



Monthly Employment Report

February 2020



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 regarding COVID-19, you may email our Director of Labor Market and Economic Analysis at Steven.ross@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 3,500 in February 2020.¹ BLS estimates the private sector gained 2,800 jobs during the month and the public sector gained 700 jobs.

On a not seasonally adjusted basis, estimates for February 2019 through February 2020 indicate an increase in employment of 100,900 for the state. The private sector added 91,400 jobs while the public sector gained an estimated 9,500 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for February 2020 is 3.8 percent. The revised estimated January 2020 unemployment rate is at 3.9 percent. The February 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. January's preliminary estimated gain of 6,800 jobs was revised to a gain of 7,700 jobs.

For more information, call Paul Turek, labor economist at 253-389-0819.

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.



Labor Market and Economic Analysis
March 2020

Resident civilian labor force and unemployment, seasonally adjusted
United States and Washington state, January and February, 2019 and 2020
Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	February 2020 (Preliminary)	January 2020 (Revised)	February 2019 (Revised)	January 2019 (Revised)
United States				
Unemployment rate				
Seasonally adjusted	3.5%	3.6%	3.8%	4.0%
Washington				
Unemployment rate	3.8%	3.9%	4.5%	4.5%
Resident labor force	3,962,600	3,955,200	3,849,100	3,835,800
Unemployed	151,800	169,000	174,500	172,200
Seattle/Bellevue/Everett				
Unemployment rate	2.6%	2.6%	3.4%	3.4%
Resident labor force	1,744,700	1,744,600	1,707,300	1,702,200
Unemployed	44,700	45,600	58,300	57,100

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 February 2020 is 3.8 percent. The revised estimated January 2020 unemployment rate is 3.9 percent.

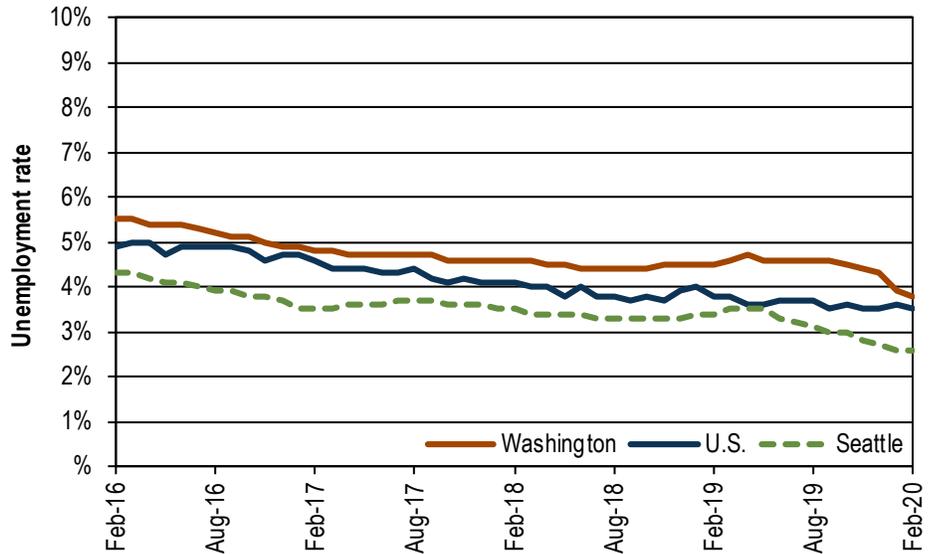
According to BLS estimates, the number of unemployed people fell by 17,200 in February 2020 compared to January 2020. At the same time, the number of employed people rose by an estimated 24,600. Overall, this amounted to an increase of 7,400 people in the labor force.

The preliminary February 2020 unemployment rate is a 0.7 percentage point lower than the February 2020 rate of 4.5 percent.

Unemployment rates, seasonally adjusted

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

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



February 2020 preliminary unemployment rates:

U.S. (preliminary) 3.5%
 Washington (preliminary) 3.8%
 Seattle area (preliminary) 2.6%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 3,500 jobs from January 2020 to February 2020.

