

Washington State Business Employment Dynamics Fourth Quarter 2012



Quarterly Census of Employment and Wages
Business Employment Dynamics
October through December 2012

Figure 1

Net change in jobs, seasonally adjusted, U.S. and Washington state, 1994 Q4 through 2012 Q4

Figure 2

Quarterly gross job gains and losses, seasonally adjusted, Washington state, 1994 Q4 through 2012 Q4

Figure 3

Net change in job gains and losses by industry, seasonally adjusted, United States, 2012 Q4

Figure 4

Net change in job gains and losses by industry, seasonally adjusted, Washington state, 2012 Q4

Figure 5

Net change in jobs by industry sector, seasonally adjusted, Washington state, 2011 Q4 and 2012 Q4

In the fourth quarter of 2012, seasonally adjusted job gains in Washington's private sector totaled 166,428, while job losses from businesses closing or contracting totaled 153,295. The result of these changes was a net gain of 13,330 jobs during the fourth quarter. These numbers show the key changes in private-sector employment also called Business Employment Dynamics (BED).

The U.S. Bureau of Labor Statistics' Business Employment Dynamics data series highlights the forces driving labor market dynamics at the state and national levels. Job gains and losses at private business establishments are tracked showing employment changes due to establishment openings or closings versus adding or shedding jobs at existing firms. The most recent BED data cover events through the fourth quarter of 2012.

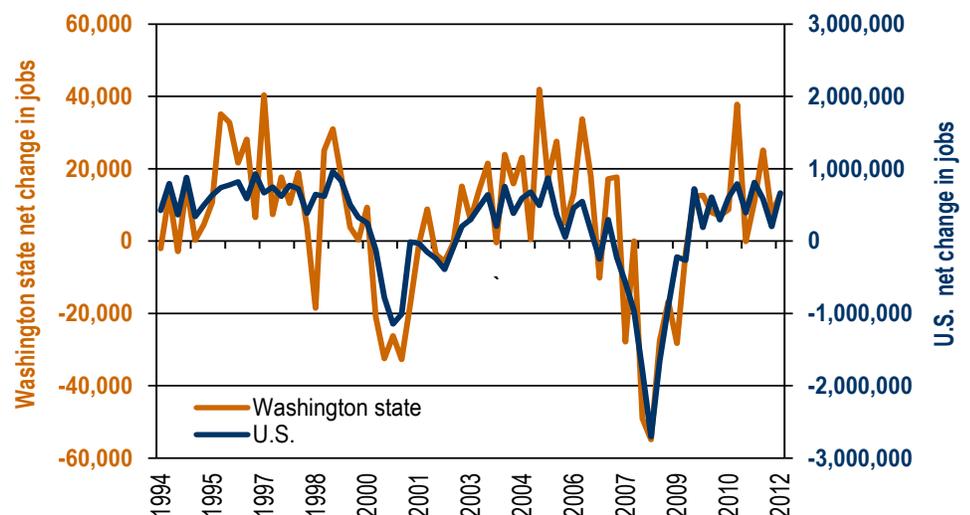
Both state and nation showed increased growth

Nationally, job gains exceeded job losses in 47 states for a net private-sector employment gain of 668,000. This marks the 11th consecutive quarter of employment growth nationally since the recovery began in the first quarter of 2010. Washington state showed a net employment growth of 13,133 in the fourth quarter of 2012. This was an increase from third quarter net growth of 7,370 jobs.

Figure 1 depicts this changing dynamic and compares Washington state to national trends. On both a national and state basis, net job gains and losses are sensitive to the business cycle. During the 2001 recession, net job losses appeared very quickly. Net job growth resumed in 2002 and carried through until the recent recession beginning in the fourth quarter of 2007

Figure 1. Net change in jobs, seasonally adjusted United States and Washington state, 1994 Q4 through 2012 Q4

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Washington job growth increased in the fourth quarter of 2012.

