

Monthly Employment Report for July 2015



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 5,900 from June 2015 to July 2015.¹ BLS estimates the private sector gained 7,000 jobs during the month and the public sector lost 1,100 jobs.

On a not seasonally adjusted basis, estimates for July 2014 through July 2015 indicate an increase in employment of 108,600 for the state. The private sector added 101,200 jobs while the public sector gained an estimated 7,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2015 is 5.3 percent. The revised estimated June 2015 unemployment rate was also at 5.3 percent. The July 2014 unemployment rate was 6.2 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 3,900 jobs was revised to a gain of 7,700 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, June and July, 2014 and 2015
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	July 2015 (Preliminary)	June 2015 (Revised)	July 2014 (Revised)	June 2014 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	5.3%	5.3%	6.2%	6.1%
Washington				
Unemployment rate	5.3%	5.3%	6.2%	6.1%
Resident labor force	3,537,100	3,545,200	3,484,900	3,477,100
Unemployed	188,600	187,000	214,500	213,700
Seattle/Bellevue/Everett				
Unemployment rate	3.7%	3.8%	4.7%	4.7%
Resident labor force	1,578,100	1,581,500	1,551,900	1,550,100
Unemployed	58,400	60,700	72,600	73,300

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 2015 was 5.3 percent. The revised estimated June 2015 unemployment rate was also at 5.3 percent.

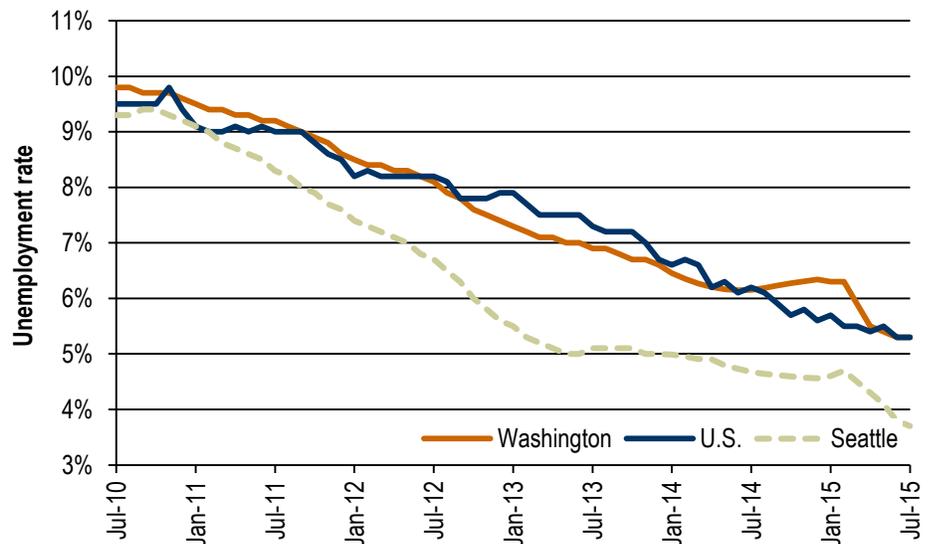
According to BLS estimates, the number of unemployed people rose by 1,600 in July 2015 compared to June 2015. At the same time, the number of employed people fell by an estimated 9,700. Overall, this amounted to a decrease of 8,100 people in the labor force.

The preliminary July 2015 unemployment rate is 0.9 percentage points below the July 2014 rate of 6.2 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, July 2010 through July 2015

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



July 2015 preliminary unemployment rates:

U.S. (preliminary) 5.3%
 Washington (preliminary) 5.3%
 Seattle area (preliminary) 3.7%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 5,900 jobs from June 2015 to July 2015.

Recent employment change

May 2015: up 7,200 jobs (revised)

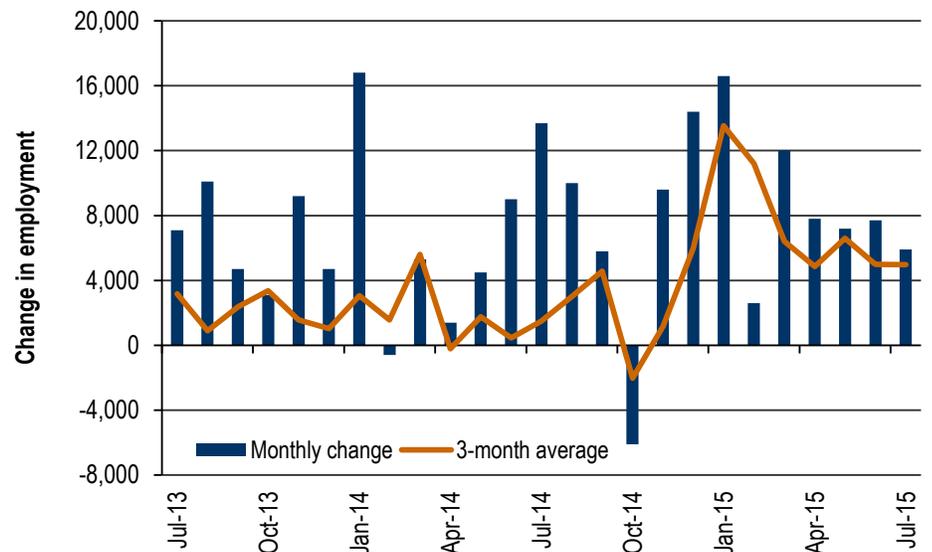
June 2015: up 7,700 jobs (revised)

