

Monthly Employment Report for May 2018

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington rose by 8,500 from April 2018 to May 2018.¹ BLS estimates the private sector gained 7,800 jobs during the month and the public sector gained 700 jobs.

On a not seasonally adjusted basis, estimates for May 2017 through May 2018 indicate an increase in employment of 90,100 for the state. The private sector added 85,100 jobs while the public sector gained an estimated 5,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for May 2018 is 4.7 percent. The revised estimated April 2018 unemployment rate is at 4.8 percent. The May 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. April's preliminary estimated gain of 7,100 jobs was revised to a gain of 8,200 jobs.

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

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.

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

	May 2018 (Preliminary)	April 2018 (Revised)	May 2017 (Revised)	April 2017 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	3.8%	3.9%	4.3%	4.4%
Washington				
Unemployment rate	4.7%	4.8%	4.8%	4.8%
Resident labor force	3,760,700	3,760,600	3,711,300	3,701,200
Unemployed	178,100	178,700	176,500	176,100
Seattle/Bellevue/Everett				
Unemployment rate	3.7%	3.8%	3.8%	3.7%
Resident labor force	1,686,300	1,688,000	1,643,700	1,640,500
Unemployed	63,000	63,800	62,200	61,300

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.

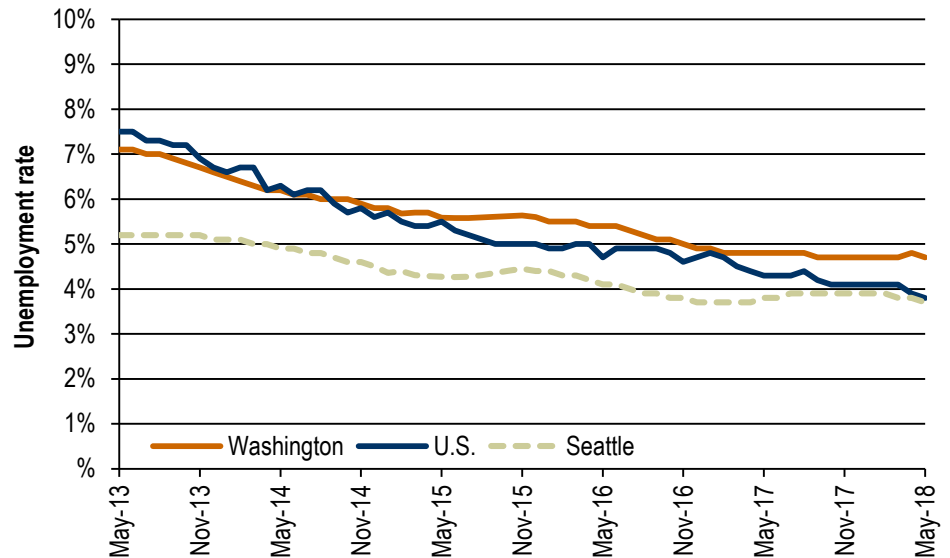
Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for May 2018 is 4.7 percent. The revised estimated March 2018 unemployment rate is 4.8 percent.

According to BLS estimates, the number of unemployed people fell by 600 in May 2018 compared to April 2018. At the same time, the number of employed people rose by an estimated 700. Overall, this amounted to an increase of 100 people in the labor force.

The preliminary May 2018 unemployment rate is .1 percentage point below the May 2017 rate of 4.8 percent.

Unemployment rates, seasonally adjusted
U.S., Washington and Seattle, May 2013 through May 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics



May 2018 preliminary unemployment rates:

U.S. (preliminary) 3.8%
Washington (preliminary) 4.7%
Seattle area (preliminary) 3.7%

