

Monthly Employment Report for April 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 rose by 1,200 from March 2017 to April 2017.¹ BLS estimates the private sector lost 700 jobs during the month and the public sector gained 1,900 jobs.

On a not seasonally adjusted basis, estimates for April 2016 through April 2017 indicate an increase in employment of 76,500 for the state. The private sector added 61,700 jobs while the public sector gained an estimated 14,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for April 2017 is 4.6 percent. The revised estimated March 2017 unemployment rate was at 4.7 percent. The April 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. March's preliminary estimated gain of 10,700 jobs was revised to a gain of 11,700 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, March and April, 2016 and 2017
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

| | April 2017 (Preliminary) | March 2017 (Revised) | April 2016 (Revised) | March 2016 (Revised) |
|---------------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|
| United States | | | | |
| Unemployment rate | | | | |
| Seasonally adjusted | 4.4% | 4.5% | 5.0% | 5.0% |
| Washington | | | | |
| Unemployment rate | 4.6% | 4.7% | 5.6% | 5.6% |
| Resident labor force | 3,690,600 | 3,687,200 | 3,622,700 | 3,614,500 |
| Unemployed | 171,000 | 173,900 | 201,800 | 201,900 |
| Seattle/Bellevue/Everett | | | | |
| Unemployment rate | 3.3% | 3.3% | 4.2% | 4.3% |
| Resident labor force | 1,648,700 | 1,649,300 | 1,611,200 | 1,607,700 |
| Unemployed | 54,400 | 54,600 | 68,200 | 69,300 |

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 April 2017 was 4.6 percent. The revised estimated March 2017 unemployment rate was 4.7 percent.

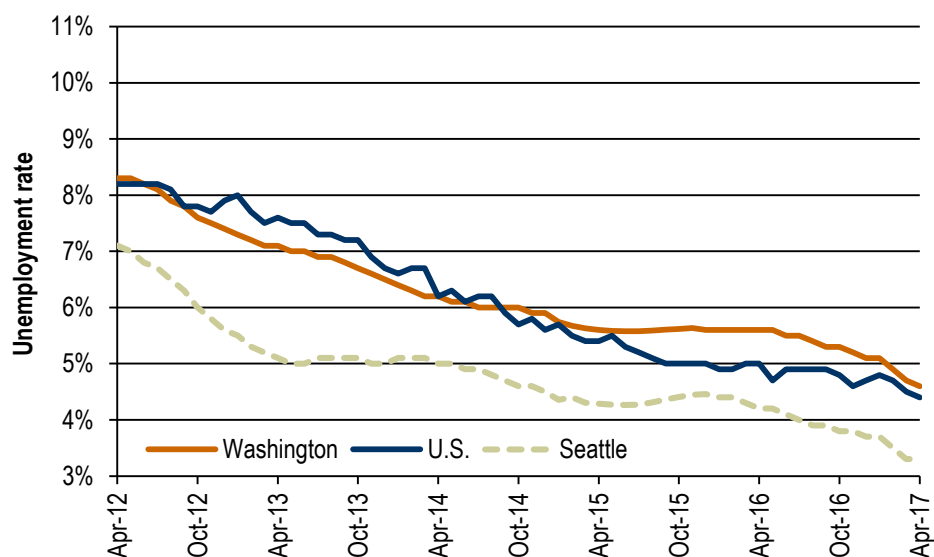
According to BLS estimates, the number of unemployed people fell by 2,900 in April 2017 compared to March 2017. At the same time, the number of employed people rose by an estimated 6,300. Overall, this amounted to an increase of 3,400 people in the labor force.

The preliminary April 2017 unemployment rate is 1.0 percentage point below the April 2016 rate of 5.6 percent.

Unemployment rates, seasonally adjusted

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

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



April 2017 preliminary unemployment rates:

U.S. (preliminary) 4.4%
Washington (preliminary) 4.6%
Seattle area (preliminary) 3.3%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 1,200 jobs from March 2017 to April 2017.

Recent employment change
February 2017: up 6,500 jobs (revised)

