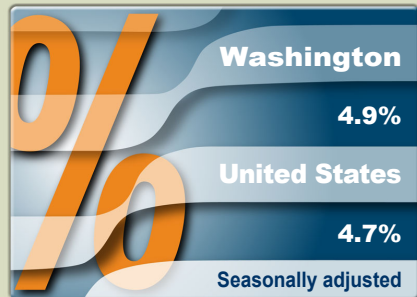


Monthly Employment Report for February 2017



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 6,100 from January 2017 to February 2017.¹ BLS estimates the private sector gained 4,100 jobs during the month and the public sector gained 2,000 jobs.

On a not seasonally adjusted basis, estimates for February 2016 through February 2017 indicate an increase in employment of 85,100 for the state. The private sector added 73,100 jobs while the public sector gained an estimated 12,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for February 2017 is 4.9 percent. The revised estimated January 2017 unemployment rate was at 5.1 percent. The February 2016 unemployment rate was 5.6 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. January's preliminary estimated loss of 7,200 jobs was revised to a loss of 3,100 jobs.

For more information, call Paul Turek, labor economist at 360-407-2306.

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, January and February, 2016 and 2017
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	February 2017 (Preliminary)	January 2017 (Revised)	February 2016 (Revised)	January 2016 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	4.7%	4.8%	4.9%	4.9%
Washington				
Unemployment rate	4.9%	5.1%	5.6%	5.6%
Resident labor force	3,686,800	3,684,300	3,605,600	3,595,500
Unemployed	180,800	187,300	202,100	202,200
Seattle/Bellevue/Everett				
Unemployment rate	3.5%	3.7%	4.4%	4.4%
Resident labor force	1,647,100	1,643,800	1,603,700	1,599,400
Unemployed	58,100	60,800	70,300	70,900

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 February 2017 was 4.9 percent. The revised estimated January 2017 unemployment rate was 5.1 percent.

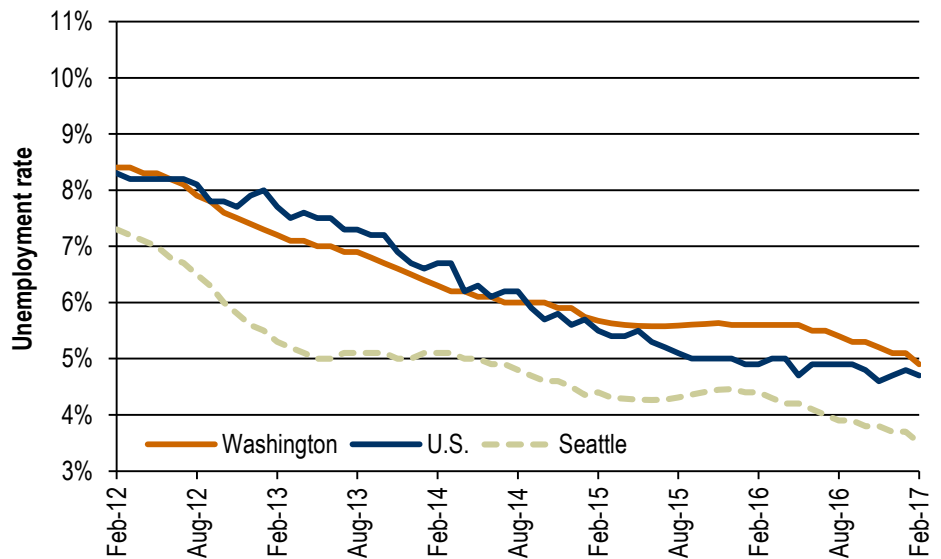
According to BLS estimates, the number of unemployed people fell by 6,500 in February 2017 compared to January 2017. At the same time, the number of employed people rose by an estimated 9,000. Overall, this amounted to an increase of 2,500 people in the labor force.

The preliminary February 2017 unemployment rate is 0.7 percentage points below the February 2016 rate of 5.6 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, February 2012 through February 2017

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



February 2017 preliminary unemployment rates:

U.S. (preliminary) 4.7%
 Washington (preliminary) 4.9%
 Seattle area (preliminary) 3.5%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,100 jobs from January 2017 to February 2017.

