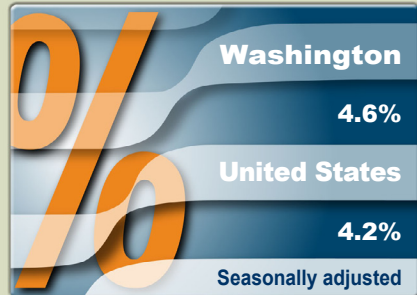


# Monthly Employment Report for September 2017



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 13,800 from August 2017 to September 2017.<sup>1</sup> BLS estimates the private sector gained 6,000 jobs during the month and the public sector gained 7,800 jobs.

On a not seasonally adjusted basis, estimates for September 2016 through September 2017 indicate an increase in employment of 76,100 for the state. The private sector added 61,400 jobs while the public sector gained an estimated 14,700 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for September 2017 is 4.6 percent. The revised estimated August 2017 unemployment rate was at 4.6 percent. The September 2016 unemployment rate was 5.3 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. August's preliminary estimated gain of 2,000 jobs was revised to a gain 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, August and September, 2016 and 2017  
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	September 2017 (Preliminary)	August 2017 (Revised)	September 2016 (Revised)	August 2016 (Revised)
<b>United States</b>				
Unemployment rate <i>Seasonally adjusted</i>	4.2%	4.4%	4.9%	4.9%
<b>Washington</b>				
Unemployment rate	4.6%	4.6%	5.3%	5.4%
Resident labor force	3,755,300	3,725,400	3,664,000	3,656,800
Unemployed	172,300	170,100	195,800	198,000
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	3.8%	3.7%	3.9%	3.9%
Resident labor force	1,651,100	1,641,300	1,631,000	1,627,000
Unemployed	62,300	60,200	63,000	63,800

<sup>1</sup>Most 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 September 2017 was 4.6 percent. The revised estimated August 2017 unemployment rate was 4.6 percent.

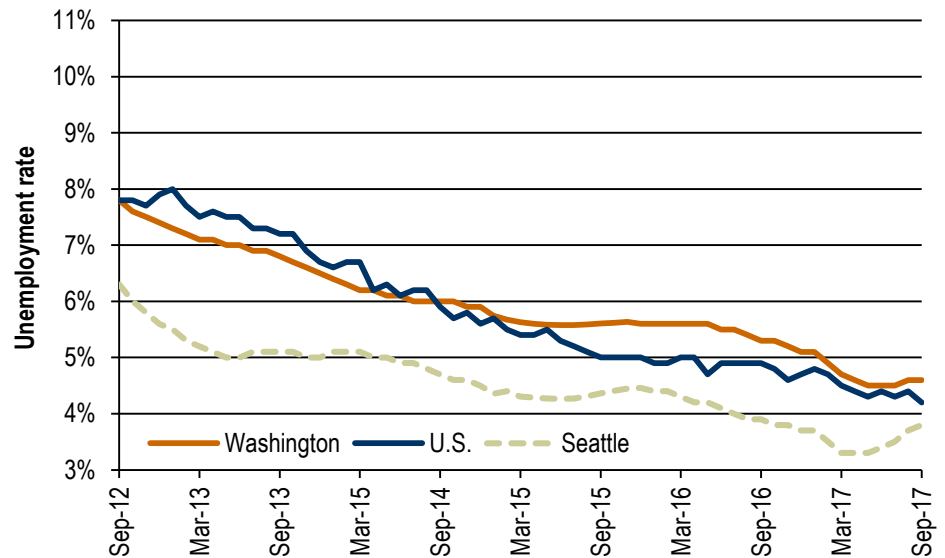
According to BLS estimates, the number of unemployed people rose by 2,200 in September 2017 compared to August 2017. At the same time, the number of employed people rose by an estimated 27,700. Overall, this amounted to an increase of 29,900 people in the labor force.

The preliminary September 2017 unemployment rate is 0.7 percentage points below the September 2016 rate of 5.3 percent.

### Unemployment rates, seasonally adjusted

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

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



**September 2017 preliminary unemployment rates:**

U.S. (preliminary) 4.2%  
 Washington (preliminary) 4.6%  
 Seattle area (preliminary) 3.8%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 13,800 jobs from August 2017 to September 2017.