Recent employment change:

December 2019: up 12,300 jobs (revised)

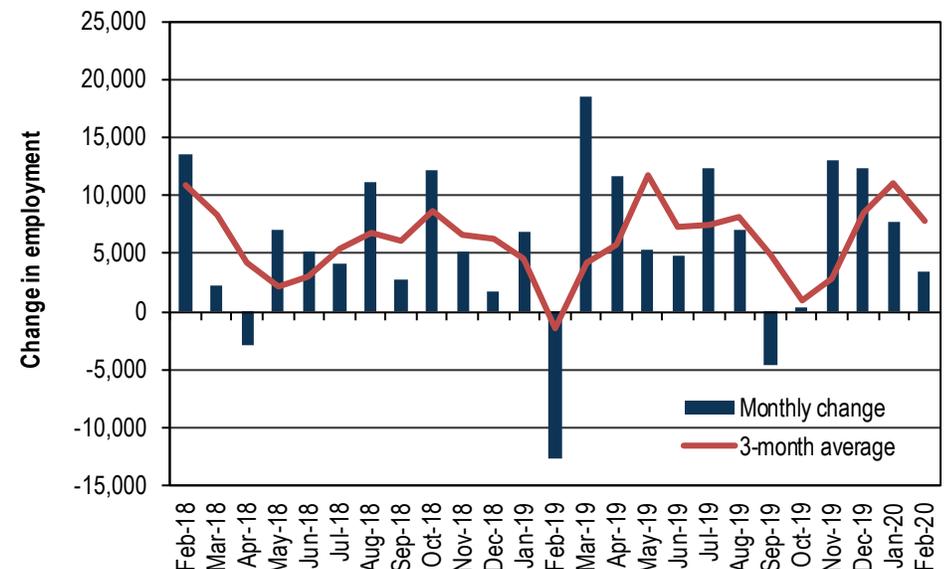
January 2020: up 7,700 jobs (revised)

February 2020: up 3,500 jobs (preliminary)

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

Washington state, February 2018 through February 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)

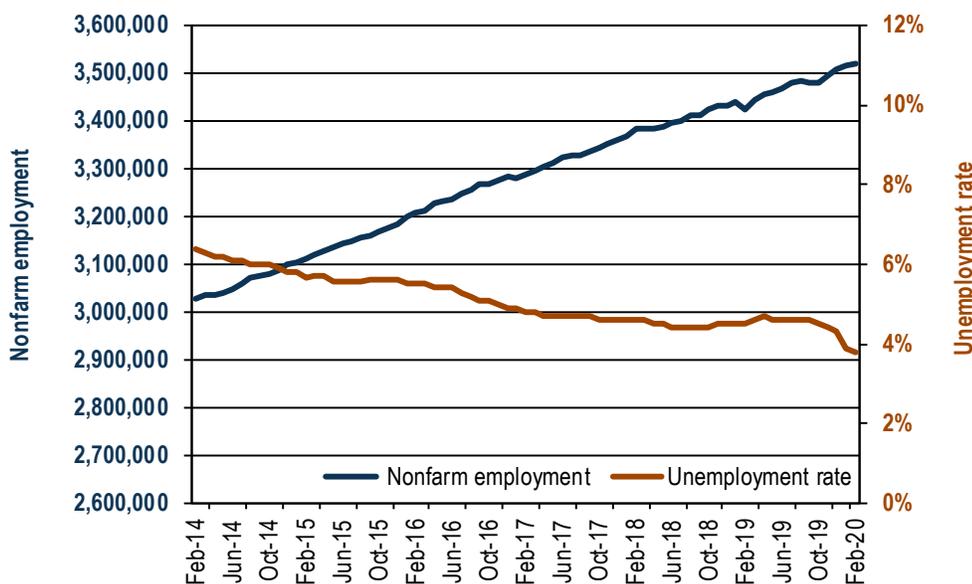
Nonfarm employment: 2,824,000
Unemployment rate: 10.4%

February 2020 (preliminary)

Nonfarm employment: 3,517,900
Unemployment rate: 3.8%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, February 2014 through February 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

