

# Monthly Employment Report for January 2017



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 7,200 from December 2016 to January 2017.<sup>1</sup> BLS estimates the private sector lost 3,600 jobs during the month and the public sector lost 3,600 jobs.

On a not seasonally adjusted basis, estimates for January 2016 through January 2017 indicate an increase in employment of 84,600 for the state. The private sector added 73,800 jobs while the public sector gained an estimated 10,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2017 is 5.1 percent. The revised estimated December 2016 unemployment rate was at 5.1 percent. The January 2016 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. December's preliminary estimated gain of 3,600 jobs was revised to a gain of 8,000 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, December 2015 and 2016 and January, 2016 and 2017

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

	January 2017 (Preliminary)	December 2016 (Revised)	January 2016 (Revised)	December 2015 (Revised)
<b>United States</b>				
Unemployment rate				
<i>Seasonally adjusted</i>	4.8%	4.7%	4.9%	5.0%
<b>Washington</b>				
Unemployment rate	5.1%	5.1%	5.6%	5.6%
Resident labor force	3,684,700	3,677,100	3,595,500	3,584,600
Unemployed	188,200	189,200	202,200	202,000
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	3.7%	3.7%	4.4%	4.5%
Resident labor force	1,644,000	1,638,600	1,599,400	1,595,000
Unemployed	61,100	61,200	70,900	71,100

<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 January 2017 was 5.1 percent. The revised estimated December 2016 unemployment rate was 5.1 percent.

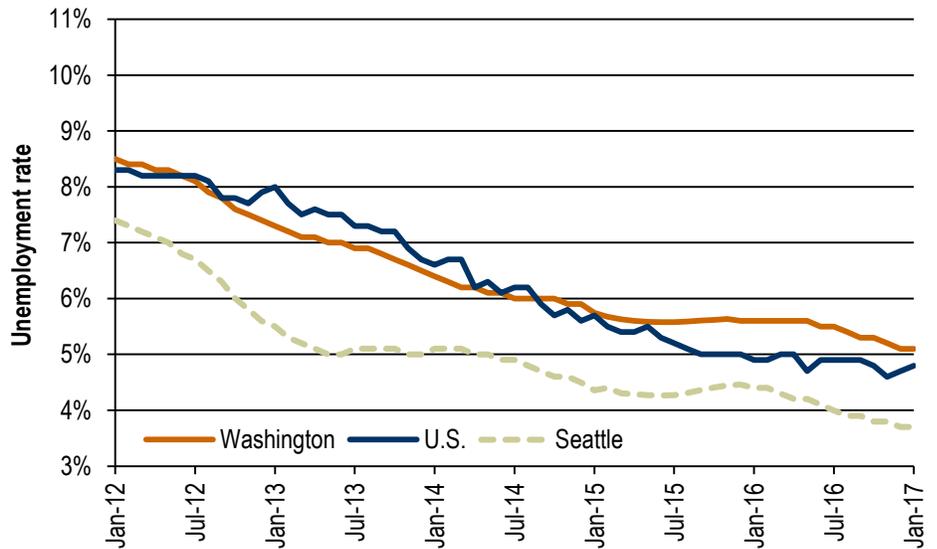
According to BLS estimates, the number of unemployed people fell by 1,000 in January 2017 compared to December 2016. At the same time, the number of employed people rose by an estimated 8,600. Overall, this amounted to an increase of 7,600 people in the labor force.

The preliminary January 2017 unemployment rate is 0.5 percentage points below the January 2016 rate of 5.6 percent.

### Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, January 2012 through January 2017

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



**January 2017 preliminary unemployment rates:**

U.S. (preliminary) 4.8%  
 Washington (preliminary) 5.1%  
 Seattle area (preliminary) 3.7%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment decreased by 7,200 jobs from December 2016 to January 2017.

