

July 2020

Monthly Employment Report



Washington
10.3%



United States
10.2%
Seasonally adjusted

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 44,500 in July 2020.¹ BLS estimates the private sector gained 37,000 jobs during the month and the public sector gained 7,500 jobs.

On a not seasonally adjusted basis, estimates for July 2019 through July 2020 indicate a decrease in employment of 245,000 for the state. The private sector lost 212,600 jobs while the public sector lost an estimated 32,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2020 is 10.3 percent. The revised estimated June 2020 unemployment rate is at 10.0 percent. The July 2019 unemployment rate was 4.2 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 71,000 jobs was revised to a gain of 140,600 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, June and July 2019 and 2020
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	July 2020 (Preliminary)	June 2020 (Revised)	July 2019 (Revised)	June 2019 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	10.2%	11.1%	3.7%	3.7%
Washington				
Unemployment rate	10.3%	10.0%	4.2%	4.3%
Resident labor force	3,968,200	3,893,200	3,919,700	3,908,000
Unemployed	408,000	389,800	166,600	168,900
Seattle/Bellevue/Everett				
Unemployment rate	8.3%	9.7%	2.8%	2.9%
Resident labor force	1,718,100	1,720,300	1,733,100	1,728,000
Unemployed	142,800	166,300	48,800	49,600



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 July 2020 is 10.3 percent. The revised estimated June 2020 unemployment rate is 10.0 percent.

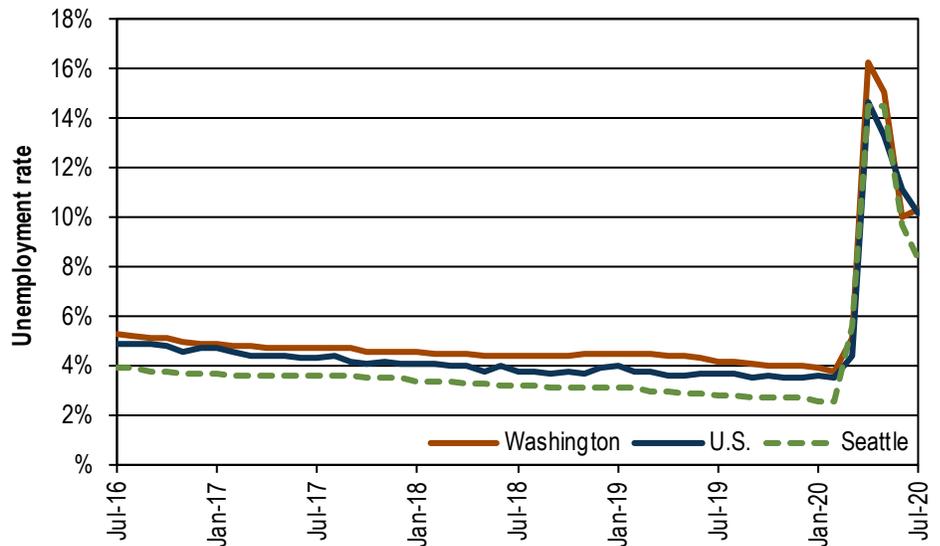
According to BLS estimates, the number of unemployed people rose by 18,200 in July 2020 compared to June 2020. At the same time, the number of employed people rose by an estimated 56,800. Overall, this amounted to an increase of 75,000 people in the labor force.

The preliminary July 2020 unemployment rate is 6.1 percentage points higher than the July 2019 rate of 4.2 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, July 2016 through July 2020

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



July 2020 preliminary unemployment rates:

U.S. (preliminary) 10.2%
 Washington (preliminary) 10.3%
 Seattle area (preliminary) 8.3%

Employment change, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 44,500 jobs from June 2020 to July 2020.

Recent employment change:

May 2020: up 90,500 jobs (revised)

