

Monthly Employment Report for January 2016



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 12,800 from December 2015 to January 2016.¹ BLS estimates the private sector gained 11,200 jobs during the month and the public sector gained 1,600 jobs.

On a not seasonally adjusted basis, estimates for January 2015 through January 2016 indicate an increase in employment of 93,700 for the state. The private sector added 82,000 jobs while the public sector gained an estimated 11,700 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for January 2016 is 5.8 percent. The revised estimated December 2015 unemployment rate was also at 5.8 percent. The January 2015 unemployment rate was 5.8 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 7,200 jobs was revised, and the gain remained at 7,200 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, December, 2014 and 2015 and January, 2015 and 2016

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

	January 2016 (Preliminary)	December 2015 (Revised)	January 2015 (Revised)	December 2014 (Revised)
United States				
Unemployment rate				
<i>Seasonally adjusted</i>	4.9%	5.0%	5.7%	5.6%
Washington				
Unemployment rate	5.8%	5.8%	5.8%	5.9%
Resident labor force	3,588,100	3,568,800	3,521,200	3,518,500
Unemployed	209,900	206,200	202,700	205,800
Seattle/Bellevue/Everett				
Unemployment rate	5.1%	5.0%	4.5%	4.5%
Resident labor force	1,594,600	1,588,500	1,569,800	1,567,900
Unemployed	81,400	78,700	69,900	70,500

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 January 2016 was 5.8 percent. The revised estimated December 2015 unemployment rate was also at 5.8 percent.

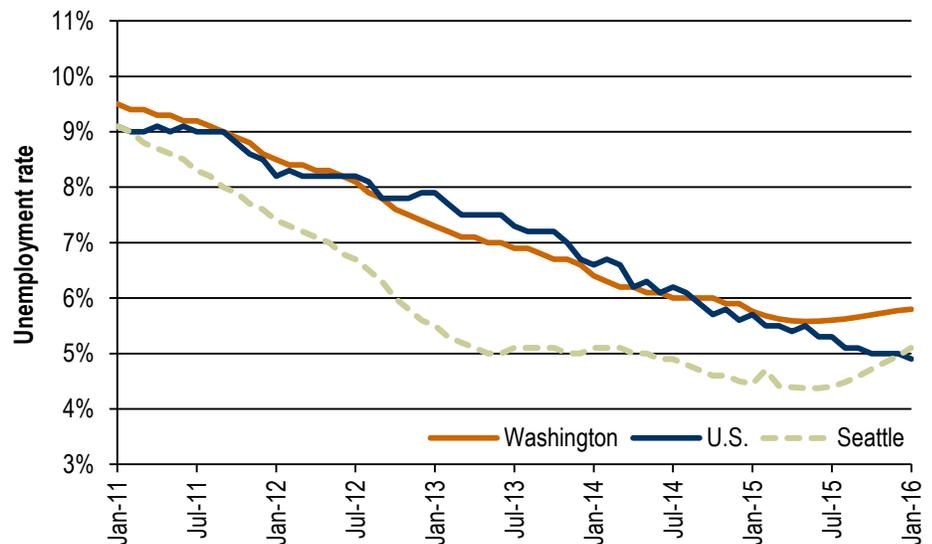
According to BLS estimates, the number of unemployed people rose by 3,700 in January 2016 compared to December 2015. At the same time, the number of employed people rose by an estimated 15,600. Overall, this amounted to an increase of 19,300 people in the labor force.

The preliminary January 2016 unemployment rate is the same as the January 2015 rate of 5.8 percent.

Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, January 2011 through January 2016

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



January 2016 preliminary unemployment rates:

U.S. (preliminary) 4.9%
 Washington (preliminary) 5.8%
 Seattle area (preliminary) 5.1%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 12,800 jobs from December 2015 to January 2016.

