

Monthly Employment Report



August 2020

For workers and businesses affected by COVID-19, Employment Security has programs that may help. Please see ESD's website for more information. For labor market information questions, please send your emails to lmea@esd.wa.gov.

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 19,800 in August 2020.¹ BLS estimates the private sector gained 6,700 jobs during the month and the public sector gained 13,100 jobs.

On a not seasonally adjusted basis, estimates for August 2019 through August 2020 indicate a decrease in employment of 216,100 for the state. The private sector lost 203,200 jobs while the public sector lost an estimated 12,900 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for August 2020 is 8.5 percent. The revised estimated July 2020 unemployment rate is at 10.2 percent. The August 2019 unemployment rate was 4.2 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. July's preliminary estimated gain of 44,500 jobs was revised to a gain of 102,800 jobs.

For more information, call Paul Turek, labor economist at 360-706-3044.

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, July and August 2019 and 2020
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	August 2020 (Preliminary)	July 2020 (Revised)	August 2019 (Revised)	July 2019 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	8.4%	10.2%	3.7%	3.7%
Washington				
Unemployment rate	8.5%	10.2%	4.2%	4.2%
Resident labor force	3,955,100	3,961,100	3,930,700	3,919,700
Unemployed	337,800	403,700	163,800	166,600
Seattle/Bellevue/Everett				
Unemployment rate	7.4%	8.2%	2.8%	2.8%
Resident labor force	1,727,600	1,721,300	1,737,500	1,733,100
Unemployed	127,600	141,300	47,900	48,800



¹Most of the employment numbers discussed in this report refers to jobs, not people. 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 August 2020 is 8.5 percent. The revised estimated July 2020 unemployment rate is 10.2 percent.

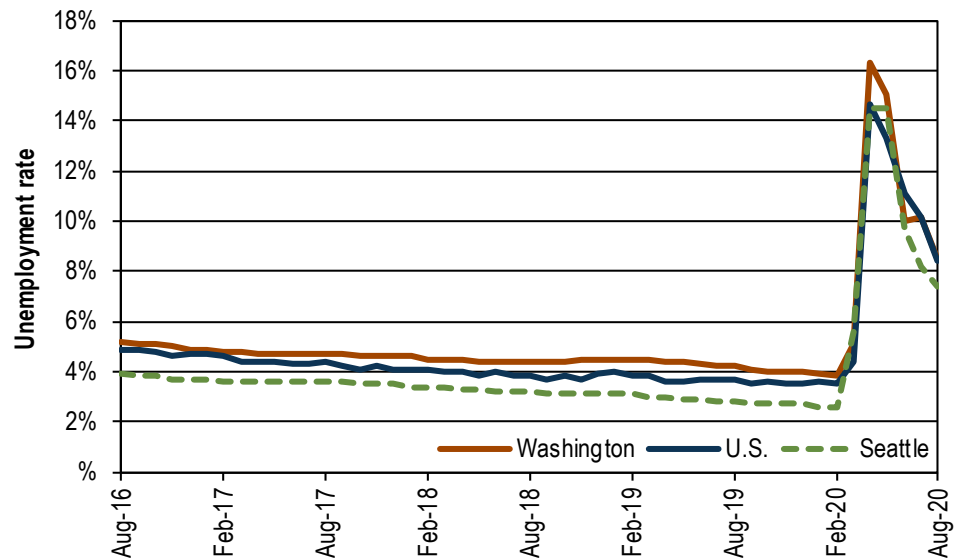
According to BLS estimates, the number of unemployed people fell by 65,900 in August 2020 compared to July 2020. At the same time, the number of employed people rose by an estimated 59,900. Overall, this amounted to a decrease of 6,000 people in the labor force.

The preliminary August 2020 unemployment rate is 4.3 percentage points higher than the August 2019 rate of 4.2 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, August 2016 through August 2020

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



August 2020 preliminary unemployment rates:

U.S. (preliminary) 8.4%
 Washington (preliminary) 8.5%
 Seattle area (preliminary) 7.4%

Employment change, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 19,800 jobs from July 2020 to August 2020.