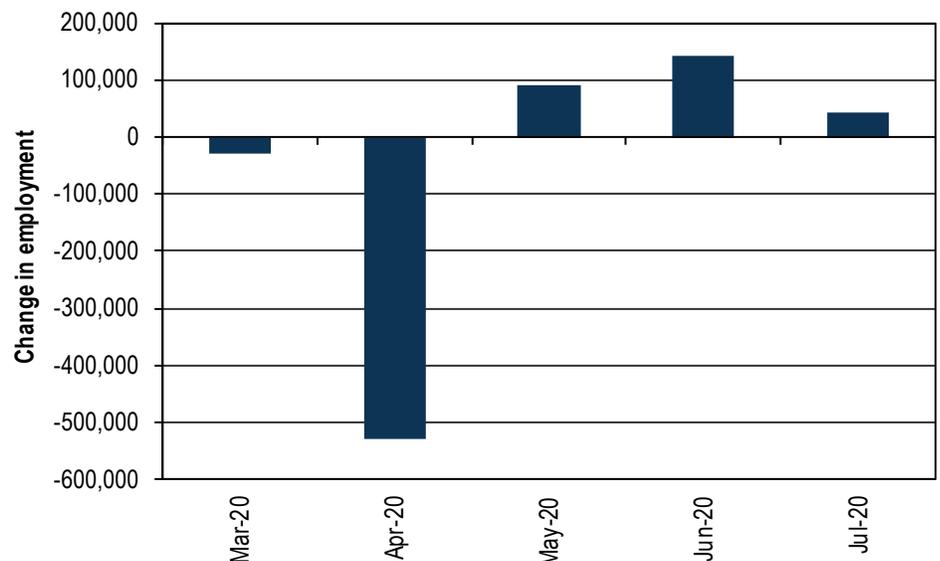
June 2020: up 140,600 jobs (revised)

July 2020: up 44,500 jobs (preliminary)

Monthly employment change, seasonally adjusted

Washington state, March 2020 through July 2020

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



Employment and unemployment, seasonally adjusted

March 2008

(start of 2008 employment recession in Washington)

Nonfarm employment: 3,008,000

Unemployment rate: 4.8%

February 2010

(end of 2008 employment recession in Washington)

Nonfarm employment: 2,824,000

Unemployment rate: 10.4%

June 2020 (preliminary)

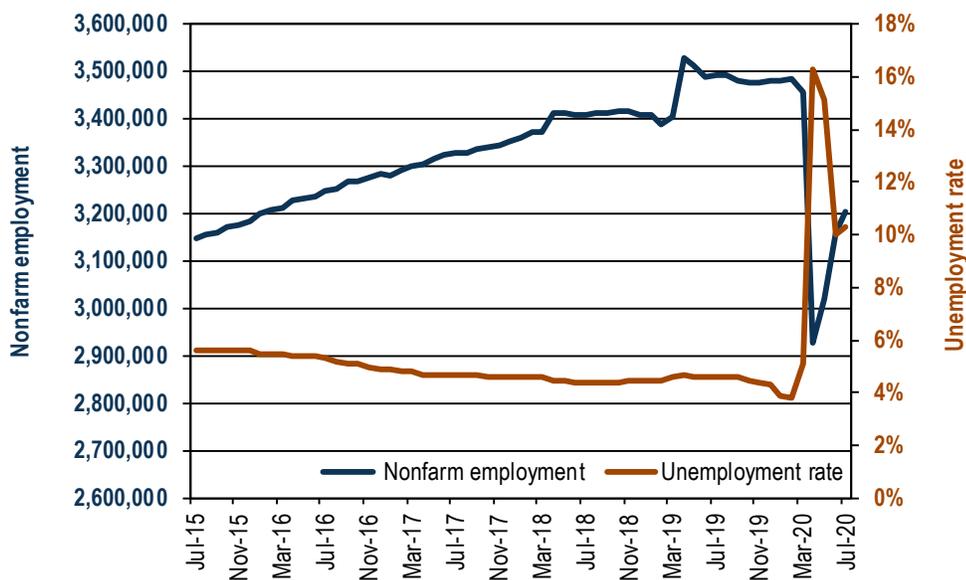
Nonfarm employment: 3,203,800

Unemployment rate: 10.3%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, July 2015 through July 2020

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.



Enter your email address and subscribe by checking the boxes for topics such as:

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Shared work
WorkSource system
Unemployment insurance
Training

Many more to come, so sign up today for your email updates!