At the national level, the number of private-sector gross job gains from opening and expanding establishments increased from 6,813,000 in the third quarter of 2012 to 7,051,000 in the fourth quarter of 2012. On a seasonally adjusted basis, this was an increase of 238,000 in gross job gains compared to the previous quarter. The number of gross job losses from closing and contracting firms in the fourth quarter was 6,383,000, down 231,000 from the third quarter of 2012. Private-sector employment rose by 668,000 in the fourth quarter of 2012 compared to an increase of 199,000 in the third quarter of 2012.

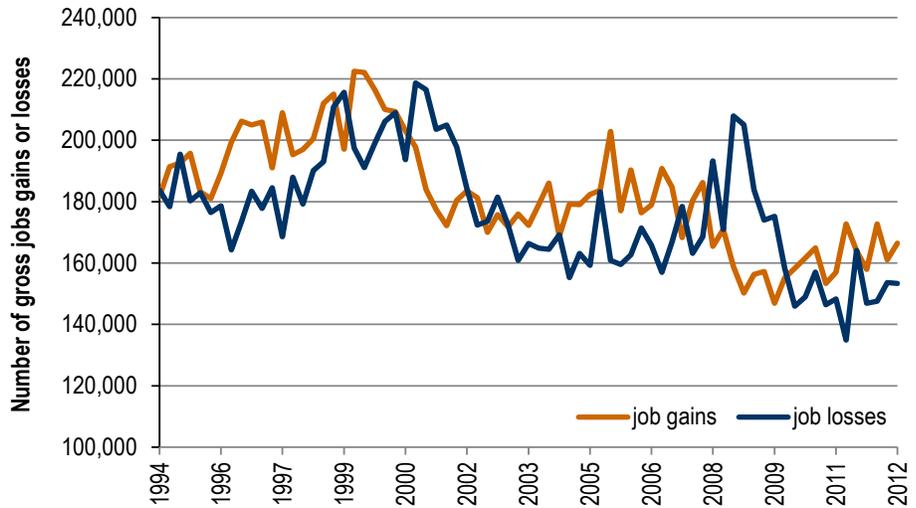
Washington state gained 166,428 jobs from new and expanding private businesses; and lost 153,295 jobs from businesses closing or contracting for a net gain of 13,330 jobs in the fourth

Nationally most industries show job gains

The data in *Figure 3* illustrate the net change in industry employment for the U.S. Total private-sector employment grew by 668,000 in the fourth quarter of 2012. Service-providing industries had a seasonally adjusted net gain of 636,000 jobs in the fourth quarter of 2012. The goods-producing industries posted a net gain of 32,000 jobs in the fourth quarter of 2012.

Figure 2. Quarterly gross job gains and losses, seasonally adjusted Washington state, 1994 Q4 through 2012 Q4

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



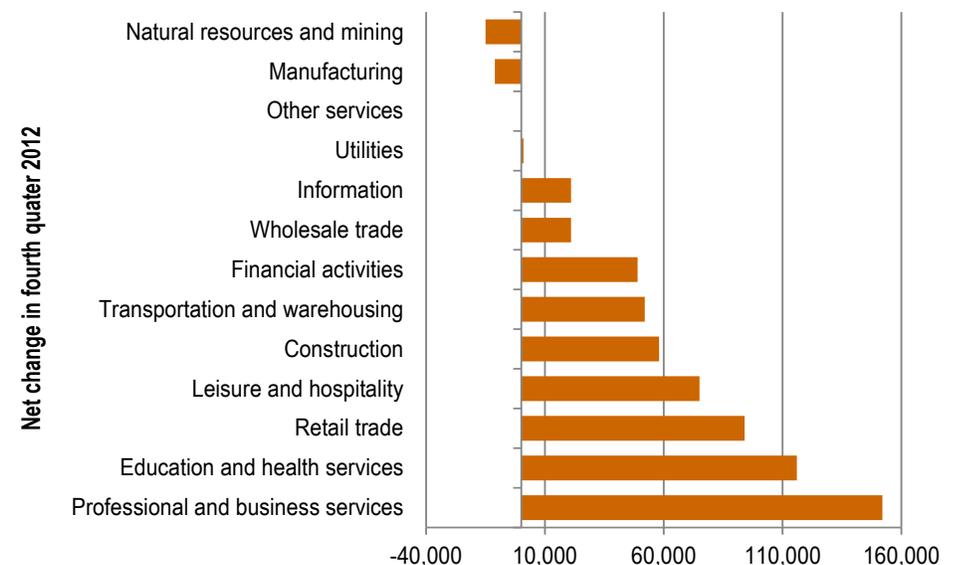
Gross job gains increased while losses remained the same in Washington state in the fourth quarter of 2012.