Recent employment change  
**July 2017:** up 5,200 jobs (revised)

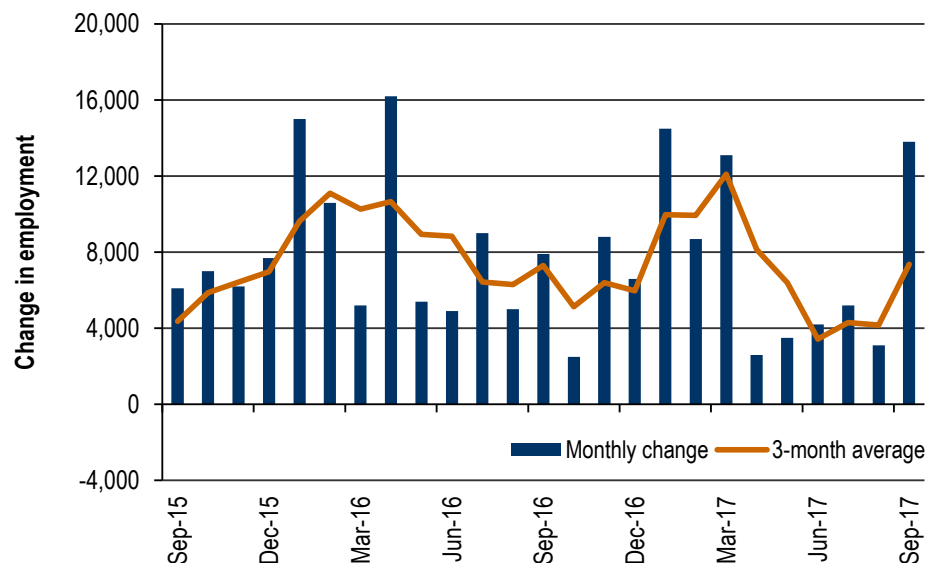
**August 2017:** up 3,100 jobs (revised)

**September 2017:** up 13,800 jobs (preliminary)

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

Washington state, September 2015 through September 2017

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: 3,005,700  
Unemployment rate: 4.8%

### February 2010

(end of recent employment recession in Washington)

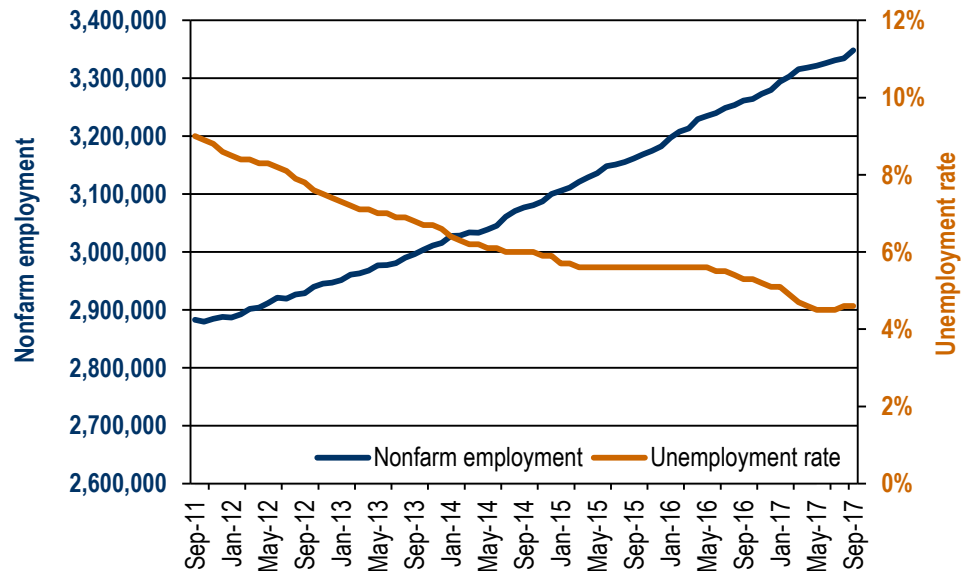
Nonfarm employment: 2,823,400  
Unemployment rate: 10.3%

