

The Monthly Employment Report

Washington 6.0%

United States 6.3%

Seasonally adjusted

January 2021



Employment Security Department
WASHINGTON STATE



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 4,400 in January 2021.¹ BLS estimates the private sector gained 2,800 jobs during the month and the public sector gained 1,600 jobs.

On a not seasonally adjusted basis, estimates for January 2020 through January 2021 indicate a decrease in employment of 234,000 for the state. The private sector lost 185,600 jobs while the public sector lost an estimated 48,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2021 is 6.0 percent. The revised estimated December 2020 unemployment rate is at 7.1 percent. The January 2020 unemployment rate was 3.9 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. The December 2020 preliminary estimated loss of 9,900 jobs was revised to a loss of 5,400 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, December 2020 and 2019 and January 2021 and 2020
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	January 2021 (Preliminary)	December 2020 (Revised)	January 2020 (Revised)	December 2019 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	6.3%	6.7%	3.5%	3.6%
Washington				
Unemployment rate	6.0%	7.1%	3.9%	4.0%
Resident labor force	3,835,200	3,864,700	3,955,200	3,945,400
Unemployed	228,600	272,500	155,500	158,800
Seattle/Bellevue/Everett				
Unemployment rate	5.8%	7.1%	2.6%	2.7%
Resident labor force	1,737,800	1,733,900	1,744,600	1,742,000
Unemployed	100,400	122,200	45,600	46,400

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 January 2021 is 6.0 percent. The revised estimated December 2020 unemployment rate is 7.1 percent.

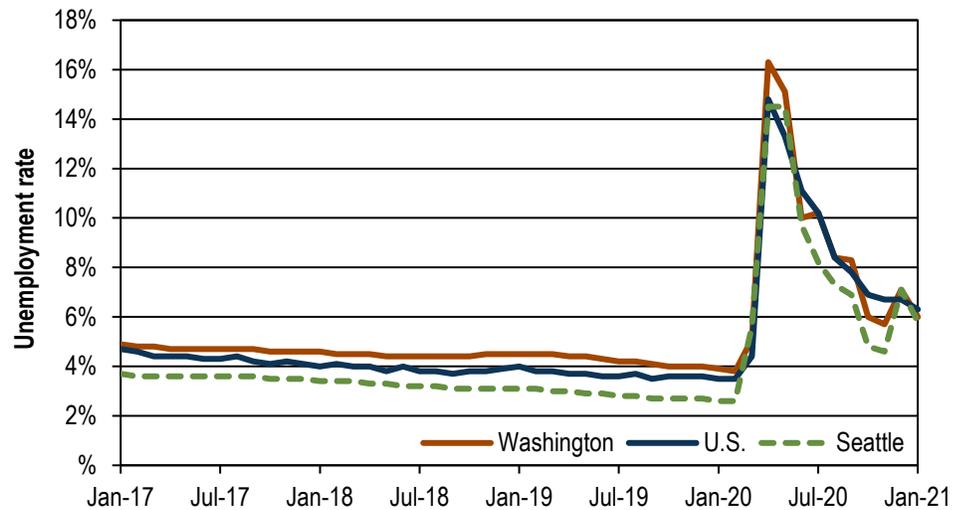
According to BLS estimates, the number of unemployed people fell by 43,900 in January 2021 compared to December 2020. At the same time, the number of employed people rose by an estimated 14,400. Overall, this amounted to a decrease of 29,500 people in the labor force.

The preliminary January 2021 unemployment rate is 2.1 percentage points higher than the January 2020 rate of 3.9 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, January 2017 through January 2021

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



January 2021 preliminary unemployment rates:

U.S. (preliminary) 6.3%
 Washington (preliminary) 6.0%
 Seattle area (preliminary) 5.8%

Employment change, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 4,400 jobs from December 2020 to January 2021.

Recent employment change:

November 2020: up 12,000 jobs (revised)