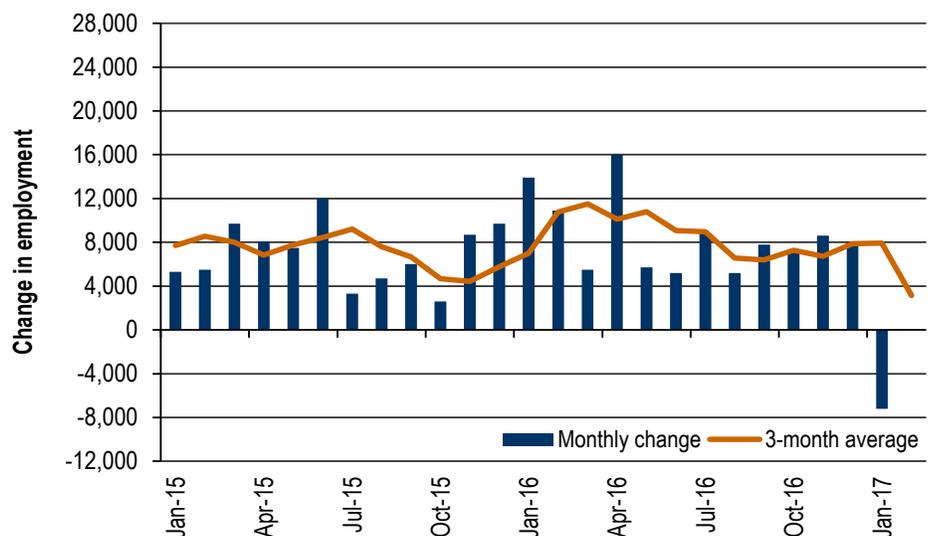
Recent employment change  
**November 2016:** up 8,600 jobs (revised)

**December 2016:** up 8,000 jobs (revised)

**January 2017:** down 7,200 jobs (preliminary)

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

Washington state, January 2015 through January 2017  
 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: 3,005,700  
Unemployment rate: 4.8%

### February 2010

(end of recent employment recession in Washington)

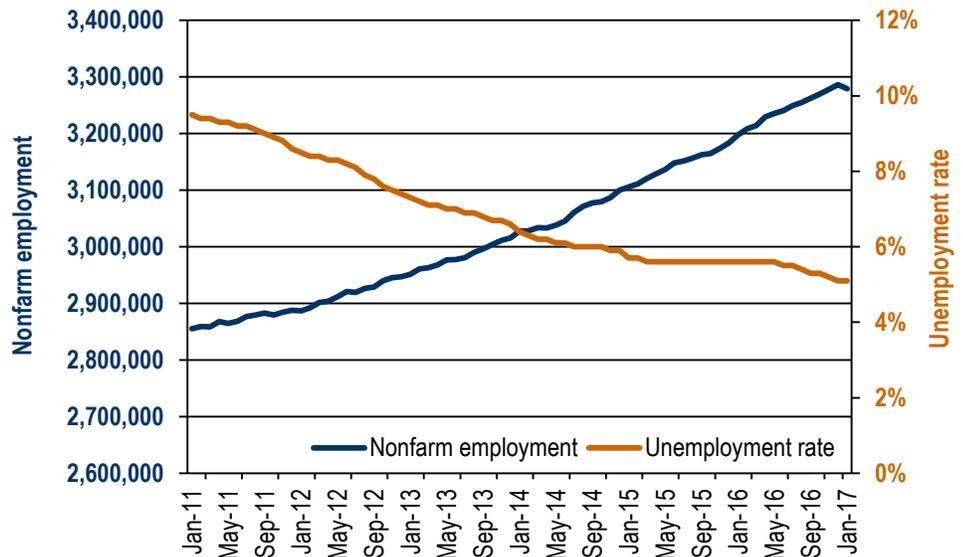
Nonfarm employment: 2,823,400  
Unemployment rate: 10.3%

### January 2017 (preliminary)

Nonfarm employment: 3,279,000  
Unemployment rate: 5.1%

Nonfarm employment and unemployment rate, seasonally adjusted  
Washington state, January 2011 through January 2017

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 non-seasonal 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 declines in 2016.

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

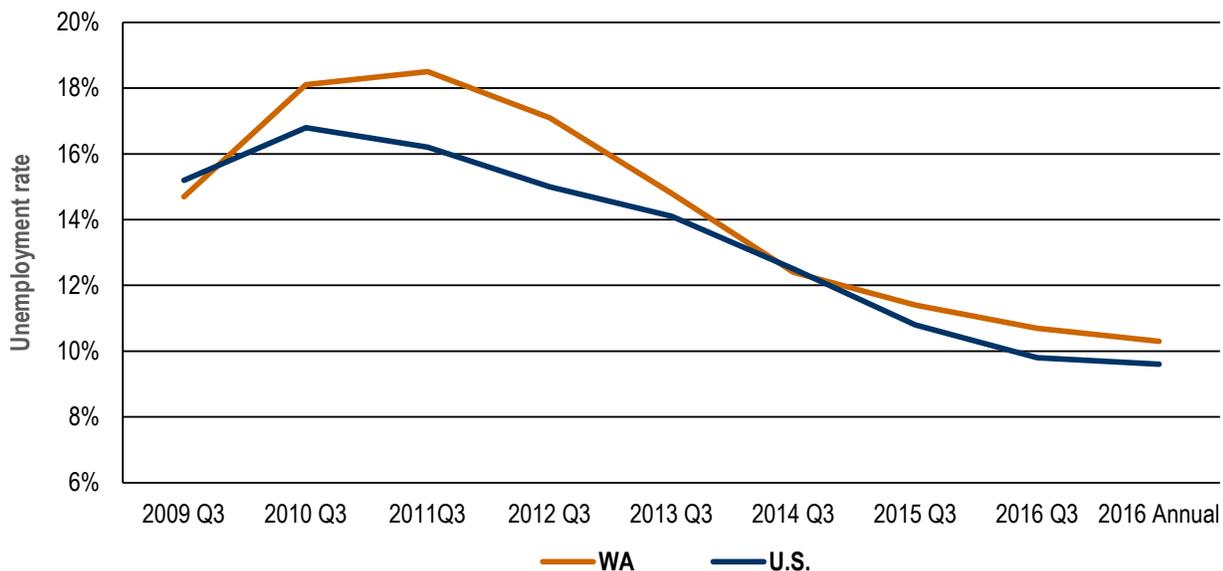
official “U-3” unemployment rate, but also marginally attached workers and those employed part time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor 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 2016 U-6 annual average rate for Washington state was 10.3 percent. This was lower compared to the 2015 annual average rate of 11.0 percent. The U.S. 2016 annual average rate was 9.6 percent.