quarter. This compares to a net gain of 7,370 jobs in the third quarter of 2012 and net decline of 132 jobs in the fourth quarter of 2011.

Figure 2 shows the quarterly pattern of gross job gains and losses in Washington state.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted United States, 2012 Q4

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Professional and business services had the most job gains and natural resources and mining reported the greatest job losses in the fourth quarter of 2012.

Washington state industry employment

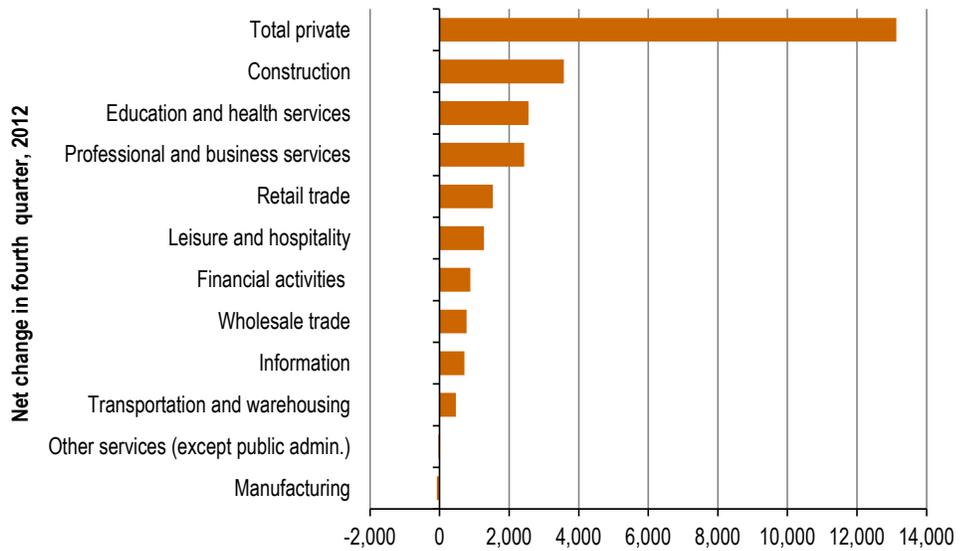
Figure 4 shows net employment changes in Washington state industry sectors. Total private-sector employment had a net increase in employment of 13,133. Nine Washington state sectors reported net job gains in the fourth quarter of 2012. The top industry sector in job gains was construction at 3,572. Manufacturing reported the largest net loss of 79 jobs. Washington state data for natural resources, mining and utilities are not disclosed to maintain employer confidentiality.

Comparing fourth quarter of 2011 to the fourth quarter of 2012 in Washington state (Figure 5):

- In the fourth quarter of 2012, more industries showed net job losses and those that did have gains had smaller ones than a year earlier.
- Total private-sector employment growth in the fourth quarter of 2012 increased by 13,133 compared to a net loss of 132 for the same quarter a year ago.
- Transportation and warehousing, information, financial activities, leisure and hospitality, and construction all went from net job losses to gains compared to the same quarter a year earlier.
- Net jobs in manufacturing decreased in the fourth quarter of 2011 and 2012.
- Wholesale trade reported the same level of net job gains as the same quarter last year.

