

# Monthly Employment Report for October 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 6,900 from September 2015 to October 2015.<sup>1</sup> BLS estimates the private sector gained 9,800 jobs during the month and the public sector lost 2,900 jobs.

On a not seasonally adjusted basis, estimates for October 2014 through October 2015 indicate an increase in employment of 85,800 for the state. The private sector added 72,800 jobs while the public sector gained an estimated 13,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for October 2015 is 5.2 percent. The revised estimated September 2015 unemployment rate was also at 5.2 percent. The October 2014 unemployment rate was 6.3 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. September's preliminary estimated loss of 2,200 jobs was revised to a loss of 1,400 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, September and October, 2014 and 2015  
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

|   | October<br>2015<br>(Preliminary) | September<br>2015<br>(Revised) | October<br>2014<br>(Revised) | September<br>2014<br>(Revised) |
|---|----------------------------------|--------------------------------|------------------------------|--------------------------------|
| <b>United States</b>                            |                                  |                                |                              |                                |
| Unemployment rate<br><i>Seasonally adjusted</i> | 5.0%                             | 5.1%                           | 5.7%                         | 5.9%                           |
| <b>Washington</b>                               |                                  |                                |                              |                                |
| Unemployment rate                               | 5.2%                             | 5.2%                           | 6.3%                         | 6.2%                           |
| Resident labor force                            | 3,524,500                        | 3,525,700                      | 3,510,600                    | 3,502,700                      |
| Unemployed                                      | 183,400                          | 184,200                        | 220,300                      | 218,300                        |
| <b>Seattle/Bellevue/Everett</b>                 |                                  |                                |                              |                                |
| Unemployment rate                               | 3.8%                             | 3.6%                           | 4.6%                         | 4.6%                           |
| Resident labor force                            | 1,585,200                        | 1,583,600                      | 1,560,100                    | 1,557,400                      |
| Unemployed                                      | 61,000                           | 57,700                         | 71,700                       | 71,900                         |

<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 October 2015 was 5.2 percent. The revised estimated September 2015 unemployment rate was at 5.2 percent.

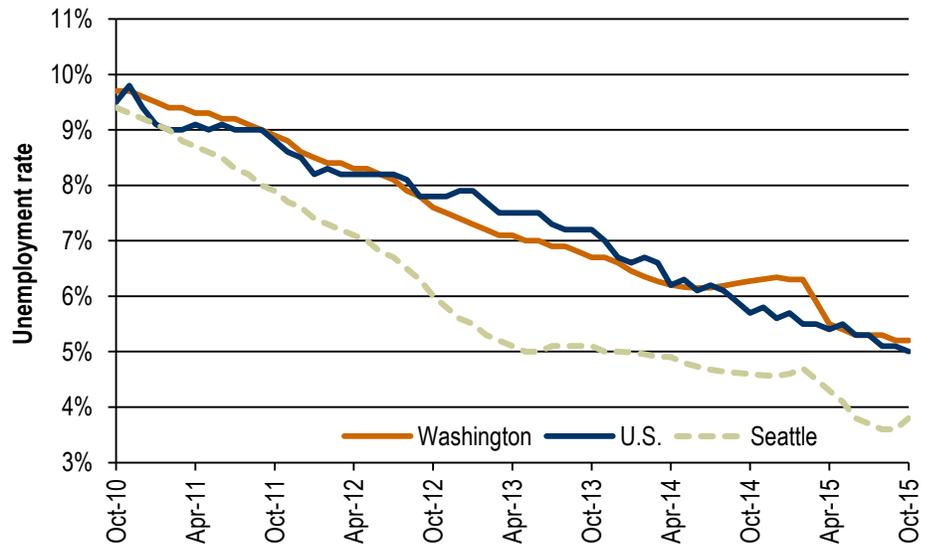
According to BLS estimates, the number of unemployed people fell by 800 in October 2015 compared to September 2015. At the same time, the number of employed people fell by an estimated 400. Overall, this amounted to a decrease of 1,200 people in the labor force.

The preliminary October 2015 unemployment rate is 1.1 percentage points below the October 2014 rate of 6.3 percent.

### Unemployment rates, seasonally adjusted

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

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



**October 2015 preliminary unemployment rates:**

U.S. (preliminary) 5.0%  
 Washington (preliminary) 5.2%  
 Seattle area (preliminary) 3.8%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 6,900 jobs from September 2015 to October 2015.

