

Washington
4.6%

United States
3.7%
Seasonally adjusted

Monthly Employment Report

July 2019

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 13,400 in July 2019¹ BLS estimates the private sector gained 10,900 jobs during the month and the public sector gained 2,500 jobs.

On a not seasonally adjusted basis, estimates for July 2018 through July 2019 indicate an increase in employment of 86,400 for the state. The private sector added 82,100 jobs while the public sector gained an estimated 4,300 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2019 is 4.6 percent. The revised estimated June 2019 unemployment rate is at 4.6 percent. The July 2018 unemployment rate was 4.4 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. June's preliminary estimated gain of 6,000 jobs was revised to a gain of 7,600 jobs.

For more information, call Paul Turek, labor economist at 360-507-9599.

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, June and July 2018 and 2019
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	July 2019 (Preliminary)	June 2019 (Revised)	July 2018 (Revised)	June 2018 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	3.7%	3.7%	3.9%	4.0%
Washington				
Unemployment rate	4.6%	4.6%	4.4%	4.4%
Resident labor force	3,885,500	3,878,900	3,791,900	3,783,200
Unemployed	179,500	179,400	167,300	168,100
Seattle/Bellevue/Everett				
Unemployment rate	3.2%	3.3%	3.3%	3.4%
Resident labor force	1,718,300	1,716,000	1,684,800	1,682,000
Unemployed	55,100	57,000	56,200	56,600



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 July 2019 is 4.6 percent. The revised estimated June 2019 unemployment rate is 4.6 percent.

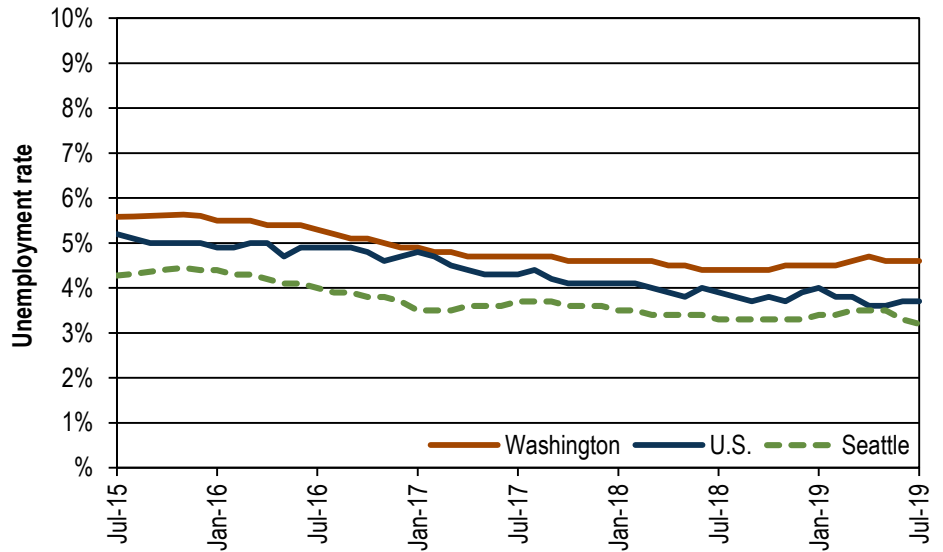
According to BLS estimates, the number of unemployed people rose by 100 in July 2019 compared to June 2019. At the same time, the number of employed people rose by an estimated 6,500. Overall, this amounted to an increase of 6,600 people in the labor force.

The preliminary July 2019 unemployment rate is 0.2 percentage point higher than the July 2018 rate of 4.4 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, July 2015 through July 2019

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



July 2019 preliminary unemployment rates:

U.S. (preliminary) 3.7%
 Washington (preliminary) 4.6%
 Seattle area (preliminary) 3.2%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 13,400 jobs from June 2019 to July 2019.