Employment change and moving average, seasonally adjusted

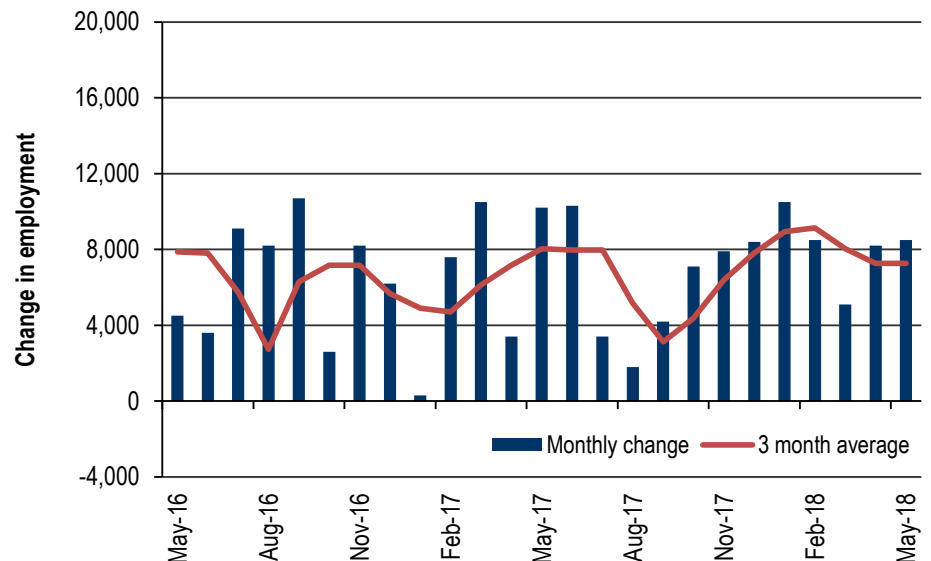
Based on BLS estimates, Washington state nonfarm employment increased by 8,500 jobs from April 2018 to May 2018.

Recent employment change
March 2018: up 5,100 jobs (revised)

April 2018: up 8,200 jobs (revised)

May 2018: up 8,500 jobs (preliminary)

Monthly employment change and three-month moving average, seasonally adjusted
Washington state, May 2016 through May 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)

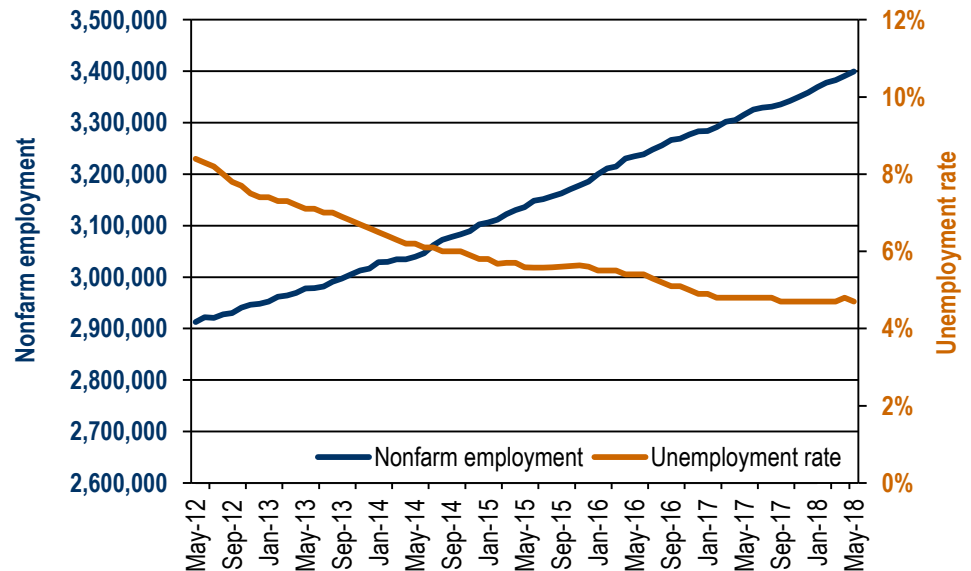
Nonfarm employment: 2,824,000
Unemployment rate: 10.4%

May 2018 (preliminary)

Nonfarm employment: 3,399,400
Unemployment rate: 4.7%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, May 2012 through May 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: Broader unemployment measure declined in the fourth quarter average period ending in March 2018

