



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 6,800 in January 2020.<sup>1</sup> BLS estimates the private sector gained 5,700 jobs during the month and the public sector gained 1,100 jobs.

On a not seasonally adjusted basis, estimates for January 2019 through January 2020 indicate an increase in employment of 79,400 for the state. The private sector added 74,000 jobs while the public sector gained an estimated 5,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2020 is 3.9 percent. The revised estimated December 2019 unemployment rate is at 4.3 percent. The January 2019 unemployment rate was 4.5 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. December's preliminary estimated gain of 10,900 jobs was revised to a gain of 12,300 jobs.

For more information, call Paul Turek, labor economist at 360-989-0819.

## 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, December 2018 and 2019 and January 2019 and 2020

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

	January 2020 (Preliminary)	December 2019 (Revised)	January 2019 (Revised)	December 2018 (Revised)
<b>United States</b>				
Unemployment rate				
Seasonally adjusted	3.6%	3.5%	4.0%	3.9%
<b>Washington</b>				
Unemployment rate	3.9%	4.3%	4.5%	4.5%
Resident labor force	3,955,200	3,956,800	3,835,800	3,823,000
Unemployed	155,500	169,000	172,200	170,400
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	2.6%	2.7%	3.4%	3.3%
Resident labor force	1,744,400	1,749,500	1,702,200	1,695,900
Unemployed	45,600	46,800	57,100	56,000



<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 January 2020 is 3.9 percent. The revised estimated December 2019 unemployment rate is 4.3 percent.

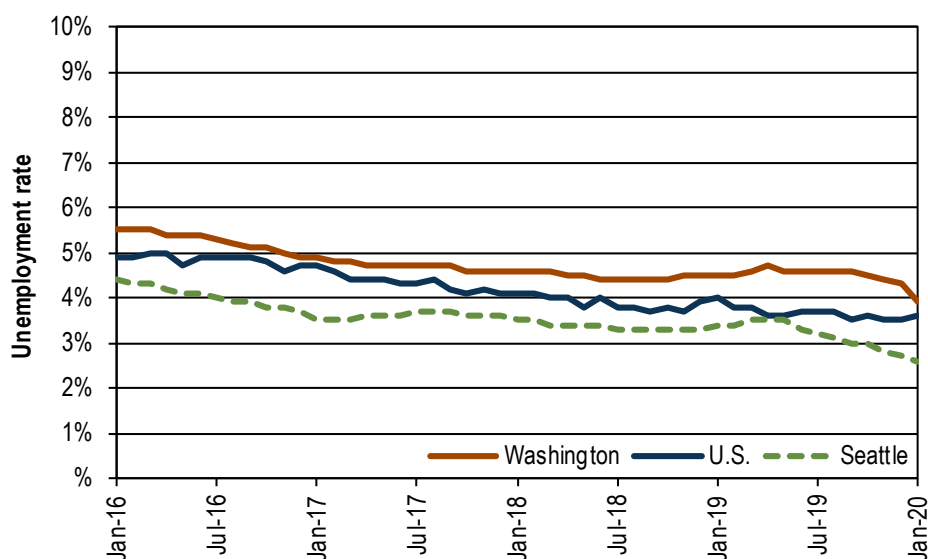
According to BLS estimates, the number of unemployed people fell by 13,500 in January 2020 compared to December 2019. At the same time, the number of employed people rose by an estimated 11,900. Overall, this amounted to a decrease of 1,600 people in the labor force.

The preliminary January 2020 unemployment rate is a 0.6 percentage point lower than the January 2019 rate of 4.5 percent.

### Unemployment rates, seasonally adjusted

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

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



**January 2020 preliminary unemployment rates:**

U.S. (preliminary) 3.6%  
Washington (preliminary) 3.9%  
Seattle area (preliminary) 2.6%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,800 jobs from December 2019 to January 2020.

