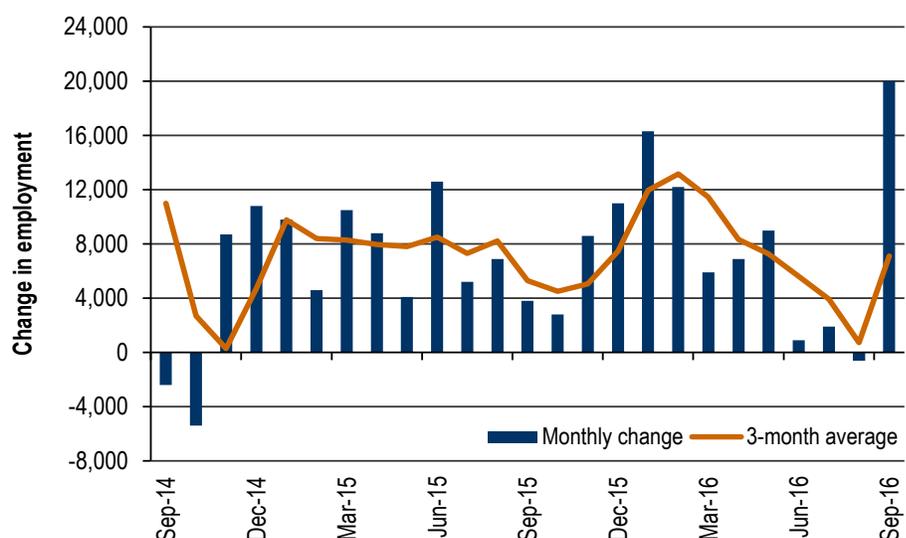
August 2016: down 600 jobs (revised)

September 2016: up 20,000 jobs (preliminary)

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

Washington state, September 2014 through September 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)

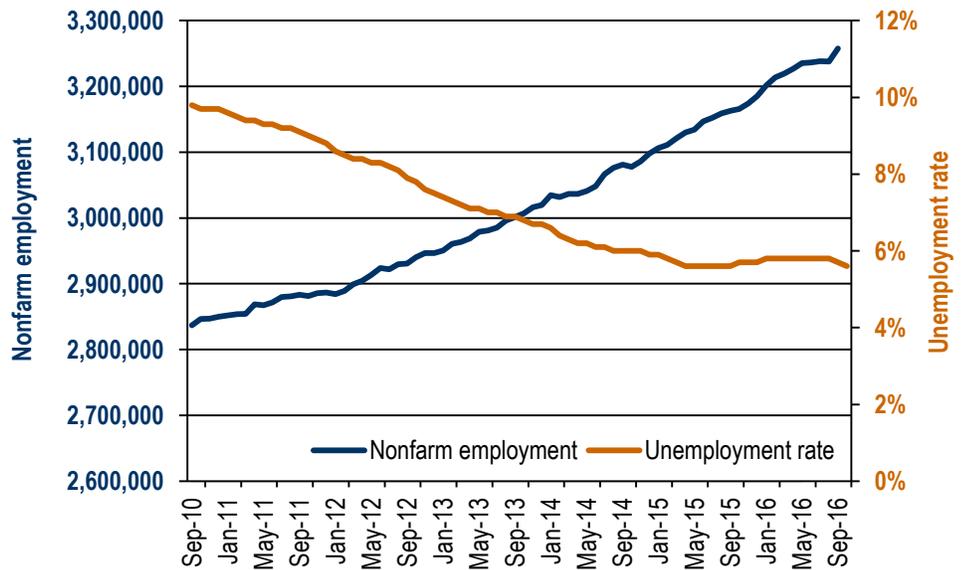
Nonfarm employment: 2,818,400
Unemployment rate: 10.3%

September 2016 (preliminary)

Nonfarm employment: 3,257,700
Unemployment rate: 5.6%

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

U-6 unemployment rate

U-6: Broader unemployment measure improves in second quarter.

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the second quarter of 2016. One such alternative measure is the U-6 rate, which considers not only the unemployed population in

