



Monthly Employment Report for April 2018

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington rose by 7,100 from March 2018 to April 2018.¹ BLS estimates the private sector gained 6,500 jobs during the month and the public sector gained 600 jobs.

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 not seasonally adjusted basis, estimates for April 2017 through April 2018 indicate an increase in employment of 85,100 for the state. The private sector added 80,200 jobs while the public sector gained an estimated 4,900 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for April 2018 is 4.8 percent. The revised estimated March 2018 unemployment rate is at 4.7 percent. The April 2017 unemployment rate was 4.8 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 3,900 jobs was revised to a gain of 5,100 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, March and April 2017 and 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	April 2018 (Preliminary)	March 2018 (Revised)	April 2017 (Revised)	March 2017 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	3.9%	4.1%	4.4%	4.5%
Washington				
Unemployment rate	4.8%	4.7%	4.8%	4.8%
Resident labor force	3,760,800	3,761,500	3,701,200	3,691,800
Unemployed	178,900	178,400	176,100	176,200
Seattle/Bellevue/Everett				
Unemployment rate	3.8%	3.8%	3.7%	3.7%
Resident labor force	1,688,100	1,686,800	1,640,500	1,637,500
Unemployed	63,900	64,700	61,300	60,500

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 2018 is 4.8 percent. The revised estimated March 2018 unemployment rate is 4.7 percent.

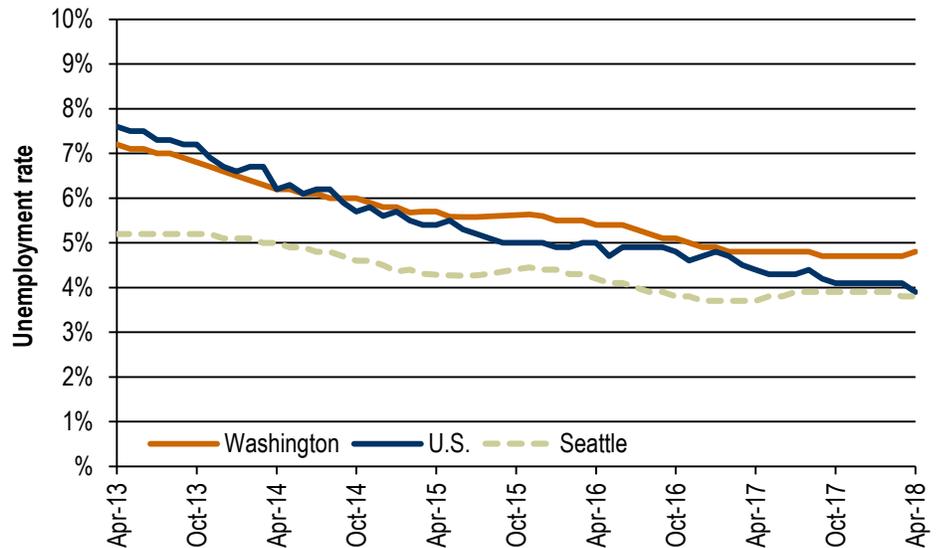
According to BLS estimates, the number of unemployed people rose by 500 in April 2018 compared to March 2018. At the same time, the number of employed people fell by an estimated 1,200. Overall, this amounted to a decrease of 700 people in the labor force.

The preliminary April 2018 unemployment rate is the same as the April 2017 rate at 4.8 percent.

Unemployment rates, seasonally adjusted

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

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



April 2018 preliminary unemployment rates:

U.S. (preliminary) 3.9%
 Washington (preliminary) 4.8%
 Seattle area (preliminary) 3.8%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 7,100 jobs from March 2018 to April 2018.

Recent employment change
February 2018: up 8,500 jobs (revised)

