

Monthly Employment Report for May 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 8,700 from April 2016 to May 2016.¹ BLS estimates the private sector gained 7,100 jobs during the month and the public sector gained 1,600 jobs.

On a not seasonally adjusted basis, estimates for May 2015 through May 2016 indicate an increase in employment of 101,700 for the state. The private sector added 89,700 jobs while the public sector gained an estimated 12,000 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for May 2016 is 5.8 percent. The revised estimated April 2016 unemployment rate was also at 5.8 percent. The May 2015 unemployment rate was 5.6 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. April's preliminary estimated gain of 11,200 jobs was revised to a gain of 6,900 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, April and May, 2015 and 2016
Source: Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	May 2016 (Preliminary)	April 2016 (Revised)	May 2015 (Revised)	April 2015 (Revised)
United States				
Unemployment rate <i>Seasonally adjusted</i>	4.7%	5.0%	5.5%	5.4%
Washington				
Unemployment rate	5.8%	5.8%	5.6%	5.6%
Resident labor force	3,628,500	3,628,400	3,531,400	3,529,000
Unemployed	209,600	211,300	197,000	197,300
Seattle/Bellevue/Everett				
Unemployment rate	4.9%	4.9%	4.4%	4.4%
Resident labor force	1,609,400	1,609,300	1,576,300	1,574,800
Unemployed	78,800	79,100	69,000	69,200

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 May 2016 was 5.8 percent. The revised estimated April 2016 unemployment rate was at 5.8 percent.

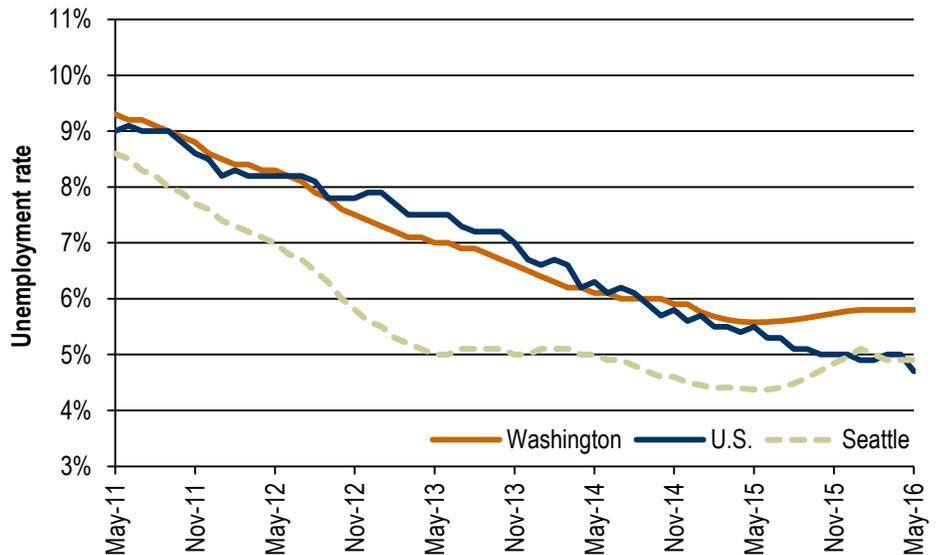
According to BLS estimates, the number of unemployed people fell by 1,700 in May 2016 compared to April 2016. At the same time, the number of employed people rose by an estimated 1,800. Overall, this amounted to an increase of 100 people in the labor force.

The preliminary May 2016 unemployment rate is 0.2 percentage points above the May 2015 rate of 5.6 percent.

Unemployment rates, seasonally adjusted

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

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



May 2016 preliminary unemployment rates:

U.S. (preliminary) 4.7%
 Washington (preliminary) 5.8%
 Seattle area (preliminary) 4.9%

Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 8,700 jobs from April 2016 to May 2016.