Recent employment change:

June 2020: up 108,200 jobs (revised)

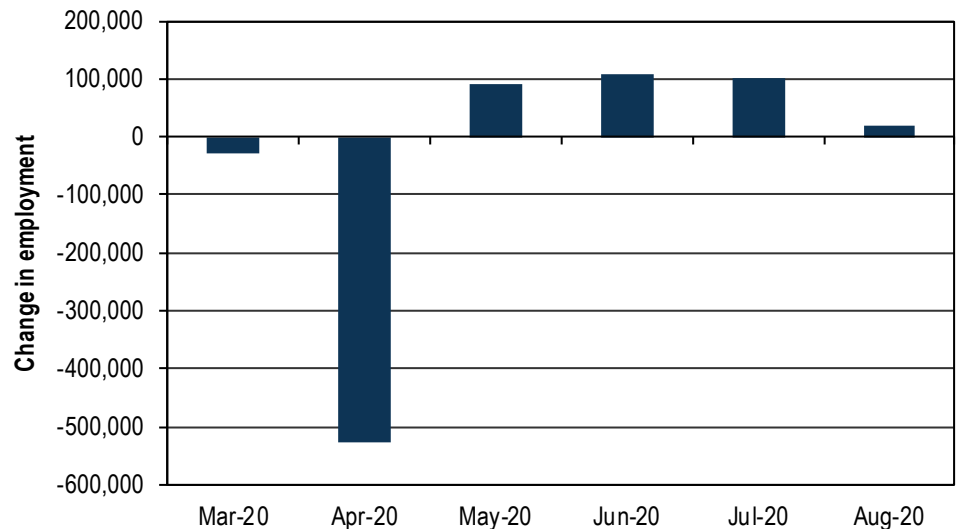
July 2020: up 102,800 jobs (revised)

August 2020: up 19,800 jobs (preliminary)

Monthly employment change, seasonally adjusted

Washington state, March 2020 through August 2020

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



Employment and unemployment, seasonally adjusted

February 2020

(Start of 2020 employment recession in Washington)

Nonfarm employment: 3,485,100

Unemployment rate: 3.8%

August 2020 (preliminary)

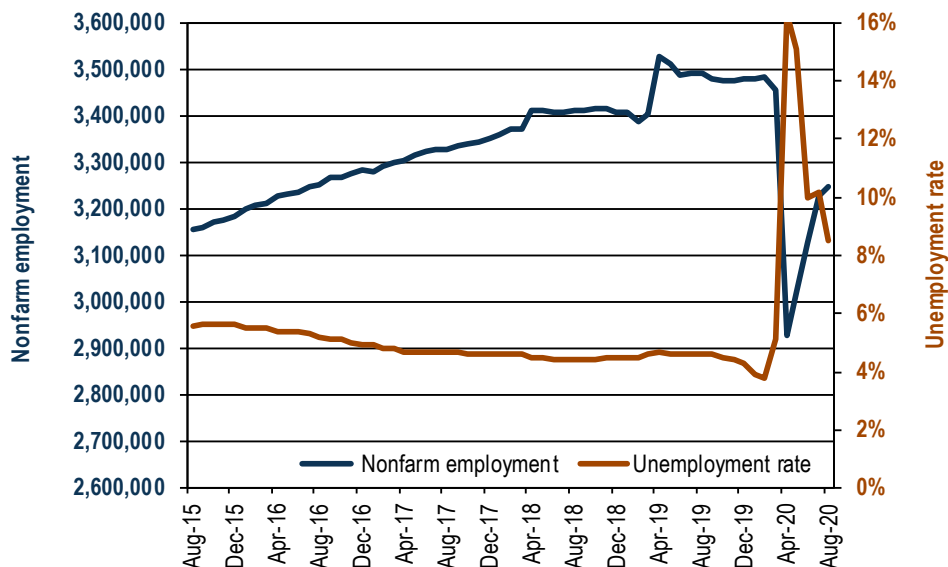
Nonfarm employment: 3,249,500

Unemployment rate: 8.5%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, August 2015 through August 2020

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



Workers and businesses affected by COVID-19

Employment Security's **COVID-19 online information page** covers topics for businesses and workers impacted by COVID-19. Topics include:

- Subscribing for updates
- Frequently asked questions
- Workers Q&A
- Business Q&A
- CARES ACT
- Federal stimulus updates
- Eligibility checker
- COVID-19 rulemaking
- Action alerts and updates

We are all in this together. COVID-19 has created an unprecedented demand for services, but we are building capacity, updating technology, and we thank you for your patience while we work to serve you better.

