



Monthly Employment Report

January 2019



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 12,300 in January 2019.¹ BLS estimates the private sector gained 12,000 jobs during the month and the public sector gained 300 jobs.

On a not seasonally adjusted basis, estimates for January 2018 through January 2019 indicate an increase in employment of 83,700 for the state. The private sector added 89,800 jobs while the public sector lost an estimated 6,100 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2019 is 4.5 percent. The revised estimated December 2018 unemployment rate is at 4.5 percent. The January 2018 unemployment rate was 4.6 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 11,400 jobs was revised to a gain of 13,800 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 2017 and 2018 and January 2018 and 2019

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

	January 2019 (Preliminary)	December 2018 (Revised)	January 2018 (Revised)	December 2017 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	4.0%	3.9%	4.1%	4.1%
Washington				
Unemployment rate	4.5%	4.5%	4.6%	4.6%
Resident labor force	3,836,000	3,823,000	3,752,500	3,746,900
Unemployed	172,300	170,400	173,800	173,800
Seattle/Bellevue/Everett				
Unemployment rate	3.4%	3.3%	3.5%	3.6%
Resident labor force	1,702,500	1,695,900	1,674,100	1,671,300
Unemployed	57,200	56,000	58,800	59,400



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 January 2019 is 4.5 percent. The revised estimated December 2018 unemployment rate is 4.5 percent.

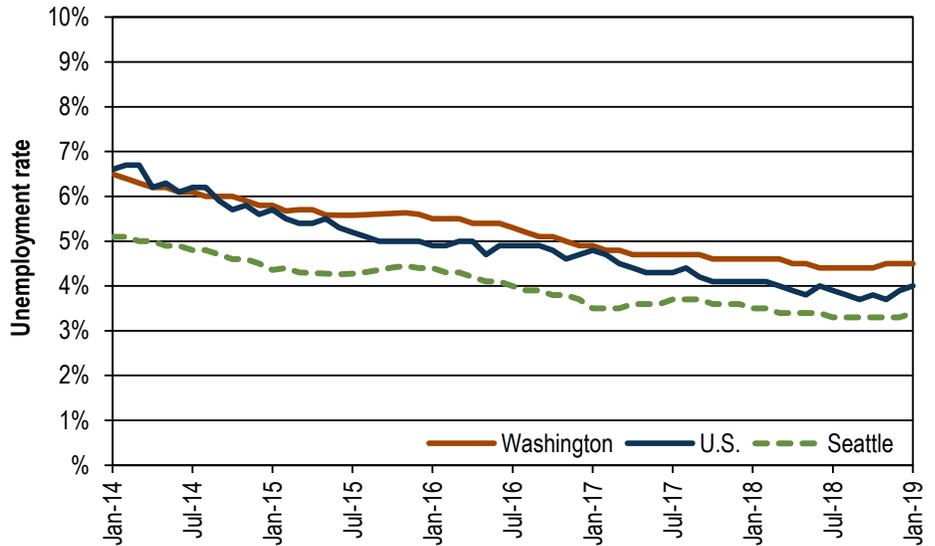
According to BLS estimates, the number of unemployed people rose by 1,900 in January 2019 compared to December 2018. At the same time, the number of employed people rose by an estimated 11,100. Overall, this amounted to an increase of 13,000 people in the labor force.

The preliminary January 2019 unemployment rate is a 0.1 percentage point below the January 2018 rate of 4.6 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, January 2014 through January 2019

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



January 2019 preliminary unemployment rates:

U.S. (preliminary) 4.0%
 Washington (preliminary) 4.5%
 Seattle area (preliminary) 3.4%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 12,300 jobs from December 2018 to January 2019.

Recent employment change
November 2018: up 3,500 jobs (revised)

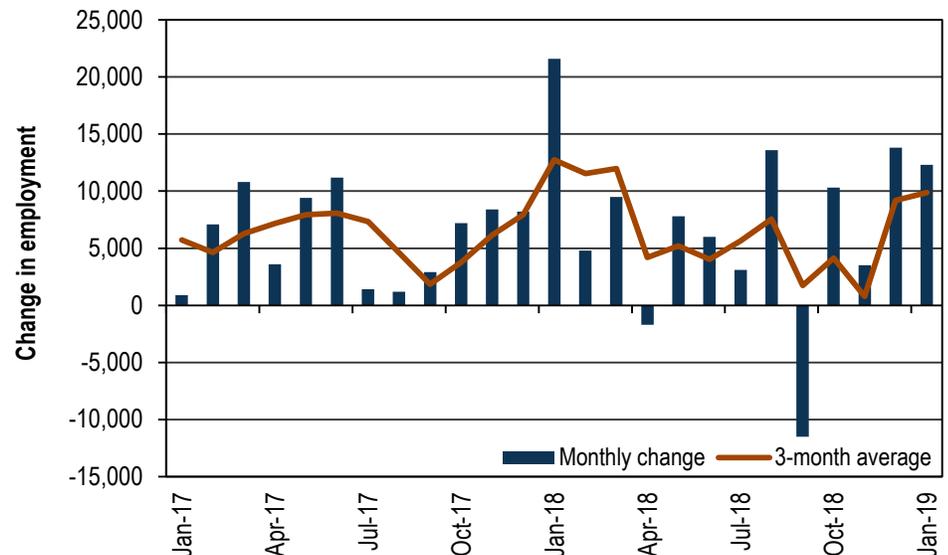
December 2018: up 13,800 jobs (revised)