Recent employment change
March 2016: up 7,800 jobs (revised)

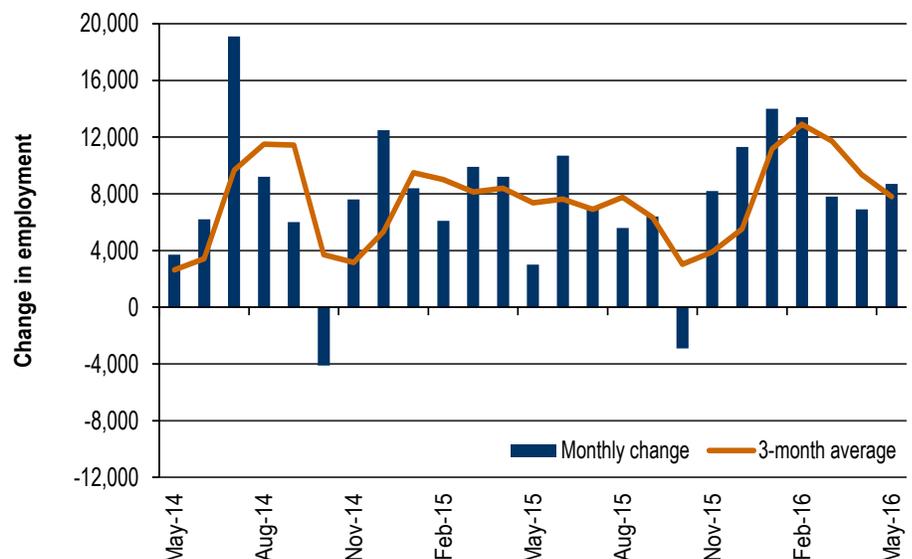
April 2016: up 6,900 jobs (revised)

May 2016: up 8,700 jobs (preliminary)

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

Washington state, May 2014 through May 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: 3,010,100
Unemployment rate: 4.8%

February 2010

(end of recent employment recession in Washington)

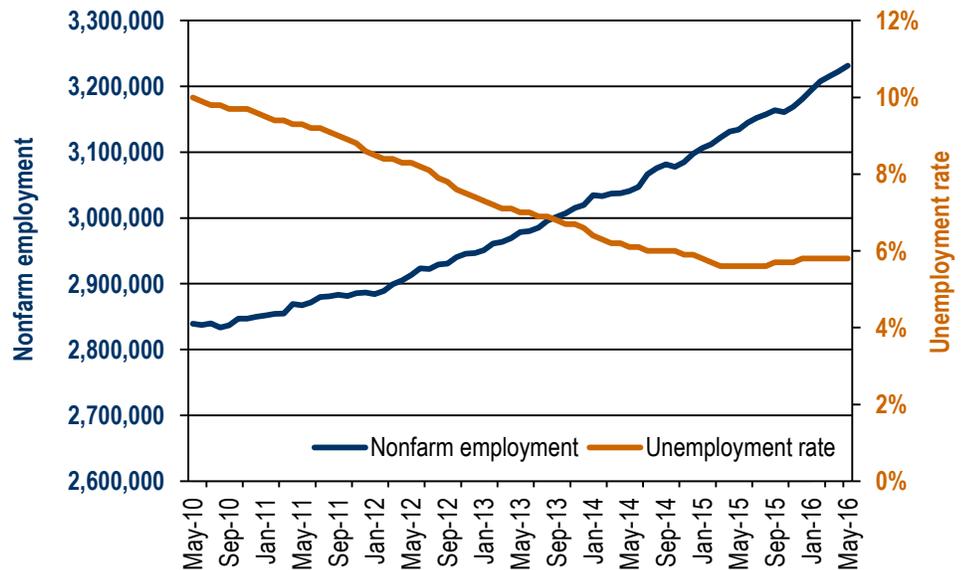
Nonfarm employment: 2,818,400
Unemployment rate: 10.3%

May 2016 (preliminary)

