



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 12,400 in July 2018.¹ BLS estimates the private sector gained 11,900 jobs during the month and the public sector gained 500 jobs.

On a not seasonally adjusted basis, estimates for July 2017 through July 2018 indicate an increase in employment of 102,500 for the state. The private sector added 103,600 jobs while the public sector lost an estimated 1,100 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2018 is 4.6 percent. The revised estimated June 2018 unemployment rate is at 4.7 percent. The July 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. June's preliminary estimated gain of 4,100 jobs was revised to a gain of 7,100 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, June and July 2017 and 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

| | July 2018 (Preliminary) | June 2018 (Revised) | July 2017 (Revised) | June 2017 (Revised) |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|
| United States | | | | |
| Unemployment rate <i>Seasonally adjusted</i> | 3.9% | 4.0% | 4.3% | 4.3% |
| Washington | | | | |
| Unemployment rate | 4.6% | 4.7% | 4.8% | 4.8% |
| Resident labor force | 3,763,300 | 3,760,200 | 3,733,000 | 3,721,700 |
| Unemployed | 173,600 | 176,700 | 177,600 | 177,100 |
| Seattle/Bellevue/Everett | | | | |
| Unemployment rate | 3.6% | 3.7% | 3.9% | 3.8% |
| Resident labor force | 1,683,800 | 1,683,500 | 1,652,100 | 1,647,400 |
| Unemployed | 61,000 | 62,200 | 64,000 | 63,200 |



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.

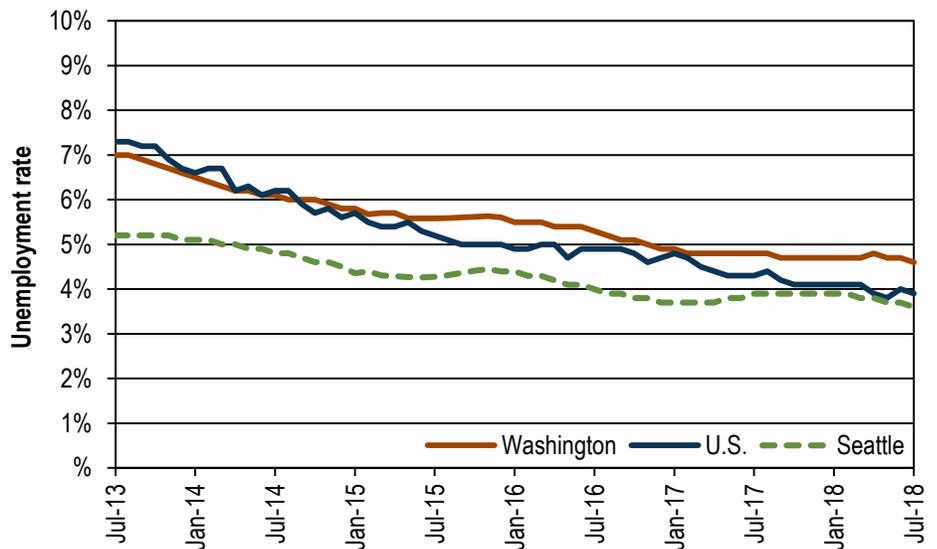
Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for July 2018 is 4.6 percent. The revised estimated June 2018 unemployment rate is 4.7 percent.

According to BLS estimates, the number of unemployed people fell by 3,100 in July 2018 compared to June 2018. At the same time, the number of employed people rose by an estimated 6,200. Overall, this amounted to an increase of 3,100 people in the labor force.

The preliminary July 2018 unemployment rate is 0.2 percentage point below the July 2017 rate of 4.8 percent.

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



July 2018 preliminary unemployment rates:

U.S. (preliminary) 3.9%
Washington (preliminary) 4.6%
Seattle area (preliminary) 3.6%

Employment change and moving average, seasonally adjusted

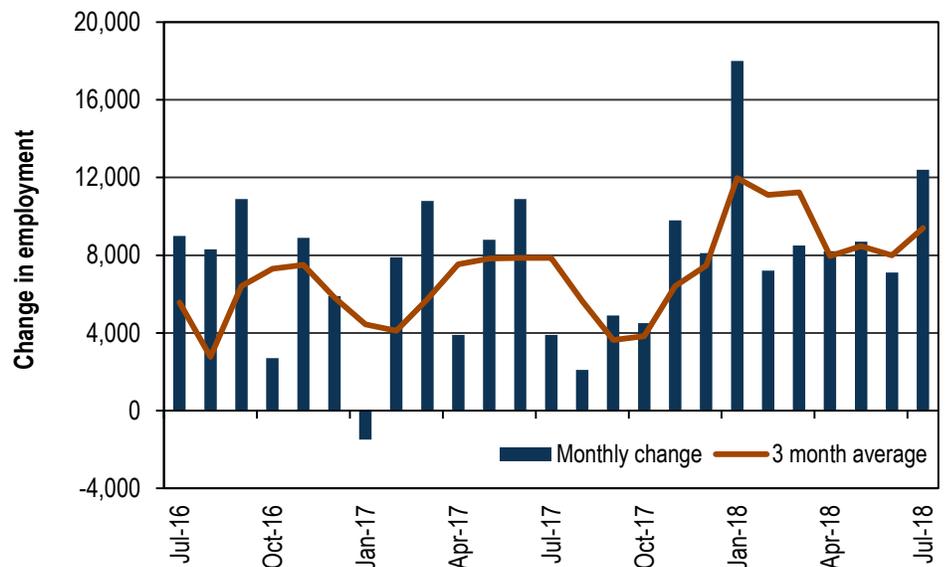
Based on BLS estimates, Washington state nonfarm employment increased by 12,400 jobs from June 2018 to July 2018.