January 2019: up 12,300 jobs (preliminary)

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

Washington state, January 2017 through January 2019

Source: Employment Security Department/LMEA; 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: 3,006,200
Unemployment rate: 4.7%

February 2010

(end of recent employment recession in Washington)

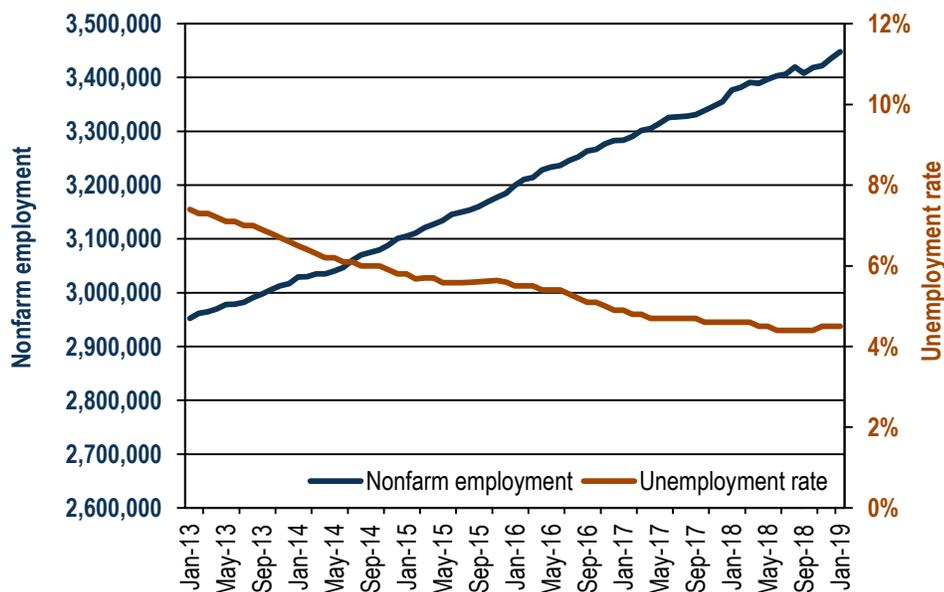
Nonfarm employment: 2,824,100
Unemployment rate: 10.4%

January 2019 (preliminary)

Nonfarm employment: 3,448,100
Unemployment rate: 4.5%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, January 2013 through January 2019

Source: Employment Security Department/LMEA; 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 December 2018

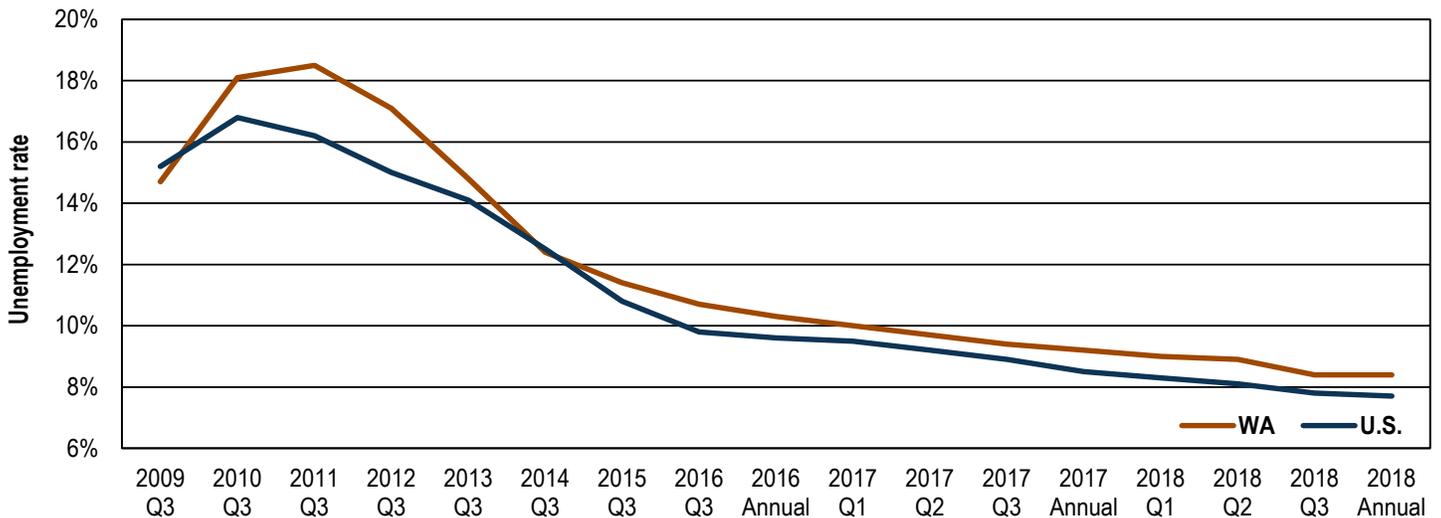
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the annual average for 2018. One such alternative measure is the U-6 rate, which considers not only the unemployed population in