Nonfarm employment: 3,231,400
Unemployment rate: 5.8%

Nonfarm employment and unemployment rate, seasonally adjusted
Washington state, May 2010 through May 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 8,700 jobs during the month, on a seasonally adjusted basis:

- Overall, nine industries expanded employment in May and four contracted.
- Private-sector employment is estimated to have increased by 7,100 and government employment increased by 1,600.
- Professional and business services employment rose by 2,300, with 2,000 jobs added in accounting and bookkeeping services.
- Employment in education and health services increased by 2,000, with 1,200 jobs added in social assistance.
- Retail trade employment increased by 800. The largest gain in employment occurred in other retail trade.
- Transportation, warehousing and utilities employment decreased by 800 overall, with 500 of the jobs lost in truck transportation.
- The number of jobs in leisure and hospitality decreased by 1,400, with 900 of the loss occurring in arts, entertainment and recreation.

Estimated one-month employment change by industry, seasonally adjusted
Washington state, April 2016 to May 2016

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

Total nonfarm	8,700
Professional and business services	2,300
Education and health services	2,000
Government	1,600
Construction	1,600
Other services	1,200
Financial activities	1,200
Retail trade	800
Information	500
Manufacturing	500
Mining and logging	-100
Wholesale trade	-700
Transportation, warehousing and utilities	-800
Leisure and hospitality	-1,400

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 101,700 jobs from May 2015 through May 2016:

- Overall, eleven major industries expanded and two declined.
- Private-sector employment rose 3.5 percent, up an estimated 89,700 jobs.
- Public-sector employment increased 2.1 percent, a net gain of 12,000 jobs.
- Professional and business services employment increased by 18,800, led by an 8,000 increase in administrative and support services.
- Employment in construction is up 14,000 with the number employed as specialty trade contractors up 8,900.
- Education and health services employment increased by 13,700 with 4,100 of the jobs added in social assistance.
- Retailers added 11,700 jobs. Other retail trade, which includes online retail trade, was up by 11,000 jobs.
- Employment in the leisure and hospitality industry is up by 9,700, with 7,400 jobs added in food services and drinking places.

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

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

Total nonfarm	101,700
Professional and business services	18,800
Construction	14,000
Education and health services	13,700
Government	12,000
Retail trade	11,700
Leisure and hospitality	9,700
Information	5,800
Other services	5,300
Transportation, warehousing and utilities	5,100
Financial activities	4,800
Wholesale trade	3,800
Mining and logging	-200
Manufacturing	-2,800

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 rises by 20,200 from April to May. This year the state gained an estimated 28,900 jobs, amounting to a seasonally adjusted increase of 8,700 jobs.

- Employment in leisure and hospitality normally rises by 6,900. It is estimated to have increased by 5,500 this May yielding a loss of 1,400 on a seasonally adjusted basis.
- The estimated employment increase in construction was 5,600. The normal seasonal increase is 4,000, so on a seasonally adjusted basis, construction employment rose by 1,600.

Normal seasonal change, estimated change and seasonally adjusted change
Washington state, May 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	20,200	28,900	8,700
Leisure and hospitality	6,900	5,500	-1,400
Construction	4,000	5,600	1,600
Retail trade	3,200	4,000	800
Transportation, warehousing and utilities	1,100	300	-800
Manufacturing	900	1,400	500
Financial activities	800	2,000	1,200
Wholesale trade	800	100	-700
Government	700	2,300	1,600
Other services	500	1,700	1,200
Education and health services	500	2,500	2,000
Professional and business services	300	2,600	2,300
Mining and logging	300	200	-100
Information	200	700	500

- Typically, retail trade employment increases by 3,200 in May. On a seasonally adjusted basis, retail trade employment increased by 800 as the estimated increase was 4,000.
- The normal seasonal gain in manufacturing employment is 900 in May. The estimated increase was 1,400 so employment rose by 500 on a seasonally adjusted basis.
- The change on a seasonally adjusted basis was a gain of 2,000 jobs in education and health services in May. The normal seasonal increase is 500. It is estimated to have increased by 2,500 this May.

