

Monthly Employment Report for August 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 2,000 from July 2017 to August 2017.¹ BLS estimates the private sector gained 4,900 jobs during the month and the public sector lost 2,900 jobs.

On a not seasonally adjusted basis, estimates for August 2016 through August 2017 indicate an increase in employment of 83,000 for the state. The private sector added 67,200 jobs while the public sector gained an estimated 15,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for August 2017 is 4.6 percent. The revised estimated July 2017 unemployment rate was at 4.5 percent. The August 2016 unemployment rate was 5.4 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 1,600 jobs was revised to a gain of 5,200 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, 2016 and 2017
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	August 2017 (Preliminary)	July 2017 (Revised)	August 2016 (Revised)	July 2016 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	4.4%	4.3%	4.9%	4.9%
Washington				
Unemployment rate	4.6%	4.5%	5.4%	5.5%
Resident labor force	3,725,800	3,708,900	3,656,800	3,648,600
Unemployed	170,600	167,300	198,000	199,900
Seattle/Bellevue/Everett				
Unemployment rate	3.7%	3.5%	3.9%	4.0%
Resident labor force	1,641,700	1,636,200	1,627,000	1,622,700
Unemployed	60,400	57,000	63,800	64,800

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 August 2017 was 4.6 percent. The revised estimated July 2017 unemployment rate was 4.5 percent.

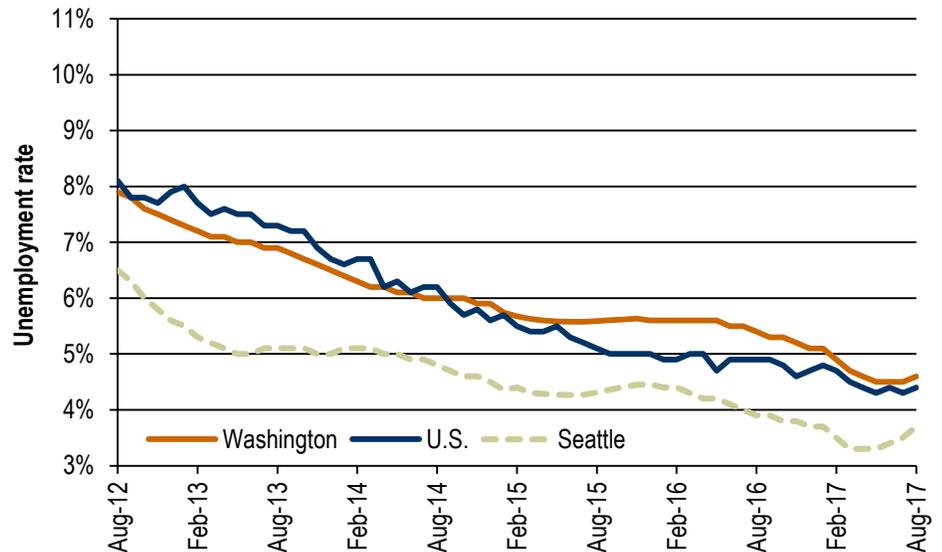
According to BLS estimates, the number of unemployed people rose by 3,300 in August 2017 compared to July 2017. At the same time, the number of employed people rose by an estimated 13,600. Overall, this amounted to an increase of 16,900 people in the labor force.

The preliminary August 2017 unemployment rate is 0.8 percentage points below the August 2016 rate of 5.4 percent.

Unemployment rates, seasonally adjusted

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

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



August 2017 preliminary unemployment rates:

U.S. (preliminary) 4.4%
 Washington (preliminary) 4.6%
 Seattle area (preliminary) 3.7%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 2,000 jobs from July 2017 to August 2017.

