

The Monthly Employment Report

February 2025

Prepared by Anneliese Vance-Sherman, chief labor economist

On a seasonally adjusted basis, preliminary estimates from the Bureau of Labor Statistics (BLS) show nonfarm employment in Washington decreased by 7,200 in February 2025.^a Employment in the private sector decreased by 6,900 jobs over the month and employers in the public sector shed 300 jobs.

On a not seasonally adjusted basis, estimates for February 2024 through February 2025 show an increase of 39,000 jobs statewide. The private sector added 31,800 jobs while the public sector added an estimated 7,200 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for February 2025 increased from 4.3% to 4.4%. The unemployment rate in February 2024 was 4.4%.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision.

For more information, contact Anneliese Vance-Sherman by phone at 564-900-0748 or by email at anneliese.vance-sherman@esd.wa.gov.

^a Most of the employment numbers in this report refer to jobs, not people. For example, if a person holds two positions, these positions are counted as two jobs in the employment series. In the unemployment section, these positions refer to individuals, not jobs. In this case, a person holding two jobs is counted only once.

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 older.

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.

Figure 1: Resident civilian labor force and unemployment, seasonally adjusted, United States and Washington state, January and February 2024 and January and February 2025

	February 2025 preliminary	January 2025 revised	February 2024 revised	January 2024 revised
United States				
Unemployment rate	4.1%	4.0%	3.9%	3.7%
Washington				
Unemployment rate	4.4%	4.3%	4.4%	4.4%
Resident labor force	4,062,451	4,067,003	4,050,770	4,048,833
Unemployed	176,942	176,199	185,303	185,526
Seattle/Tacoma/Bellevue				
Unemployment rate	4.1%	4.0%	4.1%	4.0%
Resident labor force	2,355,024	2,350,427	2,314,657	2,314,262
Unemployed	96,279	94,629	101,186	101,359

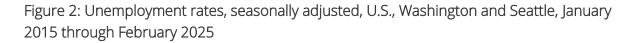
Source: Employment Security Department/LMIR Division; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

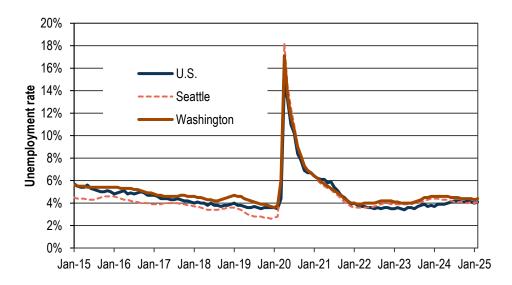
Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for February 2025 was 4.4%, up one tenth of a percentage point from January 2025. The revised estimate for February 2024 was 4.4%.

According to BLS estimates, the number of unemployed Washington residents increased by 743 over the month. The estimated number of employed Washington residents decreased by 5,295. Overall, this amounted to a decrease of 4,552 workers in the labor force from January to February 2025. February 2025 preliminary unemployment rates:

- United States (preliminary) 4.1%
- Washington (preliminary) 4.4%
- Seattle area (preliminary) 4.1%





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

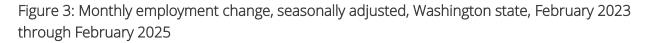
Employment change, seasonally adjusted

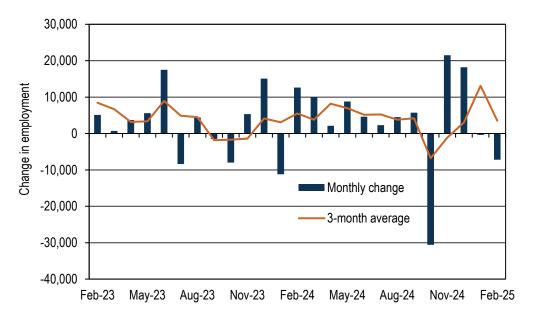
Based on BLS estimates, Washington state nonfarm employment decreased by 7,200 from January to February 2025. Recent employment change:

December 2024: up 18,200 (revised)

January 2025: down 400 (revised)

February 2025: down 7,200 (preliminary)





Employment and unemployment, seasonally adjusted

February 2020 (start of 2020 employment recession in Washington)

Nonfarm employment: 3,511,700

Unemployment rate: 3.8%

February 2025 (preliminary)

Nonfarm employment: 3,656,300

Unemployment rate: 4.4%

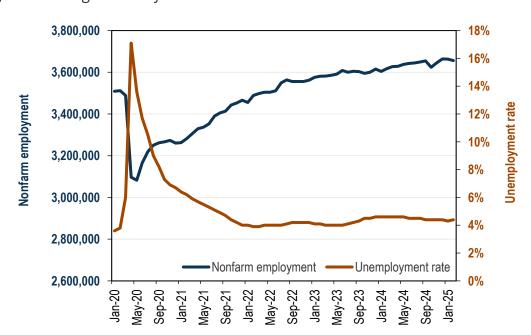


Figure 4: Nonfarm employment and unemployment rate, seasonally adjusted, Washington, January 2020 through February 2025

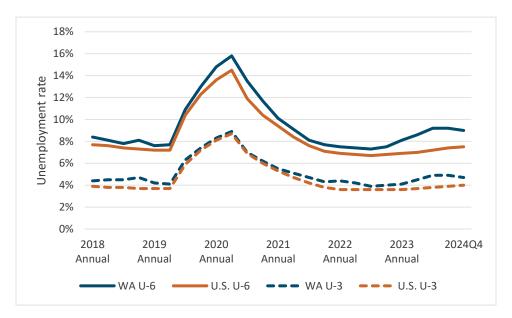
Source: Employment Security Department/LMIR; U.S. Bureau of Labor Statistics, Current Employment Statistics, Local Area Unemployment Statistics.

