

# Monthly Employment Report for January 2018



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 6,800 from December 2017 to January 2018.<sup>1</sup> BLS estimates the private sector gained 7,100 jobs during the month and the public sector lost 300 jobs.

On a not seasonally adjusted basis, estimates for January 2017 through January 2018 indicate an increase in employment of 91,900 for the state. The private sector added 82,600 jobs while the public sector gained an estimated 9,300 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2018 is 4.7 percent. The revised estimated December 2017 unemployment rate was at 4.7 percent. The January 2017 unemployment rate was 4.9 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 6,100 jobs was revised to a gain of 8,500 jobs.

For more information, call Paul Turek, labor economist at 360-507-9599.

## 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 2016 and January 2017 and 2018  
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	January 2018 (Preliminary)	December 2017 (Revised)	January 2017 (Revised)	December 2016 (Revised)
<b>United States</b>				
Unemployment rate				
<i>Seasonally adjusted</i>	4.1%	4.1%	4.8%	4.7%
<b>Washington</b>				
Unemployment rate	4.7%	4.7%	4.9%	4.9%
Resident labor force	3,757,900	3,754,900	3,675,500	3,669,000
Unemployed	178,300	176,900	178,300	180,200
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	3.9%	3.9%	3.7%	3.7%
Resident labor force	1,674,500	1,666,000	1,631,800	1,629,300
Unemployed	65,800	64,400	60,300	60,700

<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 2018 was 4.7 percent. The revised estimated December 2017 unemployment rate was 4.7 percent.

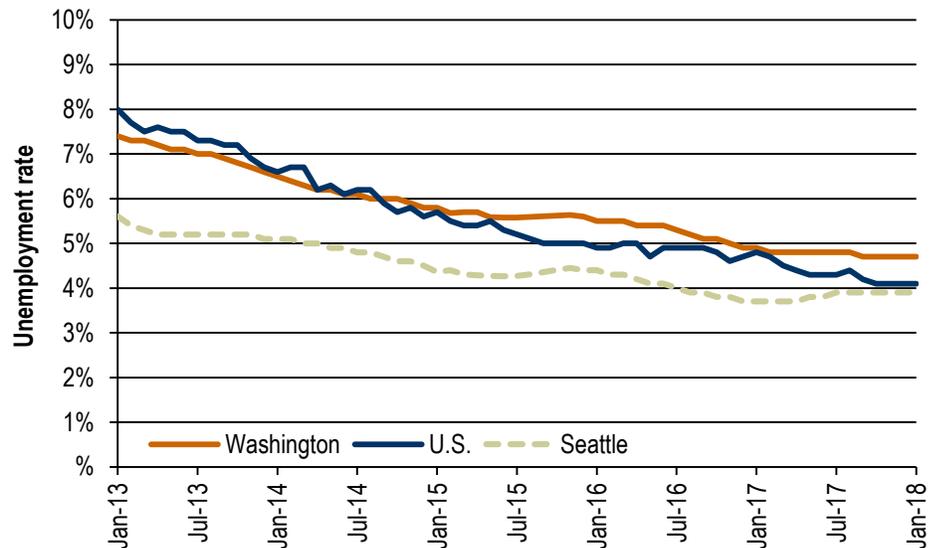
According to BLS estimates, the number of unemployed people rose by 1,400 in January 2018 compared to December 2017. At the same time, the number of employed people rose by an estimated 1,600. Overall, this amounted to an increase of 3,000 people in the labor force.

The preliminary January 2018 unemployment rate is 0.2 percentage points below the January 2017 rate of 4.9 percent.

### Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, January 2013 through January 2018

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



**January 2018 preliminary unemployment rates:**

U.S. (preliminary) 4.1%  
 Washington (preliminary) 4.7%  
 Seattle area (preliminary) 3.9%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,800 jobs from December 2017 to January 2018.

Recent employment change  
**November 2017:** up 10,900 jobs (revised)

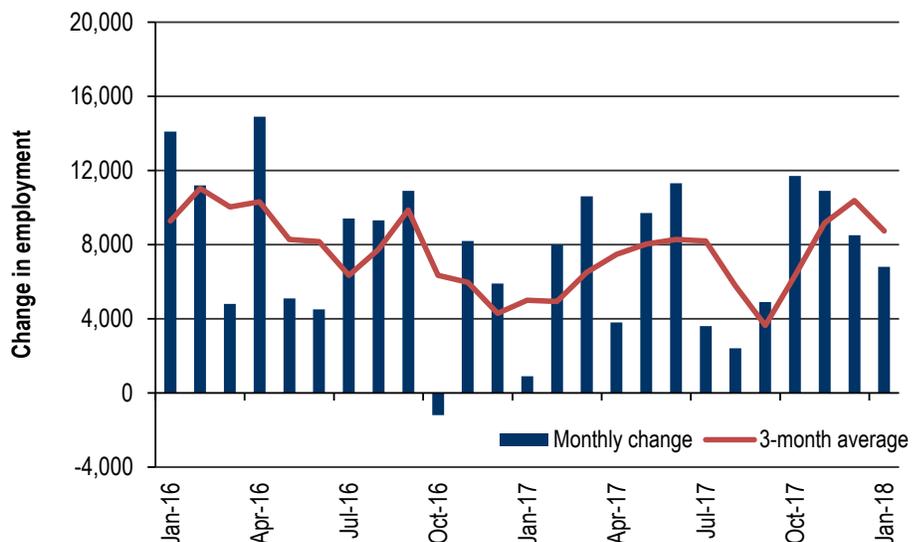
**December 2017:** up 8,500 jobs (revised)