Recent employment change
May 2018: up 8,700 jobs (revised)

June 2018: up 7,100 jobs (revised)

July 2018: up 12,400 jobs (preliminary)

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

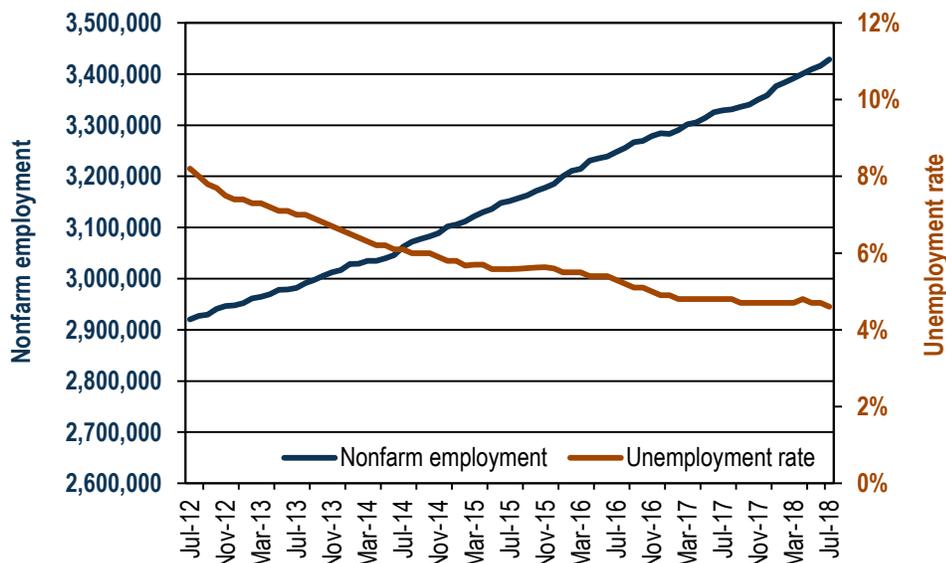
Nonfarm employment: 2,824,000
Unemployment rate: 10.4%

July 2018 (preliminary)

Nonfarm employment: 3,428,400
Unemployment rate: 4.6%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, July 2012 through July 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

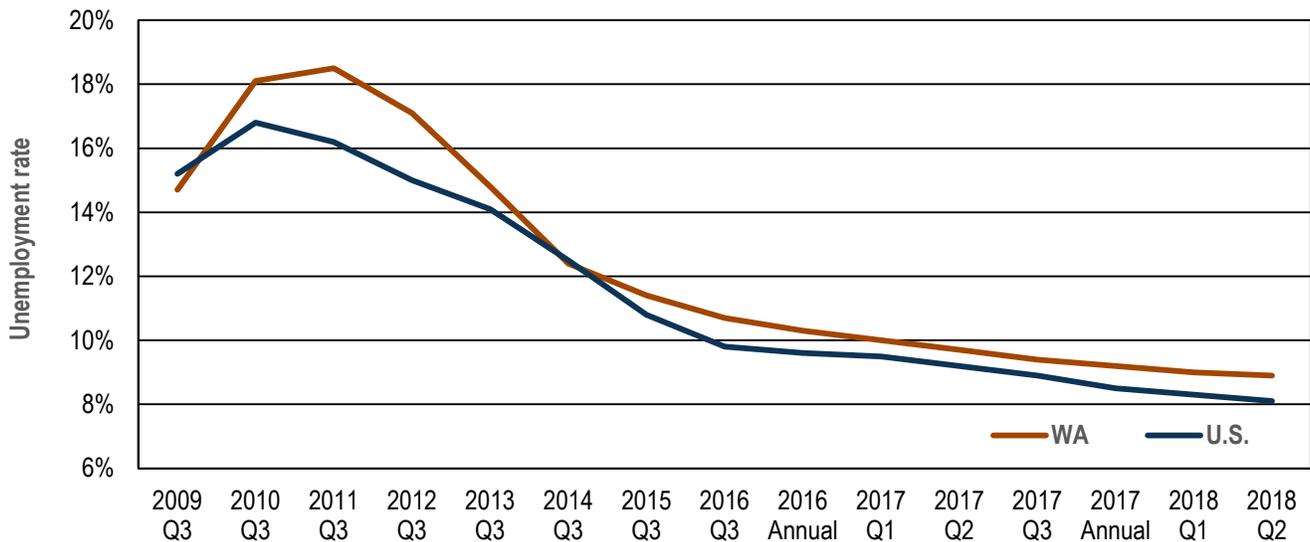
U-6: Broader unemployment measure declined in the four quarter period ending June 2018