### September 2017 (preliminary)

Nonfarm employment: 3,348,200  
Unemployment rate: 4.6%

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

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 during the second quarter

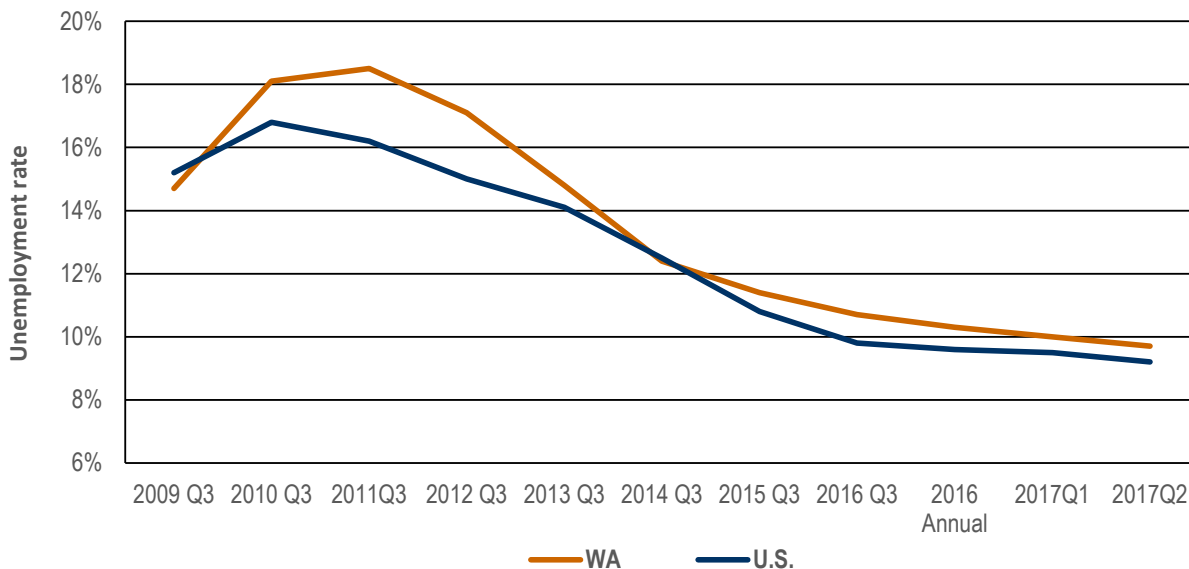
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

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 U-6 unemployment rate for the third quarter of 2016 through the second quarter of 2017 for Washington state was 9.7 percent. This was lower compared to the 10.7 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 9.2 percent over the same time period.

### 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	10.0%	9.7%		
	U.S.	9.5%	9.2%		
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 13,800 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in September, three contracted, and one was unchanged.
- Private sector employment is estimated to have increased by 6,000 and government employment increased by 7,800.
- Employment in leisure and hospitality increased by 3,400, led by a gain of 2,100 jobs in arts, entertainment and recreation.
- The number of jobs in retail trade increased by 700 overall. Clothing stores and general merchandise stores added the most jobs to offset job losses in other retail sectors.
- Education and health services employment rose by 600, with 900 jobs gained in private education services offsetting losses of 300 in health services and social assistance.
- Construction employment rose by 400 overall, with increases of 900 in building construction outweighing the loss of 500 in heavy and civil engineering.
- Employment in professional and business services increased by 200 overall, with the most job gains occurring in administrative and support services.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, August 2017 through September 2017

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

<b>Total nonfarm</b>	<b>13,800</b>
Government	7,800
Leisure and hospitality	3,400
Information	900
Retail trade	700
Education and health services	600
Construction	400
Wholesale trade	400
Financial activities	300
Professional and business services	200
Mining and logging	0
Other services	-200
Transportation, warehousing and utilities	-300
Manufacturing	-400

## 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 76,100 jobs from September 2016 through September 2017:

- Overall, eleven major industries expanded and two declined.
- Private sector employment rose 2.3 percent, up an estimated 61,400 jobs.
- Public sector employment increased 2.6 percent, a net gain of 14,700 jobs.
- Employment in construction is up 12,700 with the number employed as specialty trade contractors up 8,400.
- Education and health services employment increased by 9,600 with 6,400 of the jobs added in ambulatory healthcare services.
- Retailers added 8,500 jobs. Other retail trade, which includes online retail trade, was up by 3,600 jobs.
- Professional and business services employment increased by 8,000, led by a 7,900 increase in professional, scientific and technical services.
- Employment in manufacturing is down by 3,500 overall, with a decrease of 4,700 in durable goods production outweighing an increase of 1,200 in nondurable goods production.

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

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

<b>Total nonfarm</b>	<b>76,100</b>
Government	14,700
Construction	12,700
Education and health services	9,600
Retail trade	8,500
Professional and business services	8,000
Leisure and hospitality	7,500
Financial activities	4,800
Wholesale trade	4,400
Information	3,800
Other services	3,700
Transportation, warehousing and utilities	2,100
Mining and logging	-200
Manufacturing	-3,500

## 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.

Based on historical patterns, Washington employment typically increases by 2,300 from August to September. This year the state gained an estimated 16,100 jobs, amounting to a seasonally adjusted increase of 13,800 jobs.

