



Monthly Employment Report for June 2018

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington rose by 4,100 from May 2018 to June 2018.¹ BLS estimates the private sector gained 4,800 jobs during the month and the public sector lost 700 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 June 2017 through June 2018 indicate an increase in employment of 83,500 for the state. The private sector added 80,500 jobs while the public sector gained an estimated 3,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for June 2018 is 4.7 percent. The revised estimated May 2018 unemployment rate is at 4.7 percent. The June 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. May's preliminary estimated gain of 8,500 jobs was revised to a gain of 8,700 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, May and June 2017 and 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	June 2018 (Preliminary)	May 2018 (Revised)	June 2017 (Revised)	May 2017 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	4.0%	3.8%	4.3%	4.3%
Washington				
Unemployment rate	4.7%	4.7%	4.8%	4.8%
Resident labor force	3,760,500	3,760,400	3,721,700	3,711,300
Unemployed	176,800	177,900	177,100	176,500
Seattle/Bellevue/Everett				
Unemployment rate	3.7%	3.7%	3.8%	3.8%
Resident labor force	1,683,700	1,686,300	1,647,400	1,643,700
Unemployed	62,200	62,900	63,200	62,200

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.

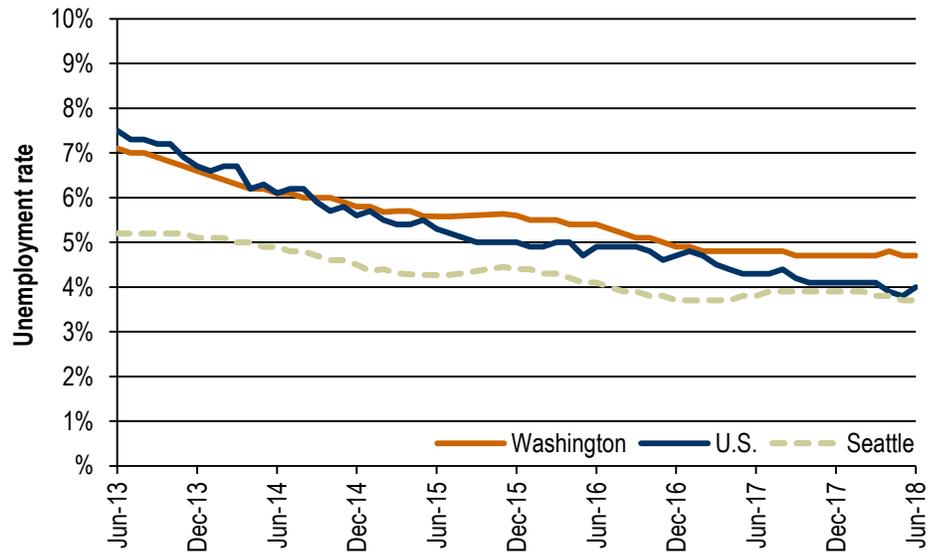
Unemployment, seasonally adjusted

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

According to BLS estimates, the number of unemployed people fell by 1,100 in June 2018 compared to May 2018. At the same time, the number of employed people rose by an estimated 1,200. Overall, this amounted to an increase of 100 people in the labor force.

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

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



June 2018 preliminary unemployment rates:

U.S. (preliminary) 4.0%
Washington (preliminary) 4.7%
Seattle area (preliminary) 3.7%

Employment change and moving average, seasonally adjusted

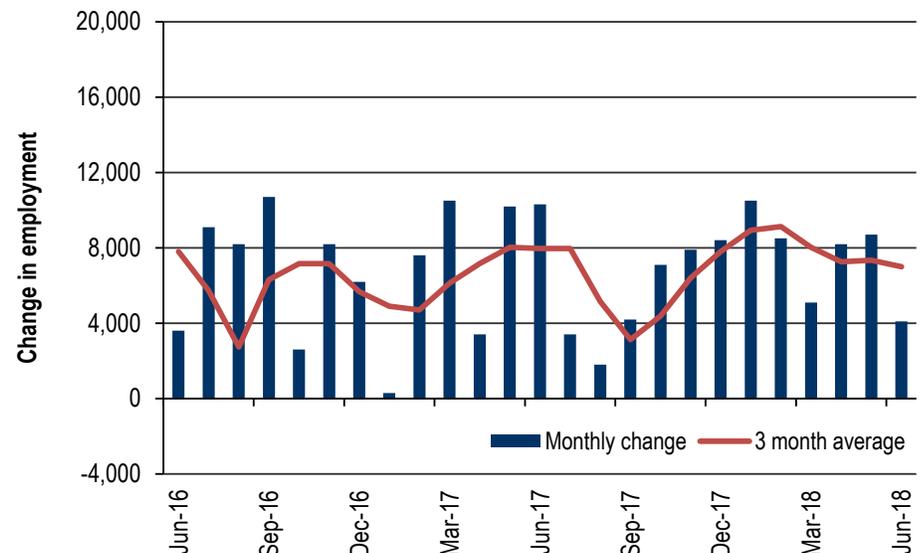
Based on BLS estimates, Washington state nonfarm employment increased by 4,100 jobs from May 2018 to June 2018.