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the second quarter of 2018. 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 third quarter of 2017 through the second quarter of 2018 for Washington state was 8.9 percent. This was lower compared to the 9.7 percent U-6 unemployment rate one year prior and 9 percent the prior month. The U.S. U-6 unemployment rate was 8.1 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% | 8.9% | | |
| | U.S. | 8.3% | 8.1% | | |
| 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% |

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 12,400 jobs during the month, on a seasonally adjusted basis:

- Overall, eight industries expanded employment in July, four contracted and one remained unchanged.
- Private sector employment is estimated to have increased by 11,900 and government employment increased by 500.
- Employment in professional and business services increased by 4,200 overall, with 2,800 jobs added in professional, scientific and technical services.
- Retail trade employment in information rose by 3,100, with the largest increase occurring in the other retail trade category.
- The number of jobs in manufacturing increased by 1,700 mostly due to jobs added in food manufacturing and transportation equipment manufacturing
- Construction employment rose by 300 overall mostly due to more jobs added in building construction.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, June 2018 through July 2018

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

| | |
|---|---------------|
| Total nonfarm | 12,400 |
| Professional and business services | 4,200 |
| Retail trade | 3,100 |
| Manufacturing | 1,700 |
| Wholesale trade | 1,600 |
| Information | 1,500 |
| Education and health services | 500 |
| Government | 500 |
| Construction | 300 |
| Mining and logging | 0 |
| Transportation, warehousing and utilities | -100 |
| Leisure and hospitality | -200 |
| Other services | -200 |
| Financial activities | -500 |

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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 102,500 jobs from July 2017 through July 2018:

- Overall, twelve major industries expanded and one contracted.
- Private sector employment rose 3.7 percent, up an estimated 103,600 jobs.
- Public sector employment decreased 0.2 percent, a net loss of 1,100 jobs.
- Professional and business services employment increased by 25,600, led by a 15,500 increase in professional, scientific and technical services.
- Retailers added 13,400 jobs. Other retail trade, which includes online retail trade, was up by 10,700 jobs.
- Education and health services employment increased by 17,100 with 12,500 of the jobs added in health services and social assistance.
- Employment in construction is up 11,500 with the number employed as specialty trade contractors up 6,200.
- Employment in leisure and hospitality is up by 8,700, led by a gain of 7,000 jobs in food services and drinking places.

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

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

| | |
|---|----------------|
| Total nonfarm | 102,500 |
| Professional and business services | 25,600 |
| Education and health services | 17,100 |
| Retail trade | 13,400 |
| Construction | 11,500 |
| Leisure and hospitality | 8,700 |
| Information | 8,300 |
| Wholesale trade | 7,100 |
| Manufacturing | 4,200 |
| Financial activities | 3,900 |
| Other services | 3,200 |
| Transportation, warehousing and utilities | 300 |
| Mining and logging | 300 |
| Government | -1,100 |

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Monthly unemployment rates

July 2018

Washington State:
4.6% seasonally adjusted

Nationwide:
3.9% seasonally adjusted

[Labor force by county snapshot](#)

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, July 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 | -9,600 | 2,800 | 12,400 |
| Retail trade | 3,300 | 6,400 | 3,100 |
| Professional and business services | 2,600 | 6,800 | 4,200 |
| Leisure and hospitality | 2,500 | 2,300 | -200 |
| Manufacturing | 2,200 | 3,900 | 1,700 |
| Construction | 1,500 | 1,800 | 300 |
| Information | 1,300 | 2,800 | 1,500 |
| Financial activities | 1,100 | 600 | -500 |
| Other services | 1,000 | 800 | -200 |
| Wholesale trade | 600 | 2,200 | 1,600 |
| Transportation, warehousing and utilities | 400 | 300 | -100 |
| Mining and logging | 100 | 100 | 0 |
| Education and health services | -6,000 | -5,500 | 500 |
| Government | -20,200 | -19,700 | 500 |

Based on historical patterns, Washington employment typically decreases by 9,600 from June to July. This year the state gained an estimated 2,800 jobs, amounting to a seasonally adjusted increase of 12,400 jobs.