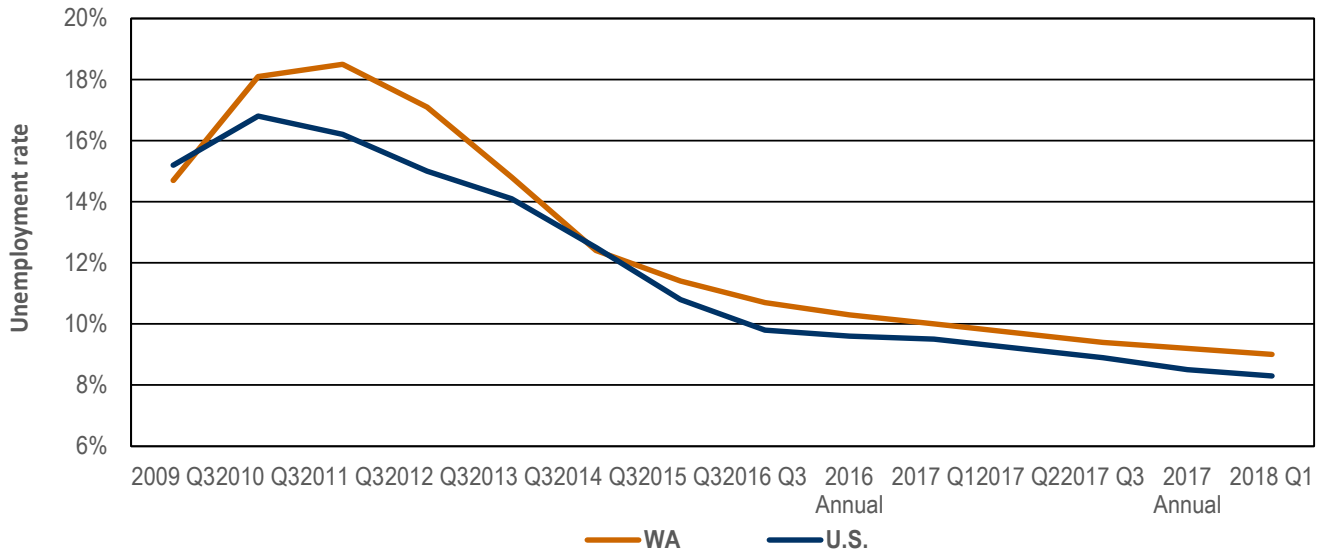
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2017 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population

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 8,500 jobs during the month, on a seasonally adjusted basis:

- Overall, ten industries expanded employment in April, two contracted and one remained the same.
- Private sector employment is estimated to have increased by 7,800 and government employment increased by 700.
- Employment in retail trade rose by 3,000 largely due to an increase in employment in other retail trade.
- Construction employment rose by 1,400 overall, with the greatest proportion of jobs added in nonresidential building construction.
- The number of jobs in education and health services increased by 1,100 with 600 jobs added in education services and 500 jobs added in health services and social assistance.
- Employment in professional and business services increased by 1,000 overall, with the largest increase occurring in professional, scientific and technical services.

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

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

Total nonfarm	8,500
Retail trade	3,000
Construction	1,400
Education and health services	1,100
Professional and business services	1,000
Information	800
Government	700
Wholesale trade	500
Financial activities	500
Leisure and hospitality	400
Manufacturing	200
Mining and logging	0
Other services	-400
Transportation, warehousing and utilities	-700

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 90,100 jobs from May 2017 through May 2018:

- Overall, all thirteen major industries expanded.
- Private sector employment rose 3.1 percent, up an estimated 85,100 jobs.
- Public sector employment increased 0.8 percent, a net gain of 5,000 jobs.
- Retailers added 19,200 jobs. Other retail trade, which includes online retail trade, was up by 17,000 jobs.
- Education and health services employment increased by 17,100 with 11,500 of the jobs added in health services and social assistance.
- Professional and business services employment increased by 12,600, led by an 11,400 increase in professional, scientific and technical services.
- Employment in construction is up 12,500 with the number employed as specialty trade contractors up 7,000.
- Employment in leisure and hospitality is up by 7,500, led by a gain of 7,500 jobs in food services and drinking places.