Recent employment change
April 2018: up 8,200 jobs (revised)

May 2018: up 8,700 jobs (revised)

June 2018: up 4,100 jobs (preliminary)

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

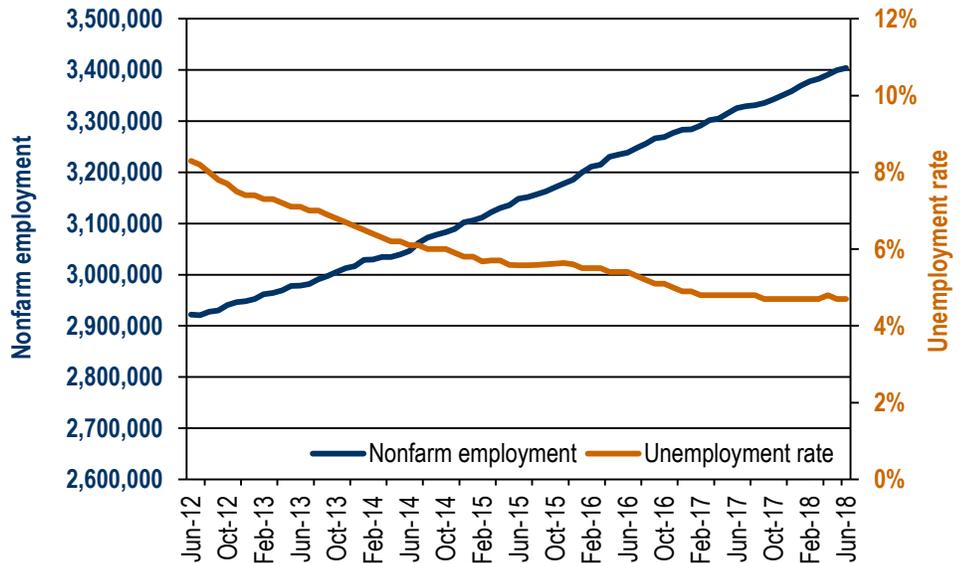
Nonfarm employment: 2,824,000
Unemployment rate: 10.4%

June 2018 (preliminary)

Nonfarm employment: 3,403,700
Unemployment rate: 4.7%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, June 2012 through June 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 fourth quarter average period ending in March 2018

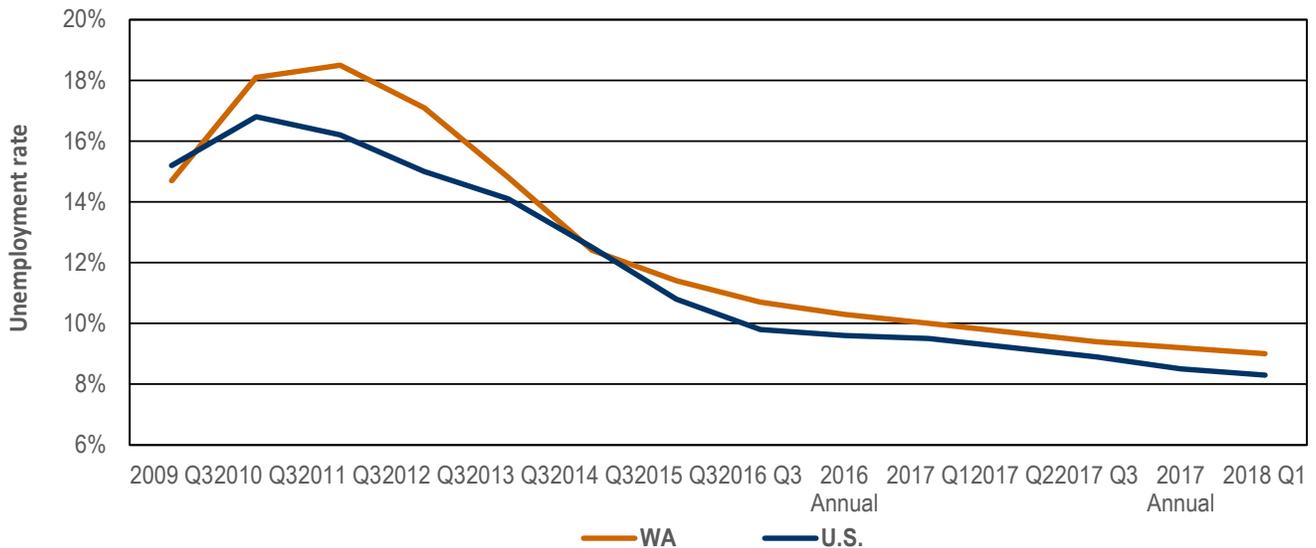
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2017 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population