Recent employment change
May 2019: up 7,600 jobs (revised)

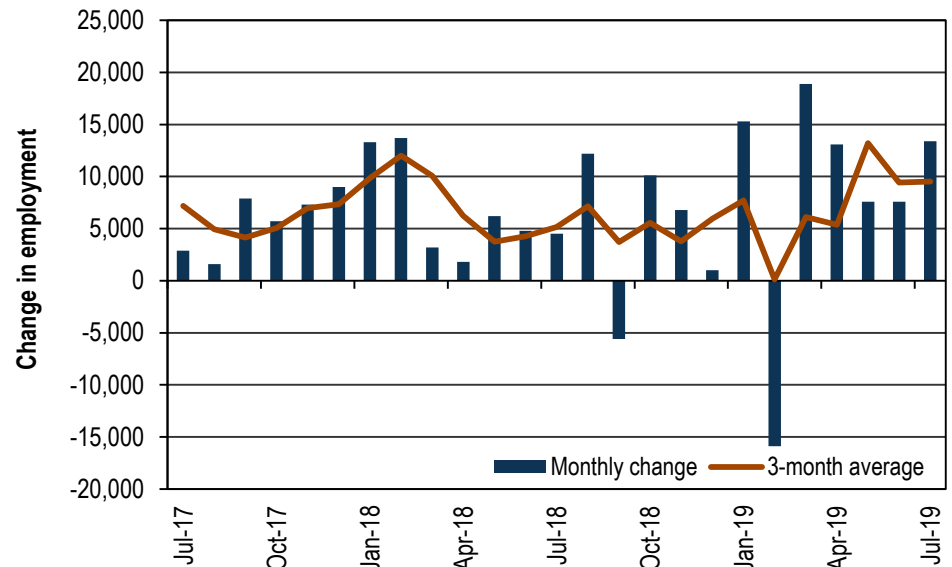
June 2019: up 7,600 jobs (revised)

July 2019: up 13,400 jobs (preliminary)

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

Washington state, July 2017 through July 2019

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



Employment and unemployment, seasonally adjusted

March 2008

(start of recent employment recession in Washington)

Nonfarm employment: 3,008,000

Unemployment rate: 4.8%

February 2010

(end of recent employment recession in Washington)

Nonfarm employment: 2,824,000

Unemployment rate: 10.4%

July 2019 (preliminary)

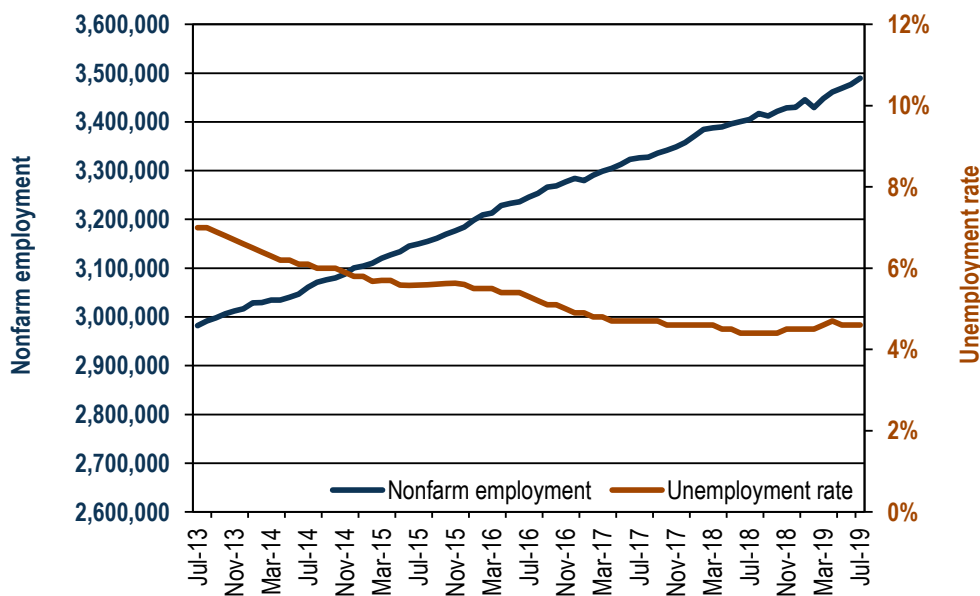
Nonfarm employment: 3,489,800

Unemployment rate: 4.6%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, July 2013 through July 2019