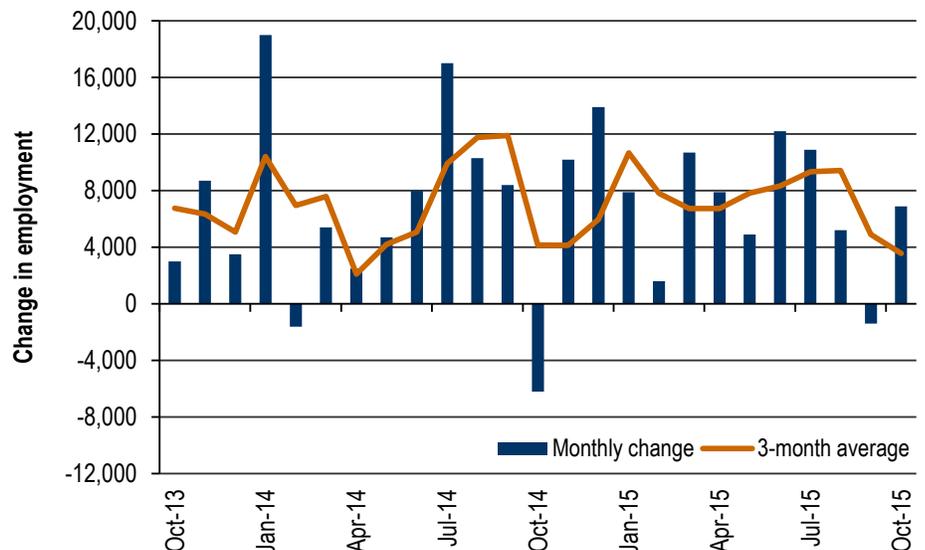
Recent employment change  
**August 2015:** up 5,200 jobs (revised)

**September 2015:** down 1,400 jobs (revised)

**October 2015:** up 6,900 jobs (preliminary)

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

Washington state, October 2013 through October 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%

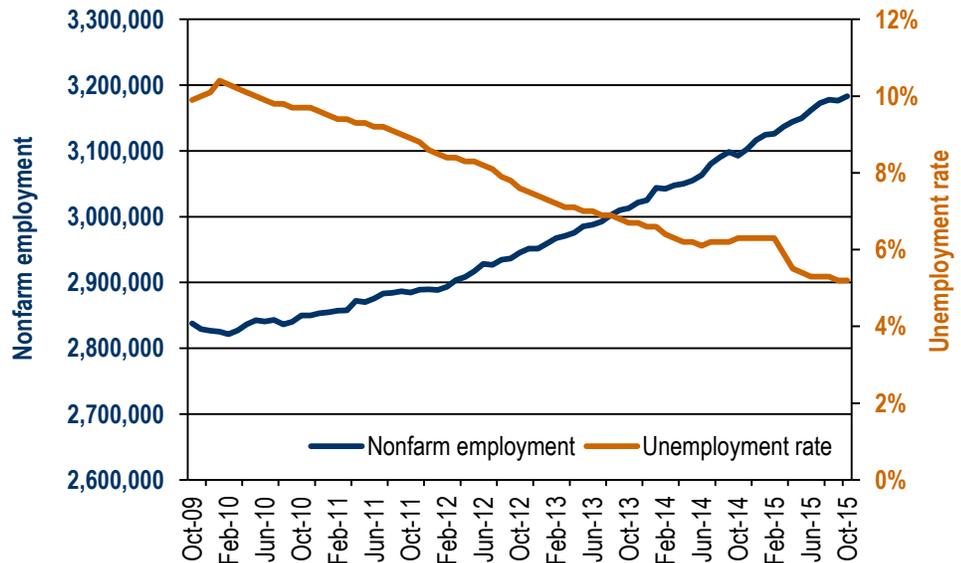
### October 2015 (preliminary)

Nonfarm employment: 3,183,400

Unemployment rate: 5.2%

Nonfarm employment and unemployment rate, seasonally adjusted  
Washington state, October 2009 through October 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 6,900 jobs during the month, on a seasonally adjusted basis:

- Overall, eight industries expanded employment in October and five contracted.
- Private-sector employment is estimated to have increased by 9,800 and government employment decreased by 2,900.
- Retail trade employment increased by 2,600 with clothing and clothing accessories stores adding 1,100 jobs.
- The number of jobs in professional and business services increased by 2,400, with a 2,100 gain in employment occurring in administrative and support services.
- Employment in education and health services increased by 2,100, with all of the increase occurring in health services and social assistance.
- Construction employment increased by 2,000 overall, with increases of 2,300 by specialty trade contractors and 100 in building construction offsetting 400 jobs lost in heavy and civil engineering.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, September 2015 to October 2015