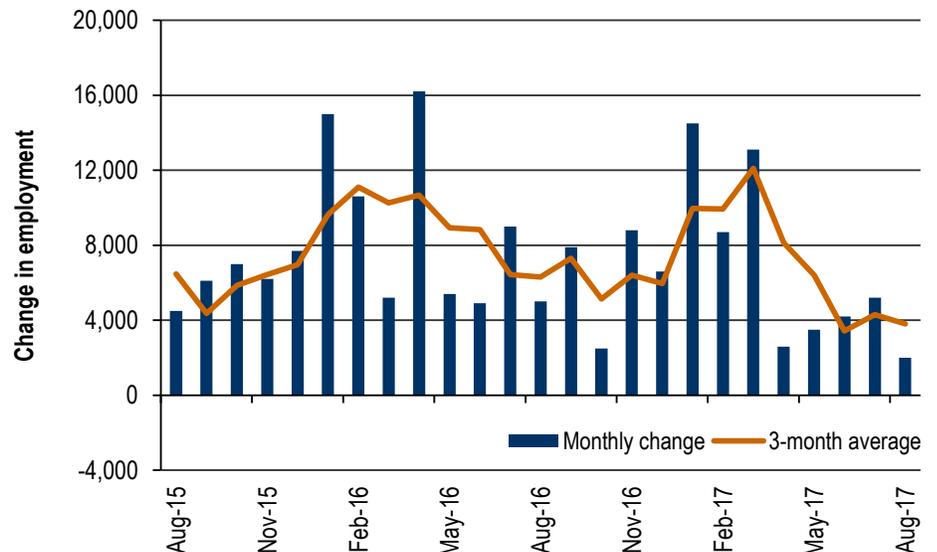
Recent employment change
June 2017: up 4,200 jobs (revised)

July 2017: up 5,200 jobs (revised)

August 2017: up 2,000 jobs (preliminary)

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

Washington state, August 2015 through August 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)

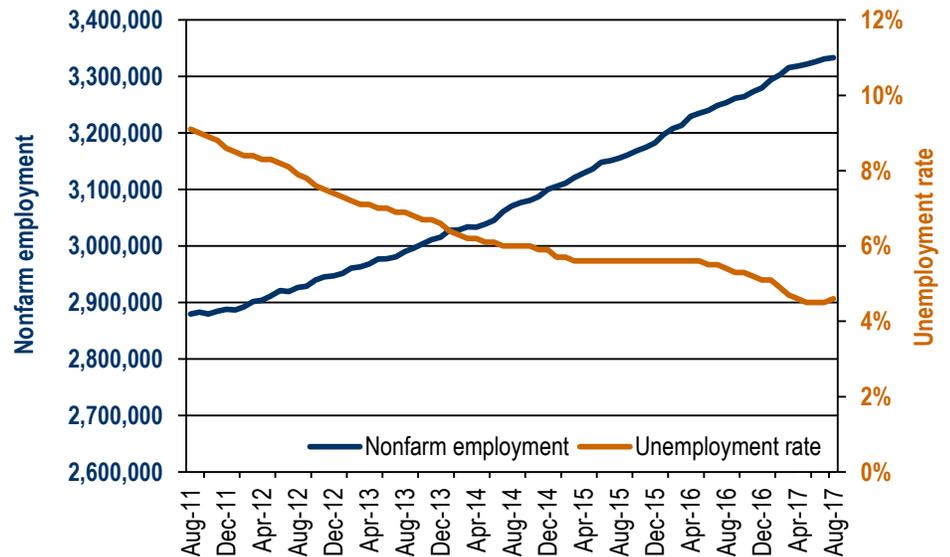
Nonfarm employment: 2,823,400
Unemployment rate: 10.3%

August 2017 (preliminary)

Nonfarm employment: 3,333,300
Unemployment rate: 4.6%

Nonfarm employment and unemployment rate, seasonally adjusted Washington state, August 2011 through August 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 second quarter

