

Monthly Employment Report for December 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 6,700 from November 2016 to December 2016.¹ BLS estimates the private sector gained 7,400 jobs during the month and the public sector lost 700 jobs.

On a not seasonally adjusted basis, estimates for December 2015 through December 2016 indicate an increase in employment of 82,300 for the state. The private sector added 68,300 jobs while the public sector gained an estimated 14,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for December 2016 is 5.2 percent. The revised estimated November 2016 unemployment rate was at 5.3 percent. The December 2015 unemployment rate was 5.8 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 3,600 jobs was revised to a gain of 4,000 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, November and December, 2015 and 2016
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	December 2016 (Preliminary)	November 2016 (Revised)	December 2015 (Revised)	November 2015 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	4.7%	4.6%	5.0%	5.0%
Washington				
Unemployment rate	5.2%	5.3%	5.8%	5.7%
Resident labor force	3,690,000	3,690,800	3,568,800	3,562,600
Unemployed	190,700	194,200	206,200	204,400
Seattle/Bellevue/Everett				
Unemployment rate	3.7%	3.7%	5.0%	4.8%
Resident labor force	1,650,100	1,649,100	1,588,500	1,587,000
Unemployed	61,400	61,200	78,700	76,800

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 December 2016 was 5.2 percent. The revised estimated November 2016 unemployment rate was 5.3 percent.

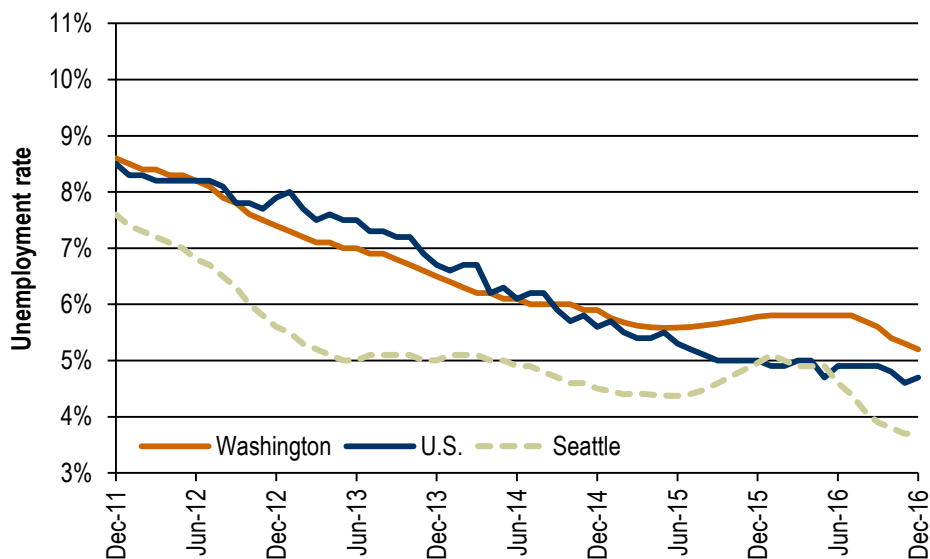
According to BLS estimates, the number of unemployed people fell by 3,500 in December 2016 compared to November 2016. At the same time, the number of employed people rose by an estimated 2,700. Overall, this amounted to a decrease of 800 people in the labor force.

The preliminary December 2016 unemployment rate is 0.6 percentage points below the December 2015 rate of 5.8 percent.

Unemployment rates, seasonally adjusted

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

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



December 2016 preliminary unemployment rates:

U.S. (preliminary) 4.7%
Washington (preliminary) 5.2%
Seattle area (preliminary) 3.7%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,700 jobs from November 2016 to December 2016.