Did you know that you can subscribe for email updates on a number of Employment Security Department topics all at once? Go to esd.wa.gov/labormarketinfo and select the email icon at the top of the page.



Enter your email address and subscribe by checking the boxes for topics such as:

COVID-19
Labor market information
News releases
Employer news and resources
Paid Family and Medical Leave
Employer information
Shared work
WorkSource system
Unemployment insurance
Training

Many more to come, so sign up today for your email updates!

U-6 unemployment rate

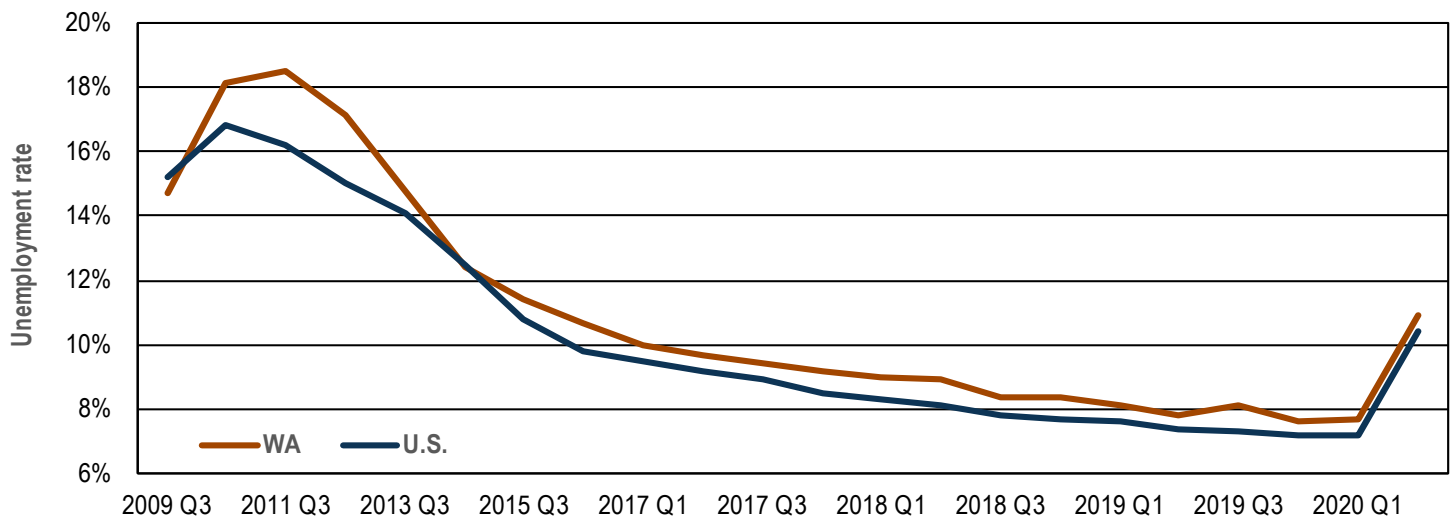
U-6: Broader unemployment measure increased in the four-quarter period ending second quarter 2020

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include annual averages for first quarter 2020. 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 annual unemployment rate for second quarter 2020 for Washington state was 10.9 percent. This was higher compared to the 7.7 percent U-6 unemployment 2020 first quarter rate. The U.S. U-6 unemployment rate was 10.4 percent in second quarter 2020.