### 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
2017	WA				
	U.S.				
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%

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 lost an estimated 7,200 jobs during the month, on a seasonally adjusted basis:

- Overall, six industries expanded employment in January, six contracted, and one was unchanged.
- Private sector employment is estimated to have decreased by 3,600 and government employment decreased by 3,600.
- Education and health services employment rose by 3,000, with a gain of 4,800 in health services offsetting a loss of 1,800 in private education services.
- The number of jobs in financial activities increased by 1,300, led by a gain of 1,100 jobs in finance and insurance.
- Retail trade employment rose by 900 overall, with the most jobs added by clothing and clothing accessories stores.
- Construction employment decreased by 1,000 overall with 900 fewer employed by specialty trade contractors.
- Employment in leisure and hospitality decreased by 5,000 overall, with 4,100 jobs lost in food services and drinking places.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, December 2016 to January 2017

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

<b>Total nonfarm</b>	<b>-7,200</b>
Education and health services	3,000
Financial activities	1,300
Retail trade	900
Professional and business services	500
Mining and logging	200
Wholesale trade	100
Manufacturing	0
Other services	-400
Information	-900
Construction	-1,000
Transportation, warehousing and utilities	-2,300
Government	-3,600
Leisure and hospitality	-5,000

## 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 84,600 jobs from January 2016 through January 2017:

- Overall, twelve major industries expanded and one declined.
- Private sector employment rose 2.9 percent, up an estimated 73,800 jobs.
- Public sector employment increased 1.9 percent, a net gain of 10,800 jobs.
- Education and health services employment increased by 17,900 with 7,000 of the jobs added in ambulatory healthcare services.
- Retailers added 17,500 jobs. Other retail trade, which includes online retail trade, was up by 11,700 jobs.
- Employment in leisure and hospitality is up by 11,500, with 8,300 jobs added by food services and drinking places.
- Employment in construction is up 8,100 with the number employed as specialty trade contractors up 6,700.
- Professional and business services employment increased by 7,000, led by a 6,500 increase in professional, scientific and technical services.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, January 2016 through January 2017

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

<b>Total nonfarm</b>	<b>84,600</b>
Education and health services	17,900
Retail trade	17,500
Leisure and hospitality	11,500
Government	10,800
Construction	8,100
Professional and business services	7,000
Information	5,400
Financial activities	4,600
Transportation, warehousing and utilities	2,800
Other services	2,600
Wholesale trade	2,600
Mining and logging	200
Manufacturing	-6,400

## 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, January 2017

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>-42,800</b>	<b>-50,000</b>	<b>-7,200</b>
Government	3,500	-100	-3,600
Mining and logging	-300	-100	200
Other services	-500	-900	-400
Financial activities	-1,400	-100	1,300
Information	-1,400	-2,300	-900
Wholesale trade	-1,700	-1,600	100
Manufacturing	-2,200	-2,200	0
Education and health services	-3,000	0	3,000
Transportation, warehousing and utilities	-3,300	-5,600	-2,300
Construction	-5,900	-6,900	-1,000
Leisure and hospitality	-6,000	-11,000	-5,000
Professional and business services	-6,800	-6,300	500
Retail trade	-13,800	-12,900	900

Based on historical patterns, Washington employment typically decreases by 42,800 from December to January. This year the state lost an estimated 50,000 jobs, amounting to a seasonally adjusted decrease of 7,200 jobs.