Recent employment change
October 2016: up 9,500 jobs (revised)

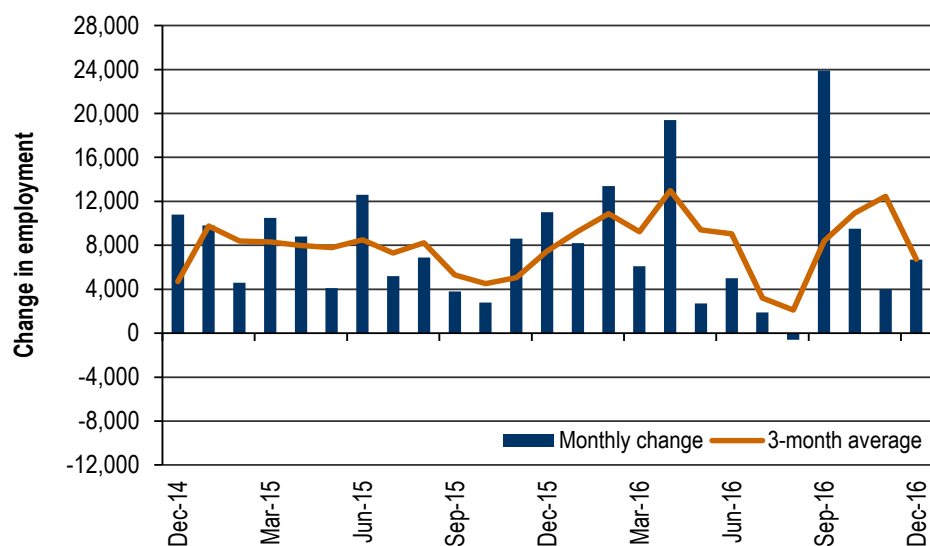
November 2016: up 4,000 jobs (revised)

December 2016: up 6,700 jobs (preliminary)

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

Washington state, December 2014 through December 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%

December 2016 (preliminary)

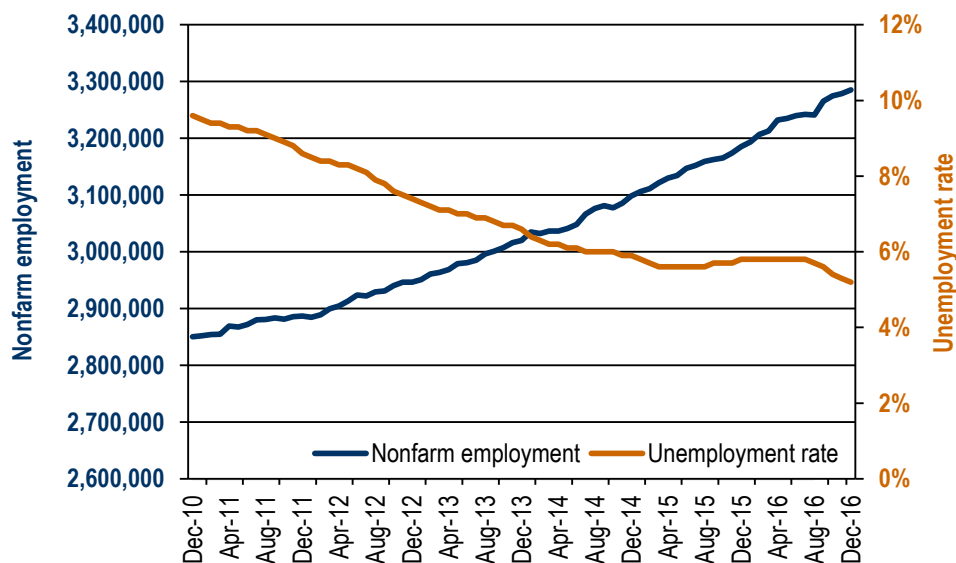
Nonfarm employment: 3,285,400

Unemployment rate: 5.2%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, December 2010 through December 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 remains unchanged in third quarter.