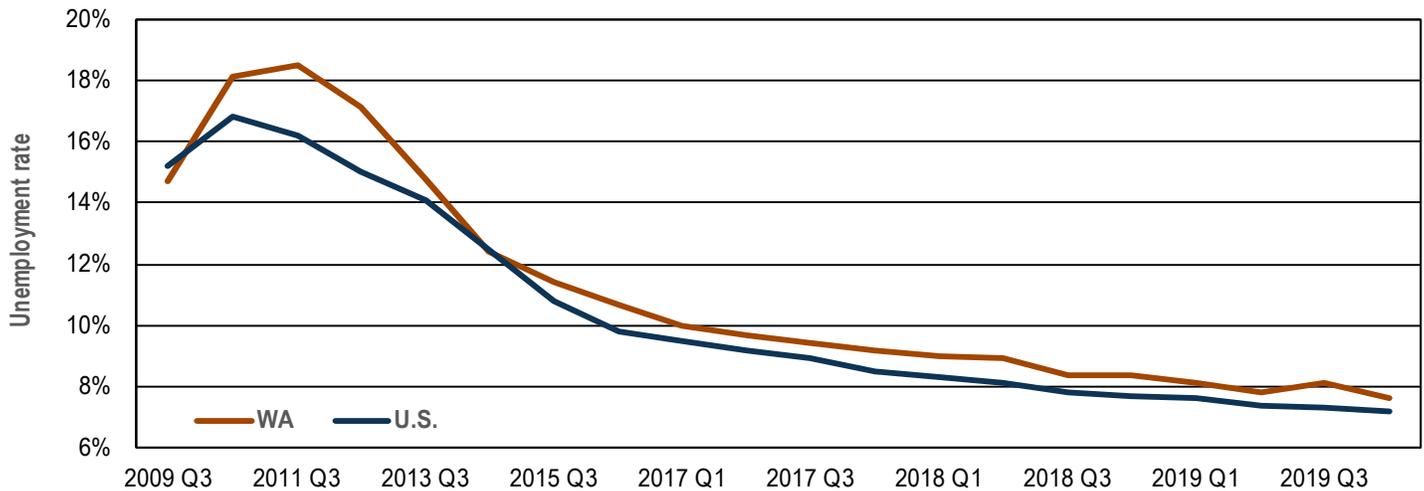
U-6: Broader unemployment measure declined in the four quarter period ending 2019

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 annual unemployment rate for 2019 for Washington state was 7.6 percent. This was lower compared to the 8.4 percent U-6 unemployment rate one year prior. The annual U.S. U-6 unemployment rate was 7.2 percent in 2019.

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%	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 3,500 jobs during the month, on a seasonally adjusted basis:

- Overall, five industries expanded employment in February and eight contracted.
- Private sector employment is estimated to have increased by 2,800 and government employment increased by 700.
- Employment in construction increased by 2,800 with 1,600 jobs added in heavy and civil engineering.
- Employment in professional and business services increased by 2,500 overall, with 1,300 jobs added in professional, scientific and technical services.
- Information employment rose by 500 overall, with 600 jobs gained by software publishers.
- Manufacturing employment fell by 700, with 1,200 jobs lost in durable goods manufacturing and 500 jobs added in nondurable goods manufacturing.
- The number of jobs in leisure and hospitality decreased by 900, with a decrease of 600 in arts, entertainment and recreation.

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

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

Total nonfarm	3,500
Construction	2,800
Professional and business services	2,500
Government	700
Information	500
Other services	200
Retail trade	-100
Mining and logging	-100
Education and health services	-100
Financial activities	-200
Transportation, warehousing and utilities	-500
Wholesale trade	-600
Manufacturing	-700
Leisure and hospitality	-900

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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 100,900 jobs from February 2019 through February 2020.

- Overall, twelve major industries expanded and one contracted.
- Private sector employment rose 3.3 percent, up an estimated 91,400 jobs.
- Public sector employment rose 1.6 percent, up an estimated 9,500 jobs.
- Professional and business services employment increased by 18,600, led by an 9,000 increase in professional, scientific and technical services.
- Employment in construction is up 16,800 with the number employed as specialty trade contractors up 11,300.
- Employment in leisure and hospitality is up by 15,800, with arts, entertainment and recreation, and accommodation and food services each adding 7,900 jobs.
- Retail trade added 12,100 jobs overall, with 12,200 jobs added in other retail trade.
- Education and health services employment increased by 10,400 overall, with 10,900 jobs added in health services and social assistance.

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

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

Total nonfarm	100,900
Professional and business services	18,600
Construction	16,800
Leisure and hospitality	15,800
Retail trade	12,100
Education and health services	10,400
Government	9,500
Information	8,200
Transportation, warehousing and utilities	3,400
Financial activities	2,200
Other services	2,100
Wholesale trade	1,700
Manufacturing	600
Mining and logging	-500

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EMPLOYMENT

Monthly employment report
Employment estimates (WA-QB and CES)
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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

February 2020

Washington state:
3.8% seasonally adjusted

Nationwide:
3.5% 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, February 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	900	4,400	3,500
Construction	2,700	5,500	2,800
Government	1,700	2,400	700
Professional and business services	1,500	4,000	2,500
Education and health services	1,500	1,400	-100
Leisure and hospitality	1,100	200	-900
Financial activities	200	0	-200
Other services	200	400	200
Mining and logging	0	-100	-100
Information	-200	300	500
Manufacturing	-400	-1,100	-700
Wholesale trade	-700	-1,300	-600
Transportation, warehousing and utilities	-2,800	-3,300	-500
Retail trade	-3,900	-4,000	-100

Based on historical patterns, Washington employment typically decreases by 900 from January to February. This year the state gained an estimated 4,400 jobs, amounting to a seasonally adjusted increase of 3,500 jobs.