Source: Employment Security Department/LMEA; 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 the four quarter period ending June 2019

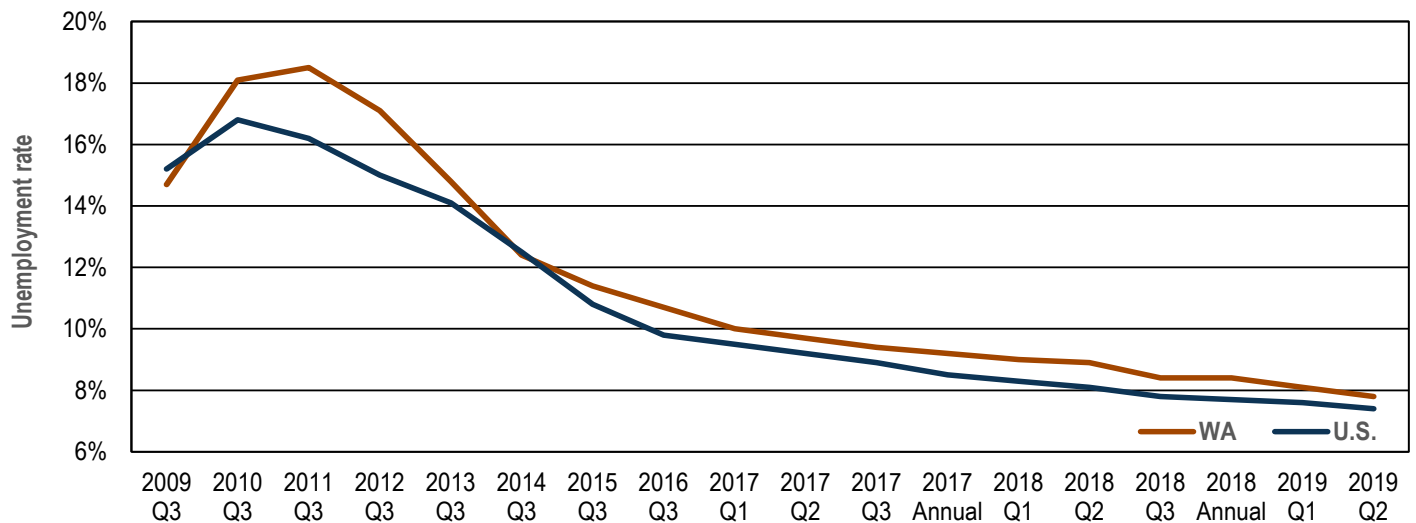
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the annual average for 2018. One such alternative measure is the U-6 rate, which considers not only the unemployed population in

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 2018 through the second quarter of 2019 for Washington state was 7.8 percent. This was lower compared to the 8.9 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 7.4 percent over the same time period.

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
2019	WA	8.1%	7.8%		
	U.S.	7.6%	7.4%		
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 13,400 jobs during the month, on a seasonally adjusted basis:

- Overall, twelve industries expanded employment in July and one contracted.
- Private sector employment is estimated to have increased by 10,900 and government employment increased by 2,500.
- Professional and business services employment rose by 2,100, with professional, scientific and technical services adding 1,300 jobs.
- The number of jobs in leisure and hospitality increased by 2,000 overall, with 1,800 jobs added in arts, entertainment and recreation.
- Employment in construction increased by 1,900 overall, led by 1,000 jobs added by specialty trade contractors.
- Education and health services employment grew by 1,400, with 900 jobs added in health services and social assistance.
- Employment in manufacturing increased by 1,200 overall, with 800 jobs added in aerospace product and parts manufacturing.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, June 2019 to July 2019