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 4,100 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in June and four contracted.
- Private sector employment is estimated to have increased by 4,800 and government employment decreased by 700.
- Employment in professional and business services increased by 3,800 overall, with 1,700 jobs added in professional, scientific and technical services.
- Employment in information rose by 1,000 largely due to an increase of 600 in publishing industries.
- The number of jobs in transportation, warehousing and utilities increased by 900 with all 900 jobs added in transportation.
- Construction employment fell by 2,200 overall, led by a loss of 1,200 jobs in building construction.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, May 2018 through June 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics,
Current Employment Statistics

Total nonfarm	4,100
Professional and business services	3,800
Information	1,000
Transportation, warehousing and utilities	900
Education and health services	600
Wholesale trade	300
Manufacturing	300
Retail trade	200
Leisure and hospitality	200
Other services	100
Mining and logging	-100
Financial activities	-300
Government	-700
Construction	-2,200

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 83,500 jobs from June 2017 through June 2018:

- Overall, all thirteen major industries expanded.
- Private sector employment rose 2.9 percent, up an estimated 80,500 jobs.
- Public sector employment increased 0.5 percent, a net gain of 3,000 jobs.
- Professional and business services employment increased by 17,500, led by an 12,900 increase in professional, scientific and technical services.
- Retailers added 17,400 jobs. Other retail trade, which includes online retail trade, was up by 15,300 jobs.
- Education and health services employment increased by 13,800 with 9,300 of the jobs added in health services and social assistance.
- Employment in construction is up 8,300 with the number employed as specialty trade contractors up 6,200.
- Employment in leisure and hospitality is up by 5,600, led by a gain of 4,500 jobs in food services and drinking places.

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

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

Total nonfarm	83,500
Professional and business services	17,500
Retail trade	17,400
Education and health services	13,800
Construction	8,300
Leisure and hospitality	5,600
Information	5,600
Wholesale trade	4,300
Government	3,000
Financial activities	2,800
Manufacturing	2,600
Transportation, warehousing and utilities	1,800
Other services	700
Mining and logging	100

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, June 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	12,900	17,000	4,100
Leisure and hospitality	7,700	7,900	200
Professional and business services	4,500	8,300	3,800
Manufacturing	3,300	3,600	300
Retail trade	3,000	3,200	200
Construction	2,900	700	-2,200
Information	2,200	3,200	1,000
Wholesale trade	800	1,100	300
Transportation, warehousing and utilities	700	1,600	900
Financial activities	600	300	-300
Other services	600	700	100
Mining and logging	200	100	-100
Education and health services	-5,300	-4,700	600
Government	-8,300	-9,000	-700

Based on historical patterns, Washington employment typically increases by 12,900 from May to June. This year the state gained an estimated 17,000 jobs, amounting to a seasonally adjusted increase of 4,100 jobs.

- Employment in leisure and hospitality normally rises by 7,700. It is estimated to have increased by 7,900 this June, so it increased by 200 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 3,800 jobs in professional and business services in June. The normal seasonal increase is 4,500. It is estimated to have increased by 8,300 this June.
- The normal seasonal gain in manufacturing employment is 3,300 in June. The estimated gain was 3,600, so employment increased by 300 on a seasonally adjusted basis.
- Typically, retail trade employment increases by 3,000 in June. On a seasonally adjusted basis, retail trade employment increased by 200 as the estimated increase was 3,200.
- The estimated employment increase in construction was 700. The normal seasonal increase is 2,900, so on a seasonally adjusted basis, construction employment fell by 2,200.

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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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., July 24, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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