**January 2018:** up 6,800 jobs (preliminary)

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

Washington state, January 2016 through January 2018

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: 3,005,900  
Unemployment rate: 4.7%

### February 2010

(end of recent employment recession in Washington)

Nonfarm employment: 2,823,800  
Unemployment rate: 10.4%

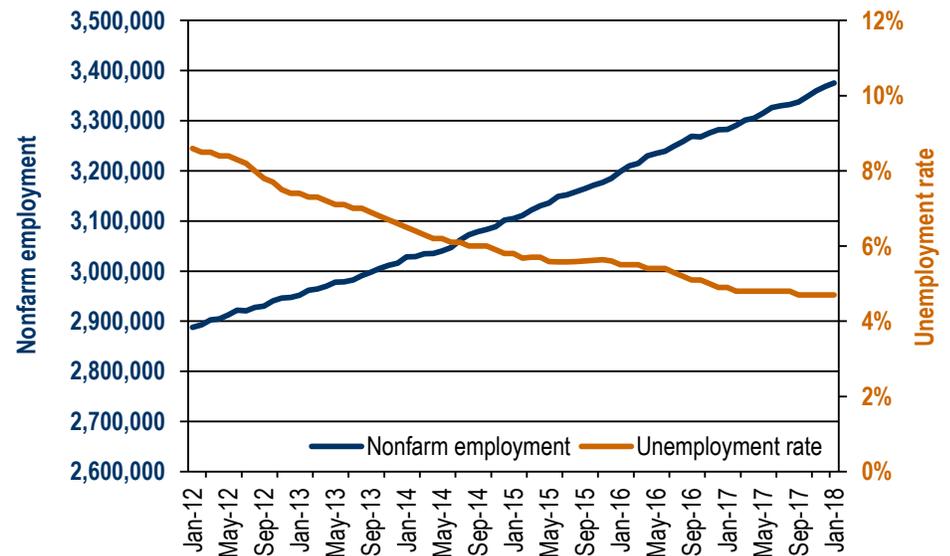
### January 2018 (preliminary)

Nonfarm employment: 3,375,000  
Unemployment rate: 4.7%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, January 2018 through January 2018

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

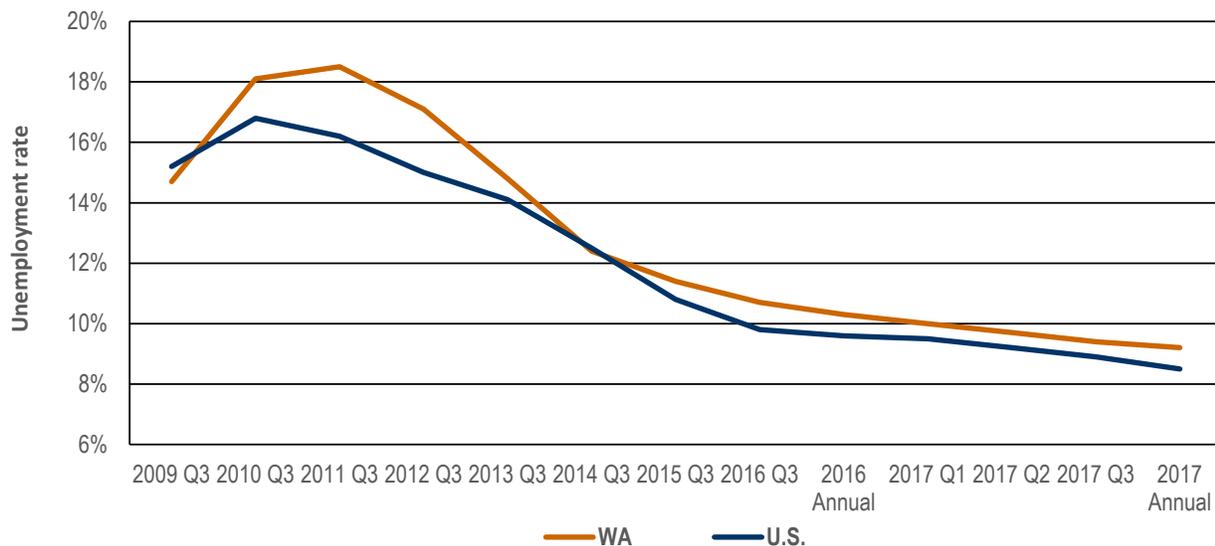
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2017 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population

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 first quarter of 2017 through the fourth quarter of 2017 for Washington state was 9.2 percent. This was lower compared to the 10.3 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 8.5 percent over the same time period.

