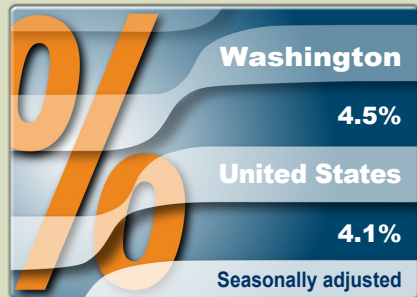


Monthly Employment Report for October 2017



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 6,900 from September 2017 to October 2017.¹ BLS estimates the private sector gained 6,000 jobs during the month and the public sector gained 900 jobs.

On a not seasonally adjusted basis, estimates for October 2016 through October 2017 indicate an increase in employment of 105,800 for the state. The private sector added 91,000 jobs while the public sector gained an estimated 14,800 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for October 2017 is 4.5 percent. The revised estimated September 2017 unemployment rate was at 4.6 percent. The October 2016 unemployment rate was 5.3 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. September's preliminary estimated gain of 13,800 jobs was revised to a gain of 11,300 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, September and October, 2016 and 2017
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	September 2017 (Preliminary)	August 2017 (Revised)	September 2016 (Revised)	August 2016 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	4.1%	4.2%	4.8%	4.9%
Washington				
Unemployment rate	4.5%	4.6%	5.3%	5.3%
Resident labor force	3,768,600	3,754,500	3,669,900	3,664,000
Unemployed	171,000	171,900	193,500	195,800
Seattle/Bellevue/Everett				
Unemployment rate	3.8%	3.8%	3.8%	3.9%
Resident labor force	1,654,700	1,650,200	1,634,300	1,631,000
Unemployed	62,700	62,200	62,300	63,000

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 October 2017 was 4.5 percent. The revised estimated September 2017 unemployment rate was 4.6 percent.

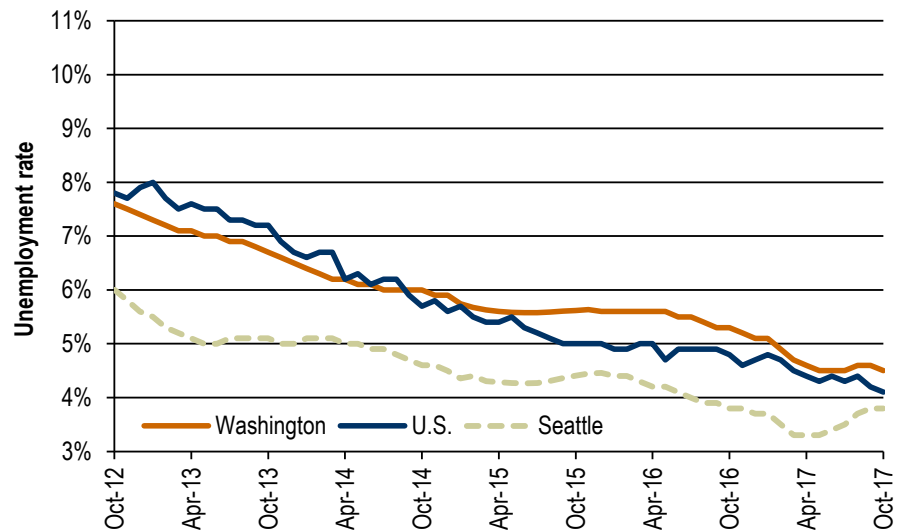
According to BLS estimates, the number of unemployed people fell by 900 in October 2017 compared to September 2017. At the same time, the number of employed people rose by an estimated 15,000. Overall, this amounted to an increase of 14,100 people in the labor force.

The preliminary October 2017 unemployment rate is 0.8 percentage points below the October 2016 rate of 5.3 percent.

Unemployment rates, seasonally adjusted

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

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



October 2017 preliminary unemployment rates:

U.S. (preliminary) 4.1%
 Washington (preliminary) 4.5%
 Seattle area (preliminary) 3.8%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,900 jobs from September 2017 to October 2017.