- The normal seasonal gain in manufacturing employment is 800 in September. The estimated increase was 400 so employment decreased by 400 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 200 jobs in professional and business services in September. The normal seasonal decrease is 300. It is estimated to have decreased by 100 this September.
- The estimated employment decrease in construction was 1,600. The normal seasonal decrease is 2,000, so on a seasonally adjusted basis, construction employment rose by 400.
- Typically, retail trade employment decreases by 4,500 in September. On a seasonally adjusted basis, retail trade employment rose by 700 as the estimated decrease was 3,800.
- Employment in leisure and hospitality normally falls by 6,800. It is estimated to have decreased by 3,400 this September yielding a gain of 3,400 on a seasonally adjusted basis.

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

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>2,300</b>	<b>16,100</b>	<b>13,800</b>
Government	15,300	23,100	7,800
Education and health services	4,700	5,300	600
Manufacturing	800	400	-400
Transportation, warehousing and utilities	100	-200	-300
Mining and logging	0	0	0
Wholesale trade	-100	300	400
Professional and business services	-300	-100	200
Financial activities	-1,300	-1,000	300
Information	-1,600	-700	900
Construction	-2,000	-1,600	400
Other services	-2,000	-2,200	-200
Retail trade	-4,500	-3,800	700
Leisure and hospitality	-6,800	-3,400	3,400



## Contact an economist

Our statewide economist and six regional economists serve customers in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media. They can help you find and use labor market data, fulfill special data requests and answer questions about the state and local labor markets. Get in touch with your regional economist to get the local information you need.

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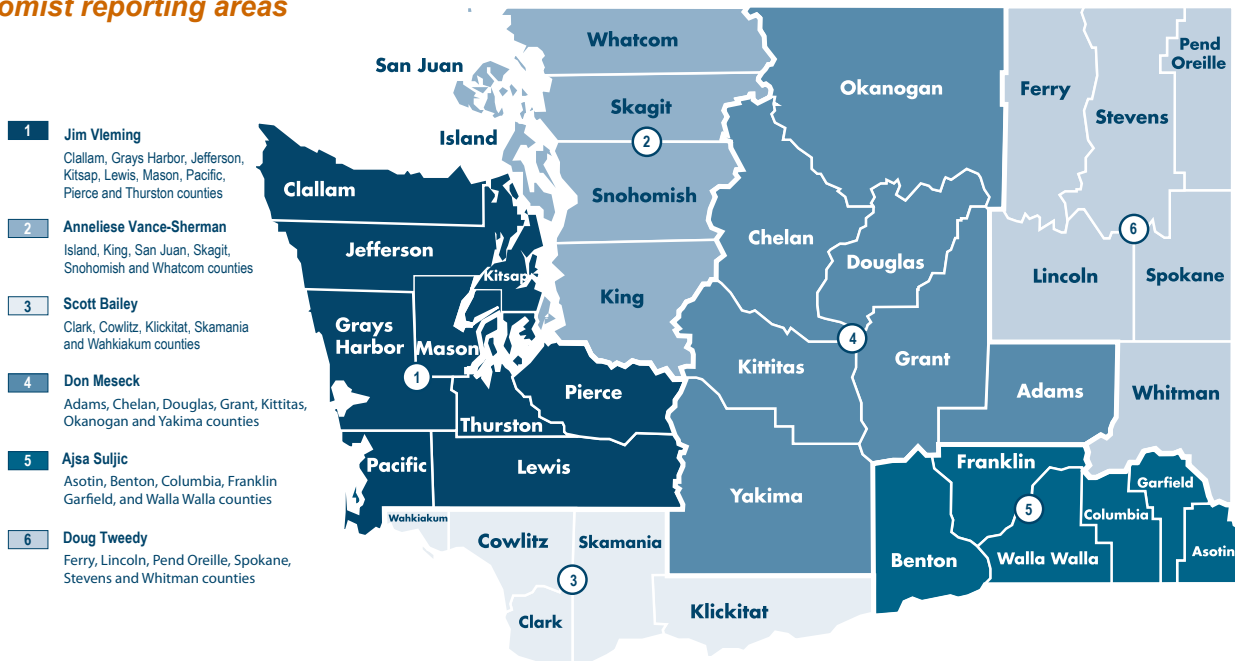
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### Washington state regional labor economist reporting areas



**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., October 24, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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