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 first quarter of 2018 through the fourth quarter of 2018 for Washington state was 8.4 percent. This was lower compared to the 9.2 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 7.7 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%	8.4%	8.4%
	U.S.	8.3%	8.1%	7.8%	7.7%
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: <https://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 12,300 jobs during the month, on a seasonally adjusted basis:

- Overall, eight industries expanded employment in January, four contracted, and one remained unchanged.
- Private sector employment is estimated to have increased by 12,000 and government employment increased by 300.
- Education and health services employment rose by 3,900, led by a gain of 3,800 in social assistance.
- The number of jobs in leisure and hospitality increased by 3,100 with 2,100 jobs gained in food services and drinking places.
- Employment in retail trade increased by 1,900 overall, with 1,500 jobs added in general merchandise stores.
- Employment in construction rose by 1,900, led by a gain of 1,200 for specialty trade contractors.
- Information employment declined by 900, with 400 jobs lost by software publishers.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, December 2018 to January 2019

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

Total nonfarm	12,300
Education and health services	3,900
Leisure and hospitality	3,100
Retail trade	1,900
Construction	1,900
Professional and business services	1,200
Financial activities	800
Wholesale trade	500
Government	300
Mining and logging	0
Manufacturing	-100
Other services	-100
Transportation, warehousing and utilities	-200
Information	-900

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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 83,700 jobs from January 2018 through January 2019:

- Overall, eleven major industries expanded, one contracted, and one was unchanged.
- Private sector employment rose 3.3 percent, up an estimated 89,800 jobs.
- Public sector employment decreased 1.0 percent, a net loss of 6,100 jobs.
- Education and health services employment increased by 20,200 with 18,800 of the jobs added in health services and social assistance.
- Employment in construction is up 14,100 with the number employed as specialty trade contractors up 9,800.
- Manufacturing added 12,100 jobs, with 9,900 jobs added in durable goods production and 2,200 jobs added in nondurable goods production.
- Employment in leisure and hospitality is up by 11,600, led by a gain of 10,000 jobs in food services and drinking places.
- Professional and business services employment increased by 7,700, led by a 2,200 increase in professional, scientific and technical services.

Estimated employment change by industry over the year, not seasonally adjusted
Washington state, January 2018 to January 2019

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

Total nonfarm	83,700
Education and health services	20,200
Construction	14,100
Manufacturing	12,100
Leisure and hospitality	11,600
Professional and business services	7,700
Information	7,700
Financial activities	4,400
Transportation, warehousing and utilities	4,200
Other services	3,400
Retail trade	2,600
Wholesale trade	1,800
Mining and logging	0
Government	-6,100

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EMPLOYMENT

Monthly employment report
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The Labor Market and Economic Analysis (LMEA) Division is pleased to announce our new Labor Market Information Director, Mr. Steven Ross. Steven presides over the LMEA team and their products, services and publications.

Steven can be reached by phone at: 360-507-9615 and email at: SRoss@esd.wa.gov

Monthly unemployment rates

January 2019

Washington State:
4.5% seasonally adjusted

Nationwide:
4.0% seasonally adjusted

[Labor force by county snapshot](#)
not seasonally adjusted

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 2019

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-47,500	-35,200	12,300
Government	500	800	300
Mining and logging	-100	-100	0
Financial activities	-400	400	800
Wholesale trade	-700	-200	500
Other services	-1,500	-1,600	-100
Manufacturing	-2,000	-2,100	-100
Information	-2,000	-2,900	-900
Transportation, warehousing and utilities	-3,500	-3,700	-200
Education and health services	-4,000	-100	3,900
Construction	-5,000	-3,100	1,900
Professional and business services	-7,600	-6,400	1,200
Leisure and hospitality	-8,200	-5,100	3,100
Retail trade	-13,000	-11,100	1,900

Based on historical patterns, Washington employment typically decreases by 47,500 from December to January. This year the state lost an estimated 35,200 jobs, amounting to a seasonally adjusted increase of 12,300 jobs.