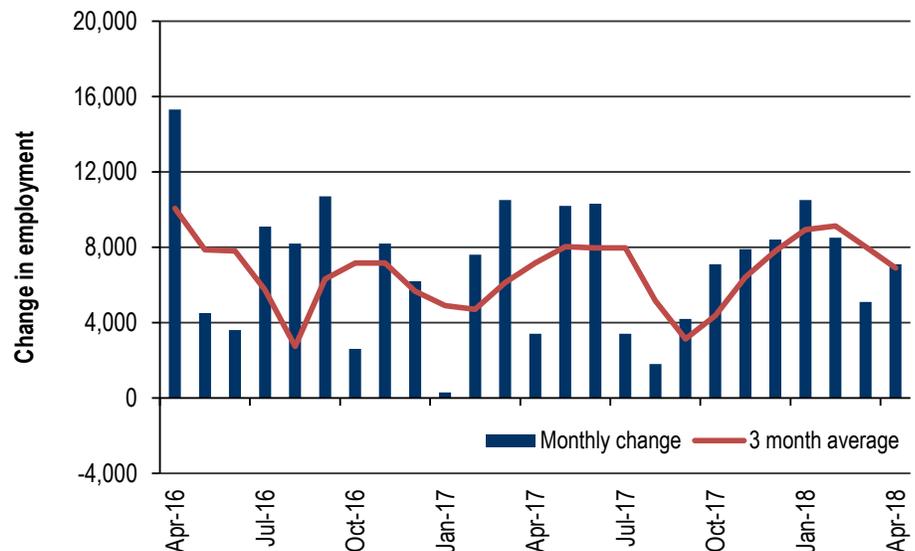
March 2018: up 5,100 jobs (revised)

April 2018: up 7,100 jobs (preliminary)

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

Washington state, April 2016 through April 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: 3,006,100
Unemployment rate: 4.7%

February 2010

(end of recent employment recession in Washington)

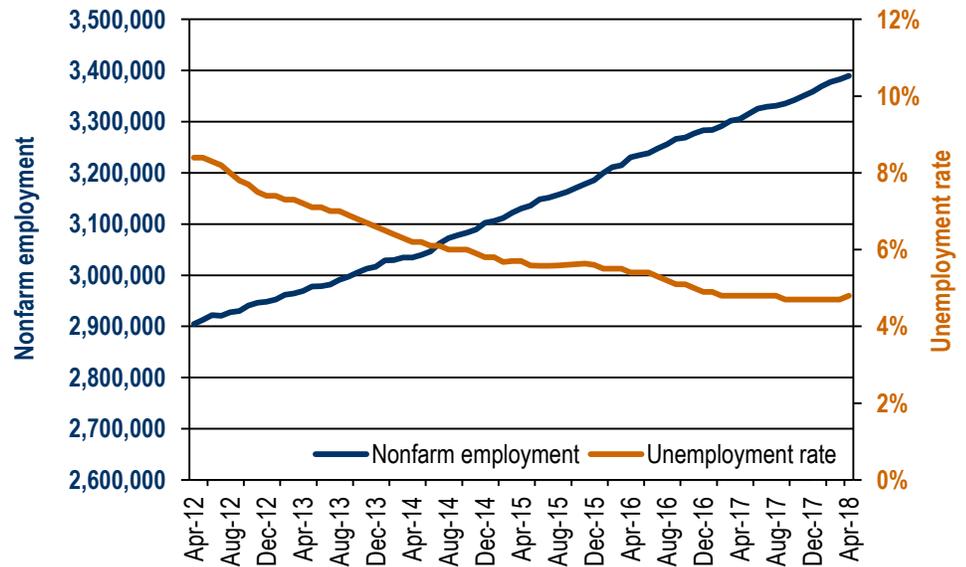
Nonfarm employment: 2,824,000
Unemployment rate: 10.4%

April 2018 (preliminary)

Nonfarm employment: 3,389,800
Unemployment rate: 4.8%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, April 2012 through April 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 labor force, the levels of employment and unemployment, and other measures of labor market activity undergo fluctuations due to seasonal events including changes in weather, harvests, major holidays and school schedules. 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 in the four quarter average period ending in March 2018