U-6 unemployment rate

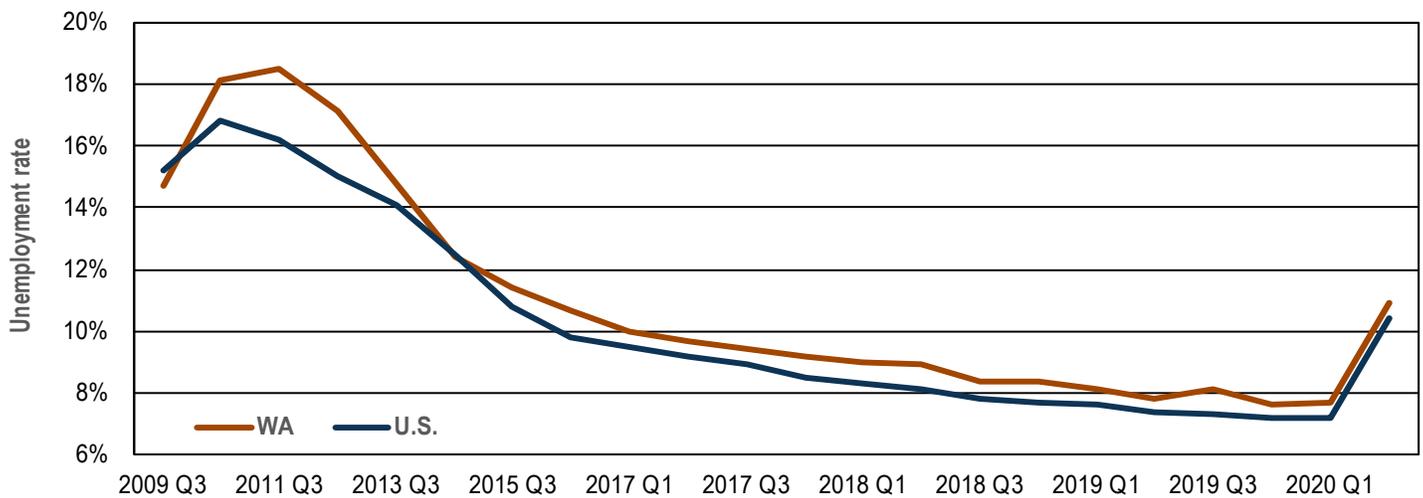
U-6: Broader unemployment measure increased in the four-quarter period ending second quarter 2020

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 second quarter 2020 for Washington state was 10.9 percent. This was higher compared to the 7.8 percent U-6 unemployment rate for the same four quarter period one year prior. The U.S. U-6 unemployment rate was 10.4 percent in second quarter 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%		
	U.S.	7.7%	10.4%		
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%
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 44,500 jobs during the month, on a seasonally adjusted basis:

- Overall, employment increased in nine major industries and contracted in four in July.
- Private sector employment is estimated to have increased by 37,000 and government employment increased by 7,500.
- The number of jobs in leisure and hospitality increased by 15,900, with an increase of 15,100 in food services and drinking places.
- Education and health services employment rose by 7,300 overall, with 3,500 jobs added in ambulatory health care services.
- Employment in professional and business services increased by 5,100, with 4,500 jobs added in administrative and support services.
- Retail employment rose by 4,700, with 3,000 jobs gained in other retail trade.
- Employment in transportation, warehousing and utilities increased by 2,300 with 1,500 jobs added in air transportation.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, June 2020 to July 2020

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

Total nonfarm	44,500
Leisure and hospitality	15,900
Government	7,500
Education and health services	7,300
Professional and business services	5,100
Retail trade	4,700
Other services	2,500
Transportation, warehousing and utilities	2,300
Financial activities	1,300
Construction	1,000
Mining and logging	-100
Manufacturing	-400
Wholesale trade	-1,100
Information	-1,500

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 245,000 jobs from July 2019 through July 2020.

- Overall, one major industry expanded and twelve contracted.
- Private sector employment fell 7.3 percent, down an estimated 212,600 jobs.
- Public sector employment fell 5.6 percent, down an estimated 32,400 jobs.
- Retail trade employment rose 500 jobs overall, with the most jobs gained in other retail trade.
- Professional and business services employment decreased by 3,300 overall, with the most jobs lost in employment services.
- Employment in manufacturing is down 24,100, led by a decrease of 9,000 in aerospace product and parts manufacturing.
- Education and health services employment decreased by 24,400, with 9,700 jobs lost in social assistance.
- Employment in leisure and hospitality is down by 103,300, with food services and drinking places shedding 54,000 jobs.

Estimated employment change by industry over the year, not seasonally adjusted
Washington state, July 2019 through July 2020

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

Total nonfarm	-245,000
Retail trade	500
Mining and logging	-800
Transportation, warehousing and utilities	-3,100
Professional and business services	-3,300
Financial activities	-3,700
Information	-5,700
Wholesale trade	-10,800
Construction	-15,400
Other services	-18,500
Manufacturing	-24,100
Education and health services	-24,400
Government	-32,400
Leisure and hospitality	-103,300

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 2020

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	13,800	58,300	44,500
Retail trade	7,200	11,900	4,700
Leisure and hospitality	6,700	22,600	15,900
Professional and business services	5,900	11,000	5,100
Manufacturing	2,800	2,400	-400
Construction	2,400	3,400	1,000
Information	2,000	500	-1,500
Transportation, warehousing and utilities	1,600	3,900	2,300
Financial activities	900	2,200	1,300
Other services	700	3,200	2,500
Mining and logging	0	-100	-100
Wholesale trade	-100	-1,200	-1,100
Education and health services	-1,300	6,000	7,300
Government	-15,000	-7,500	7,500

Based on historical patterns, Washington employment typically increases by 13,800 from June to July. This year the state gained an estimated 58,300 jobs, amounting to a seasonally adjusted increase of 44,500 jobs.