July 2015: up 5,900 jobs (preliminary)

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

Washington state, July 2013 through July 2015

Source: Employment Security Department/LMPA; 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: 3,010,900

Unemployment rate: 4.6%

February 2010

(end of recent employment recession in Washington)

Nonfarm employment: 2,821,400

Unemployment rate: 10.3%

July 2015 (preliminary)

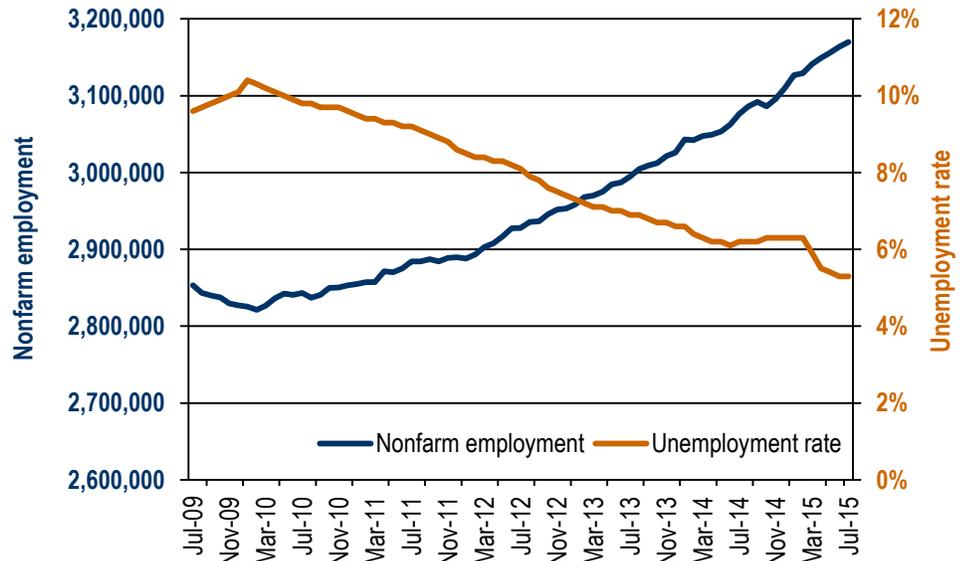
Nonfarm employment: 3,169,800

Unemployment rate: 5.3%

Nonfarm employment and unemployment rate, seasonally adjusted

Washington state, July 2009 through July 2015

Source: Employment Security Department/LMPA; 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 nonseasonal 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

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 5,900 jobs, during the month, on a seasonally adjusted basis:

- Overall, eight industries expanded employment in July, four contracted and one was unchanged.
- Private-sector employment is estimated to have increased by 7,000 and government employment decreased by 1,100.
- Employment in financial activities increased by 2,600, with gain of 1,500 jobs occurring in real estate, rental and leasing.
- Retail trade employment increased by 1,700, with 1,000 of the increase occurring in the category of other retail trade.
- Construction employment increased by 1,100 overall, with the major gains coming in the construction of buildings and in heavy and civil engineering.
- The number of government jobs declined by 1,100. The loss of 2,100 state government jobs outweighed employment gains of 700 in federal government and 300 in local government.
- Wholesale trade employment declined by 1,800, with 1,500 jobs lost by wholesalers of durable goods.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, June 2015 to July 2015

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

Total nonfarm	5,900
Financial activities	2,600
Retail trade	1,700
Leisure and hospitality	1,500
Transportation, warehousing and utilities	1,200
Construction	1,100
Manufacturing	600
Information	400
Mining and logging	100
Professional and business services	0
Other services	-100
Education and health services	-300
Government	-1,100
Wholesale trade	-1,800

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 108,600 jobs from July 2014 through July 2015:

- Overall, twelve major industries expanded and one contracted.
- Private-sector employment rose 4.0 percent, up an estimated 101,200 jobs.
- Public-sector employment increased 1.4 percent, a net gain of 7,400 jobs.
- Professional and business services employment increased by 24,000, led by an 11,600 increase in professional, scientific and technical services.
- Employment in construction was up 18,600 with the number employed in the specialty trade contractor sector up 11,200.
- Employment in the leisure and hospitality industry is up by 16,800, with 11,600 jobs added in food services and drinking places.
- Retailers added 13,600 jobs. Other retail trade, which includes online retail trade, was up by 6,300 jobs.
- Education and health services employment increased by 12,300 with 8,100 jobs added in health services and social assistance.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, July 2014 through July 2015

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

Total nonfarm	108,600
Professional and business services	24,000
Construction	18,600
Leisure and hospitality	16,800
Retail trade	13,600
Education and health services	12,300
Government	7,400
Transportation, warehousing and utilities	5,600
Wholesale trade	3,300
Financial activities	2,500
Manufacturing	1,900
Information	1,400
Other services	1,300
Mining and logging	-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.

Based on historical patterns, Washington employment typically falls by 10,400 from June to July. This year the state lost an estimated 4,500 jobs, amounting to a seasonally adjusted increase of 5,900 jobs.

- The estimated employment increase in professional and business services was 3,500. The normal seasonal increase is 3,500, so on a seasonally adjusted basis, professional and business services employment was unchanged.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, July 2015

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-10,400	-4,500	5,900
Professional and business services	3,500	3,500	0
Retail trade	3,500	5,200	1,700
Construction	2,300	3,400	1,100
Leisure and hospitality	2,200	3,700	1,500
Other services	1,500	1,400	-100
Wholesale trade	1,400	-400	-1,800
Manufacturing	1,200	1,800	600
Information	1,100	1,500	400
Transportation, warehousing and utilities	1,000	2,200	1,200
Mining and logging	100	200	100
Financial activities	-2,200	400	2,600
Education and health services	-3,900	-4,200	-300
Government	-22,100	-23,200	-1,100

- The normal seasonal gain in retail trade employment is 3,500 in July. The estimated increase was 5,200 yielding a 1,700 gain on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was an estimated gain of 1,100 jobs in construction in July. The normal seasonal increase is 2,300. It is estimated to have increased by 3,400 this July.
- Employment in leisure and hospitality normally rises by 2,200. It is estimated to have increased by 3,700 this July yielding a gain of 1,500 on a seasonally adjusted basis.
- Typically government employment decreases by 22,100 in July. On a seasonally adjusted basis, government employment fell by 1,100 as the estimated decrease was 23,200.

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 December 2014. Employment estimates for July 2015 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked December 2014 data:

- The two largest upward revisions were for professional and business services and for leisure and hospitality, up 2,600 and 2,400, respectively.
- Government and financial activities had the largest downward revisions, both at 6,000.

Annual benchmarked industry employment, seasonally adjusted
Washington state, December 2014

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Industry sector	Revisions to December 2014 employment level
Total nonfarm	-15,500
Professional and business services	2,600
Leisure and hospitality	2,400
Transportation, warehousing and utilities	1,400
Wholesale trade	1,000
Mining and logging	200
Construction	100
Information	-400
Other services	-2,100
Manufacturing	-2,200
Retail trade	-3,200
Education and health services	-3,300
Government	-6,000
Financial activities	-6,000

Contact an economist

We have seven regional economists serving local labor markets in Washington. Regional economists can help you find and use labor-market data, fulfill special data requests and answer questions about the labor market in your area. They serve professionals and organizations in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media.

Statewide labor economist:

Paul Turek, Ph.D.
pturek@esd.wa.gov
360-407-2306

Regional labor economists:

Scott Bailey
scott.bailey@esd.wa.gov
360-735-4995

Don Meseck
dmeseck@esd.wa.gov
509-573-4564

Ajsa Suljic
asuljic@esd.wa.gov
509-734-5928

Doug Tweedy
dtweedy@esd.wa.gov
509-532-3188

Anneliese Vance-Sherman, Ph.D.
avancesherman@esd.wa.gov
425-258-6315

Jim Vleming
jvleming@esd.wa.gov
360-570-6945

Contact an economist online!

Washington State Regional Labor Economist Reporting Areas



Note: Due to changes in the processing of the monthly employment data by the U.S. Bureau of Labor Statistics, the county-level information will be available at 10 a.m., August 25, 2015. The publication schedule for 2015 can be found at: <https://fortress.wa.gov/esd/employmentdata/reports-publications/economic-reports/monthly-employment-report>

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Washington Relay Service: 800-833-6384.