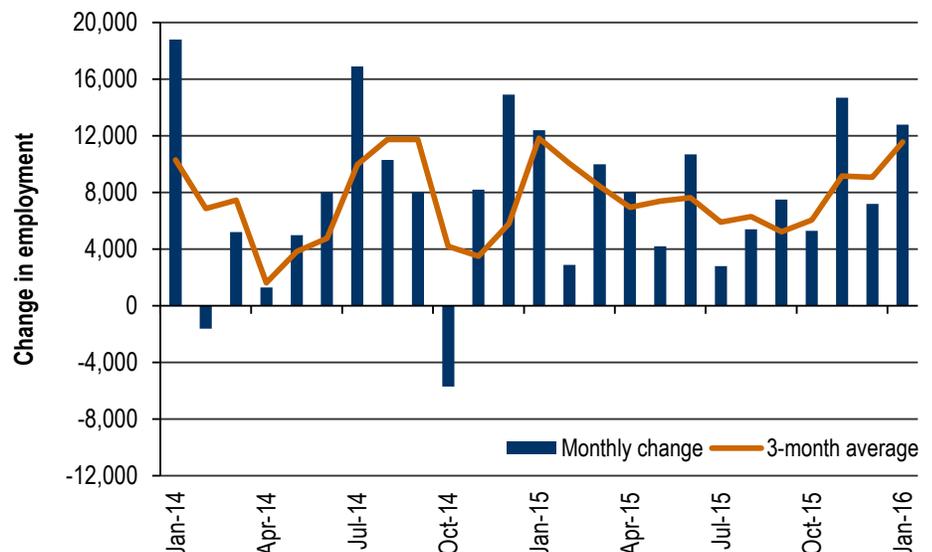
Recent employment change
November 2015: up 14,700 jobs (revised)

December 2015: up 7,200 jobs (revised)

January 2016: up 12,800 jobs (preliminary)

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

Washington state, January 2014 through January 2016
 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: 3,009,300
Unemployment rate: 4.8%

February 2010

(end of recent employment recession in Washington)

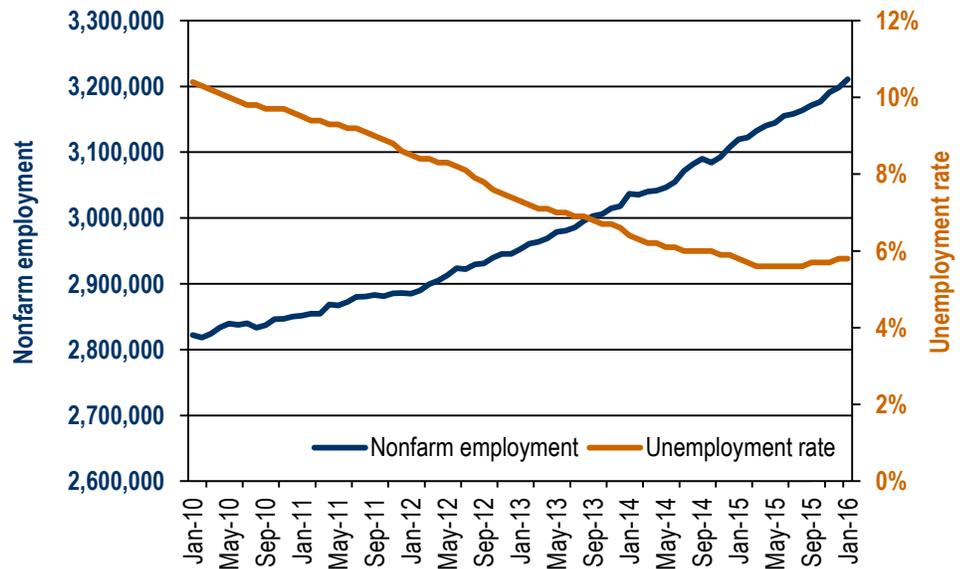
Nonfarm employment: 2,818,300
Unemployment rate: 10.3%

January 2016 (preliminary)

Nonfarm employment: 3,211,200
Unemployment rate: 5.8%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, January 2010 through January 2016