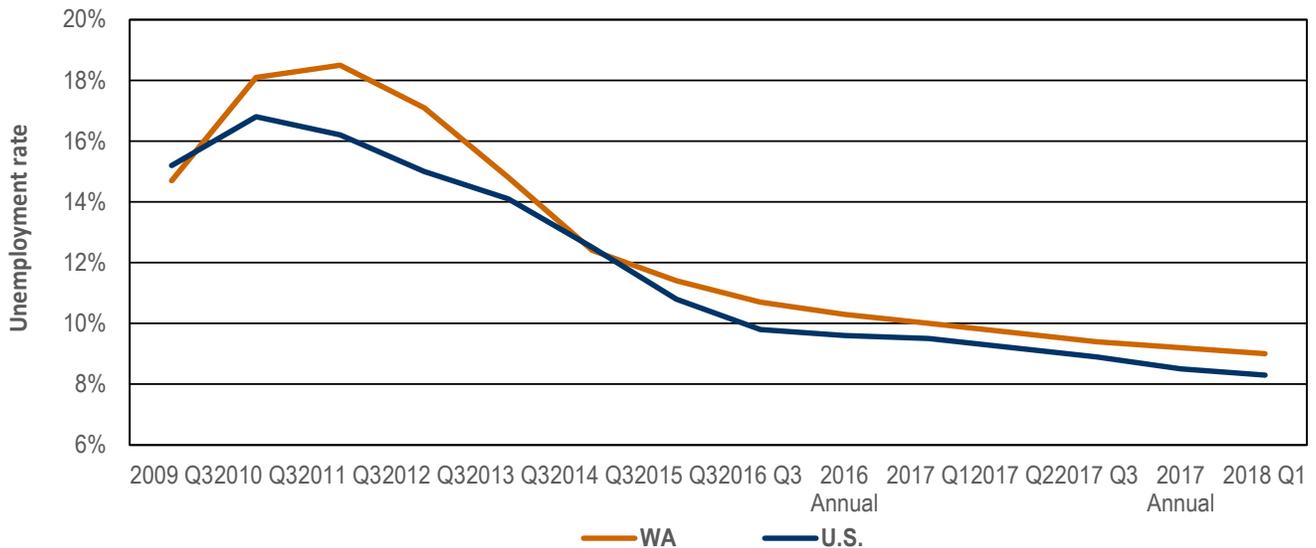
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2017 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population

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 second quarter of 2017 through the first quarter of 2018 for Washington state was 9 percent. This was lower compared to the 10 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 8.3 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
2018	WA	9.0%			
	U.S.	8.3%			
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%

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 7,100 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in April, three contracted and one remained the same.
- Private sector employment is estimated to have increased by 6,500 and government employment increased by 600.
- Construction employment rose by 2,100, with 1,700 jobs added by specialty trade contractors.
- The number of jobs in education and health services increased by 1,900 led by an increase of 1,300 jobs in ambulatory healthcare services.
- Employment in professional and business services increased by 1,800 overall, with the largest increase occurring in professional, scientific and technical services.
- Employment in leisure and hospitality rose by 1,200, with 900 jobs gained in food services and drinking places.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, March 2018 through April 2018

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

Total nonfarm	7,100
Construction	2,100
Education and health services	1,900
Professional and business services	1,800
Leisure and hospitality	1,200
Government	600
Wholesale trade	500
Other services	200
Information	100
Mining and logging	100
Transportation, warehousing and utilities	0
Financial activities	-300
Manufacturing	-500
Retail trade	-600

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 85,100 jobs from April 2017 through April 2018:

- Overall, all thirteen major industries expanded.
- Private sector employment rose 3 percent, up an estimated 80,200 jobs.
- Public sector employment increased 0.8 percent, a net gain of 4,900 jobs.
- Education and health services employment increased by 16,600 with 11,800 of the jobs added in health services and social assistance.
- Retailers added 16,300 jobs. Other retail trade, which includes online retail trade, was up by 16,000 jobs.
- Professional and business services employment increased by 13,000, led by a 9,500 increase in professional, scientific and technical services.
- Employment in construction is up 11,900 with the number employed as specialty trade contractors up 8,000.
- Employment in leisure and hospitality is up by 6,200, led by a gain of 5,200 jobs in food services and drinking places.

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

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

Total nonfarm	85,100
Education and health services	16,600
Retail trade	16,300
Professional and business services	13,000
Construction	11,900
Leisure and hospitality	6,200
Government	4,900
Information	4,600
Wholesale trade	3,200
Other services	3,100
Financial activities	3,000
Transportation, warehousing and utilities	1,600
Manufacturing	500
Mining and logging	200

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 2018

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	12,600	19,700	7,100
Leisure and hospitality	4,500	5,700	1,200
Professional and business services	3,200	5,000	1,800
Construction	2,600	4,700	2,100
Retail trade	2,000	1,400	-600
Government	900	1,500	600
Other services	800	1,000	200
Manufacturing	600	100	-500
Wholesale trade	600	1,100	500
Information	100	200	100
Mining and logging	0	100	100
Financial activities	-200	-500	-300
Transportation, warehousing and utilities	-1,000	-1,000	0
Education and health services	-1,500	400	1,900

Based on historical patterns, Washington employment typically increases by 12,600 from March to April. This year the state gained an estimated 19,700 jobs, amounting to a seasonally adjusted increase of 7,100 jobs.