- The estimated employment increase in construction was 5,500. The normal seasonal increase is 2,700, so on a seasonally adjusted basis, construction employment rose by 2,800.
- The normal seasonal gain in leisure and hospitality employment is 1,100 in February. The estimated gain was 200, so employment decreased by 900 on a seasonally adjusted basis.
- Typically, manufacturing decreases by 400 in February. On a seasonally adjusted basis, manufacturing employment decreased by 700 as the estimated decrease was 1,100.
- Employment in retail trade normally falls by 3,900. It is estimated to have decreased by 4,000 this February, so it decreased by 100 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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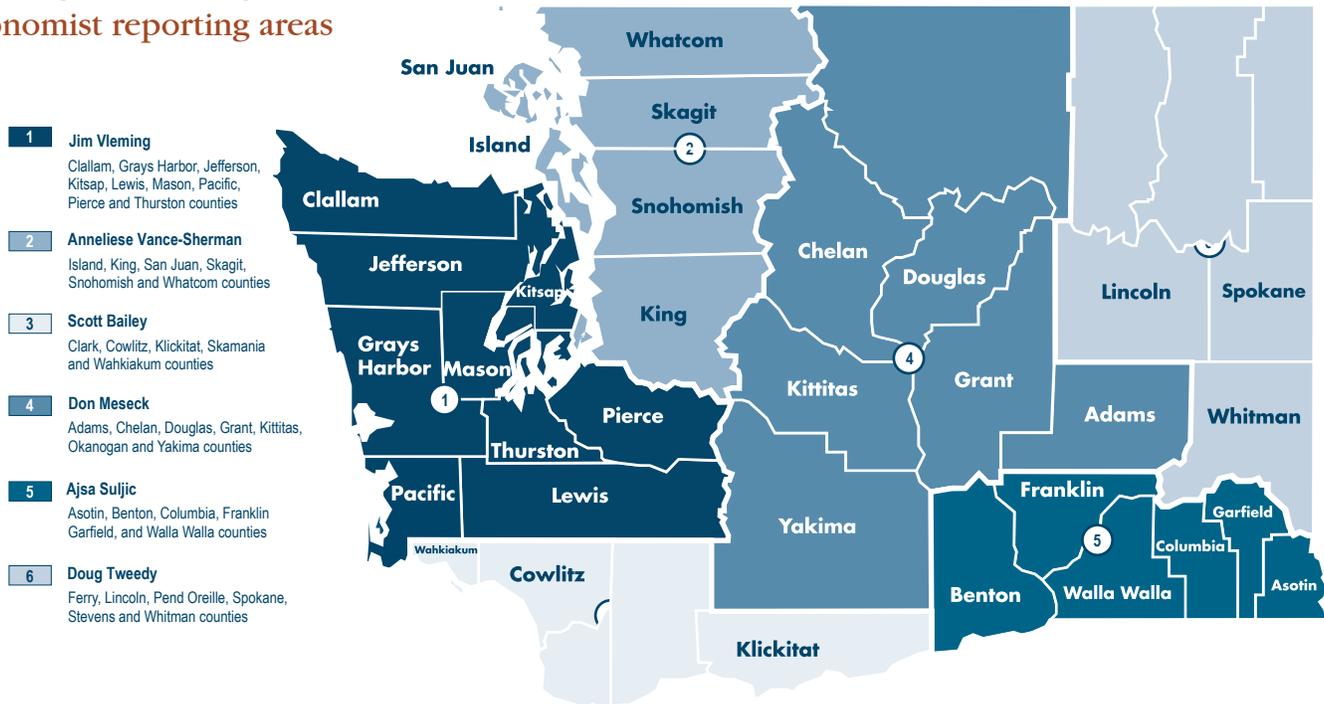
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Washington state regional labor economist reporting areas



The county level information will be available at 10 a.m., March 24, 2020. The publication schedule for 2020 is posted at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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