Recent employment change
August 2017: up 3,100 jobs (revised)

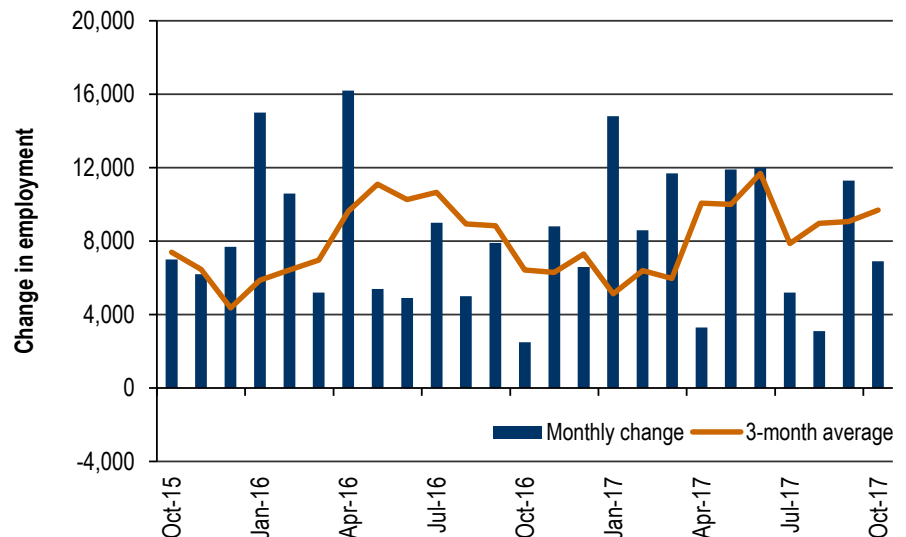
September 2017: up 11,300 jobs (revised)

October 2017: up 6,900 jobs (preliminary)

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

Washington state, October 2015 through October 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)

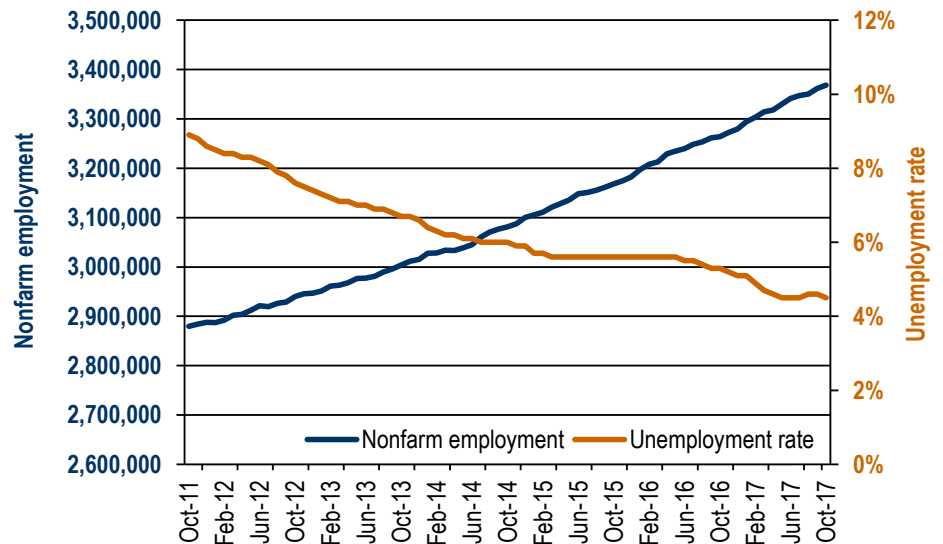
Nonfarm employment: 2,823,400
Unemployment rate: 10.3%

October 2017 (preliminary)

Nonfarm employment: 3,368,200
Unemployment rate: 4.5%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, October 2011 through October 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 third quarter

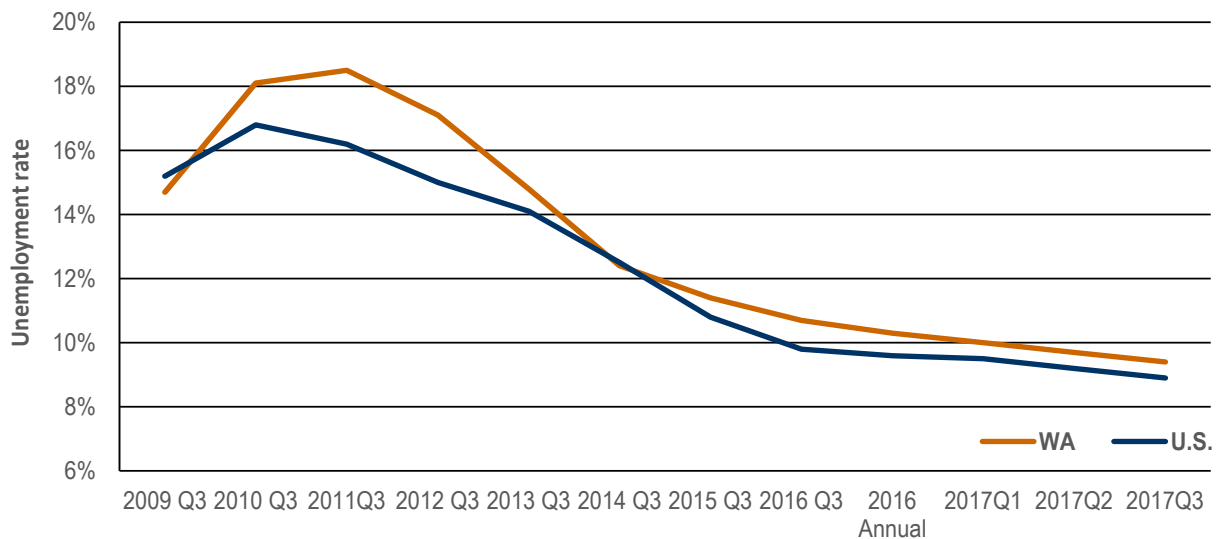
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