Figure 4. Net change in job gains and losses by industry, seasonally adjusted Washington state, 2012 Q4

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

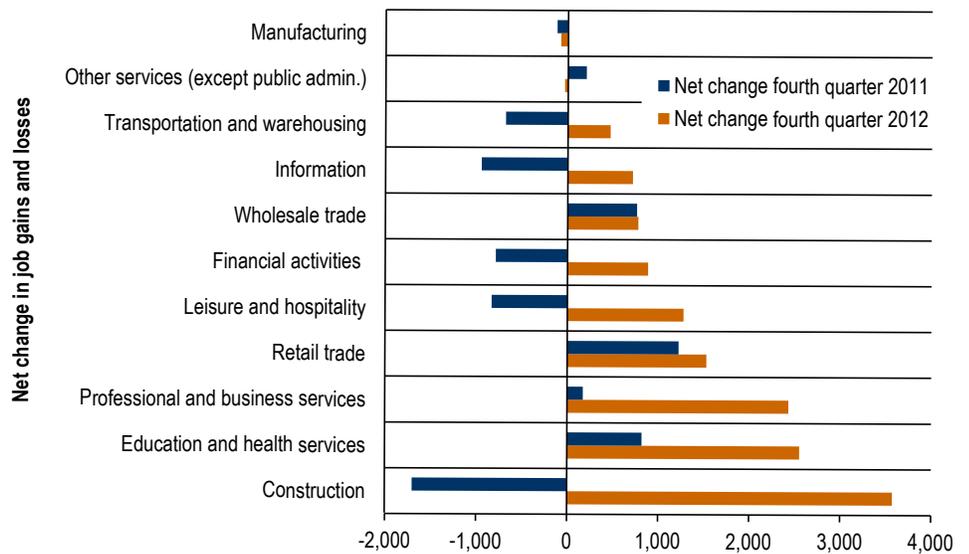


Note: Screened by BLS to maintain employer confidentiality.

In Washington state construction had the most job gains while manufacturing reported job losses in the fourth quarter of 2012.

Figure 5. Net change in jobs by industry sector, seasonally adjusted Washington state, 2011 Q4 and 2012 Q4

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Washington's industry sectors had more job gains in the fourth quarter of 2012 than a year ago.

- Education and health services, professional and business services, and retail trade all had increased job gains compared to last year at the same time.

More information on the Business Employment Dynamics data series is available at www.bls.gov/bdm/.

Contacts

Economists:

Chris Thomas, *Economist*
BED Author
cthomas@esd.wa.gov
360-407-4582

Molly Webster,
QCEW *Supervisor*
mwebster@esd.wa.gov
360-407-4569

Michael Moores
QCEW *Publication*
mmoores@esd.wa.gov
360-407-4568

Alex Roubinchtein, Ph.D.,
Economist
aroubinchtein@esd.wa.gov
360-407-4581

Regional labor economists:

Scott Bailey, *Clark, Cowlitz,
Klickitat, Skamania, and
Wabkiakum counties*
scott.bailey@esd.wa.gov
360-735-4995

Don Meseck, *Adam, Chelan,
Douglas, Grant, Kittitas,
Okanogan, and Yakima counties*
dmeseck@esd.wa.gov
509-573-4564

Ajsa Suljic, *Asotin, Benton,
Columbia, Franklin, Garfield
and Walla Walla counties*
asuljic@esd.wa.gov
509-734-5928

Doug Tweedy, *Ferry, Lincoln,
Pend Oreille, Spokane, Stevens and
Whitman counties*
dtweedy@esd.wa.gov
509-532-3188

Anneliese Vance-Sherman, Ph.D.,
*Island, King, San Juan, Skagit,
Snobomish and Whatcom counties*
avancesherman@esd.wa.gov
425-258-6315

Jim Vleming, *Clallam, Grays Harbor,
Jefferson, Kitsap, Lewis, Mason, Pacific,
Pierce, and Thurston counties*
jvleming@esd.wa.gov
360-407-4584

Washington Relay Service: 800-833-6384