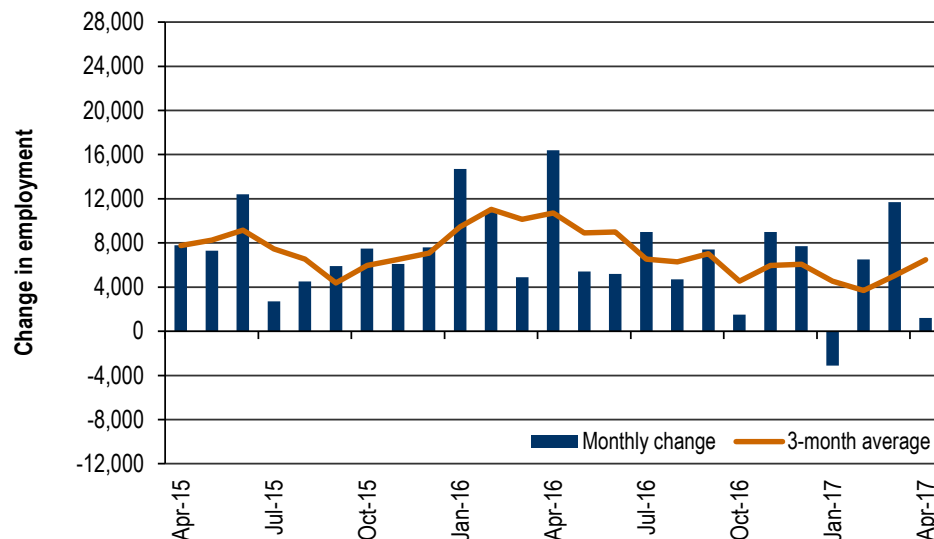
March 2017: up 11,700 jobs (revised)

April 2017: up 1,200 jobs (preliminary)

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

Washington state, April 2015 through April 2017

Source: Employment Security Department/WITS; 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%

April 2017 (preliminary)

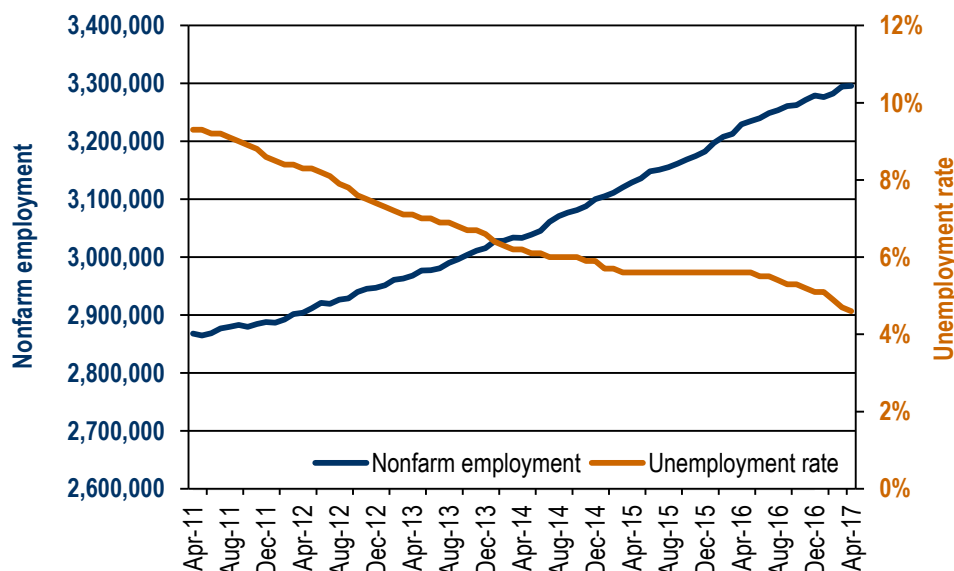
Nonfarm employment: 3,295,600

Unemployment rate: 4.6%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, April 2011 through April 2017

Source: Employment Security Department/WITS; 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 declined during the first quarter

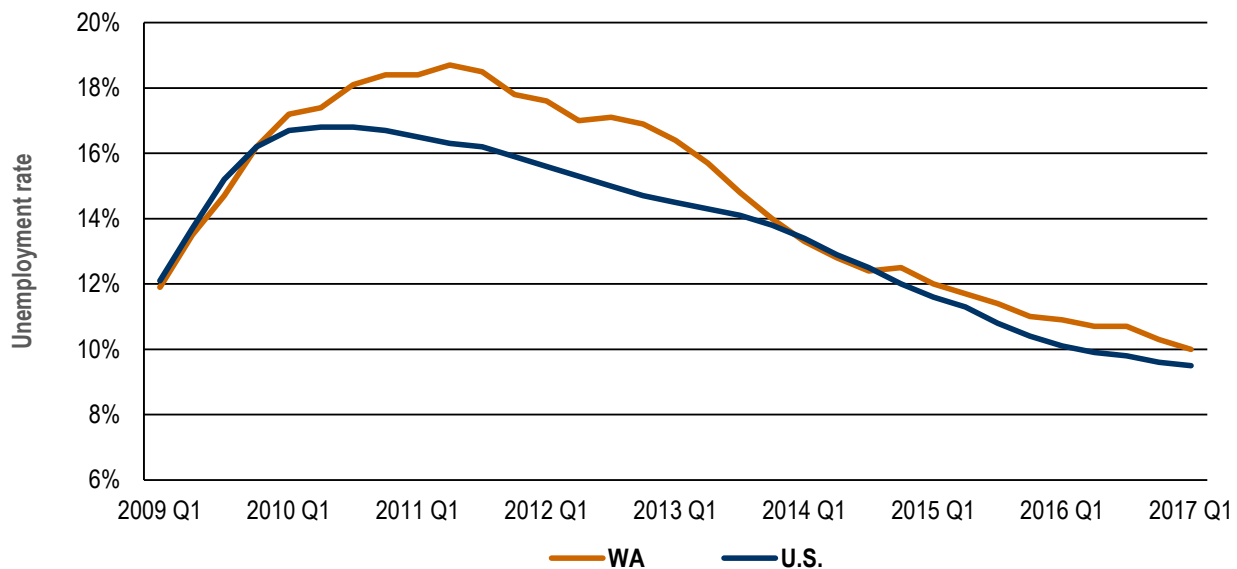
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