### Recent employment change:

**November 2019:** up 13,000 jobs (revised)

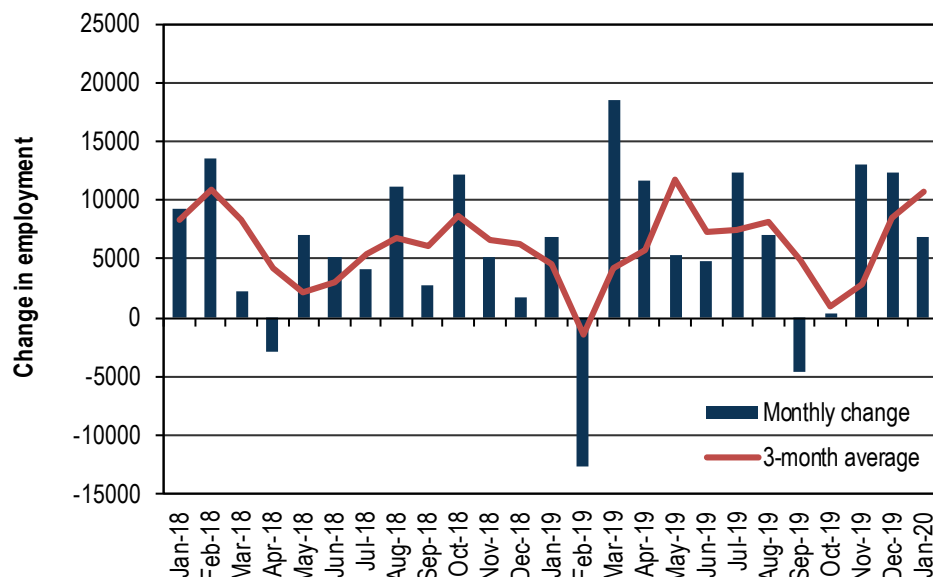
**December 2019:** up 12,300 jobs (revised)

**January 2020:** up 6,800 jobs (preliminary)

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

Washington state, January 2018 through January 2020

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%

### January 2020 (preliminary)

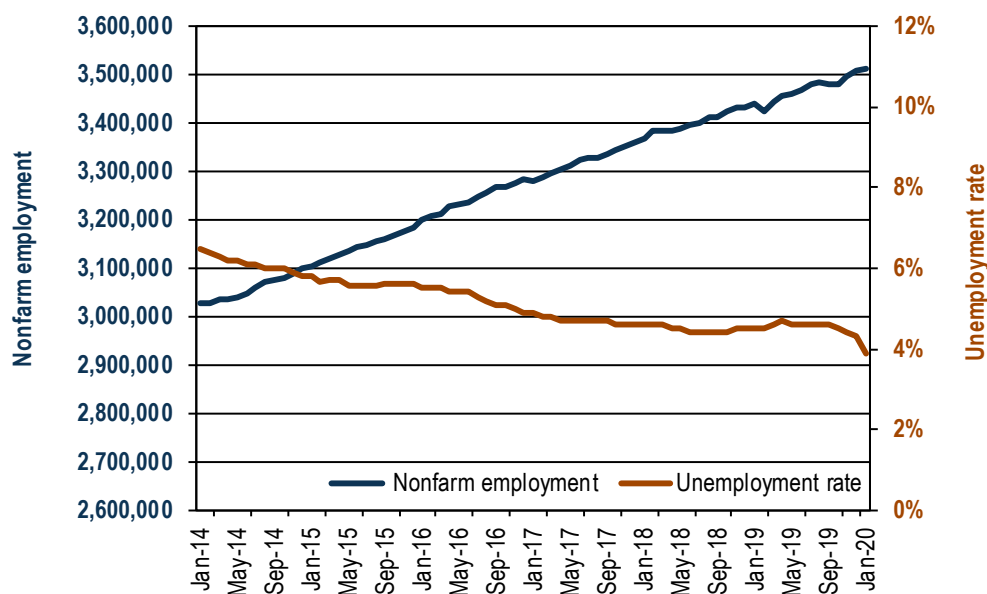
Nonfarm employment: 3,513,500

Unemployment rate: 3.9%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, January 2014 through January 2020