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
2020	WA	7.7%	10.9%		
	U.S.	7.2%	10.4%		
2019	WA	8.1%	7.8%	8.1%	7.6%
	U.S.	7.6%	7.4%	7.3%	7.2%
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%

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 19,800 jobs during the month, on a seasonally adjusted basis:

- Overall, employment increased in ten major industries, contracted in two and was unchanged in one in August.
- Private sector employment is estimated to have increased by 6,700 and government employment increased by 13,100.
- Retail trade employment rose by 4,300, with 1,500 jobs gained in general merchandise stores.
- Employment in professional and business services increased by 3,900, with 1,100 jobs added in computer systems design and related services.
- Employment in transportation, warehousing and utilities increased by 1,000 overall, with 1,300 jobs added in air transportation.
- Education and health services employment rose by 500 overall, with 900 jobs added in social assistance.
- The number of jobs in manufacturing decreased by 3,600 overall, with a decrease of 4,000 in aerospace product and parts manufacturing.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, July 2020 to August 2020

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

Total nonfarm	19,800
Government	13,100
Retail trade	4,300
Professional and business services	3,900
Transportation, warehousing and utilities	1,000
Education and health services	500
Financial activities	500
Construction	500
Information	400
Leisure and hospitality	300
Mining and logging	100
Other services	0
Wholesale trade	-1,200
Manufacturing	-3,600

As we navigate the COVID-19 developments

in Washington state and beyond, we know Washington state businesses, nonprofits, city and county municipalities, educational institutions, as well as economic and workforce development professionals, are looking for sound data about the short and long term economic and workforce impacts to their individual businesses, industries and regions.

Since the current situation is still evolving, we will share information as soon as possible. In the meantime, if you have specific questions regarding labor market information, please send your emails to lmea@esd.wa.gov.

Industry employment in Washington, not seasonally adjusted

Change by industry over the year

Based on a BLS survey of businesses and governments, Washington lost an estimated 216,100 jobs from August 2019 through August 2020.

- Overall, one major industry expanded and twelve contracted.
- Private sector employment fell 6.9 percent, down an estimated 203,200 jobs.
- Public sector employment fell 2.3 percent, down an estimated 12,900 jobs.
- Retail trade employment rose 4,600 overall, with the most jobs gained in other retail trade.
- Professional and business services employment decreased by 1,900 overall, with the most jobs lost in employment services.
- Education and health services employment decreased by 24,700, with 9,600 jobs lost in social assistance.
- Employment in manufacturing is down 27,800, led by a decrease of 13,400 in aerospace product and parts manufacturing.
- Employment in leisure and hospitality is down by 100,500, with food services and drinking places shedding 55,000 jobs.

Estimated employment change by industry over the year, not seasonally adjusted
Washington state, August 2019 through August 2020

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

Total nonfarm	-216,100
Retail trade	4,600
Mining and logging	-600
Professional and business services	-1,900
Financial activities	-2,000
Transportation, warehousing and utilities	-3,200
Information	-5,600
Wholesale trade	-11,200
Government	-12,900
Construction	-13,600
Other services	-16,700
Education and health services	-24,700
Manufacturing	-27,800
Leisure and hospitality	-100,500

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, August 2020

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	12,500	32,300	19,800
Leisure and hospitality	5,200	5,500	300
Construction	3,900	4,400	500
Professional and business services	3,100	7,000	3,900
Retail trade	2,300	6,600	4,300
Education and health services	1,300	1,800	500
Information	1,200	1,600	400
Wholesale trade	900	-300	-1,200
Financial activities	200	700	500
Other services	200	200	0
Transportation, warehousing and utilities	100	1,100	1,000
Mining and logging	0	100	100
Manufacturing	-500	-4,100	-3,600
Government	-5,400	7,700	13,100

Based on historical patterns, Washington employment typically increases by 12,500 from July to August. This year the state gained an estimated 32,300 jobs, amounting to a seasonally adjusted increase of 19,800 jobs.

- The normal seasonal gain in leisure and hospitality employment is 5,200 in August. The estimated gain was 5,500, so employment increased by 300 on a seasonally adjusted basis.
- The estimated employment increase in construction was 4,400. The normal seasonal increase is 3,900, so on a seasonally adjusted basis, construction employment rose by 500.
- The employment increase on a seasonally adjusted basis was 3,900 in professional and business services in August. The normal seasonal increase is 3,100. It is estimated to have increased this August by 7,000.
- Employment in retail trade normally rises by 2,300. It is estimated to have increased by 6,600 this August, so it increased by 4,300 on a seasonally adjusted basis.
- Typically, manufacturing decreases by 500 in August. On a seasonally adjusted basis, manufacturing employment decreased by 3,600 as the estimated decrease was 4,100.