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

Total nonfarm	13,400
Government	2,500
Professional and business services	2,100
Leisure and hospitality	2,000
Construction	1,900
Education and health services	1,400
Manufacturing	1,200
Information	900
Other services	800
Financial activities	600
Transportation, warehousing and utilities	400
Wholesale trade	100
Mining and logging	100
Retail trade	-600

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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 86,400 jobs from July 2018 through July 2019:

- Overall, twelve major industries expanded and one contracted.
- Private sector employment rose 2.9 percent, up an estimated 82,100 jobs.
- Public sector employment rose 0.8 percent, up an estimated 4,300 jobs.
- Professional and business services employment increased by 19,200, led by a 14,000 increase in professional, scientific and technical services.
- Education and health services employment increased by 14,800 with 13,000 of the jobs added in health services and social assistance.
- Manufacturing added 9,400 jobs, with 6,700 jobs added in durable goods production and 2,700 jobs added in nondurable goods production.
- Employment in information is up 9,400 with the number employed as software publishers up 4,600.
- Employment in leisure and hospitality is up by 8,600, led by a gain of 5,900 jobs in food services and drinking places.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, July 2018 through July 2019

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

Total nonfarm	86,400
Professional and business services	19,200
Education and health services	14,800
Manufacturing	9,400
Information	9,400
Other services	9,000
Leisure and hospitality	8,600
Government	4,300
Construction	4,000
Wholesale trade	2,800
Financial activities	2,600
Retail trade	2,300
Transportation, warehousing and utilities	200
Mining and logging	-200

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EMPLOYMENT

Monthly employment report
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The Labor Market and Economic Analysis (LMEA) Division is pleased to announce our new Labor Market Information Director, Mr. Steven Ross. Steven presides over the LMEA team and their products, services and publications.

Steven can be reached by phone at: 360-507-9615 and email at: SRoss@esd.wa.gov

Monthly unemployment rates

July 2019

Washington state:
4.6% seasonally adjusted

Nationwide:
3.7% seasonally adjusted

[Labor force by county snapshot](#)
not seasonally adjusted

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, July 2019

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-8,200	5,200	13,400
Professional and business services	4,100	6,200	2,100
Retail trade	2,700	2,100	-600
Manufacturing	2,300	3,500	1,200
Leisure and hospitality	1,900	3,900	2,000
Information	1,800	2,700	900
Construction	1,100	3,000	1,900
Wholesale trade	1,000	1,100	100
Other services	500	1,300	800
Financial activities	500	1,100	600
Mining and logging	100	200	100
Transportation, warehousing and utilities	-100	300	400
Education and health services	-5,500	-4,100	1,400
Government	-18,600	-16,100	2,500

Based on historical patterns, Washington employment typically decreases by 8,200 from June to July. This year the state gained an estimated 5,200 jobs, amounting to a seasonally adjusted increase of 13,400 jobs.

- The employment increase on a seasonally adjusted basis was 2,100 in professional and business services in June. The normal seasonal increase is 4,100. It is estimated to have increased by 6,200 this July.
- Employment in retail trade normally rises by 2,700. It is estimated to have increased by 2,100 this July, so it decreased by 600 on a seasonally adjusted basis.
- Typically, manufacturing increases by 2,300 in July. On a seasonally adjusted basis, manufacturing employment increased by 1,200 as the estimated increase was 3,500.
- The normal seasonal gain in leisure and hospitality employment is 1,900 in July. The estimated gain was 3,900, so employment increased by 2,000 on a seasonally adjusted basis.
- The estimated employment increase in construction was 3,000. The normal seasonal increase is 1,100, so on a seasonally adjusted basis, construction employment rose by 1,900.

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.