Recent employment change
December 2016: up 8,000 jobs (revised)

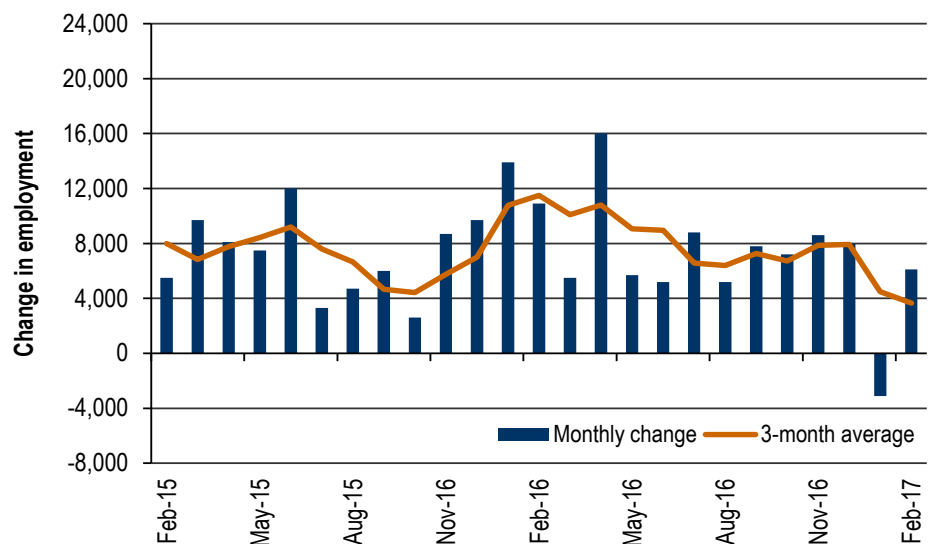
January 2017: down 3,100 jobs (revised)

February 2017: up 6,100 jobs (preliminary)

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

Washington state, February 2015 through February 2017

Source: Employment Security Department/LMPA; 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: 3,005,700
Unemployment rate: 4.8%

February 2010

(end of recent employment recession in Washington)

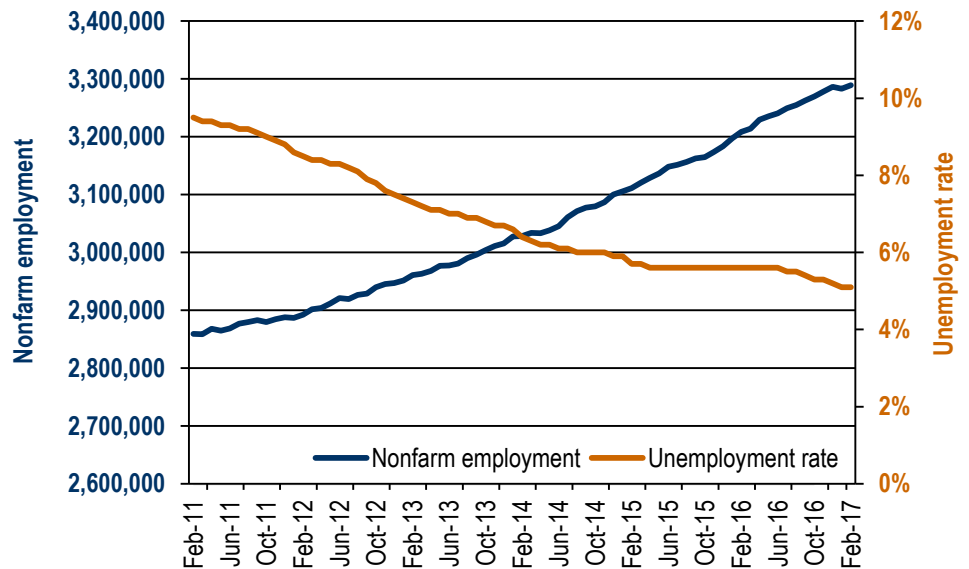
Nonfarm employment: 2,823,400
Unemployment rate: 10.3%

February 2017 (preliminary)

Nonfarm employment: 3,289,200
Unemployment rate: 4.9%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, February 2011 through February 2017

Source: Employment Security Department/LMPA; 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 2016.

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 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