Alternate measures of labor underutilization, four quarter moving average  
Washington state versus U.S. U-6 unemployment rate



Year	WA/U.S.	Q1	Q2	Q3	Annual average
2017	WA	10.0%	9.7%	9.4%	9.2%
	U.S.	9.5%	9.2%	8.9%	8.5%
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 6,800 jobs during the month, on a seasonally adjusted basis:

- Overall, seven industries expanded employment in January and six contracted.
- Private sector employment is estimated to have increased by 7,100 and government employment decreased by 300.
- Employment in construction increased by 3,100 overall with specialty trade contractors adding 3,600 jobs to offset 500 jobs lost in heavy and civil engineering.
- Employment in professional and business services rose by 2,000, with 1,300 jobs gained in employment services.
- The number of jobs in retail trade increased by 1,800 with clothing stores adding 1,300 to the total.
- Manufacturing employment rose by 700 overall, with 900 jobs gained in durable goods manufacturing offsetting 200 jobs lost in nondurable goods manufacturing.
- Education and health services employment fell by 1,100, with 800 jobs lost in education services and 300 lost in health services and social assistance.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, December 2017 through January 2018

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

<b>Total nonfarm</b>	<b>6,800</b>
Construction	3,100
Professional and business services	2,000
Retail trade	1,800
Transportation, warehousing and utilities	1,100
Manufacturing	700
Wholesale trade	600
Other services	200
Mining and logging	-100
Information	-200
Government	-300
Leisure and hospitality	-300
Financial activities	-700
Education and health services	-1,100

## 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 91,900 jobs from January 2017 through January 2018:

- Overall, all eleven major industries expanded and two contracted.
- Private sector employment rose 3.1 percent, up an estimated 82,600 jobs.
- Public sector employment increased 1.6 percent, a net gain of 9,300 jobs.
- Professional and business services employment increased by 15,700, led by a 7,600 increase in professional, scientific and technical services.
- Employment in construction is up 14,100 with the number employed as specialty trade contractors up 10,400.
- Education and health services employment increased by 14,100 with 10,500 of the jobs added in health services and social assistance.
- Retailers added 13,300 jobs. Other retail trade, which includes online retail trade, was up by 9,500 jobs.
- Employment in leisure and hospitality is up by 6,700, led by a gain of 5,700 jobs in food services and drinking places.

Estimated employment change by industry over the year, not seasonally adjusted  
Washington state, January 2017 through January 2018

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

<b>Total nonfarm</b>	<b>91,900</b>
Professional and business services	15,700
Construction	14,100
Education and health services	14,100
Retail trade	13,300
Government	9,300
Leisure and hospitality	6,700
Transportation, warehousing and utilities	4,800
Information	4,700
Financial activities	4,300
Wholesale trade	3,500
Other services	2,300
Mining and logging	-100
Manufacturing	-800

## 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 2018

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>-51,400</b>	<b>-44,600</b>	<b>6,800</b>
Mining and Logging	-100	-200	-100
Government	-500	-800	-300
Wholesale Trade	-700	-100	600
Financial Activities	-1,100	-1,800	-700
Other Services	-1,200	-1,000	200
Information	-1,200	-1,400	-200
Manufacturing	-1,200	-500	700
Transportation, Warehousing and Utilities	-3,300	-2,200	1,100
Education and Health Services	-5,300	-6,400	-1,100
Construction	-5,900	-2,800	3,100
Professional and Business Services	-8,000	-6,000	2,000
Leisure and Hospitality	-8,400	-8,700	-300
Retail Trade	-14,500	-12,700	1,800

Based on historical patterns, Washington employment typically decreases by 51,400 from December to January. This year the state lost an estimated 44,600 jobs, amounting to a seasonally adjusted increase of 6,800 jobs.

- The normal seasonal loss in manufacturing employment is 1,200 in January. The estimated decrease was 500 so employment increased by 700 on a seasonally adjusted basis.
- The estimated employment decrease in construction was 2,800. The normal seasonal decrease is 5,900, so on a seasonally adjusted basis, construction employment rose by 3,100.
- The change on a seasonally adjusted basis was a gain of 2,000 jobs in professional and business services in January. The normal seasonal decrease is 8,000. It is estimated to have decreased by 6,000 this January.
- Employment in leisure and hospitality normally falls by 8,400. It is estimated to have decreased by 8,700 this January yielding a loss of 300 on a seasonally adjusted basis.
- Typically, retail trade employment decreases by 14,500 in January. On a seasonally adjusted basis, retail trade employment increased by 1,800 as the estimated decrease was 12,700.