Benchmarked employment data are now available through March 2019. Employment estimates for July 2019 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked March 2019 data:

- The two largest upward revisions were for education and health services and for leisure and hospitality, up 6,400 and 4,400, respectively.
- Other services had the largest downward revision of 3,600.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, March 2019
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Industry sector	Revisions to March 2019 employment level
Total nonfarm	8,400
Education and health services	6,400
Leisure and hospitality	4,400
Construction	2,900
Professional and business services	2,200
Financial activities	2,100
Retail trade	1,200
Wholesale trade	1,000
Mining and logging	300
Government	-1,200
Manufacturing	-2,200
Transportation, warehousing and utilities	-2,300
Information	-2,800
Other services	-3,600

Contact an economist

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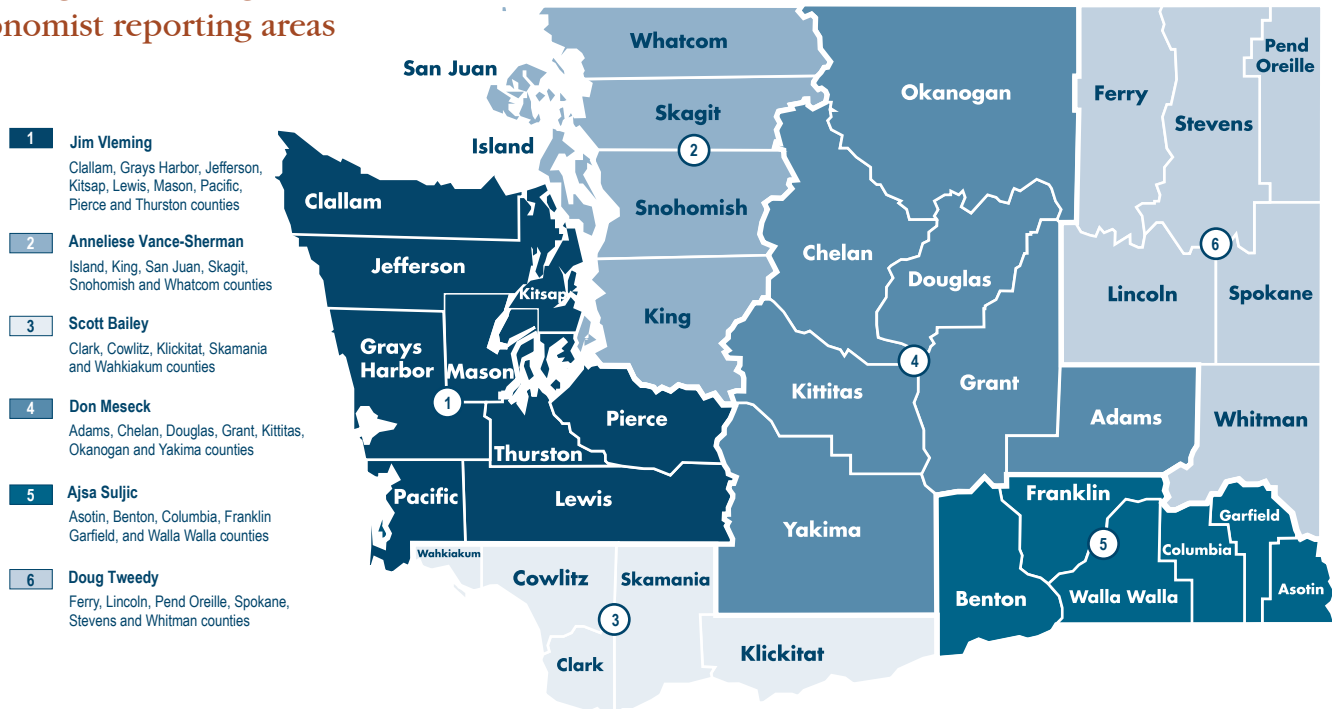
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., August 20, 2019. The publication schedule for 2019 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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