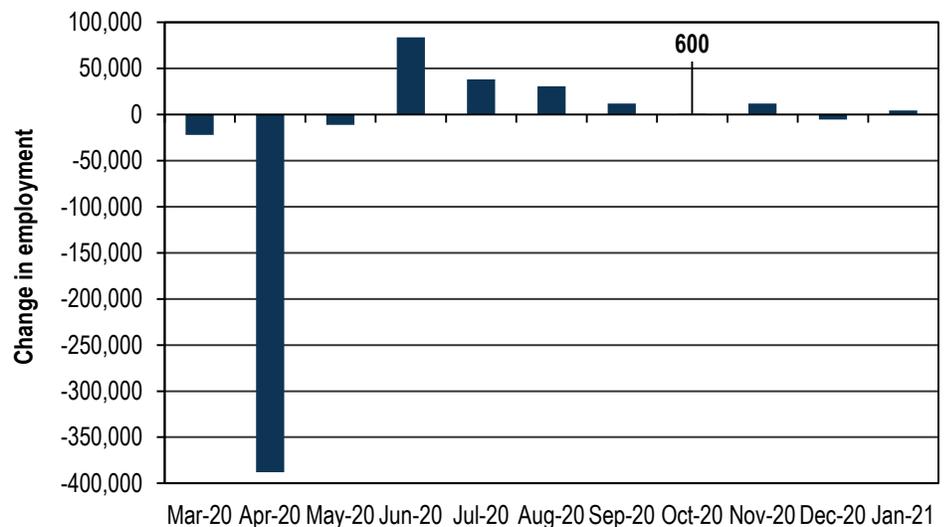
December 2020: down 5,400 jobs (revised)

January 2021: up 4,400 jobs (preliminary)

Monthly employment change, seasonally adjusted

Washington state, March 2020 through January 2021

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: 3,516,800

Unemployment rate: 3.8%

January 2021 (preliminary)

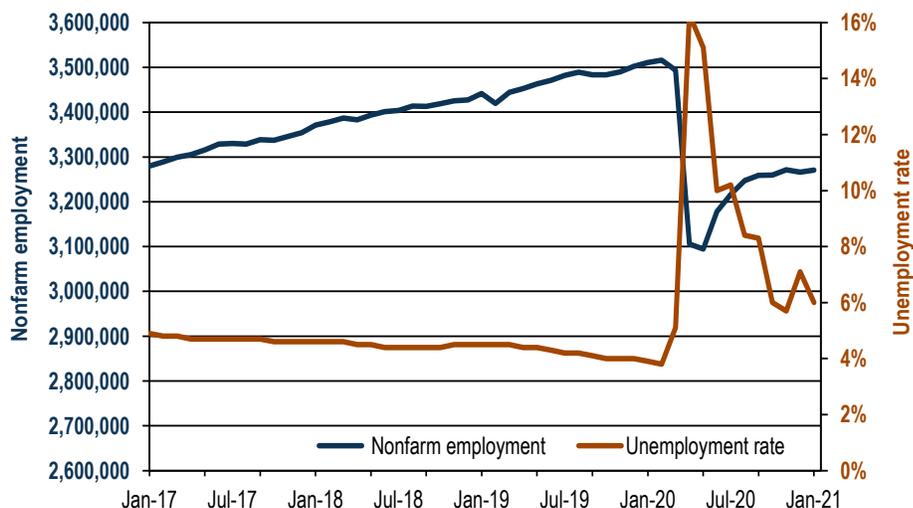
Nonfarm employment: 3,270,600

Unemployment rate: 6.0%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, January 2017 through January 2021

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.



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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 fourth quarter 2020

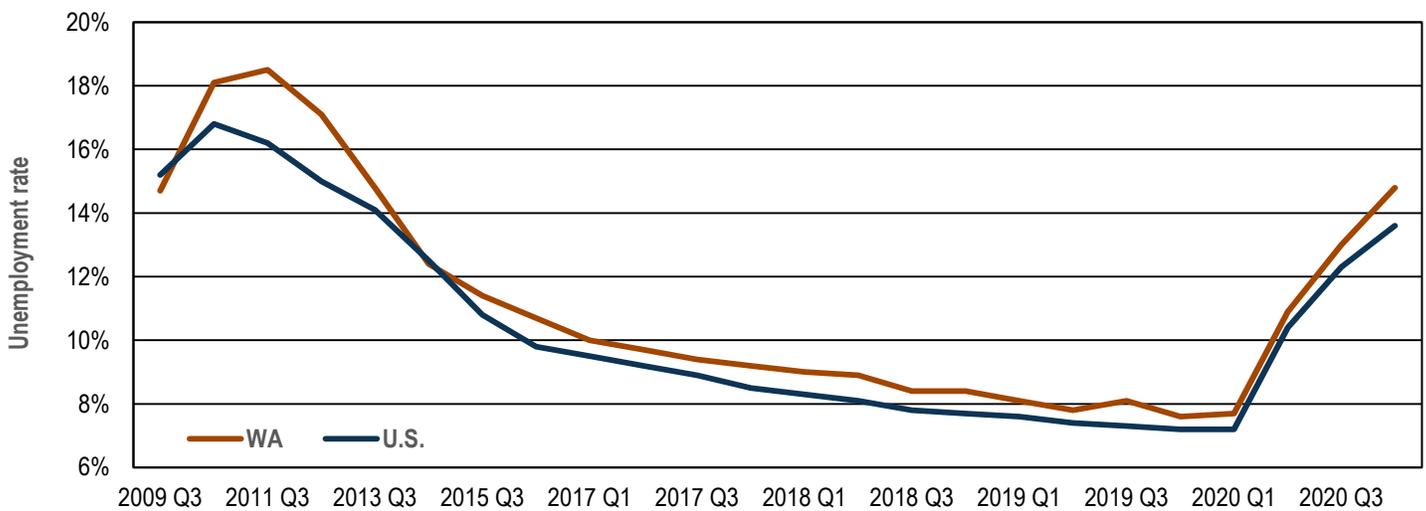
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include annual averages for first quarter 2020. One such alternative measure is the U-6 rate, which considers not only the unemployed population in