- The change on a seasonally adjusted basis was a gain of 1,300 jobs in financial activities in January. The normal seasonal decrease is 1,400. It is estimated to have decreased by 100 this January.
- The normal seasonal loss in manufacturing employment is 2,200 in January. The estimated decrease was 2,200 so employment was unchanged on a seasonally adjusted basis.
- The estimated employment decrease in construction was 6,900. The normal seasonal decrease is 5,900, so on a seasonally adjusted basis, construction employment fell by 1,000.
- Employment in leisure and hospitality normally falls by 6,000. It is estimated to have decreased by 11,000 this January yielding a loss of 5,000 on a seasonally adjusted basis.
- Typically, retail trade employment decreases by 13,800 in January. On a seasonally adjusted basis, retail trade employment increased by 900 as the estimated decrease was 12,900.

## Benchmarking highlights

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

With the release of January 2017 data, industry employment numbers have also been revised through the annual benchmarking process administered by the Bureau of Labor Statistics. 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 September 2016. Employment estimates for January 2017 presented in this report were based on the new data, plus seasonal adjustments.

The effect of these revisions on the underlying trend in nonfarm industry employment was minor. A table showing revised total nonfarm industry employment data on a seasonally adjusted basis from January to December 2016 [is available](#).

Based on benchmarked September 2016 data:

- The two largest upward revisions were for leisure and hospitality, and construction, up 6,500 and 4,400, respectively.
- Government had the largest downward revision, 8,500.

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

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

Industry sector	Revisions to September 2016 employment level
<b>Total nonfarm</b>	<b>-2,800</b>
Leisure and hospitality	6,500
Construction	4,400
Retail trade	4,100
Manufacturing	2,000
Professional and business services	1,400
Financial activities	300
Mining and logging	-100
Information	-600
Transportation, warehousing and utilities	-1,700
Other services	-1,700
Wholesale trade	-2,500
Education and health services	-6,400
Government	-8,500

## 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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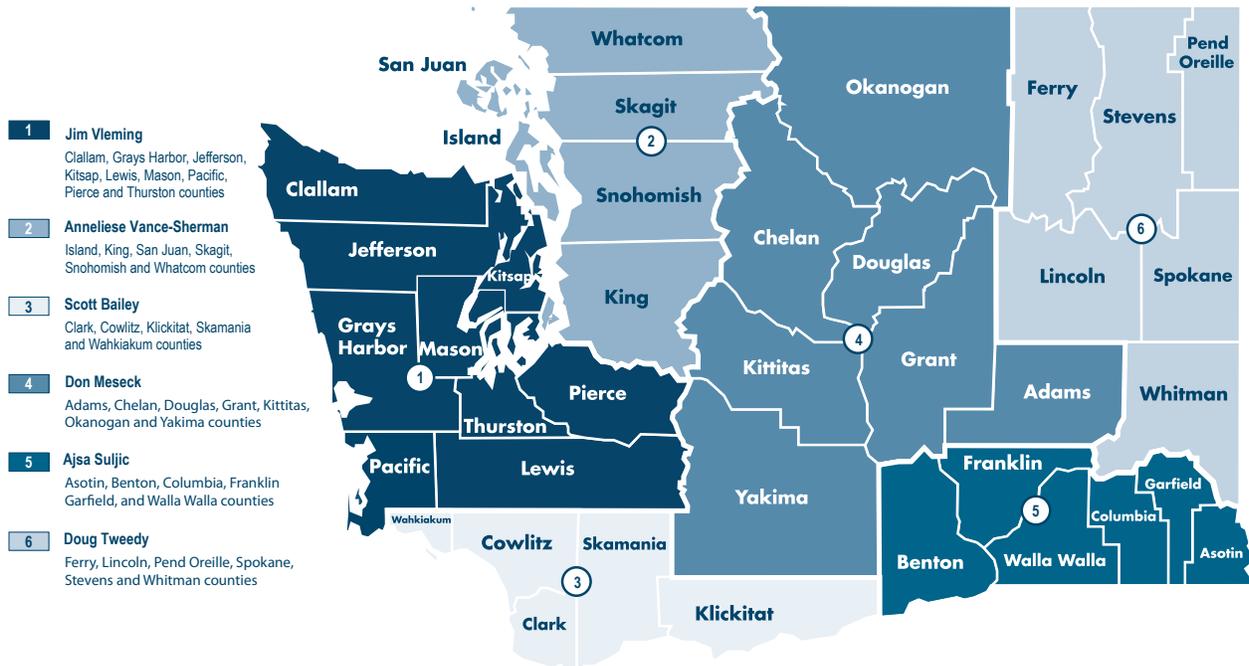
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### Washington state regional labor economist reporting areas



**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., March 14, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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