Media inquiries and contact information

Due to the high volume of requests for information, please send your emails to media@esd.wa.gov so that we can forward your requests to the appropriate staff.

For labor market information questions, please send your emails to lmea@esd.wa.gov.

Statewide labor economist:

Paul Turek, Ph.D.
pturek@esd.wa.gov
 360-706-3044

Regional labor economists:

Scott Bailey
scott.bailey@esd.wa.gov
 360-810-0048

Don Meseck
dmeseck@esd.wa.gov
 509-574-0176

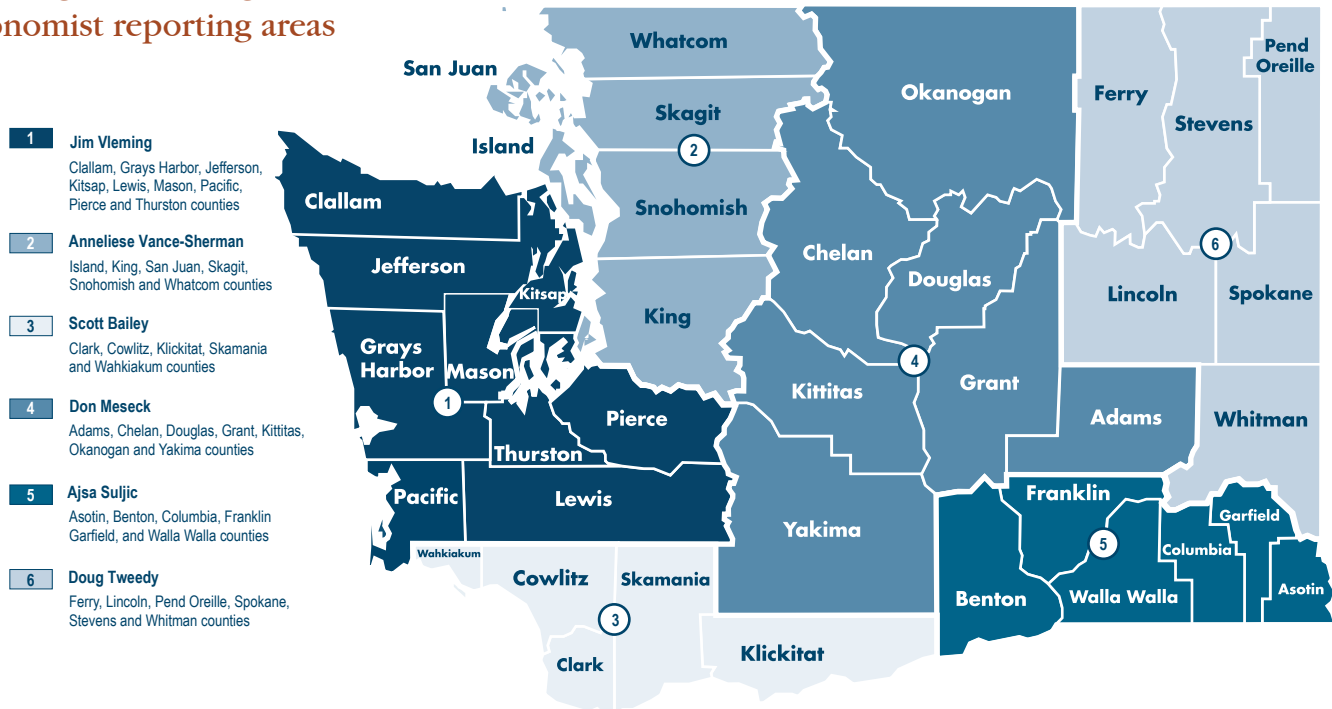
Ajsa Suljic
asuljic@esd.wa.gov
 509-734-5928

Doug Tweedy
dtweedy@esd.wa.gov
 509-434-5278

Anneliese Vance-Sherman, Ph.D.
avancesherman@esd.wa.gov
 425-258-6315

Jim Vleming
jvleming@esd.wa.gov
 360-819-3427

Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., September 22, 2020. The publication schedule for 2020 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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