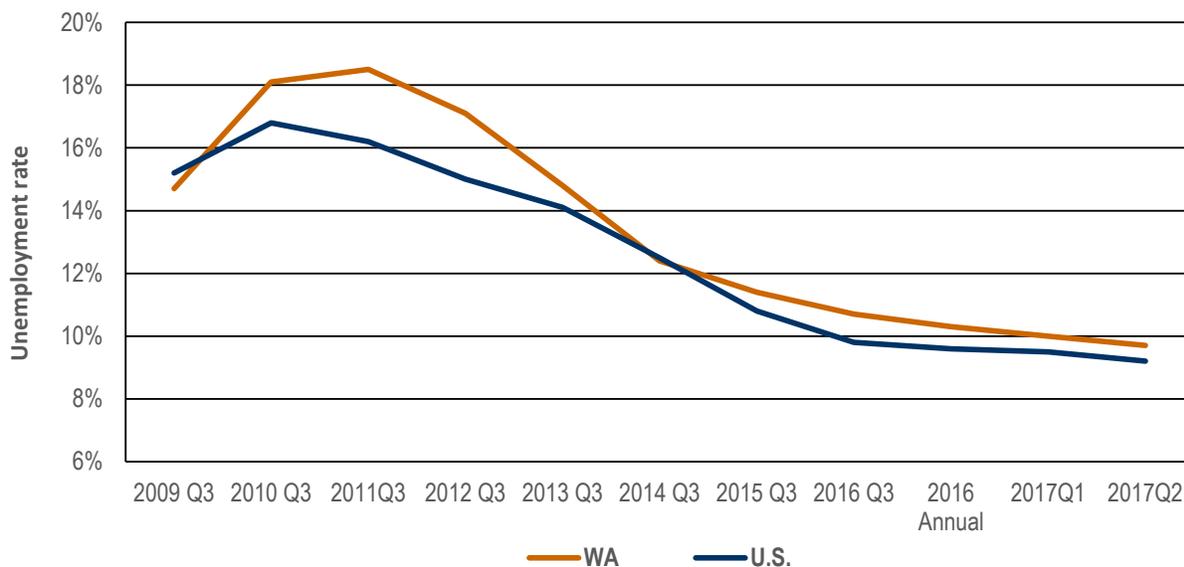
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

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 third quarter of 2016 through the second quarter of 2017 for Washington state was 9.7 percent. This was lower compared to the 10.7 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 9.2 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%	9.7%		
	U.S.	9.5%	9.2%		
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 2,000 jobs during the month, on a seasonally adjusted basis:

- Overall, seven industries expanded employment in July and six contracted.
- Private sector employment is estimated to have increased by 4,900 and government employment decreased by 2,900.
- The number of jobs in retail trade increased by 1,900, with 600 jobs added in food and beverage stores and 500 jobs added by motor vehicle and parts dealers.
- Transportation, warehousing and utilities employment rose by 1,500, led by a gain of 1,300 in transportation employment.
- Construction employment rose by 1,500 overall, with increases of 2,100 in the employment of specialty trade contractors and 200 in heavy and civil engineering outweighing the loss of 800 in building construction.
- Education and health services employment rose by 900, with 2,800 jobs gained in health services and social assistance offsetting losses of 1,900 in private education services.
- Employment in professional and business services decreased by 600 overall, with the most job losses occurring in employment services.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, July 2017 through August 2017

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

Total nonfarm	2,000
Retail trade	1,900
Transportation, warehousing and utilities	1,500
Construction	1,500
Education and health services	900
Wholesale trade	600
Information	500
Financial activities	100
Mining and logging	-100
Manufacturing	-100
Leisure and hospitality	-200
Professional and business services	-600
Other services	-1,100
Government	-2,900

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 83,000 jobs from August 2016 through August 2017:

- Overall, eleven major industries expanded and two declined.
- Private sector employment rose 2.5 percent, up an estimated 67,200 jobs.
- Public sector employment increased 2.9 percent, a net gain of 15,800 jobs.
- Employment in construction is up 13,800 with the number employed as specialty trade contractors up 9,600.
- Education and health services employment increased by 11,700 with 6,500 of the jobs added in ambulatory healthcare services.
- Retailers added 10,200 jobs. Other retail trade, which includes online retail trade, was up by 5,000 jobs.
- Professional and business services employment increased by 8,800, led by an 8,300 increase in professional, scientific and technical services.
- Employment in manufacturing is down by 4,600 overall, with a decrease of 5,400 in durable goods production outweighing an increase of 800 in nondurable goods production.