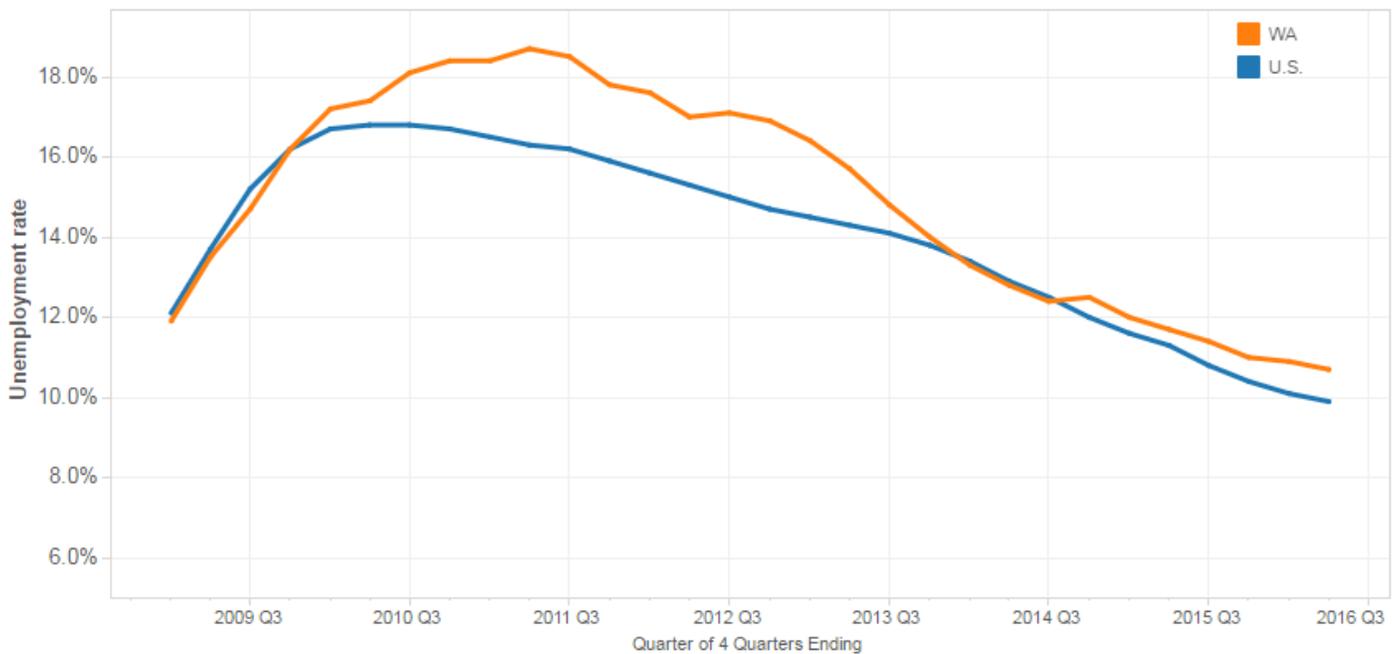
the official “U-3” unemployment rate, but also marginally attached workers and those employed part-time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally

attached workers.” This U-6 measure tallies the “unemployed, underemployed, and those who are not looking but who want a job.”

For the four quarters ending June 2016, the U-6 rate for Washington state averaged 10.7 percent. This was a decrease of 0.2 percent as compared to the 10.9 percent U-6 rate for the four quarters ending March 2016.

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

U-6: Total unemployed, plus all other marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force.



		Q1	Q2	Q3	Q4
2016	WA	10.9%	10.7%		
	U.S.	10.1%	9.9%		
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%
2011	WA	18.4%	18.7%	18.5%	17.8%
	U.S.	16.5%	16.3%	16.2%	15.9%
2010	WA	17.2%	17.4%	18.1%	18.4%
	U.S.	16.7%	16.8%	16.8%	16.7%
2009	WA	11.9%	13.5%	14.7%	16.2%
	U.S.	12.1%	13.7%	15.2%	16.2%

Source: Bureau of Labor Statistics: <http://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 gained an estimated 20,000 jobs during the month, on a seasonally adjusted basis:

- Overall, ten industries expanded employment in September, two contracted and one was unchanged.
- Private-sector employment is estimated to have increased by 14,300 and government employment increased by 5,700.
- The number of jobs in education and health services increased by 5,000, with a gain of 2,400 in health services and social assistance adding to a gain of 2,600 in education services.
- Professional and business services employment rose by 4,400, with 3,300 jobs gained in administrative and support services.
- Construction employment increased by 1,600 with 1,400 jobs added in building construction.
- Transportation, warehousing, and utilities employment rose by 1,300, with 1,100 jobs added in truck transportation.
- Employment in leisure and hospitality increased by 400 overall, with a gain of 2,300 jobs in accommodation and food services offsetting a loss of 1,900 in arts, entertainment and recreation.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, August 2016 to September 2016

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

Total nonfarm	20,000
Government	5,700
Education and health services	5,000
Professional and business services	4,400
Construction	1,600
Other services	1,500
Transportation, warehousing and utilities	1,300
Information	900
Leisure and hospitality	400
Retail trade	100
Manufacturing	100
Mining and logging	0
Financial activities	-400
Wholesale trade	-600

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 92,600 jobs from September 2015 through September 2016:

- Overall, twelve major industries expanded and one declined.
- Private-sector employment rose 3.1 percent, up an estimated 81,800 jobs.
- Public-sector employment increased 2.0 percent, a net gain of 10,800 jobs.
- Education and health services employment increased by 21,100 with 5,600 of the jobs added in ambulatory healthcare services.
- Employment in construction is up 16,000 with the number employed as specialty trade contractors up 8,100.
- Professional and business services employment increased by 13,400, led by an 8,600 increase in professional, scientific and technical services.
- Retailers added 6,800 jobs. Other retail trade, which includes online retail trade, was up by 5,200 jobs.
- Employment in the information industry is up by 6,400, with 3,200 jobs added by software publishers.