U-6: Broader annual average unemployment remained unchanged

BLS recently updated its alternative measures of labor underutilization for states to include four-quarter rates through the fourth quarter of 2024. 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 average unemployment rate for the four-quarter period through the fourth quarter of 2024 for Washington state was 9.0%. This is down from the previous four quarter moving average (9.2% through third quarter of 2024). The U.S. U-6 average for the four-quarter period through the fourth quarter of 2024 was 7.5%. Washington's U-6 rate tends to run higher than the national rate.

Figure 5: Alternative measures of labor underutilization, four-quarter moving average, Washington state and U.S. U-3 and U-6 unemployment rates



Source: Employment Security Department/LMIR; U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics

Figure 6: Alternate measures of labor underutilization, four quarter moving average, Washington

Year	WA/U.S.	Q1	Q2	Q3	Annual average
2024	WA	8.6%	9.2%	9.2%	9.0%
	U.S.	7.0%	7.2%	7.4%	7.5%
2023	WA	7.4%	7.3%	7.5%	8.1%
	U.S.	6.8%	6.7%	6.8%	6.9%
2022	WA	9.1%	8.1%	5.0%	7.5%
	U.S.	8.4%	7.6%	7.1%	6.9%
2021	WA	15.8%	13.5%	11.7%	10.1%
	U.S.	14.5%	11.9%	10.4%	9.4%
2020	WA	8.1%	10.9%	13.0%	14.8%
	U.S.	7.7%	10.4%	12.3%	13.6%
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%

Source: Employment Security Department/LMIR; U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics

Industry employment in Washington, seasonally adjusted

One-month employment change by industry: Based on a BLS survey of businesses and governments, Washington employers collectively shed an estimated 7,200 jobs over the month, on a seasonally adjusted basis:

- January 2025 employment estimates were revised up by 10,000 jobs.
- Overall, employment increased in eight major industry sectors and decreased in five.
- Private sector employment is estimated to have decreased by 6,900 and government employment decreased by 300 in February.
- The largest one-month sector level gains in private industry were observed in transportation, warehousing and utilities and retail trade (each added 1,900 jobs); Wholesale trade came in with the third largest sector-level gains adding 1,300 jobs in February.
- The deepest one-month losses were observed in construction and leisure and hospitality (down 7,200 and 5,200 jobs respectively).

Figure 7: Estimated one-month employment change by industry, seasonally adjusted, Washington state, January to February 2025

Total nonfarm	-7,200
Transportation, Warehousing and Utilities	1,900
Retail Trade	1,900
Wholesale Trade	1,300
Information	900
Other Services	600
Manufacturing	600
Professional and Business Services	200
Mining and logging	100
Government	-300
Financial Activities	-500
Education and Health Services	-1,500
Leisure and hospitality	-5,200
Construction	-7,200

Industry employment in Washington, not seasonally adjusted

Change by industry over the year: Based on a BLS survey of businesses and governments, Washington businesses collectively added an estimated 39,000 jobs from February 2024 to February 2025. This is a 1.09% increase in employment over the year.

- Over the past 12 months, employment in nine major industry sectors increased and four decreased.
- Private sector employment increased 1.07%, up an estimated 31,800 jobs.
- Public sector employment rose 1.18%, up an estimated 7,200 jobs. The largest number of public sector jobs was added in local government. Within that estimate, approximately 1,900 jobs were added in local school districts, with the remaining 4,800 jobs added in other local government functions.
- The largest private sector gains were attributable to hiring in education and health services (up 19,200), information (up 7,600), and leisure and hospitality (up 7,400); the deepest one-year losses were observed in construction (down 10,400) and manufacturing (down 4,000).

- Education and health services employment gains were primarily attributable to hiring in health and social services; within that, ambulatory health care services added the most jobs (9,100).
- Losses in construction were predominantly among specialty trade contractors (down 7,400), however losses were observed throughout the sector.

Figure 8: Estimated employment change by industry over the year, not seasonally adjusted, Washington state, February 2024 through February 2025

Total nonfarm	39,000
Education and health services	19,200
Information	7,600
Leisure and hospitality	7,400
Government	7,200
Professional and business services	6,500
Transportation, warehousing and utilities	5,000
Financial activities	1,100
Other services	1,100
Mining and logging	300
Retail trade	-200
Wholesale trade	-1,800
Manufacturing	-4,000
Construction	-10,400

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.

Figure 9: Normal seasonal change, estimated change and seasonally adjusted change, Washington state, February 2025

Industry	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	10,500	3,300	-7,200
Transportation, Warehousing and Utilities	-1,700	200	1,900
Retail Trade	-3,900	-2,000	1,900
Wholesale Trade	400	1,700	1,300
Information	400	1,300	900
Other Services	200	800	600
Manufacturing	500	1,100	600
Professional and Business Services	1,900	2,100	200
Mining and logging	0	100	100
Government	3,100	2,800	-300
Financial Activities	500	0	-500
Education and Health Services	5,200	3,700	-1,500
Leisure and hospitality	1,600	-3,600	-5,200
Construction	2,300	-4,900	-7,200

Contact us

For more Washington labor market information, visit <u>Employment Security's website</u>. Contact us at <u>Imir@esd.wa.gov</u> with any questions. County level information will be available at 10 a.m. April 1, 2025. The 2025 publication schedule can be found on <u>Employment Security's website</u>

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