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
360-810-0048

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

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

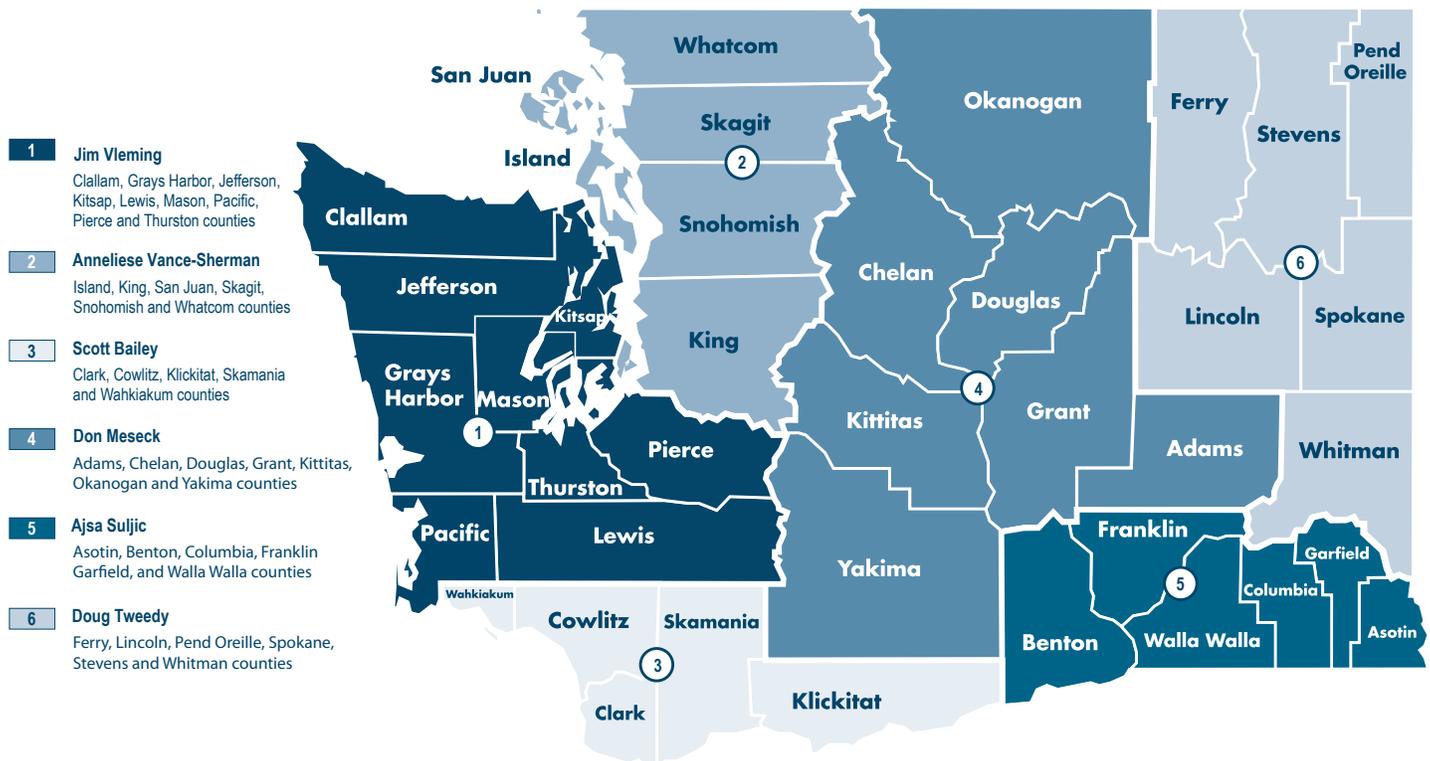
Doug Tweedy
dtweedy@esd.wa.gov
509-532-3188

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., June 21, 2016. The publication schedule for 2016 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.