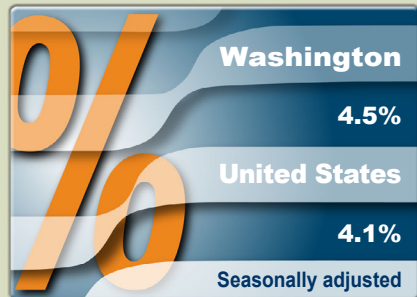


Monthly Employment Report for December 2017



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 November 2017 to December 2017.¹ BLS estimates the private sector gained 2,000 jobs during the month and the public sector gained 4,100 jobs.

On a not seasonally adjusted basis, estimates for December 2016 through December 2017 indicate an increase in employment of 95,500 for the state. The private sector added 84,100 jobs while the public sector gained an estimated 11,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for December 2017 is 4.5 percent. The revised estimated November 2017 unemployment rate was at 4.4 percent. The December 2016 unemployment rate was 5.1 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. November's preliminary estimated gain of 9,800 jobs was revised to a gain of 11,100 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, November and December, 2016 and 2017
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	December 2017 (Preliminary)	November 2017 (Revised)	December 2016 (Revised)	November 2016 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	4.1%	4.1%	4.7%	4.6%
Washington				
Unemployment rate	4.5%	4.4%	5.1%	5.2%
Resident labor force	3,763,100	3,772,600	3,677,100	3,674,400
Unemployed	169,500	167,800	189,200	191,300
Seattle/Bellevue/Everett				
Unemployment rate	3.8%	3.8%	3.7%	3.8%
Resident labor force	1,664,700	1,658,700	1,638,600	1,636,900
Unemployed	63,100	62,700	61,200	61,700

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 December 2017 was 4.5 percent. The revised estimated November 2017 unemployment rate was 4.4 percent.

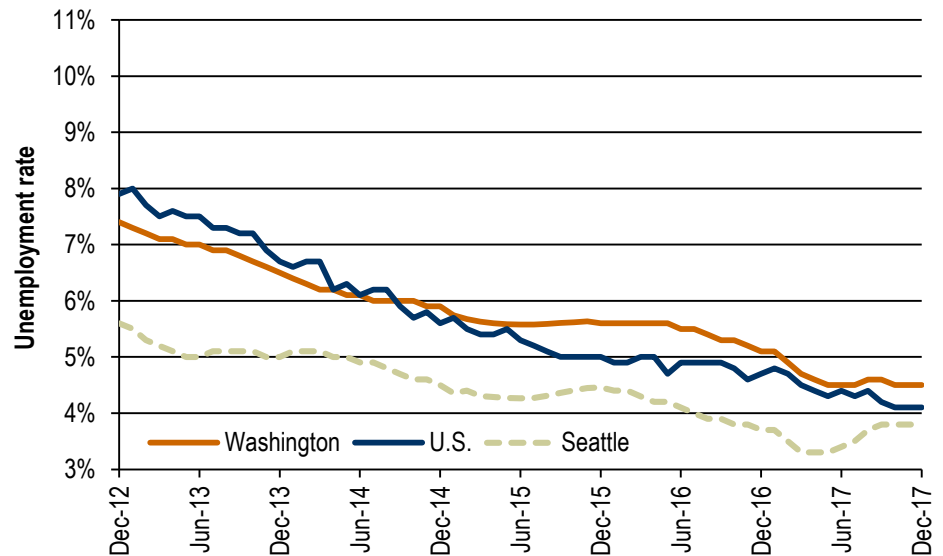
According to BLS estimates, the number of unemployed people rose by 1,700 in December 2017 compared to November 2017. At the same time, the number of employed people fell by an estimated 11,200. Overall, this amounted to a decrease of 9,500 people in the labor force.

The preliminary December 2017 unemployment rate is 0.6 percentage points below the December 2016 rate of 5.1 percent.