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 fourth quarter of 2016 through the third quarter of 2017 for Washington state was 9.4 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 8.9 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%	9.4%	
	U.S.	9.5%	9.2%	8.9%	
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 6,900 jobs during the month, on a seasonally adjusted basis:

- Overall, seven industries expanded employment in October and six contracted.
- Private sector employment is estimated to have increased by 6,000 and government employment increased by 900.
- Employment in professional and business services rose by 4,800, with 3,000 jobs gained in professional, scientific and technical services.
- Employment in transportation, warehousing and utilities increased by 3,100, led by a gain of 700 jobs through truck transportation.
- Construction employment rose by 2,700, with 1,700 jobs added by specialty trade contractors.
- The number of jobs in retail trade decreased by 700 overall. Clothing stores and general merchandise stores subtracted jobs to offset job gains in other retail sectors.
- Manufacturing employment fell by 200 overall, with 600 jobs lost in durable goods manufacturing and 400 jobs gained in nondurable goods manufacturing.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, September 2017 through October 2017

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

Total nonfarm	6,900
Professional and business services	4,800
Transportation, warehousing and utilities	3,100
Construction	2,700
Wholesale trade	1,000
Government	900
Information	300
Financial activities	300
Mining and logging	-100
Manufacturing	-200
Other services	-300
Retail trade	-700
Leisure and hospitality	-900
Education and health services	-4,000

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 105,800 jobs from October 2016 through October 2017:

- Overall, twelve major industries expanded and one declined.
- Private sector employment rose 3.4 percent, up an estimated 91,000 jobs.
- Public sector employment increased 2.5 percent, a net gain of 14,800 jobs.
- Employment in construction is up 17,100 with the number employed as specialty trade contractors up 9,100.
- Professional and business services employment increased by 16,700, led by a 9,200 increase in professional, scientific and technical services.
- Retailers added 13,300 jobs. Other retail trade, which includes online retail trade, was up by 8,600 jobs.
- Education and health services employment increased by 12,800 with 4,300 of the jobs added in ambulatory healthcare services.
- Employment in manufacturing is down by 1,600 overall, with a decrease of 4,700 in durable goods production outweighing an increase of 3,100 in nondurable goods production.

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

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

Total nonfarm	105,800
Construction	17,100
Professional and business services	16,700
Government	14,800
Retail trade	13,300
Education and health services	12,800
Leisure and hospitality	9,100
Transportation, warehousing and utilities	6,900
Information	5,200
Financial activities	4,300
Wholesale trade	4,300
Other services	2,800
Mining and logging	100
Manufacturing	-1,600

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.

Based on historical patterns, Washington employment typically increases by 13,500 from September to October. This year the state gained an estimated 20,400 jobs, amounting to a seasonally adjusted increase of 6,900 jobs.