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 2020 for Washington state was 14.8 percent. This was higher compared to the 13.0 percent U-6 unemployment 2020 third quarter rate. The U.S. U-6 unemployment rate was 13.6 percent in 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	8.1%	10.9%	13.0%	14.8%
	U.S.	7.7%	10.4%	12.3%	13.6%
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%

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 4,400 jobs during the month, on a seasonally adjusted basis:

- Overall, employment increased in seven major industries and contracted in six in January.
- Private sector employment is estimated to have increased by 2,800 and government employment increased by 1,600.
- Employment in leisure and hospitality increased by 4,800, with 2,800 jobs gained in arts, entertainment and recreation.
- Education and health services employment rose by 4,700 overall, with 1,900 jobs gained in ambulatory health care services.
- Retail trade employment rose by 500 overall, with the most jobs added in other retail trade.
- The number of jobs in financial activities decreased by 1,200 overall, led by a decrease of 1,800 in real estate, rental and leasing.
- Employment in professional and business services decreased by 3,400, with 2,500 jobs lost in administrative and support services.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, December 2020 to January 2021

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

Total nonfarm	4,400
Leisure and hospitality	4,800
Education and health services	4,700
Government	1,600
Information	800
Retail trade	500
Wholesale trade	200
Mining and logging	100
Construction	-100
Other services	-500
Manufacturing	-700
Financial activities	-1,200
Transportation, warehousing and utilities	-2,400
Professional and business services	-3,400

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 234,000 jobs from January 2020 through January 2021.

- Overall, three major industries expanded and ten contracted.
- Private sector employment fell 6.5 percent, down an estimated 185,600 jobs.
- Public sector employment fell 8.1 percent, down an estimated 48,400 jobs.
- Retail trade employment rose 6,600 overall, with 6,000 jobs gained in other retail trade.
- Information employment increased by 4,200, with 3,100 jobs added by software publishers.
- Employment in manufacturing is down 32,100, led by a decrease of 17,200 in aerospace product and parts manufacturing.
- Government employment decreased by 48,400, with 27,100 jobs lost in local government education services.
- Employment in leisure and hospitality is down by 112,700, with food services and drinking places shedding 74,400 jobs.

Estimated employment change by industry over the year, not seasonally adjusted
Washington state, January 2020 through January 2021

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

Total nonfarm	-234,000
Retail trade	6,600
Information	4,200
Construction	800
Mining and logging	-300
Financial activities	-5,400
Transportation, warehousing and utilities	-5,500
Education and health services	-6,400
Wholesale trade	-8,700
Professional and business services	-9,100
Other services	-17,000
Manufacturing	-32,100
Government	-48,400
Leisure and hospitality	-112,700

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 2021

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-41,500	-37,100	4,400
Government	1,200	2,800	1,600
Mining and logging	-200	-100	100
Information	-600	200	800
Wholesale trade	-900	-700	200
Education and health services	-1,000	3,700	4,700
Financial activities	-1,000	-2,200	-1,200
Other services	-1,600	-2,100	-500
Manufacturing	-2,500	-3,200	-700
Transportation, warehousing and utilities	-3,600	-6,000	-2,400
Leisure and hospitality	-4,900	-100	4,800
Construction	-5,300	-5,400	-100
Professional and business services	-8,800	-12,200	-3,400
Retail trade	-12,300	-11,800	500

Based on historical patterns, Washington employment typically decreases by 41,500 from December to January. This year the state lost an estimated 37,100 jobs, amounting to a seasonally adjusted increase of 4,400 jobs.

