

The Monthly Employment Report

May 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 increased by 400 in May 2025.^a Employment in the private sector increased by 3,100 jobs over the month and employers in the public sector dropped by 2,700.

On a not seasonally adjusted basis, estimates for May 2024 through May 2025 show a decrease of 9,000 jobs statewide. Employers in the private sector collectively shed 7,600 jobs while the public sector shed an estimated 1,400 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for May 2025 was 4.5%, up from 4.4% in April. For reference, the unemployment rate in May 2024 was 4.6%.

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

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^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, April and May 2024 and April and May 2025

United States	May 2025 preliminary	April 2025 revised	May 2024 revised	April 2024 revised
Unemployment rate	4.2%	4.2%	4.0%	3.9%
Washington	May 2025 preliminary	April 2025 revised	May 2024 revised	April 2024 revised
Unemployment rate	4.5%	4.4%	4.6%	4.6%
Resident labor force	4,042,228	4,052,066	4,064,833	4,059,411
Unemployed	181,214	178,953	185,347	185,599
Seattle/Tacoma/Bellevue	May 2025 preliminary	April 2025 revised	May 2024 revised	April 2024 revised
Unemployment rate	4.4%	4.3%	4.3%	4.3%
Resident labor force	2,350,061	2,355,836	2,320,013	2,316,910
Unemployed	102,909	101,266	98,771	99,854

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

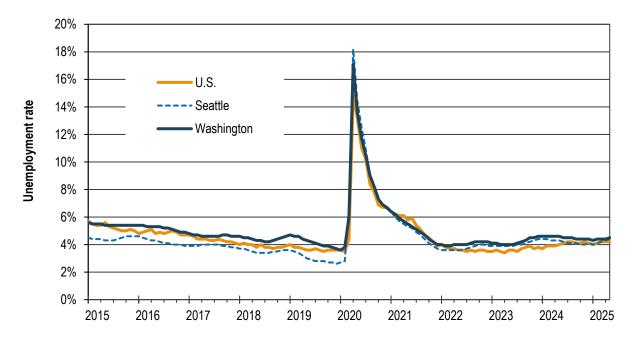
Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for May 2025 was 4.5%, up slightly from the rate reported in April 2025. The revised estimate for May 2024 was 4.6%.

According to BLS estimates, the number of unemployed Washington residents increased by 2,261 over the month. The estimated number of employed Washington residents decreased by 12,099. Overall, this amounted to a decrease of 9,838 workers in the labor force from April to May 2025. May 2025 preliminary unemployment rates:

- United States (preliminary) 4.2%
- Washington (preliminary) 4.5%
- Seattle area (preliminary) 4.4%

Figure 2: Unemployment rates, seasonally adjusted, U.S., Washington and Seattle, January 2015 through May 2025



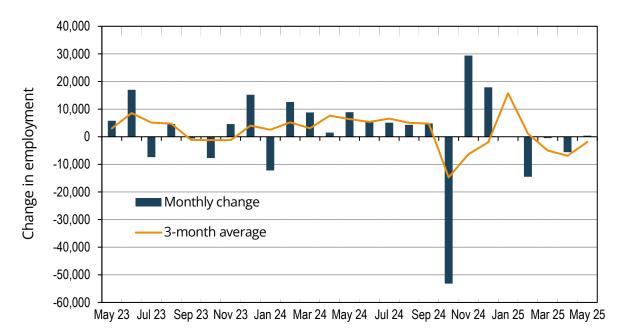
Source: Employment Security Department/LMIR Division; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Employment change, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 400 from April to May 2025. Recent employment change:

- March 2025: down 500 (revised)
- April 2025: down 5,600 (revised)
- May 2025: up 400 (preliminary)

Figure 3: Monthly employment change, seasonally adjusted, Washington state, May 2023 through May 2025



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

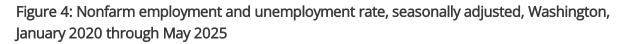
Employment and unemployment, seasonally adjusted

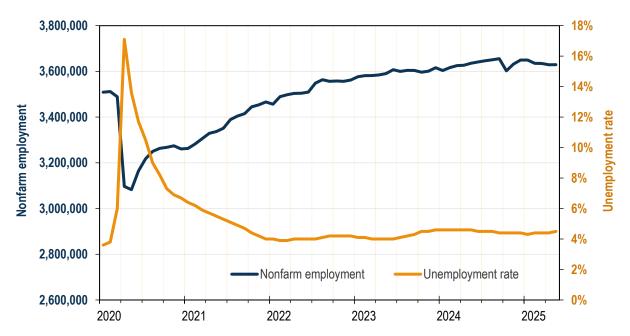
February 2020 (start of 2020 employment recession in Washington)

- Nonfarm employment: 3,512,100
- Unemployment rate: 3.8%

May 2025 (preliminary)

- Nonfarm employment: 3,629,500
- Unemployment rate: 4.5%





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 virtually 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 first quarter of 2025 for Washington state was 8.9%. This is down from the previous four quarter moving average (9.0% through third quarter of 2024), but statistically unchanged. The U.S. U-6 average for the four-quarter period through the fourth quarter of 2024 was 7.7%. Washington's U-6 rate tends to run higher than the national rate.