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

|   |              |
|---|--------------|
| <b>Total nonfarm</b>                      | <b>6,900</b> |
| Retail trade                              | 2,600        |
| Professional and business services        | 2,400        |
| Education and health services             | 2,100        |
| Construction                              | 2,000        |
| Leisure and hospitality                   | 1,200        |
| Information                               | 1,100        |
| Other services                            | 1,000        |
| Wholesale trade                           | 200          |
| Mining and logging                        | -100         |
| Transportation, warehousing and utilities | -300         |
| Financial activities                      | -700         |
| Manufacturing                             | -1,700       |
| Government                                | -2,900       |

- Manufacturing employment fell by 1,700, with 1,400 jobs lost in durable goods manufacturing and 300 jobs lost in nondurable goods manufacturing.

## 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 85,800 jobs from October 2014 through October 2015:

- Overall, twelve major industries expanded and one was unchanged.
- Private-sector employment rose 2.8 percent, up an estimated 72,800 jobs.
- Public-sector employment increased 2.3 percent, a net gain of 13,000 jobs.
- Professional and business services employment increased by 14,900, led by an 8,500 increase in professional, scientific and technical services.
- Retailers added 13,400 jobs. Other retail trade, which includes online retail trade, was up by 6,900 jobs.
- Employment in the leisure and hospitality industry is up by 11,700, with 10,400 jobs added in food services and drinking places.

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

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

|   |               |
|---|---------------|
| <b>Total nonfarm</b>                      | <b>85,800</b> |
| Professional and business services        | 14,900        |
| Retail trade                              | 13,400        |
| Government                                | 13,000        |
| Leisure and hospitality                   | 11,700        |
| Construction                              | 10,300        |
| Education and health services             | 7,500         |
| Other services                            | 5,300         |
| Information                               | 3,200         |
| Wholesale trade                           | 2,400         |
| Transportation, warehousing and utilities | 1,900         |
| Manufacturing                             | 1,200         |
| Financial activities                      | 1,000         |
| Mining and logging                        | 0             |

- Employment in construction was up 10,300 with the number employed in the specialty trade contractor sector up 6,200.
- Education and health services employment increased by 7,500 with 6,800 jobs added in health services and social assistance.

## 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 rises by 13,200 from September to October. This year the state gained an estimated 20,100 jobs, amounting to a seasonally adjusted increase of 6,900 jobs.

- Typically government employment increases by 25,300 in October. On a seasonally adjusted basis, government employment decreased by 2,900 as the estimated increase was 22,400.

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

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

|   | Normal seasonal change | Estimated change | Seasonally adjusted change |
|---|------------------------|------------------|----------------------------|
| <b>Total nonfarm</b>                      | <b>13,200</b>          | <b>20,100</b>    | <b>6,900</b>               |
| Government                                | 25,300                 | 22,400           | -2,900                     |
| Education and health services             | 5,800                  | 7,900            | 2,100                      |
| Financial activities                      | 700                    | 0                | -700                       |
| Wholesale trade                           | 400                    | 600              | 200                        |
| Other services                            | 200                    | 1,200            | 1,000                      |
| Mining and logging                        | 0                      | -100             | -100                       |
| Retail trade                              | -300                   | 2,300            | 2,600                      |
| Professional and business services        | -600                   | 1,800            | 2,400                      |
| Transportation, warehousing and utilities | -900                   | -1,200           | -300                       |
| Manufacturing                             | -1,100                 | -2,800           | -1,700                     |
| Information                               | -1,300                 | -200             | 1,100                      |
| Construction                              | -2,900                 | -900             | 2,000                      |
| Leisure and hospitality                   | -12,000                | -10,800          | 1,200                      |

- The change on a seasonally adjusted basis was an estimated gain of 2,100 jobs in education and health services in October. The normal seasonal increase is 5,800. It is estimated to have increased by 7,900 this October.
- The normal seasonal loss in manufacturing employment is 1,100 in October. The estimated decrease was 2,800 yielding a 1,700 loss on a seasonally adjusted basis.
- The estimated employment decrease in construction was 900. The normal seasonal decrease is 2,900, so on a seasonally adjusted basis, construction employment rose by 2,000.
- Employment in leisure and hospitality normally falls by 12,000. It is estimated to have decreased by 10,800 this October yielding a gain of 1,200 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.

Benchmarked employment data are now available through June 2015. Employment estimates for October 2015 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked June 2015 data:

- The two largest upward revisions were for manufacturing and for construction, up 2,500 and 1,300, respectively.
- Education and health services had the largest downward revision at 3,300.