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

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

Total nonfarm	92,600
Education and health services	21,100
Construction	16,000
Professional and business services	13,400
Government	10,800
Retail trade	6,800
Information	6,400
Transportation, warehousing and utilities	6,400
Leisure and hospitality	5,400
Other services	4,700
Financial activities	3,900
Wholesale trade	1,200
Mining and logging	500
Manufacturing	-4,000

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.

Based on historical patterns, Washington employment typically decreases by 2,800 from August to September. This year the state gained an estimated 17,200 jobs, amounting to a seasonally adjusted increase of 20,000 jobs.

- The change on a seasonally adjusted basis was a gain of 5,000 jobs in education and health services in September. The normal seasonal increase is 3,400. It is estimated to have increased by 8,400 this September.
- The normal seasonal gain in manufacturing employment is 300 in September. The estimated increase was 400 so employment rose by 100 on a seasonally adjusted basis.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, September 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	-2,800	17,200	20,000
Government	13,100	18,800	5,700
Education and health services	3,400	8,400	5,000
Manufacturing	300	400	100
Mining and logging	0	0	0
Transportation, warehousing and utilities	0	1,300	1,300
Wholesale trade	-100	-700	-600
Financial activities	-900	-1,300	-400
Construction	-1,900	-300	1,600
Information	-1,900	-1,000	900
Professional and business services	-2,100	2,300	4,400
Other services	-2,300	-800	1,500
Retail trade	-4,100	-4,000	100
Leisure and hospitality	-6,300	-5,900	400

- The estimated employment decrease in construction was 300. The normal seasonal decrease is 1,900, so on a seasonally adjusted basis, construction employment rose by 1,600.
- Typically retail trade employment decreases by 4,100 in September. On a seasonally adjusted basis, retail trade employment increased by 100 as the estimated decrease was 4,000.
- Employment in leisure and hospitality normally falls by 6,300. It is estimated to have decreased by 5,900 this September yielding a gain of 400 on a seasonally adjusted basis.

Contact an economist

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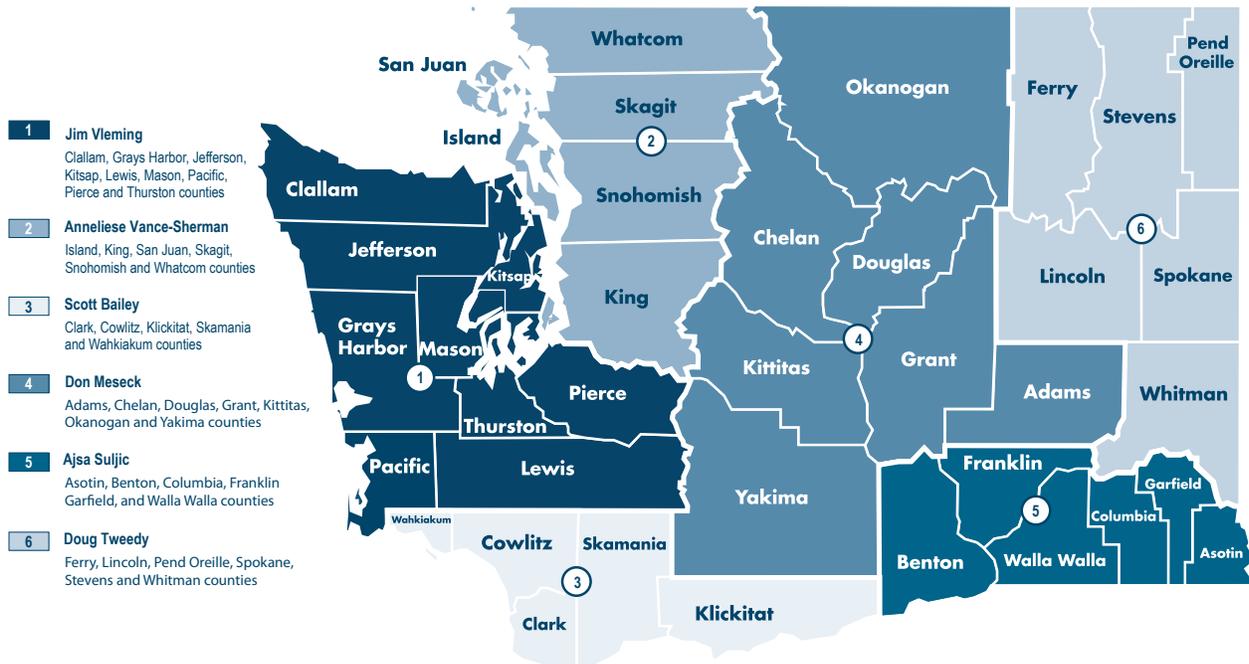
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Washington state regional labor economist reporting areas



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., October 25, 2016. The publication schedule for 2016 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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