- Employment in retail trade normally rises by 7,200. It is estimated to have increased by 11,900 this July, so it increased by 4,700 on a seasonally adjusted basis.
- The normal seasonal gain in leisure and hospitality employment is 6,700 in July. The estimated gain was 22,600, so employment increased by 15,900 on a seasonally adjusted basis.
- The employment increase on a seasonally adjusted basis was 5,100 in professional and business services in July. The normal seasonal increase is 5,900. It is estimated to have increased this July by 11,000.
- Typically, manufacturing increases by 2,800 in July. On a seasonally adjusted basis, manufacturing employment decreased by 400 as the estimated increase was 2,400.
- The estimated employment increase in construction was 3,400. The normal seasonal increase is 2,400, so on a seasonally adjusted basis, construction employment rose by 1,000.

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 2020. Employment estimates for July 2020 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked March 2020 data:

- The largest upward revision was for transportation, warehousing and utilities, up 2,200.
- The two largest downward revisions were for construction and for government, down 6,400 and 5,600 respectively.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, March 2020

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Industry sector	Revisions to March 2020 employment level
Total nonfarm	-31,300
Transportation, warehousing and utilities	2,200
Mining and logging	-100
Financial activities	-500
Wholesale trade	-1,000
Retail trade	-1,200
Other services	-1,700
Information	-1,800
Manufacturing	-2,100
Leisure and hospitality	-3,400
Professional and business services	-4,800
Education and health services	-4,900
Government	-5,600
Construction	-6,400

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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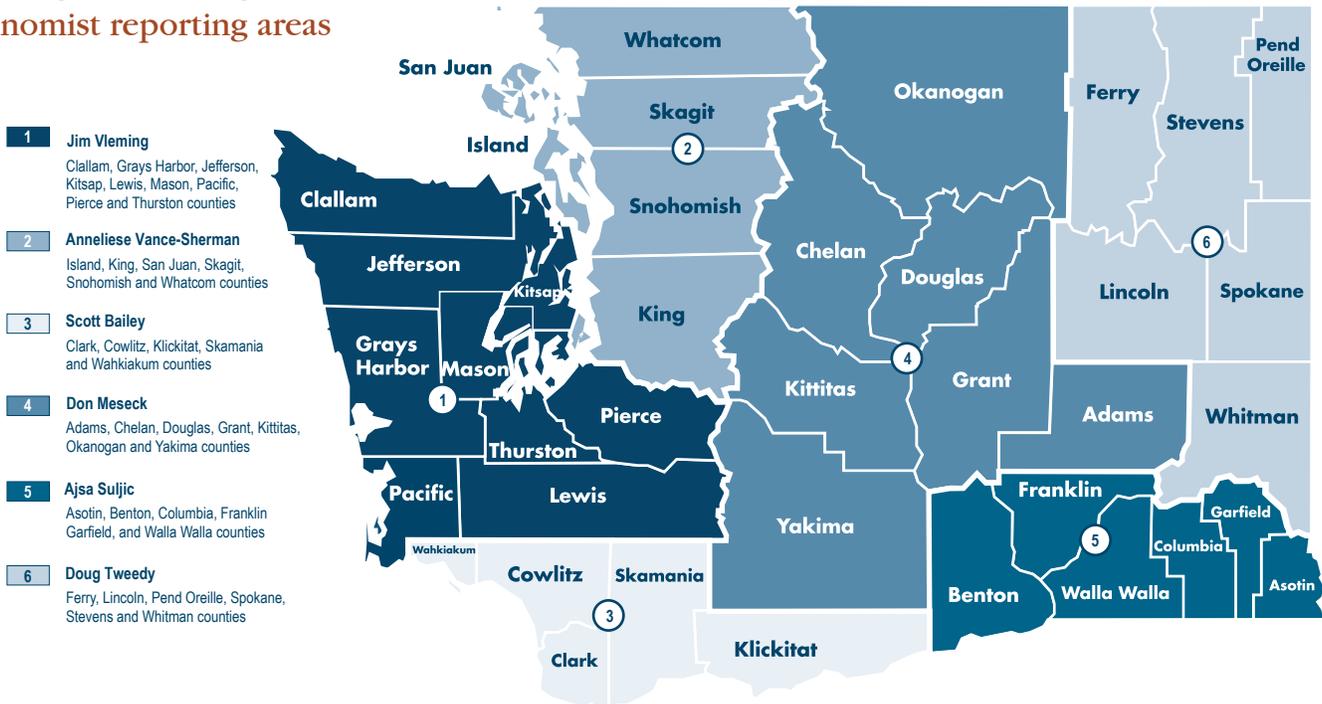
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., August 25, 2020. The publication schedule for 2020 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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