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 12,800 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in January, two contracted, and two were unchanged.
- Private-sector employment is estimated to have increased by 11,200 and government employment increased by 1,600.
- Retail trade employment increased by 3,500. Other retail trade, which includes online retailing, added 4,900 jobs while 1,700 jobs were lost by general merchandise stores.
- Education and health services employment rose by 3,300 with all of the increase occurring in health services.
- Employment in leisure and hospitality increased by 2,800 overall as 3,300 jobs were added in food services and drinking places.
- The number of jobs in transportation, warehousing and utilities decreased by 1,400, with a 1,200 loss in employment occurring in transportation services.
- Professional and business services employment fell by 2,900, with losses of jobs in other administrative services driving the decline.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, December 2015 to January 2016

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

Total nonfarm	12,800
Retail trade	3,500
Education and health services	3,300
Leisure and hospitality	2,800
Other services	2,800
Government	1,600
Financial activities	1,300
Manufacturing	800
Information	600
Construction	400
Wholesale trade	0
Mining and logging	0
Transportation, warehousing and utilities	-1,400
Professional and business services	-2,900

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 93,700 from January 2015 through January 2016:

- Overall, eleven major industries expanded and two declined.
- Private-sector employment rose 3.3 percent, up an estimated 82,000 jobs.
- Public-sector employment increased 2.1 percent, a net gain of 11,700 jobs.
- Retailers added 15,700 jobs. Other retail trade, which includes online retail trade, was up by 8,100 jobs.
- Professional and business services employment increased by 14,900, led by a 6,700 increase in administrative and support services.
- Employment in the leisure and hospitality industry is up by 14,400, with 11,600 jobs added in food services and drinking places.
- Education and health services employment increased by 9,800 with 6,300 of the jobs added in ambulatory health care services.
- Employment in construction is up 7,800 with the number employed by specialty trade contractors up 6,000.

Estimated employment change by industry over the year, not seasonally adjusted Washington state, January 2015 through January 2016

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

Total nonfarm	93,700
Retail trade	15,700
Professional and business services	14,900
Leisure and hospitality	14,400
Government	11,700
Education and health services	9,800
Construction	7,800
Information	7,800
Financial activities	4,400
Other services	4,000
Wholesale trade	3,800
Transportation, warehousing and utilities	900
Mining and logging	-700
Manufacturing	-800

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 45,500 from December to January. This year the state lost an estimated 32,700 jobs, amounting to a seasonally adjusted increase of 12,800 jobs.

- The normal seasonal loss in manufacturing employment is 2,500 in January. The estimated decrease was 1,700 yielding a 800 gain on a seasonally adjusted basis.
- The estimated employment decrease in construction was 2,100. The normal seasonal decrease is 2,500, so on a seasonally adjusted basis, construction employment rose by 400.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, January 2016

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

	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	-45,500	-32,700	12,800
Government	1,700	3,300	1,600
Mining and logging	-200	-200	0
Information	-500	100	600
Wholesale trade	-1,200	-1,200	0
Financial activities	-1,300	0	1,300
Other services	-2,000	800	2,800
Manufacturing	-2,500	-1,700	800
Construction	-2,500	-2,100	400
Transportation, warehousing and utilities	-2,800	-4,200	-1,400
Education and health services	-4,600	-1,300	3,300
Professional and business services	-5,800	-8,700	-2,900
Leisure and hospitality	-6,600	-3,800	2,800
Retail trade	-17,200	-13,700	3,500

- The change on a seasonally adjusted basis was a gain of 3,300 jobs in education and health services in January. The normal seasonal decrease is 4,600. It is estimated to have decreased by 1,300 this January.
- Employment in leisure and hospitality normally falls by 6,600. It is estimated to have decreased by 3,800 this January yielding a gain of 2,800 on a seasonally adjusted basis.
- Typically retail trade employment decreases by 17,200 in January. On a seasonally adjusted basis, retail trade employment increased by 3,500 as the estimated decrease was 13,700.

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 September 2015. Employment estimates for January 2016 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked September 2015 data:

- The two largest upward revisions were for information and government, up 3,800 and 2,800, respectively.
- Financial activities had the largest downward revision, 6,800.