Unemployment rates, seasonally adjusted

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

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



December 2017 preliminary unemployment rates:
 U.S. (preliminary) 4.1%
 Washington (preliminary) 4.5%
 Seattle area (preliminary) 3.8%

Employment change and moving average, seasonally adjusted

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

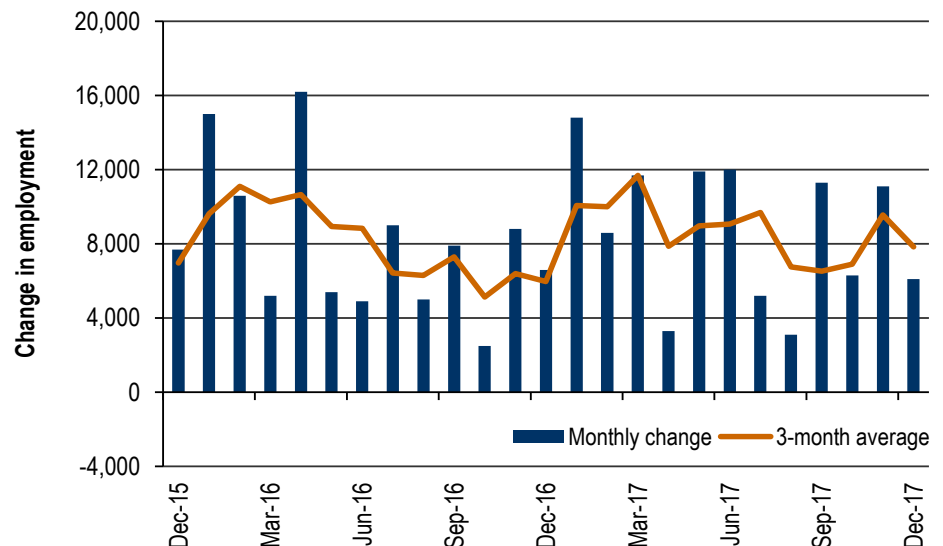
Recent employment change
October 2017: up 6,300 jobs (revised)

November 2017: up 11,100 jobs (revised)

December 2017: up 6,100 jobs (preliminary)

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

Washington state, December 2015 through December 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)

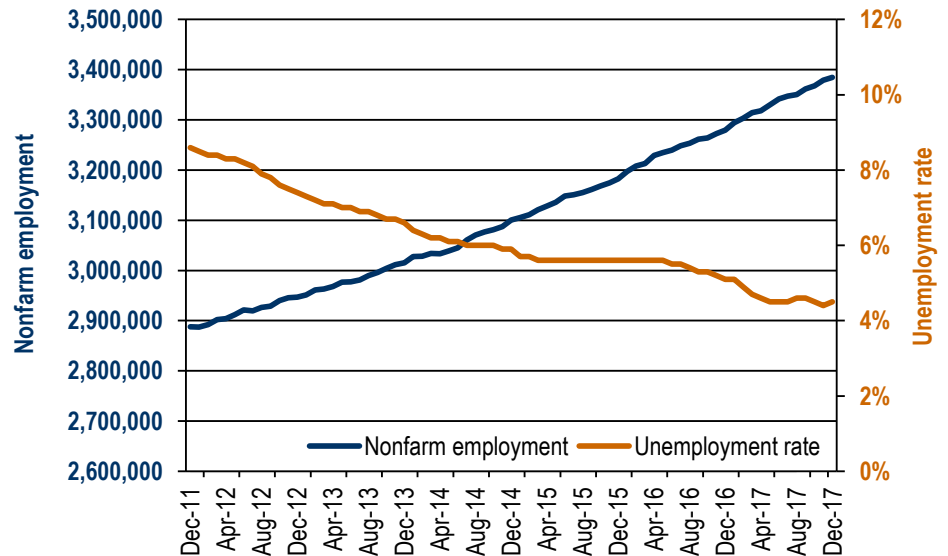
Nonfarm employment: 2,823,400
Unemployment rate: 10.3%

December 2017 (preliminary)

Nonfarm employment: 3,384,900
Unemployment rate: 4.5%

Nonfarm employment and unemployment rate, seasonally adjusted Washington state, December 2011 through December 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 third quarter