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

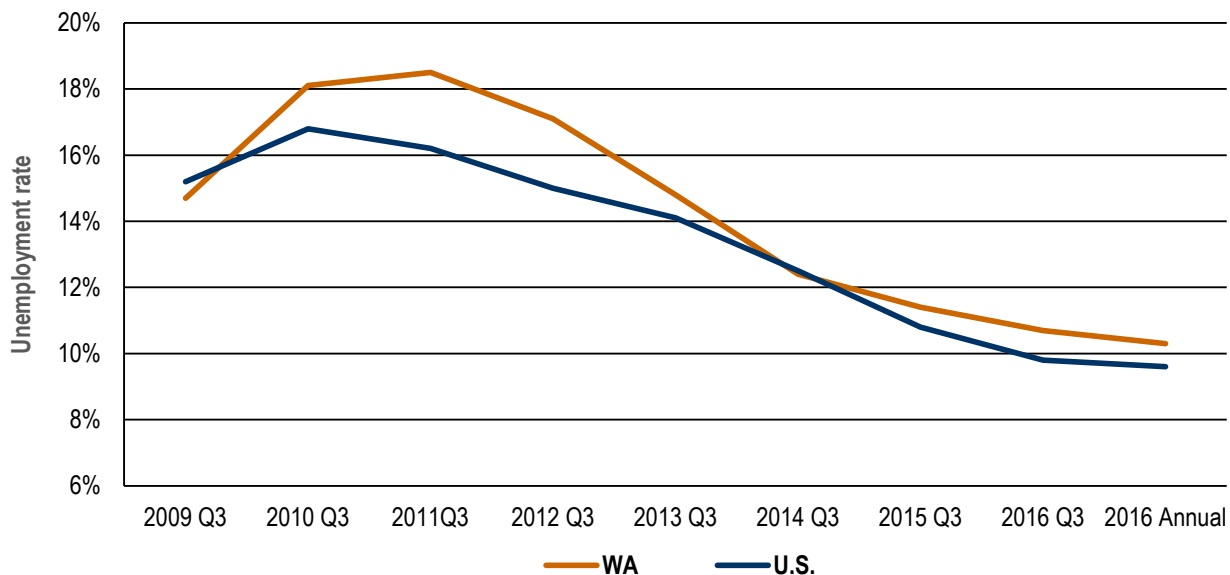
official “U-3” unemployment rate, but also marginally attached workers and those employed part-time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor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

the “unemployed, underemployed, and those who are not looking but who want a job.”

For the four quarters ending December 2016, the U-6 rate for Washington state averaged 10.3 percent. This was lower than the 10.7 percent U-6 rate for the four quarters ending September 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.



Year	WA/U.S.	Q1	Q2	Q3	Annual average
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%
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%

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 6,700 jobs during the month, on a seasonally adjusted basis::

- Overall, eight industries expanded employment in December, four contracted, and one was unchanged.
- Private-sector employment is estimated to have increased by 7,400 and government employment decreased by 700.
- Employment in leisure and hospitality increased by 3,400 overall, with 3,300 jobs gained in food services and drinking places.
- Information employment rose by 2,500, with 2,200 jobs added in publishing industries.
- Retail trade employment rose by 2,200, with 900 jobs added by food and beverage stores.
- Construction employment decreased by 400 overall with losses in employment by specialty trade contractors outweighing gains in heavy civil engineering and building construction.
- The number of jobs in other services decreased by 1,300, with 800 jobs lost in personal and laundry services.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, November 2016 to December 2016

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

Total nonfarm	6,700
Leisure and hospitality	3,400
Information	2,500
Retail trade	2,200
Wholesale trade	800
Financial activities	300
Education and health services	200
Transportation, warehousing and utilities	200
Manufacturing	200
Mining and logging	0
Construction	-400
Professional and business services	-700
Government	-700
Other services	-1,300

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 82,300 jobs from December 2015 through December 2016::

- Overall, eleven major industries expanded and two declined.
- Private-sector employment rose 2.6 percent, up an estimated 68,300 jobs.
- Public-sector employment increased 2.5 percent, a net gain of 14,000 jobs.
- Education and health services employment increased by 20,800 with 8,500 of the jobs added in social assistance.
- Employment in leisure and hospitality is up by 11,300, with 6,700 jobs added by food services and drinking places.
- Retailers added 9,800 jobs. Other retail trade, which includes online retail trade, was up by 4,200 jobs.
- Employment in construction is up 7,400 with the number employed as specialty trade contractors up 5,100.
- Information employment increased by 7,400, led by a 5,300 increase in software publishing.