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

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

Total nonfarm	90,100
Retail trade	19,200
Education and health services	17,100
Professional and business services	12,600
Construction	12,500
Leisure and hospitality	7,500
Government	5,000
Information	4,600
Financial activities	3,700
Wholesale trade	3,500
Manufacturing	1,800
Other services	1,300
Transportation, warehousing and utilities	1,100
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, May 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	27,600	36,100	8,500
Leisure and hospitality	7,000	7,400	400
Retail trade	4,500	7,500	3,000
Construction	3,600	5,000	1,400
Government	3,400	4,100	700
Professional and business services	2,300	3,300	1,000
Education and health services	1,800	2,900	1,100
Financial activities	1,600	2,100	500
Transportation, warehousing and utilities	1,200	500	-700
Manufacturing	1,200	1,400	200
Other services	400	0	-400
Wholesale trade	400	900	500
Mining and logging	200	200	0
Information	0	800	800

Based on historical patterns, Washington employment typically increases by 27,600 from April to May. This year the state gained an estimated 36,100 jobs, amounting to a seasonally adjusted increase of 8,500 jobs.

- Employment in leisure and hospitality normally rises by 7,000. It is estimated to have increased by 7,400 this May, so it increased by 400 on a seasonally adjusted basis.
- Typically, retail trade employment increases by 4,500 in May. On a seasonally adjusted basis, retail trade employment increased by 3,000 as the estimated increase was 7,500.
- The estimated employment increase in construction was 5,000. The normal seasonal increase is 3,600, so on a seasonally adjusted basis, construction employment rose by 1,400.
- The change on a seasonally adjusted basis was a gain of 1,000 jobs in professional and business services in May. The normal seasonal increase is 2,300. It is estimated to have increased by 3,300 this May.
- The normal seasonal gain in manufacturing employment is 1,200 in May. The estimated gain was 1,400 so employment increased by 200 on a seasonally adjusted basis.

Contact an economist

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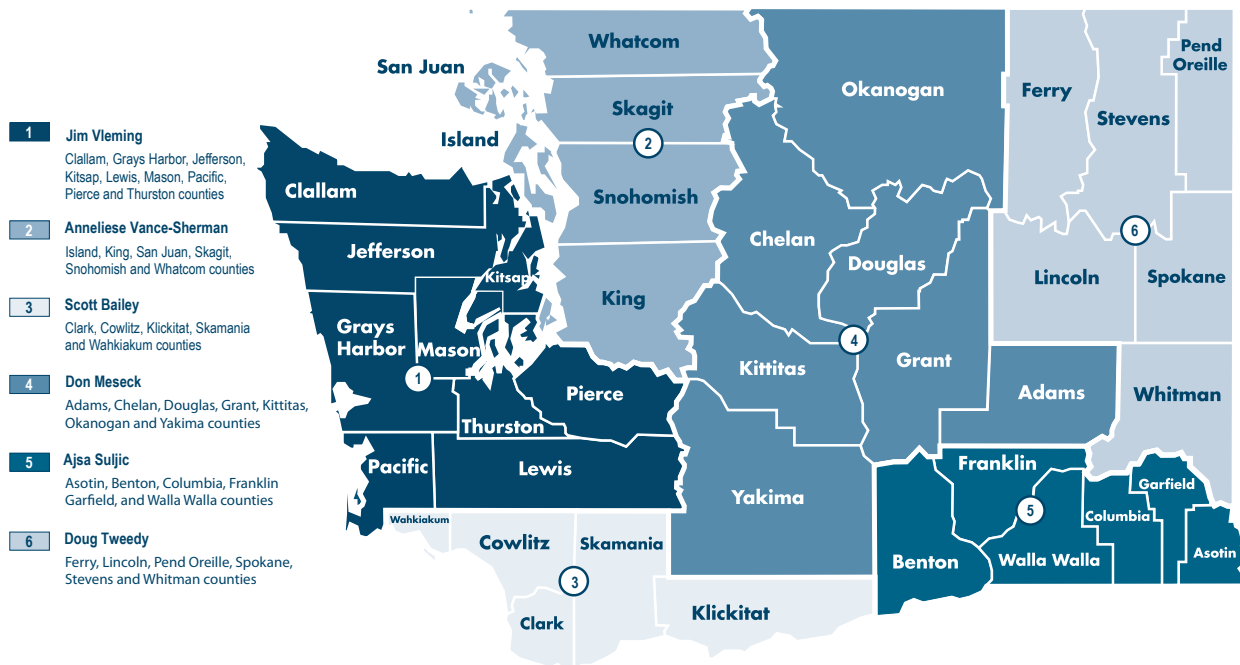
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., June 19, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>

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