- Typically, manufacturing employment increases by 2,500 in January. On a seasonally adjusted basis, manufacturing employment decreased by 700 as the estimated decrease was 3,200.
- The normal seasonal loss in leisure and hospitality employment is 4,900 in January. The estimated loss was 100, so employment increased by 4,800 on a seasonally adjusted basis.
- The estimated employment decrease in construction was 5,400. The normal seasonal decrease is 5,300, so on a seasonally adjusted basis, construction employment fell by 100.
- The employment decrease on a seasonally adjusted basis was 3,400 in professional and business services in January. The normal seasonal decrease is 8,800. It is estimated to have decreased this January by 12,200.
- Employment in retail trade normally falls by 12,300. It is estimated to have decreased by 11,800 this January, so it increased by 500 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 2021 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 2020. Employment estimates for January 2021 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 2020 [is available](#).

Based on benchmarked September 2020 data:

- The largest upward revision was for retail trade, up 3,800.
- Leisure and hospitality had the largest downward revision of 28,900.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, September 2020
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics,
Quarterly Census of Employment and Wages

Industry sector	Revisions to September 2020 employment level
Total nonfarm	-64,400
Retail trade	3,800
Information	1,300
Wholesale trade	1,000
Mining and logging	200
Other services	-500
Financial activities	-800
Education and health services	-2,100
Transportation, warehousing and utilities	-4,000
Construction	-4,600
Government	-6,000
Manufacturing	-6,400
Professional and business services	-17,400
Leisure and hospitality	-28,900

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.

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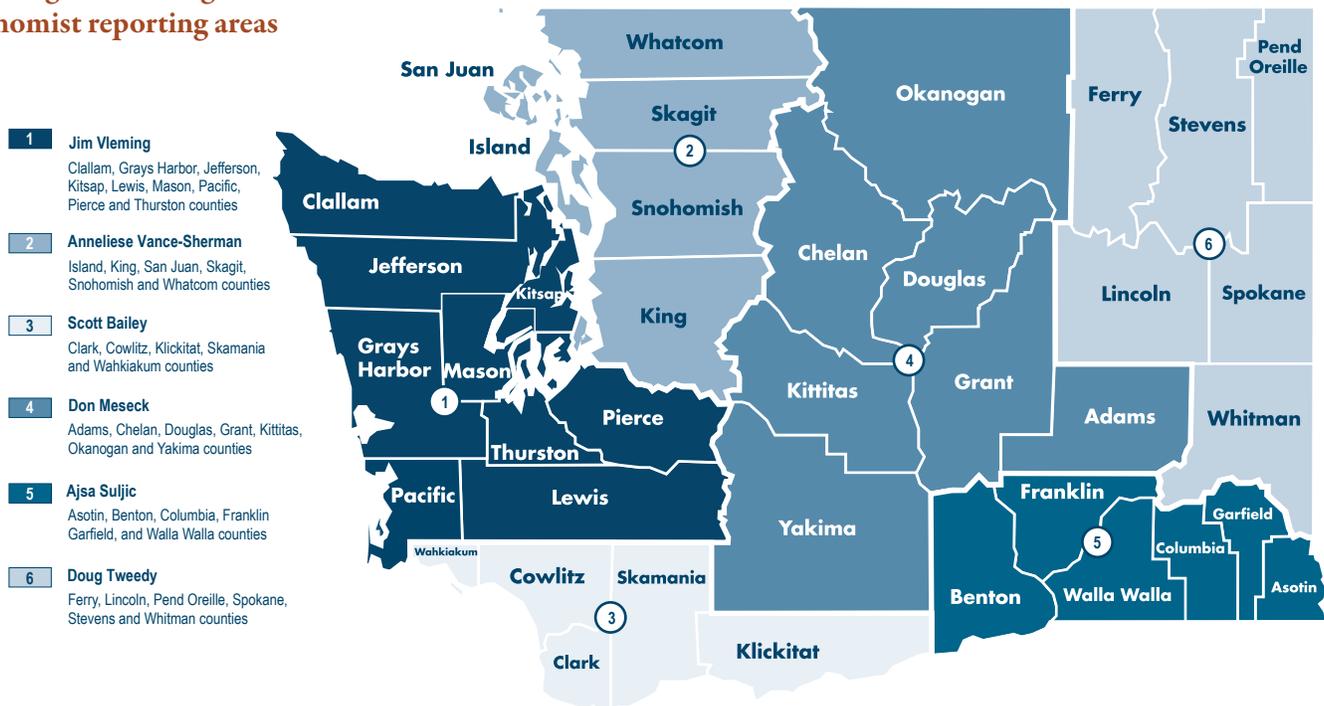
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., March 16, 2021.

The publication schedule for 2021 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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