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

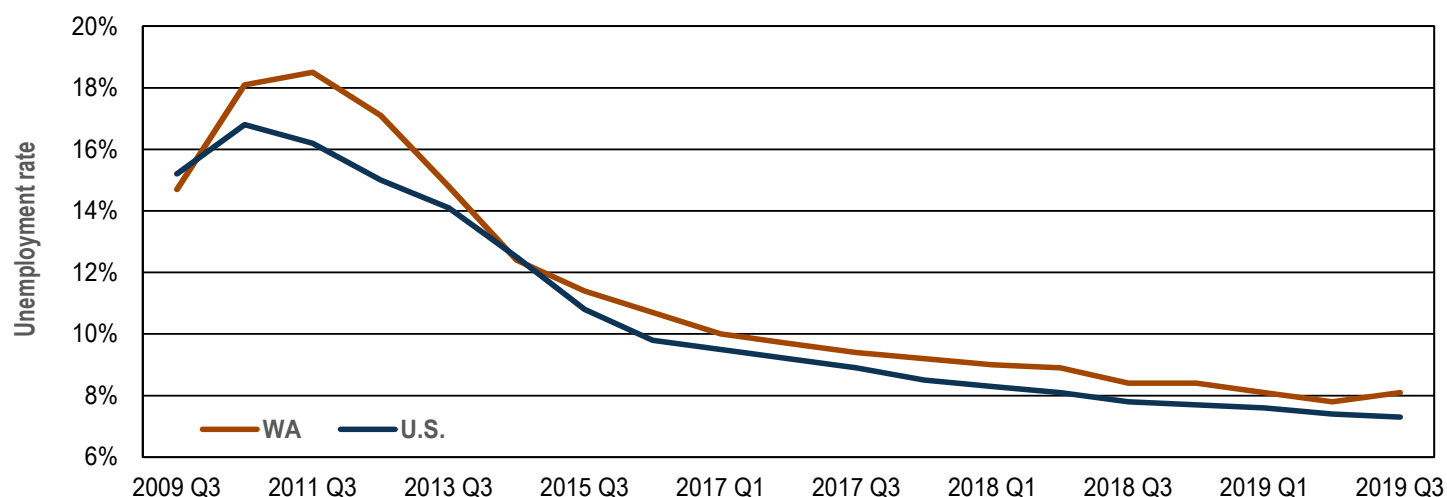
### U-6: Broader unemployment measure declined in the four quarter period ending September 2019

The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include annual averages for 2019. 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 third quarter of 2019 for Washington state was 8.1 percent. This was lower compared to the 8.4 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 7.3 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%	8.1%	
	U.S.	7.6%	7.4%	7.3%	
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 6,800 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in December and four contracted.
- Private sector employment is estimated to have increased by 5,700 and government employment increased by 1,100.
- Retail trade employment rose by 3,300 overall, with 3,500 jobs gained in other retail trade.
- The number of jobs in leisure and hospitality increased by 2,300, with an increase of 2,100 in arts, entertainment and recreation.
- Employment in professional and business services increased by 1,900 overall, with 1,200 jobs added in employment services.
- Manufacturing employment grew by 800, with 600 jobs added in durable goods manufacturing and 200 jobs added in nondurable goods manufacturing.
- Employment in construction decreased by 3,500 with 2,700 jobs subtracted by specialty trade contractors.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, December 2019 to January 2020

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

<b>Total nonfarm</b>	<b>6,800</b>
Retail trade	3,300
Leisure and hospitality	2,300
Professional and business services	1,900
Information	1,200
Government	1,100
Manufacturing	800
Transportation, warehousing and utilities	400
Mining and logging	100
Education and health services	100
Financial activities	-100
Wholesale trade	-200
Other services	-600
Construction	-3,500

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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 79,400 jobs from January 2019 through January 2020.