## 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.

With the release of January 2018 data, industry employment numbers have also been revised through the annual benchmarking process administered by the Bureau of Labor Statistics. Benchmarked employment data are now available through September 2017. Employment estimates for January 2018 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 2017 is [available](#).

Based on benchmarked September 2017 data:

- The two upward revisions were for other services and information, up 500 and 400, respectively.
- Government had the largest downward revision, 4,700.

Quarterly benchmarked industry employment, seasonally adjusted  
Washington state, September 2017  
Source: Employment Security Department/WITS, Quarterly Census of  
Employment and Wages

Industry sector	Revisions to September 2017 employment level
<b>Total nonfarm</b>	<b>-24,300</b>
Other services	500
Information	400
Mining and logging	-100
Retail trade	-400
Professional and business services	-1,400
Financial activities	-1,600
Manufacturing	-1,900
Education and health services	-2,200
Wholesale trade	-2,300
Transportation, warehousing and utilities	-2,500
Leisure and hospitality	-3,800
Construction	-4,300
Government	-4,700

## 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.

### Statewide labor economist:

Paul Turek, Ph.D.  
pturek@esd.wa.gov  
360-507-9599

### Regional labor economists:

Scott Bailey  
scott.bailey@esd.wa.gov  
360-810-0048

Don Meseck  
dmeseck@esd.wa.gov  
509-573-4564

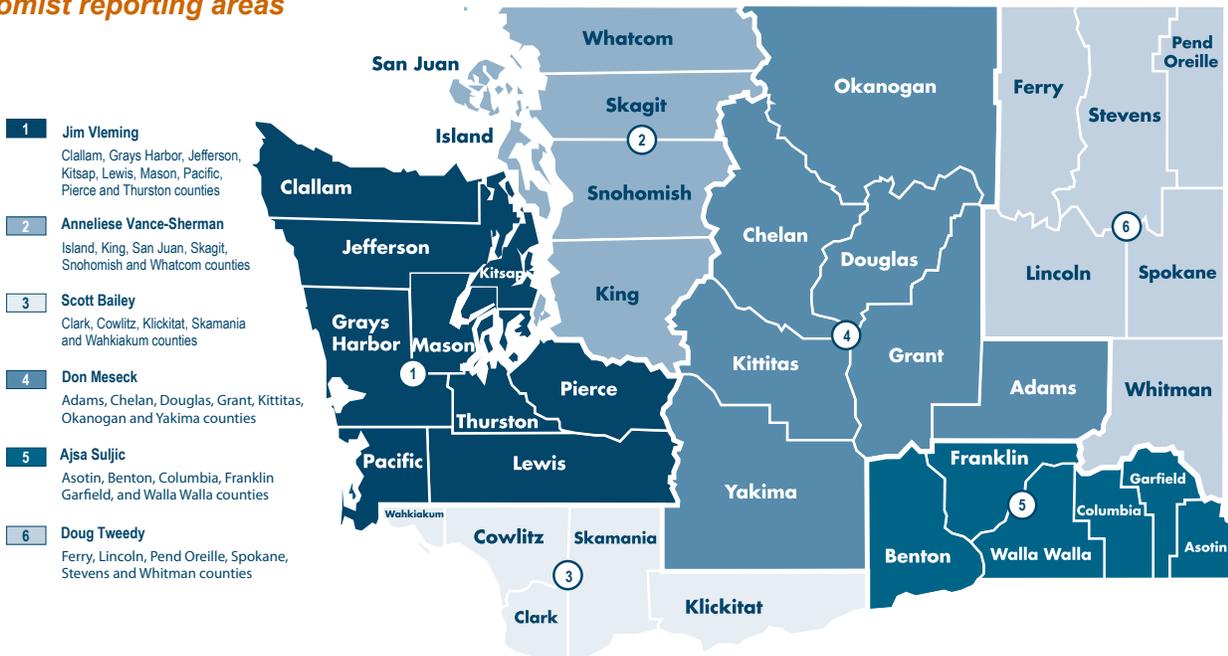
Ajsa Suljic  
asuljic@esd.wa.gov  
509-734-5928

Doug Tweedy  
dtweedy@esd.wa.gov  
509-434-5278

Anneliese Vance-Sherman, Ph.D.  
avancesherman@esd.wa.gov  
425-258-6315

Jim Vleming  
jvleming@esd.wa.gov  
360-507-9601

### Washington state regional labor economist reporting areas



**Note:** The county level information will be available at 10 a.m., March 13, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Washington Relay Service: 711.

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, expressed or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.