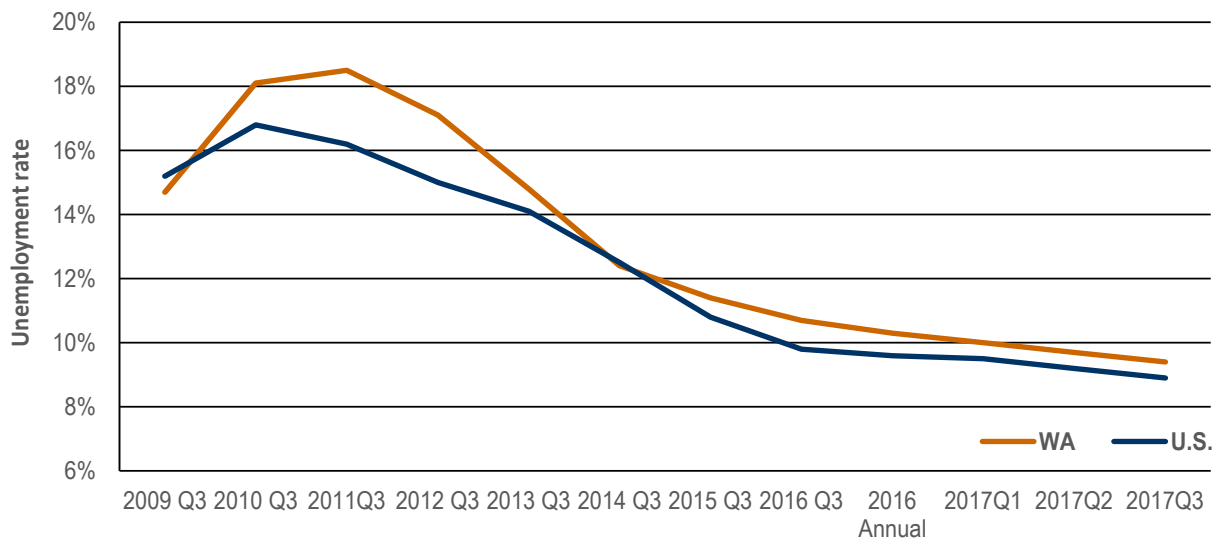
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

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 fourth quarter of 2016 through the third quarter of 2017 for Washington state was 9.4 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 8.9 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%	9.4%	
	U.S.	9.5%	9.2%	8.9%	
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 December, four contracted and one was unchanged.
- Private sector employment is estimated to have increased by 2,000 and government employment increased by 4,100.
- Leisure and hospitality employment rose by 3,900, with 1,600 jobs added in food services and drinking places.
- Manufacturing employment rose by 2,400 overall, with 300 jobs gained in durable goods manufacturing and 2,100 jobs gained in nondurable goods manufacturing.
- Employment in construction increased by 1,500, led by gains of 600 jobs in building construction and 600 more in heavy and civil engineering.
- The number of jobs in retail trade decreased by 2,800 with food and beverage stores subtracting 500.
- Employment in professional and business services fell by 3,300, with 3,000 jobs lost in administrative and support services.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, November 2017 through December 2017

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

Total nonfarm	6,100
Government	4,100
Leisure and hospitality	3,900
Manufacturing	2,400
Construction	1,500
Information	900
Education and health services	600
Financial activities	600
Transportation, warehousing and utilities	400
Mining and logging	0
Wholesale trade	-600
Other services	-1,600
Retail trade	-2,800
Professional and business services	-3,300

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 95,500 jobs from December 2016 through December 2017:

- Overall, all thirteen major industries expanded.
- Private sector employment rose 3.1 percent, up an estimated 84,100 jobs.
- Public sector employment increased 2.0 percent, a net gain of 11,400 jobs.
- Professional and business services employment increased by 14,300, led by an 8,800 increase in professional, scientific and technical services.
- Employment in construction is up 14,000 with the number employed as specialty trade contractors up 6,600.
- Education and health services employment increased by 12,700 with 7,600 of the jobs added in health services and social assistance.
- Retailers added 11,500 jobs. Other retail trade, which includes online retail trade, was up by 7,700 jobs.
- Employment in leisure and hospitality is up by 9,500, led by a gain of 7,300 jobs in food services and drinking places.

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

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

Total nonfarm	95,500
Professional and business services	14,300
Construction	14,000
Education and health services	12,700
Retail trade	11,500
Government	11,400
Leisure and hospitality	9,500
Information	5,900
Transportation, warehousing and utilities	5,800
Financial activities	4,600
Wholesale trade	4,000
Other services	1,400
Mining and logging	300
Manufacturing	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.