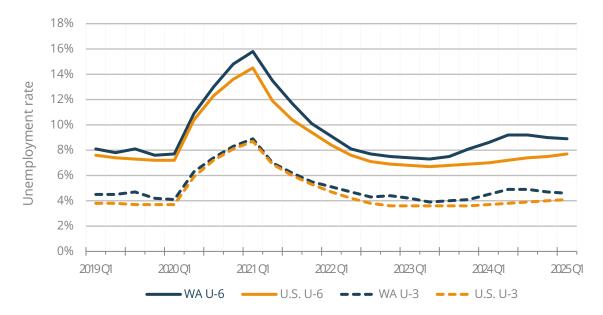


Figure 5: Alternative measures of labor underutilization, four-quarter moving average, Washington state and U.S. U-3 and U-6 unemployment rates

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
2025	WA	8.9%			
2025	U.S.	7.7%			
2024	WA	8.6%	9.2%	9.2%	9.0%
2024	U.S.	7.0%	7.2%	7.4%	7.5%
2023	WA	7.4%	7.3%	7.5%	8.1%
2023	U.S.	6.8%	6.7%	6.8%	
2022	WA	9.1%	8.1%	5.0%	7.5%
2022	U.S.	8.4%	7.6%	7.1%	6.9%
2021	WA	15.8%	13.5%	11.7%	10.1%
2021	U.S.	14.5%	11.9%	10.4%	9.4%
2020	WA	8.1%	10.9%	13.0%	14.8%
2020	U.S.	7.7%	10.4%	12.3%	13.6%
2019	WA	8.1%	7.8%	8.1%	7.6%
2019	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 added an estimated 400 jobs over the month, on a seasonally adjusted basis:

- April 2025 employment estimates were revised up by 200 jobs, adjusting the initial reported job losses from 5,800 to 5,600.
- Overall, employment increased in nine major industry sectors and decreased in four.
- Private sector employment is estimated to have increased by 3,100 and government employment decreased by 2,700 in May.
- The largest one-month sector level gains in private industry were observed in education and health services (up 2,700), construction (up 1,600) and wholesale trade (up 900). The largest employment gains in education and health services were attributable to health and social assistance and were widespread throughout the healthcare industries. The largest increases in construction were observed in heavy and civil engineering.
- The deepest one-month private sector losses were observed in professional and business services (down 4,600) and financial activities (down 600). Losses from the professional and businesses sector were the most pronounced in the administrative and support services industries.

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

Industry	One-month change
Total nonfarm	400
Education and Health Services	2,700
Construction	1,600
Wholesale Trade	900
Leisure and hospitality	900
Transportation, Warehousing and Utilities	800
Manufacturing	500
Retail Trade	400
Other Services	300
Information	300
Mining and logging	-100
Financial Activities	-600
Government	-2,700
Professional and Business Services	-4,600

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

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 shed an estimated 9,000 jobs from May 2024 to May 2025. This is a 0.3% decrease in employment over the year.

- Over the past 12 months, employment in five major industry sectors increased and eight decreased.
- Private sector employment decreased 0.3%, down an estimated 7,600 jobs.
- Public sector employment decreased 0.2%, down an estimated 1,400 jobs. One-year losses were observed in throughout federal, state and local government.
- The largest private sector gains were attributable to hiring in education and health services (up 12,300), transportation, warehousing and utilities (up 2,600) and wholesale trade (up 2,300); the deepest one-year losses were observed in leisure and hospitality (down 7,000) and manufacturing (down 6,900).

- Education and health services employment gains were primarily attributable to hiring in health and social services; within that, social assistance added the most jobs (6,100).
- Losses in leisure and hospitality were predominantly attributable to restaurants and bars (down 4,900).

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

Industry	One year change
Total nonfarm	-9,000
Education and health services	12,300
Transportation, warehousing and utilities	2,600
Wholesale trade	2,300
Other services	1,200
Information	600
Mining and logging	-300
Government	-1,400
Retail trade	-1,400
Financial activities	-3,300
Professional and business services	-3,800
Construction	-3,900
Manufacturing	-6,900
Leisure and hospitality	-7,000

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

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: expected monthly change in employment based on history.
- **Estimated change**: employment change over the month based on BLS survey data.
- Seasonally adjusted change: change in employment accounting for normal seasonal patterns.

Industry	Normal seasonal change	Estimated change	Seasonally adjusted change
Total nonfarm	18,300	18,700	400
Education and Health Services	-600	2,100	2,700
Construction	3,000	4,600	1,600
Wholesale Trade	500	1,400	900
Leisure and hospitality	6,100	7,000	900
Transportation, Warehousing and Utilities	600	1,400	800
Manufacturing	1,400	1,900	500
Retail Trade	2,100	2,500	400
Other Services	900	1,200	300
Information	300	600	300
Mining and logging	0	-100	-100
Financial Activities	900	300	-600
Government	1,500	-1,200	-2,700
Professional and Business Services	1,600	-3,000	-4,600

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

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

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. May 20, 2025. The 2025 publication schedule can be found on <u>Employment Security's website</u>

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