Annual benchmarked industry employment, seasonally adjusted  
Washington state, June 2015  
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

| Industry sector                           | Revisions to<br>June 2015<br>employment level |
|---|---|
| <b>Total nonfarm</b>                      | <b>-1,300</b>                                 |
| Manufacturing                             | 2,500   |
| Construction                              | 1,300   |
| Wholesale trade                           | 1,000   |
| Other services                            | 900   |
| Government                                | 800   |
| Financial activities                      | 600   |
| Mining and logging                        | 200   |
| Leisure and hospitality                   | -100  |
| Information                               | -100  |
| Professional and business services        | -300  |
| Transportation, warehousing and utilities | -600  |
| Retail trade                              | -1,100  |
| Education and health services             | -3,300  |

## 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.

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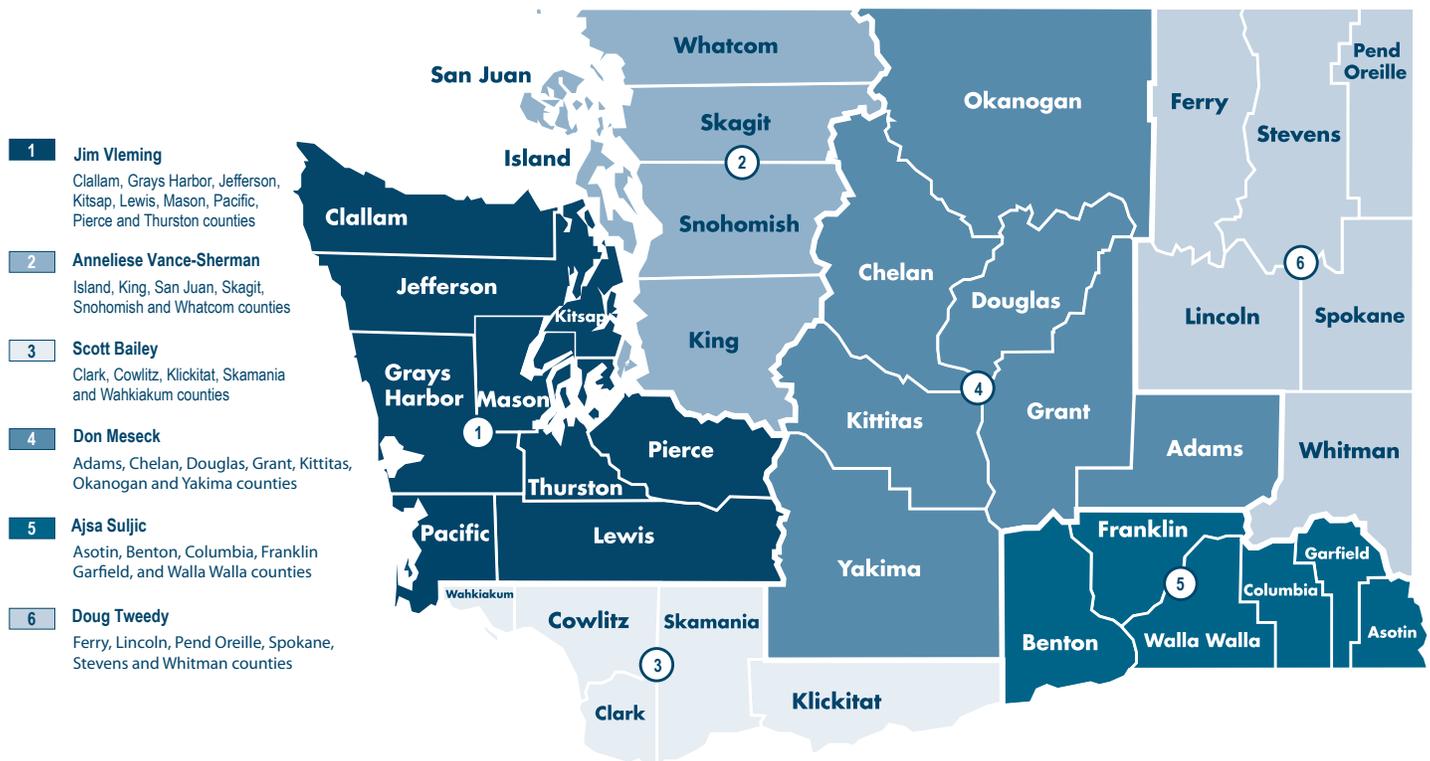
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### Contact an economist online!

## 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., November 24, 2015. The publication schedule for 2015 can be found at: <https://fortress.wa.gov/esd/employmentdata/reports-publications/economic-reports/monthly-employment-report>

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