- Employment in leisure and hospitality normally rises by 4,500. It is estimated to have increased by 5,700 this April, so it increased by 1,200 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 1,800 jobs in professional and business services in April. The normal seasonal increase is 3,200. It is estimated to have increased by 5,000 this April.
- The estimated employment increase in construction was 4,700. The normal seasonal increase is 2,600, so on a seasonally adjusted basis, construction employment rose by 2,100.
- Typically, retail trade employment increases by 2,000 in April. On a seasonally adjusted basis, retail trade employment decreased by 600 as the estimated increase was 1,400.
- The normal seasonal gain in manufacturing employment is 600 in April. The estimated gain was 100 so employment decreased by 500 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 2017. Employment estimates for April 2018 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked December 2017 data:

- The two largest upward revisions were for education and health services and for retail trade, up 3,400 and 2,000, respectively.
- Professional and business services had the largest downward revision, 5,600.

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

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

Industry sector	Revisions to December 2017 employment level
Total nonfarm	-9,600
Education and health services	3,400
Retail trade	2,000
Other services	700
Wholesale trade	100
Government	-300
Leisure and hospitality	-300
Mining and logging	200
Construction	-900
Manufacturing	-1,900
Information	-2,100
Transportation, warehousing and utilities	-2,400
Financial activities	-2,500
Professional and business services	-5,600

Contact an economist

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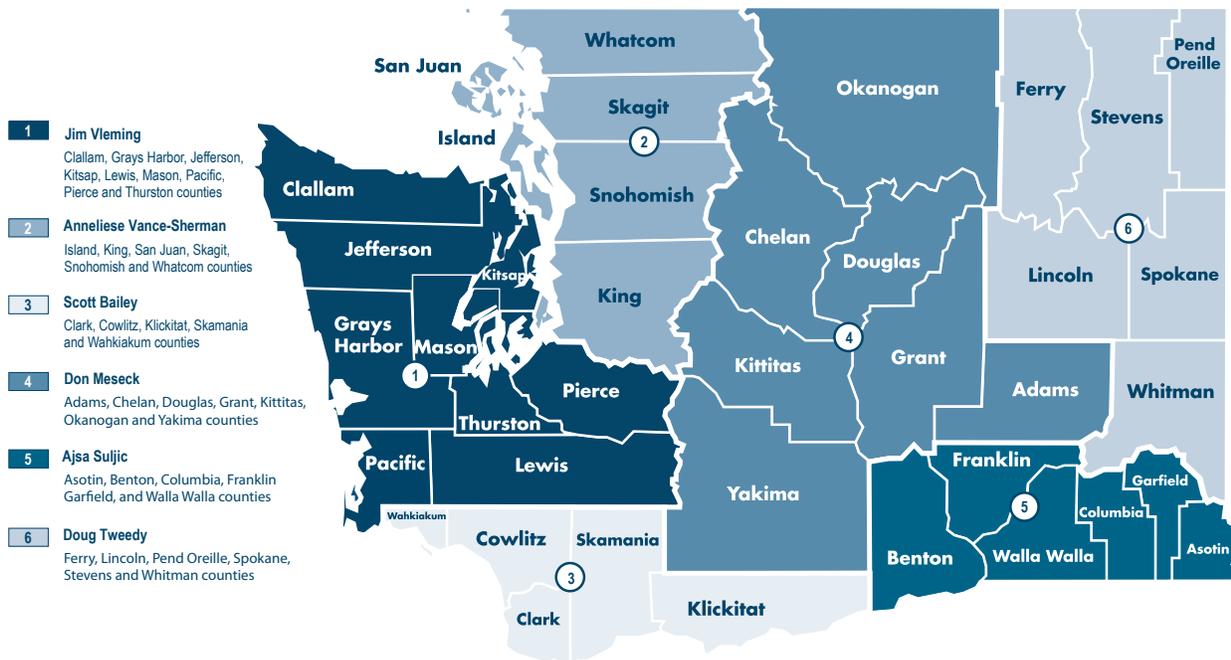
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., May 22, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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