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

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

Total nonfarm	83,000
Government	15,800
Construction	13,800
Education and health services	11,700
Retail trade	10,200
Professional and business services	8,800
Leisure and hospitality	7,800
Financial activities	4,600
Wholesale trade	4,400
Information	3,900
Other services	3,700
Transportation, warehousing and utilities	3,100
Mining and logging	-200
Manufacturing	-4,600

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 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	-12,500	-10,500	2,000
Construction	1,700	3,200	1,500
Leisure and hospitality	500	300	-200
Professional and business services	500	-100	-600
Information	500	1,000	500
Other services	400	-700	-1,100
Education and health services	300	1,200	900
Manufacturing	200	100	-100
Mining and logging	100	0	-100
Retail trade	-200	1,700	1,900
Wholesale trade	-200	400	600
Transportation, warehousing and utilities	-500	1,000	1,500
Financial activities	-800	-700	100
Government	-15,000	-17,900	-2,900

Based on historical patterns, Washington employment typically decreases by 12,500 from July to August. This year the state lost an estimated 10,500 jobs, amounting to a seasonally adjusted increase of 2,000 jobs.

- The estimated employment increase in construction was 3,200. The normal seasonal increase is 1,700, so on a seasonally adjusted basis, construction employment rose by 1,500.
- Employment in leisure and hospitality normally rises by 500. It is estimated to have increased by 300 this August yielding a loss of 200 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a loss of 600 jobs in professional and business services in August. The normal seasonal increase is 500. It is estimated to have decreased by 100 this August.
- The normal seasonal gain in manufacturing employment is 200 in August. The estimated increase was 100 so employment decreased by 100 on a seasonally adjusted basis.
- Typically, retail trade employment decreases by 200 in August. On a seasonally adjusted basis, retail trade employment rose by 1,900 as the estimated increase was 1,700.

Contact an economist

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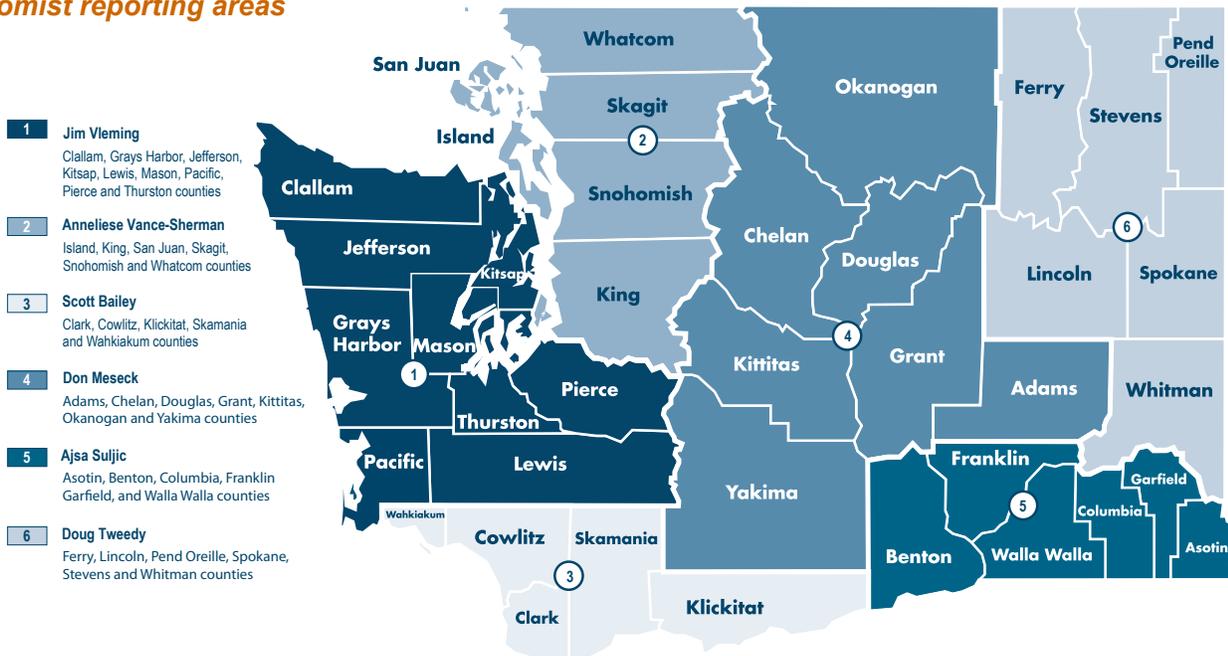
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Washington state regional labor economist reporting areas



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., September 19, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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