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

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-13,800	-7,700	6,100
Retail trade	3,200	400	-2,800
Transportation, warehousing and utilities	1,600	2,000	400
Leisure and hospitality	800	4,700	3,900
Financial activities	400	1,000	600
Other services	0	-1,600	-1,600
Mining and logging	-100	-100	0
Information	-100	800	900
Wholesale trade	-300	-900	-600
Education and health services	-1,000	-400	600
Professional and business services	-1,700	-5,000	-3,300
Manufacturing	-2,300	100	2,400
Construction	-3,500	-2,000	1,500
Government	-10,800	-6,700	4,100

Based on historical patterns, Washington employment typically decreases by 13,800 from November to December. This year the state lost an estimated 7,700 jobs, amounting to a seasonally adjusted increase of 6,100 jobs.

- Typically, retail trade employment increases by 3,200 in December. On a seasonally adjusted basis, retail trade employment decreased by 2,800 as the estimated increase was 400.
- The normal seasonal loss in manufacturing employment is 2,300 in December. The estimated increase was 100 so employment increased by 2,400 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a loss of 3,300 jobs in professional and business services in December. The normal seasonal decrease is 1,700. It is estimated to have decreased by 5,000 this December.
- The estimated employment decrease in construction was 2,000. The normal seasonal decrease is 3,500, so on a seasonally adjusted basis, construction employment rose by 1,500.
- Employment in leisure and hospitality normally rises by 800. It is estimated to have increased by 4,700 this December yielding a gain of 3,900 on a seasonally adjusted basis.

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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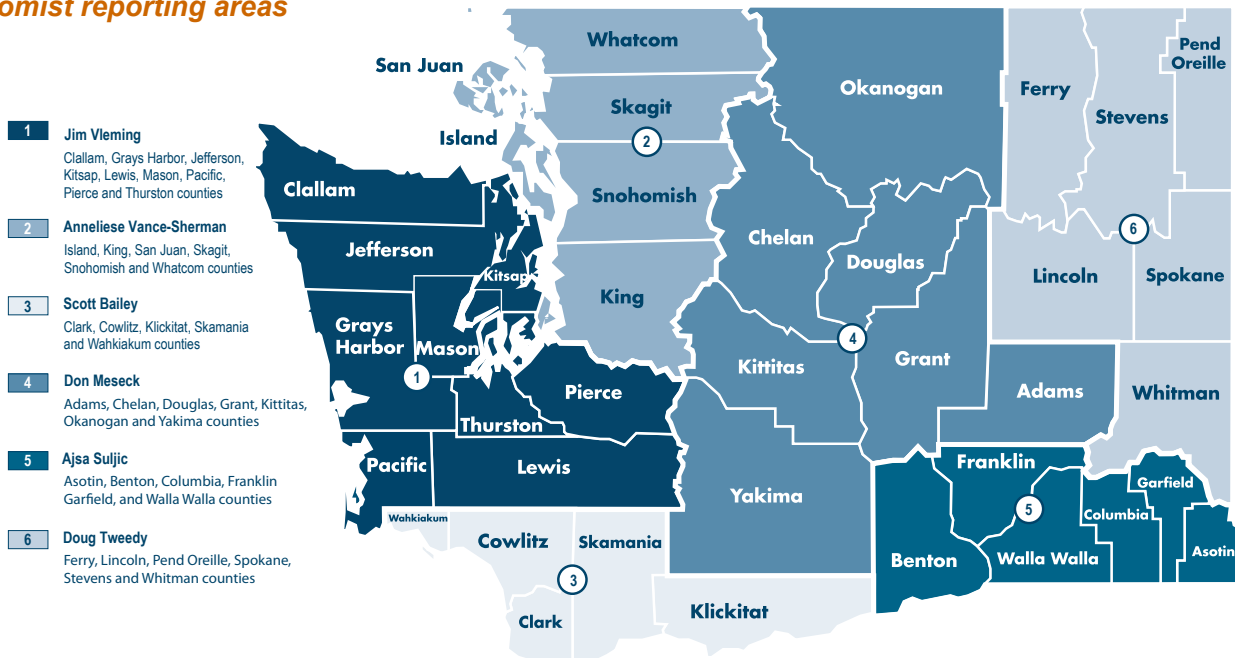
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Washington state regional labor economist reporting areas



Note: The county level information will be available at 10 a.m., January 23, 2018. The publication schedule for 2018 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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