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

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

Total nonfarm	82,300
Education and health services	20,800
Government	14,000
Leisure and hospitality	11,300
Retail trade	9,800
Construction	7,400
Information	7,400
Other services	4,800
Professional and business services	4,500
Transportation, warehousing and utilities	3,400
Wholesale trade	2,600
Financial activities	2,300
Mining and logging	-100
Manufacturing	-5,900

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 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	-20,800	-14,100	6,700
Transportation, warehousing and utilities	2,000	2,200	200
Education and health services	300	500	200
Financial activities	0	300	300
Mining and logging	-200	-200	0
Other services	-200	-1,500	-1,300
Wholesale trade	-300	500	800
Information	-500	2,000	2,500
Manufacturing	-1,900	-1,700	200
Retail trade	-2,000	200	2,200
Leisure and hospitality	-2,200	1,200	3,400
Professional and business services	-4,200	-4,900	-700
Construction	-5,000	-5,400	-400
Government	-6,600	-7,300	-700

Based on historical patterns, Washington employment typically decreases by 20,800 from November to December. This year the state lost an estimated 14,100 jobs, amounting to a seasonally adjusted increase of 6,700 jobs.

- The change on a seasonally adjusted basis was a gain of 200 jobs in education and health services in December. The normal seasonal increase is 300. It is estimated to have increased by 500 this December.
- The normal seasonal loss in manufacturing employment is 1,900 in December. The estimated decrease was 1,700 so employment rose by 200 on a seasonally adjusted basis.
- Typically retail trade employment decreases by 2,000 in December. On a seasonally adjusted basis, retail trade employment increased by 2,200 as the estimated increase was 200.
- Employment in leisure and hospitality normally falls by 2,200. It is estimated to have increased by 1,200 this December yielding a gain of 3,400 on a seasonally adjusted basis.
- The estimated employment decrease in construction was 5,400. The normal seasonal decrease is 5,000, so on a seasonally adjusted basis, construction employment fell by 400.

Contact an economist

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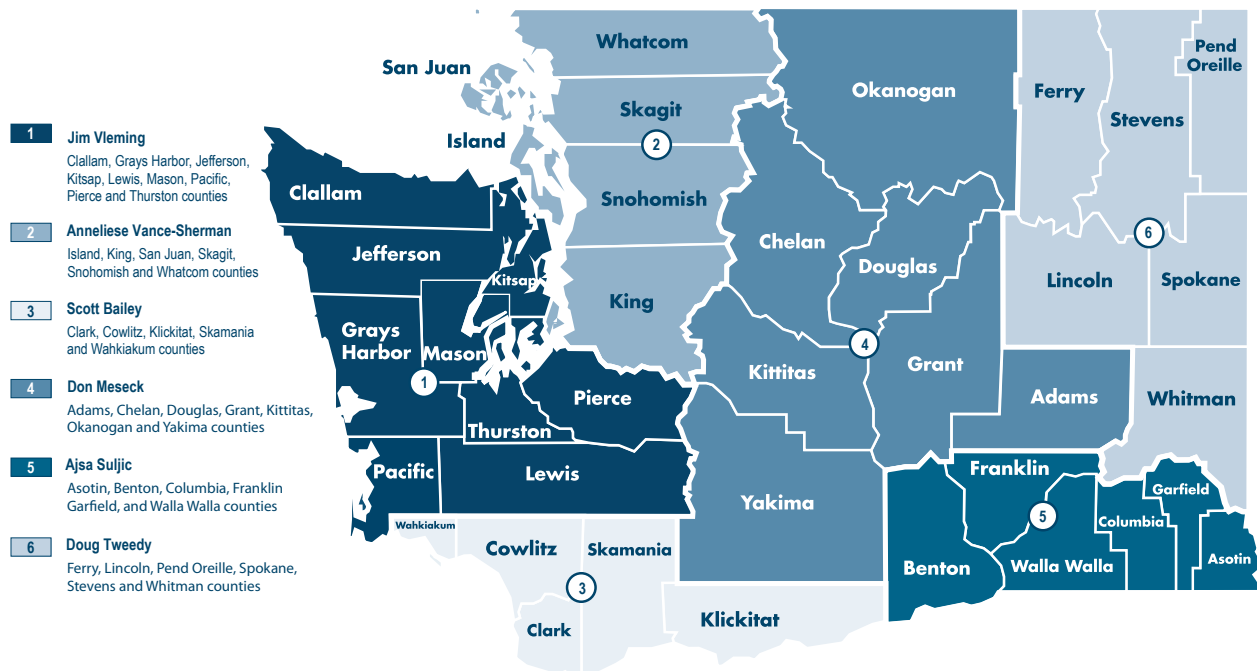
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Washington state regional labor economist reporting areas



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., January 24, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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