Quarterly benchmarked industry employment, seasonally adjusted
Washington state, September 2015

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

Industry sector	Revisions to September 2015 employment level
Total nonfarm	-5,200
Information	3,800
Government	2,800
Leisure and hospitality	1,900
Retail trade	1,900
Professional and business services	-100
Manufacturing	-200
Transportation, warehousing and utilities	-200
Mining and logging	-400
Construction	-500
Wholesale trade	-1,100
Other services	-2,400
Education and health services	-3,900
Financial activities	-6,800

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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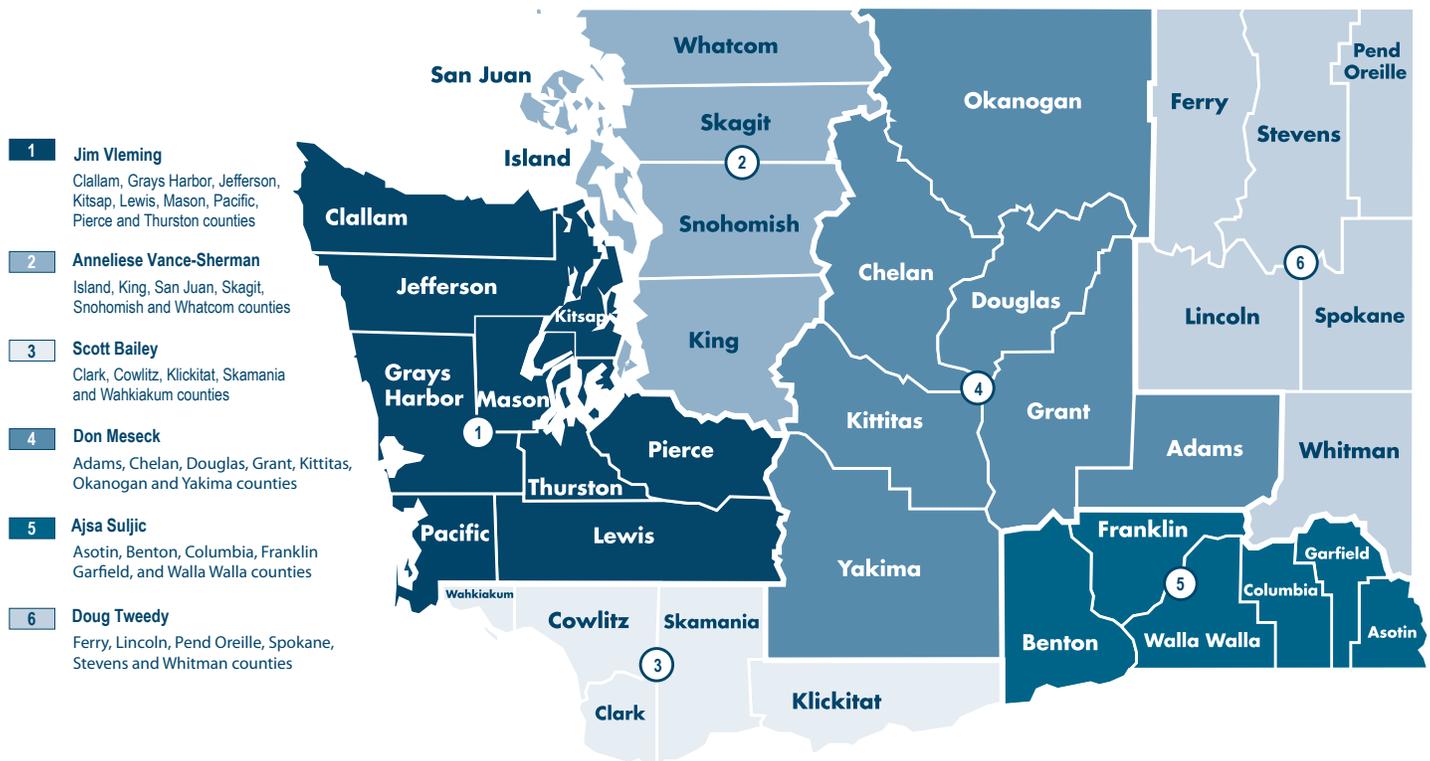
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Washington State Regional Labor Economist Reporting Areas



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., March 15, 2016. The publication schedule for 2016 can be found at: <https://fortress.wa.gov/esd/employmentdata/reports-publications/economic-reports/monthly-employment-report>

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