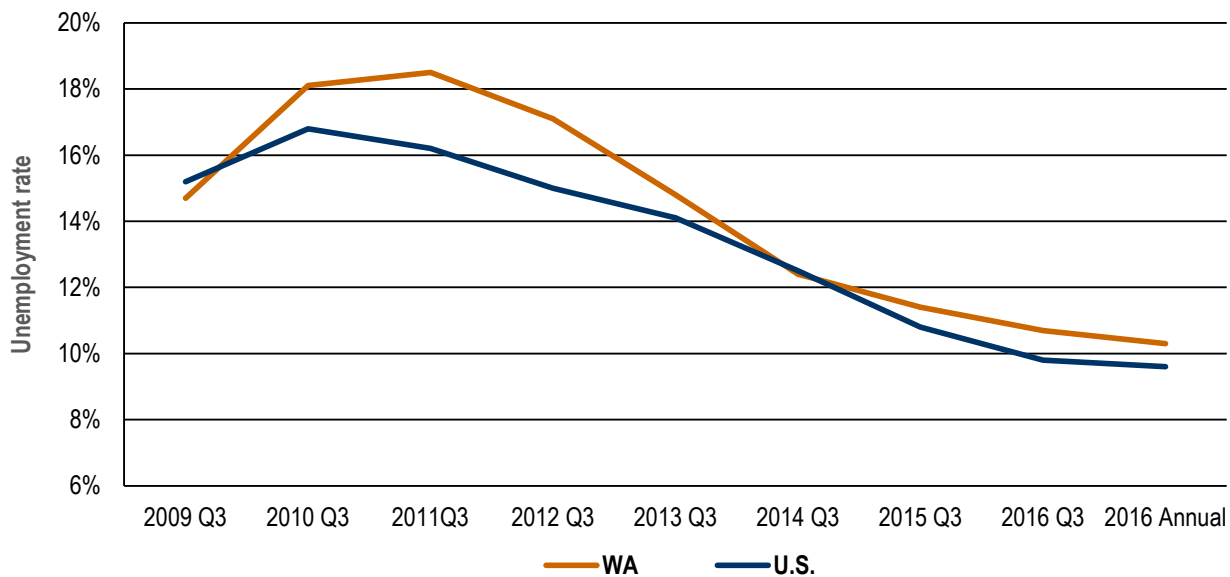
also marginally attached workers and those employed part time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.” This U-6 measure measures the “unemployed, underemployed, and

those who are not looking but who want a job.”

The 2016 U-6 annual average rate for Washington state was 10.3 percent. This was lower compared to the 2015 annual average rate of 11.0 percent. The U.S. 2016 annual average rate was 9.6 percent.

Alternate measures of labor underutilization, four quarter moving average Washington state versus U.S. U-6 unemployment rate

U-6: Total unemployed, plus all other marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force.



Year	WA/U.S.	Q1	Q2	Q3	Annual average
2017	WA				
	U.S.				
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%
2010	WA	17.2%	17.4%	18.1%	18.4%
	U.S.	16.7%	16.8%	16.8%	16.7%

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 6,100 jobs during the month, on a seasonally adjusted basis:

- Overall, eight industries expanded employment in February, three contracted, and two were unchanged.
- Private-sector employment is estimated to have increased by 4,100 and government employment increased by 2,000.
- Construction employment increased by 2,000 overall with 1,700 more employed by specialty trade contractors.
- Professional and business services employment rose by 1,300, led by a gain of 500 in professional, scientific and technical services.
- Employment in leisure and hospitality increased by 1,100 overall, with 900 jobs gained in arts, entertainment and recreation.
- The number of jobs in financial activities increased by 500, with all of the gain occurring in real estate, rental and leasing.
- Retail trade employment fell by 500 overall, with the most jobs lost by general merchandise stores.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, January 2017 to February 2017

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

Total nonfarm	6,100
Construction	2,000
Government	2,000
Professional and business services	1,300
Leisure and hospitality	1,100
Other services	1,000
Financial activities	500
Wholesale trade	100
Information	100
Education and health services	0
Mining and logging	0
Retail trade	-500
Transportation, warehousing and utilities	-600
Manufacturing	-900

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 85,100 jobs from February 2016 through February 2017:

- Overall, twelve major industries expanded and one declined.
- Private-sector employment rose 2.8 percent, up an estimated 73,100 jobs.
- Public-sector employment increased 2.1 percent, a net gain of 12,000 jobs.
- Education and health services employment increased by 15,700 with 5,800 of the jobs added in ambulatory healthcare services.
- Retailers added 15,700 jobs. Other retail trade, which includes online retail trade, was up by 11,200 jobs.
- Employment in leisure and hospitality is up by 11,300, with 6,100 jobs added by food services and drinking places.
- Employment in construction is up 9,400 with the number employed as specialty trade contractors up 7,700.
- Professional and business services employment increased by 9,200, led by a 6,900 increase in professional, scientific and technical services.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, February 2016 through February 2017

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

Total nonfarm	85,100
Education and health services	15,700
Retail trade	15,700
Government	12,000
Leisure and hospitality	11,300
Construction	9,400
Professional and business services	9,200
Information	5,100
Financial activities	4,800
Transportation, warehousing and utilities	3,500
Other services	3,100
Wholesale trade	2,200
Mining and logging	200
Manufacturing	-7,100

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.