- Employment in retail trade normally rises by 3,300. It is estimated to have increased by 6,400 this July, so it increased by 3,100 on a seasonally adjusted basis.

- The change on a seasonally adjusted basis was a gain of 4,200 jobs in professional and business services in July. The normal seasonal increase is 2,600. It is estimated to have increased by 6,800 this July.
- The normal seasonal gain in leisure and hospitality employment is 2,500 in July. The estimated gain was 2,300 so employment decreased by 200 on a seasonally adjusted basis.
- Typically, manufacturing employment increases by 2,200 in July. On a seasonally adjusted basis, manufacturing employment increased by 1,700 as the estimated increase was 3,900.
- The estimated employment increase in construction was 1,800. The normal seasonal increase is 1,500, so on a seasonally adjusted basis, construction employment rose by 300.

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 March 2018. Employment estimates for July 2018 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked March 2018 data:

- The two largest upward revisions were for construction and professional and business services, up 5,100 and 4,400, respectively.
- Retail trade had the largest downward revision, 4,900.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, March 2018
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics,
Quarterly Census of Employment and Wages

| Industry sector | Revisions to March 2018 employment level |
|---|--|
| Total nonfarm | 9,300 |
| Construction | 5,100 |
| Professional and business services | 4,400 |
| Education and health services | 2,400 |
| Leisure and hospitality | 2,300 |
| Financial activities | 1,400 |
| Information | 1,200 |
| Wholesale trade | 700 |
| Other services | 100 |
| Mining and logging | -100 |
| Manufacturing | -600 |
| Transportation, warehousing and utilities | -600 |
| Government | -2,100 |
| Retail trade | -4,900 |

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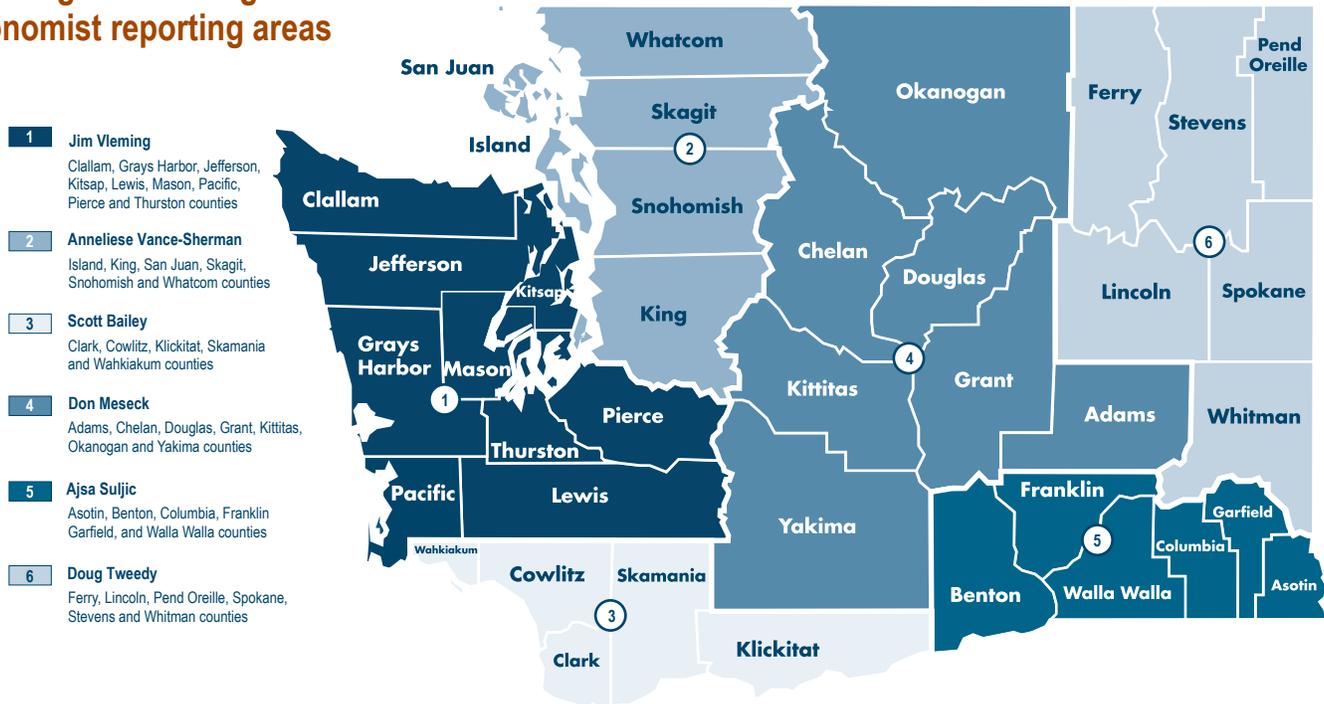
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., August 21, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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