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 U-6 unemployment rate for the second quarter of 2016 through the first quarter of 2017 for Washington state was 10.0 percent. This was lower compared to the 10.9 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 9.5 percent over the same time period.

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 | 10.0% | | | |
| | U.S. | 9.5% | | | |
| 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 gained an estimated 1,200 jobs during the month, on a seasonally adjusted basis:

- Overall, five industries expanded employment in April, six contracted and two were unchanged.
- Private sector employment is estimated to have decreased by 700 and government employment increased by 1,900.
- Transportation, warehousing and utilities employment increased by 1,600 overall with 1,400 more employed in transportation.
- Retail trade employment rose by 900 overall, with most of the gain occurring in food and beverage stores.
- Professional and business services employment fell by 900, with a loss of 2,200 in professional, scientific and technical services outweighing gains in administrative and support services and management of companies and enterprises.
- Employment in leisure and hospitality decreased by 900 overall, with 900 jobs lost in food services and drinking places.
- The number of jobs in education and health services decreased by 1,200, with all of the loss occurring in education services.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, March 2017 to April 2017

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

| | |
|---|--------------|
| Total nonfarm | 1,200 |
| Government | 1,900 |
| Transportation, warehousing and utilities | 1,600 |
| Wholesale trade | 1,300 |
| Retail trade | 900 |
| Information | 400 |
| Mining and logging | 0 |
| Construction | 0 |
| Other services | -100 |
| Manufacturing | -800 |
| Professional and business services | -900 |
| Leisure and hospitality | -900 |
| Financial activities | -1,000 |
| Education and health services | -1,200 |

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 76,500 jobs from April 2016 through April 2017:

- Overall, eleven major industries expanded and two declined.
- Private sector employment rose 2.3 percent, up an estimated 61,700 jobs.
- Public sector employment increased 2.6 percent, a net gain of 14,800 jobs.
- Retailers added 16,100 jobs. Other retail trade, which includes online retail trade, was up by 11,700 jobs.
- Employment in construction is up 13,700 with the number employed as specialty trade contractors up 9,800.
- Education and health services employment increased by 11,100 with 4,700 of the jobs added in ambulatory healthcare services.
- Professional and business services employment increased by 9,000, led by a 5,900 increase in professional, scientific and technical services.
- Employment in manufacturing is down by 8,100, with 7,400 fewer jobs occurring in aerospace product and parts manufacturing.

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

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

| | |
|---|---------------|
| Total nonfarm | 76,500 |
| Retail trade | 16,100 |
| Government | 14,800 |
| Construction | 13,700 |
| Education and health services | 11,100 |
| Professional and business services | 9,000 |
| Information | 5,400 |
| Financial activities | 4,300 |
| Transportation, warehousing and utilities | 3,600 |
| Other services | 3,300 |
| Leisure and hospitality | 2,900 |
| Wholesale trade | 500 |
| Mining and logging | -100 |
| Manufacturing | -8,100 |

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, April 2017

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

| | Normal seasonal change | Estimated change | Seasonally adjusted change |
|---|------------------------|------------------|----------------------------|
| Total nonfarm | 14,200 | 15,400 | 1,200 |
| Leisure and hospitality | 4,900 | 4,000 | -900 |
| Professional and business services | 3,600 | 2,700 | -900 |
| Retail trade | 2,600 | 3,500 | 900 |
| Construction | 1,800 | 1,800 | 0 |
| Other services | 1,100 | 1,000 | -100 |
| Manufacturing | 900 | 100 | -800 |
| Government | 500 | 2,400 | 1,900 |
| Financial activities | 500 | -500 | -1,000 |
| Information | 200 | 600 | 400 |
| Mining and logging | 0 | 0 | 0 |
| Wholesale trade | 0 | 1,300 | 1,300 |
| Education and health services | -800 | -2,000 | -1,200 |
| Transportation, warehousing and utilities | -1,100 | 500 | 1,600 |

Based on historical patterns, Washington employment typically increases by 14,200 from March to April. This year the state gained an estimated 15,400 jobs, amounting to a seasonally adjusted increase of 1,200 jobs.