- Overall, twelve major industries expanded and one contracted.
- Private sector employment rose 2.6 percent, up an estimated 74,000 jobs.
- Public sector employment rose 0.9 percent, up an estimated 5,400 jobs.
- Professional and business services employment increased by 14,000, led by an 8,700 increase in professional, scientific and technical services.
- Education and health services employment increased by 12,200 overall, with 11,500 jobs added in health services and social assistance.
- Employment in leisure and hospitality is up by 11,700, led by a gain of 5,500 jobs in art, entertainment and recreation.
- Employment in information is up 9,200 with the number employed as software publishers up 3,400.
- Retail trade added 8,600 jobs overall, with 11,800 jobs added in other retail trade.

Estimated employment change by industry over the year, not seasonally adjusted  
Washington state, January 2019 through January 2020  
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Current Employment Statistics

<b>Total nonfarm</b>	<b>79,400</b>
Professional and business services	14,000
Education and health services	12,200
Leisure and hospitality	11,700
Information	9,200
Retail trade	8,600
Government	5,400
Transportation, warehousing and utilities	5,100
Construction	4,900
Financial activities	3,000
Wholesale trade	2,900
Manufacturing	1,900
Other services	1,000
Mining and logging	-500

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The Labor Market and Economic Analysis (LMEA) team is your one stop data shop comprised of state/regional economists, economic analysts, researchers, and many others who collect and analyze data about Washington's employment conditions, economy, job market and workforce. We also provide program evaluation, research and analysis in response to federal and state legislative mandates, stakeholder requests and ESD needs.

#### Monthly unemployment rates

##### January 2020

Washington state:  
3.9% seasonally adjusted

Nationwide:  
3.6% 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, January 2020

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>-40,800</b>	<b>-34,000</b>	<b>6,800</b>
Government	1,200	2,300	1,100
Mining and logging	-100	0	100
Information	-400	800	1,200
Financial activities	-900	-1,000	-100
Wholesale trade	-1,400	-1,600	-200
Other services	-1,600	-2,200	-600
Manufacturing	-2,200	-1,400	800
Education and health services	-2,900	-2,800	100
Transportation, warehousing and utilities	-3,200	-2,800	400
Construction	-4,400	-7,900	-3,500
Leisure and hospitality	-6,100	-3,800	2,300
Professional and business services	-7,400	-5,500	1,900
Retail trade	-11,400	-8,100	3,300

Based on historical patterns, Washington employment typically decreases by 40,800 from December to January. This year the state lost an estimated 34,000 jobs, amounting to a seasonally adjusted increase of 6,800 jobs.

- Typically, manufacturing decreases by 2,200 in January. On a seasonally adjusted basis, manufacturing employment increased by 800 as the estimated decrease was 1,400.
- The estimated employment decrease in construction was 7,900. The normal seasonal decrease is 4,400, so on a seasonally adjusted basis, construction employment fell by 3,500.
- The normal seasonal loss in leisure and hospitality employment is 6,100 in January. The estimated loss was 3,800, so employment increased by 2,300 on a seasonally adjusted basis.
- The employment increase on a seasonally adjusted basis was 1,900 in professional and business services in January. The normal seasonal decrease is 7,400. It is estimated to have decreased this January by 5,500.
- Employment in retail trade normally falls by 11,400. It is estimated to have decreased by 8,100 this January, so it increased by 3,300 on a seasonally adjusted basis.

## 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.

With the release of January 2020 data, industry employment numbers have also been revised through the annual benchmarking process administered by the Bureau of Labor Statistics. Benchmarked employment data are now available through September 2019. Employment estimates for January 2020 presented in this report were based on the new data, plus seasonal adjustments.

The effect of these revisions on the underlying trend in nonfarm industry employment was minor. A table showing revised total nonfarm industry employment data on a seasonally adjusted basis from January to December 2019 [is available](#).