- Typically, education and health services employment decreases by 4,000 in January. On a seasonally adjusted basis, education and health services employment increased by 3,900 as the estimated decrease was 100.
- The estimated employment decrease in construction was 3,100. The normal seasonal decrease is 5,000, so on a seasonally adjusted basis, construction employment rose by 1,900.
- The employment increase on a seasonally adjusted basis was 1,200 in professional and business services in January. The normal seasonal decrease is 7,600. It is estimated to have decreased by 6,400 this January.
- The normal seasonal loss in leisure and hospitality employment is 8,200 in January. The estimated loss was 5,100, so employment increased by 3,100 on a seasonally adjusted basis.
- Employment in retail trade normally falls by 13,000. It is estimated to have decreased by 11,100 this January, so it increased by 1,900 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.

With the release of January 2019 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 2018. Employment estimates for January 2019 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 2018 is [available](#).

Based on benchmarked September 2018 data:

- The largest upward revision was for transportation, warehousing and utilities, up 5,000.
- Retail trade had the largest downward revision of 9,000.

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

Industry sector	Revisions to September 2018 employment level
Total nonfarm	-25,800
Transportation, warehousing and utilities	5,000
Mining and logging	100
Manufacturing	100
Information	-300
Leisure and hospitality	-400
Education and health services	-1,000
Wholesale trade	-2,100
Construction	-2,500
Other services	-2,600
Financial activities	-3,200
Government	-4,600
Professional and business services	-5,300
Retail trade	-9,000

Contact an economist

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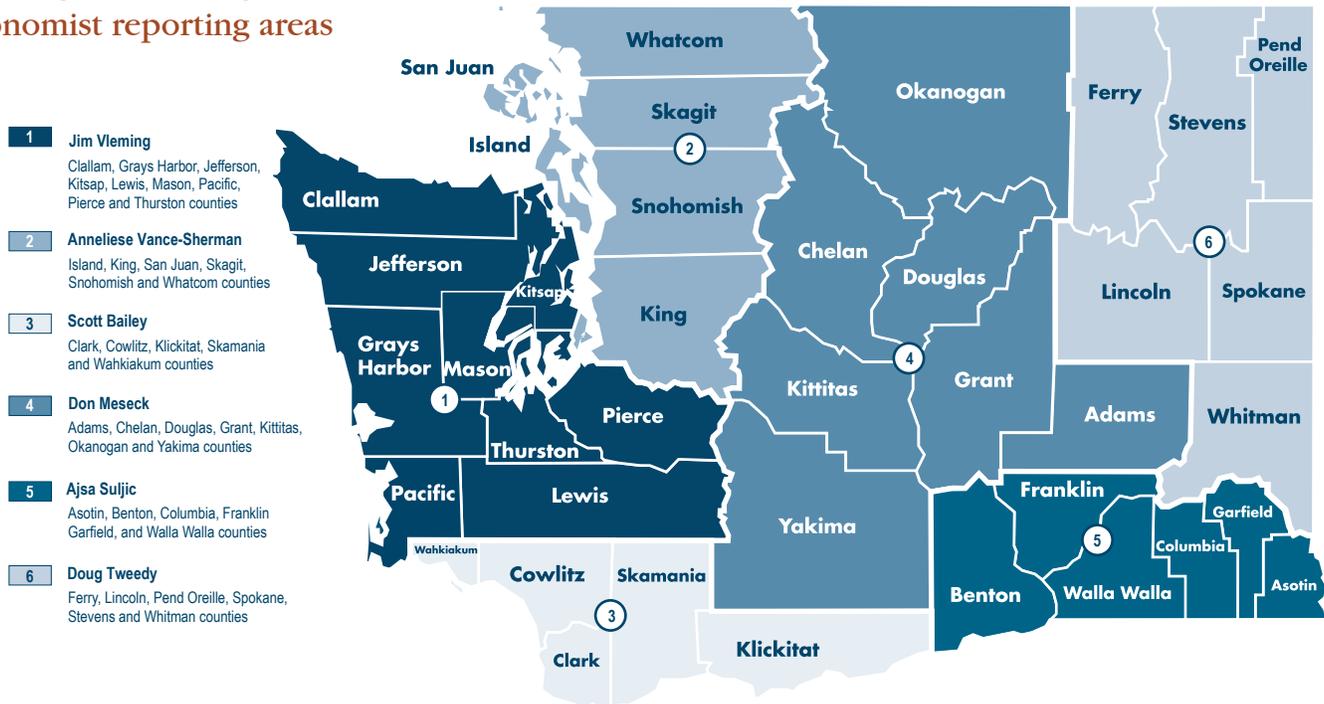
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., March 12, 2019. The publication schedule for 2019 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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