Based on historical patterns, Washington employment typically increases by 8,900 from January to February. This year the state gained an estimated 15,000 jobs, amounting to a seasonally adjusted increase of 6,100 jobs.

- The change on a seasonally adjusted basis was a gain of 1,300 jobs in professional and business services in February. The normal seasonal increase is 3,200. It is estimated to have increased by 4,500 this February.
- The estimated employment increase in construction was 3,800. The normal seasonal increase is 1,800, so on a seasonally adjusted basis, construction employment rose by 2,000.
- Employment in leisure and hospitality normally rises by 1,800. It is estimated to have increased by 2,900 this February yielding a gain of 1,100 on a seasonally adjusted basis.
- The normal seasonal gain in manufacturing employment is 600 in February. The estimated decrease was 300 so employment declined by 900 on a seasonally adjusted basis.
- Typically retail trade employment decreases by 4,300 in February. On a seasonally adjusted basis, retail trade employment decreased by 500 as the estimated decrease was 4,800.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, February 2017

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	8,900	15,000	6,100
Education and health services	3,700	3,700	0
Professional and business services	3,200	4,500	1,300
Government	2,200	4,200	2,000
Construction	1,800	3,800	2,000
Leisure and hospitality	1,800	2,900	1,100
Manufacturing	600	-300	-900
Information	500	600	100
Mining and logging	100	100	0
Transportation, warehousing and utilities	0	-600	-600
Wholesale trade	-100	0	100
Other services	-300	700	1,000
Financial activities	-300	200	500
Retail trade	-4,300	-4,800	-500

Contact an economist

We have seven regional economists serving local labor markets in Washington. Regional economists can help you find and use labor market data, fulfill special data requests and answer questions about the labor market in your area. They serve professionals and organizations in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media.

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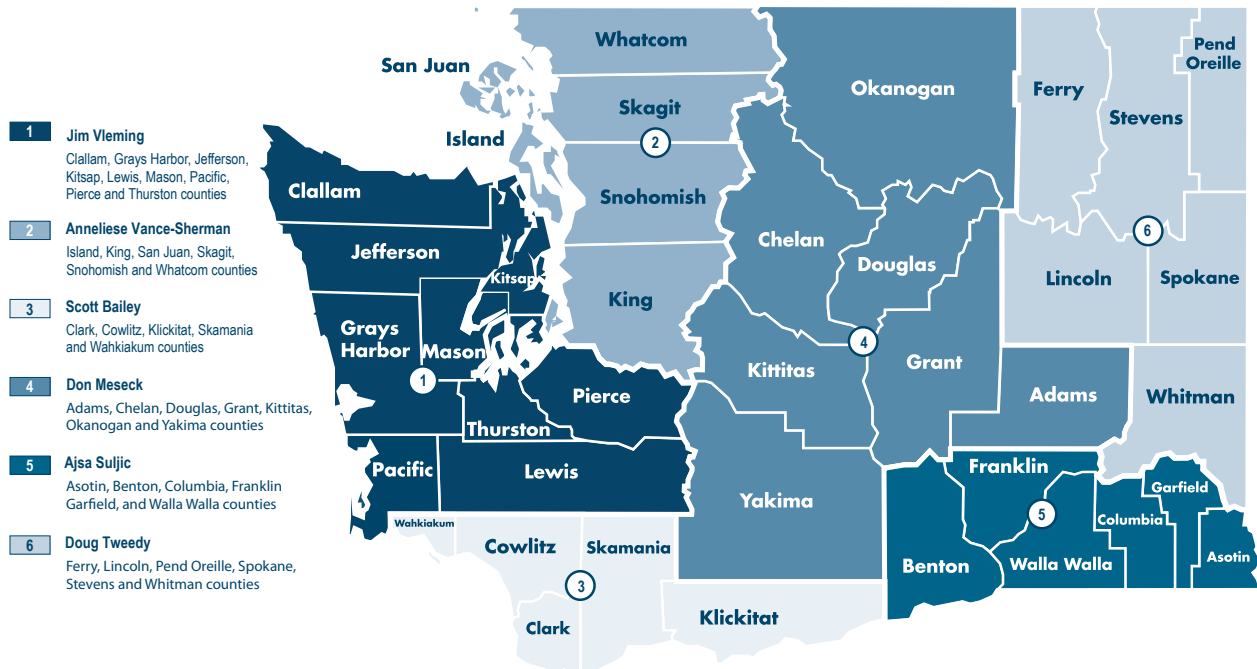
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Washington state regional labor economist reporting areas



Note: Due to changes in the processing of the monthly employment data by the U.S. Bureau of Labor Statistics, the county level information will be available at 10 a.m., March 28, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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