- Employment in leisure and hospitality normally rises by 4,900. It is estimated to have increased by 4,000 this April yielding a loss of 900 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a loss of 900 jobs in professional and business services in April. The normal seasonal increase is 3,600. It is estimated to have increased by 2,700 this April.
- Typically, retail trade employment increases by 2,600 in April. On a seasonally adjusted basis, retail trade employment increased by 900 as the estimated increase was 3,500.
- The estimated employment increase in construction was 1,800. The normal seasonal increase is 1,800, so on a seasonally adjusted basis, construction employment was unchanged.
- The normal seasonal gain in manufacturing employment is 900 in April. The estimated increase was 100 so employment declined by 800 on a seasonally adjusted basis.

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 December 2015. Employment estimates for April 2017 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked December 2016 data:

- The two largest upward revisions were for government and construction, up 4,700 and 2,500, respectively.
- Leisure and hospitality had the largest downward revision, 7,100.

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

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

| Industry sector | Revisions to December 2016 employment level |
|---|---|
| Total nonfarm | -6,900 |
| Government | 4,700 |
| Construction | 2,500 |
| Other services | 100 |
| Information | 0 |
| Transportation, warehousing and utilities | 0 |
| Financial activities | -300 |
| Mining and logging | -400 |
| Retail trade | -500 |
| Wholesale trade | -500 |
| Education and health services | -1,400 |
| Manufacturing | -1,800 |
| Professional and business services | -2,200 |
| Leisure and hospitality | -7,100 |

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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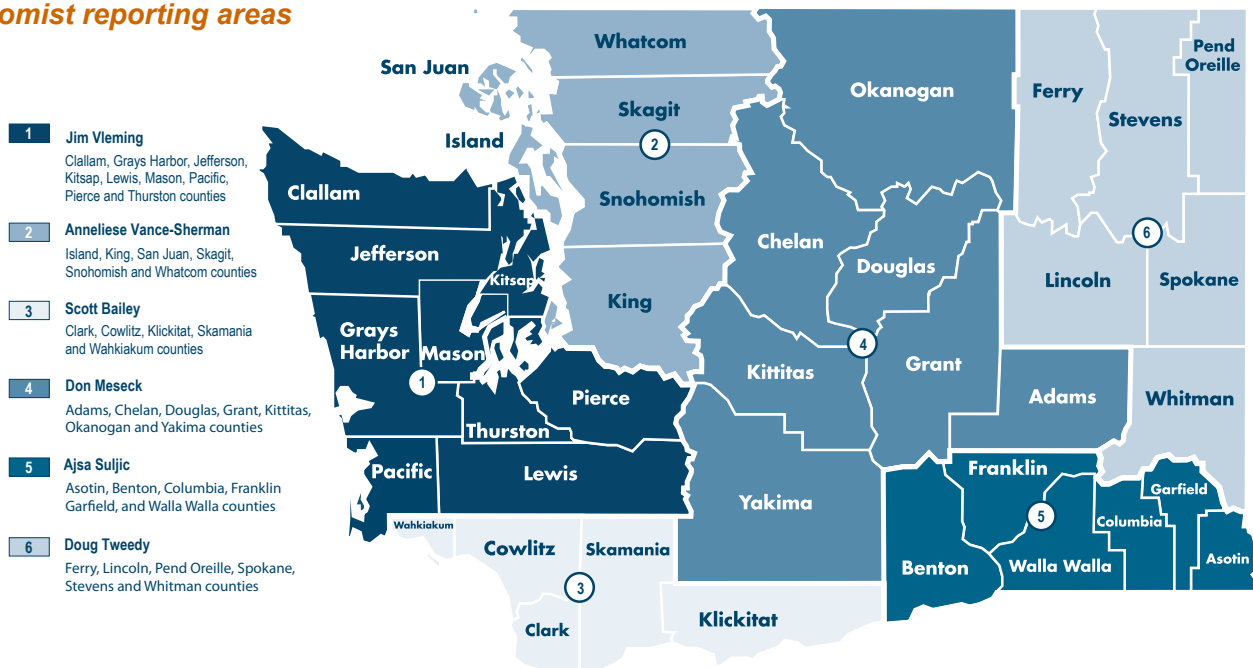
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Washington state regional labor economist reporting areas



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., May 23, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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