- Typically, retail trade employment increases by 2,500 in October. On a seasonally adjusted basis, retail trade employment fell by 700 as the estimated increase was 1,800.
- The normal seasonal loss in manufacturing employment is 1,900 in October. The estimated increase was 2,100 so employment decreased by 200 on a seasonally adjusted basis.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, October 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	13,500	20,400	6,900
Government	23,400	24,300	900
Education and health services	6,700	2,700	-4,000
Retail trade	2,500	1,800	-700
Other services	0	-300	-300
Mining and logging	0	-100	-100
Wholesale trade	-100	900	1,000
Financial activities	-200	100	300
Information	-1,100	-800	300
Transportation, warehousing and utilities	-1,100	2,000	3,100
Manufacturing	-1,900	-2,100	-200
Construction	-2,900	-200	2,700
Professional and business services	-2,900	1,900	4,800
Leisure and hospitality	-8,900	-9,800	-900

- The estimated employment decrease in construction was 200. The normal seasonal decrease is 2,900, so on a seasonally adjusted basis, construction employment rose by 2,700.
- The change on a seasonally adjusted basis was a gain of 4,800 jobs in professional and business services in October. The normal seasonal decrease is 2,900. It is estimated to have increased by 1,900 this October.
- Employment in leisure and hospitality normally falls by 8,900. It is estimated to have decreased by 9,800 this October yielding a loss of 900 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 June 2017. Employment estimates for October 2017 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked June 2017 data:

- The two largest upward revisions were for retail trade and professional and business services, up 6,600 and 6,300, respectively.
- Financial activities had the largest downward revision, 1,700.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, June 2017

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

Industry sector	Revisions to June 2017 employment level
Total nonfarm	15,700
Retail trade	6,600
Professional and business services	6,300
Education and health services	2,900
Construction	2,600
Transportation, warehousing and utilities	1,800
Information	700
Mining and logging	300
Leisure and hospitality	200
Government	-400
Manufacturing	-800
Wholesale trade	-1,300
Other services	-1,500
Financial activities	-1,700

Contact an economist

Our statewide economist and six regional economists serve customers in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media. They can help you find and use labor market data, fulfill special data requests and answer questions about the state and local labor markets. Get in touch with your regional economist to get the local information you need.

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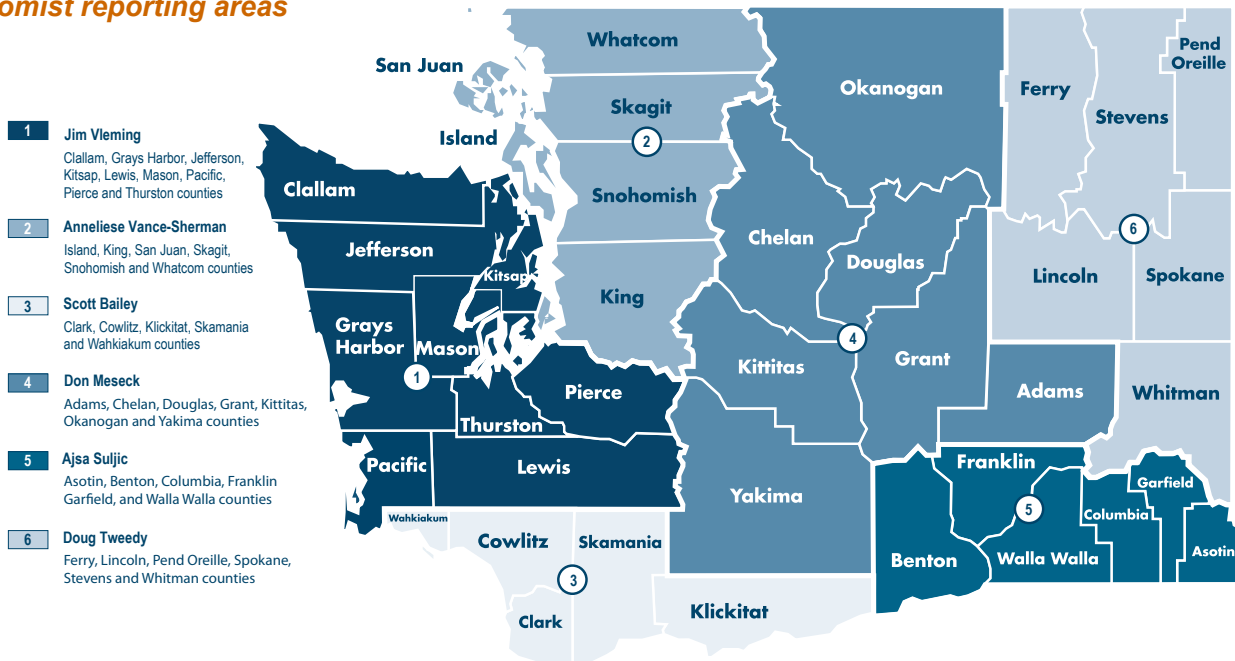
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Washington state regional labor economist reporting areas



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., November 22, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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