Based on benchmarked September 2019 data:

- The largest upward revision was for retail trade, up 900.
- Professional and business services had the largest downward revision of -2,500.

Quarterly benchmarked industry employment, seasonally adjusted  
Washington state, September 2019

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

Industry sector	Revisions to September 2019 employment level
<b>Total nonfarm</b>	<b>-2,200</b>
Retail trade	900
Construction	600
Financial activities	400
Transportation, warehousing and utilities	200
Leisure and hospitality	200
Information	100
Mining and logging	0
Other services	0
Manufacturing	0
Education and health services	-100
Government	-300
Wholesale trade	-1,700
Professional and business services	-2,500



## 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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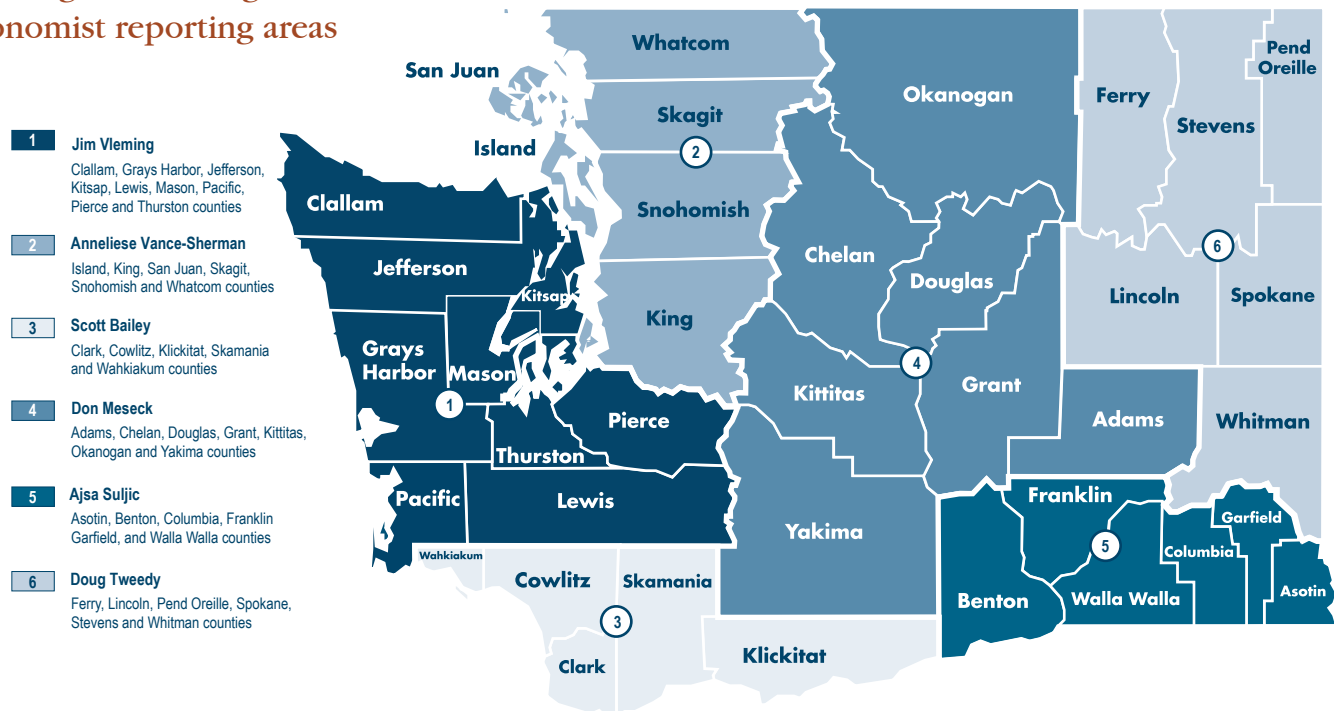
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## Washington state regional labor economist reporting areas



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

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