

Washington State Business Employment Dynamics First Quarter 2013



Quarterly Census of Employment and Wages
Business Employment Dynamics
January through March 2013

Figure 1

Net change in jobs, seasonally adjusted, U.S. and Washington state, 1995 Q1 through 2013 Q1

Figure 2

Quarterly gross job gains and losses, seasonally adjusted, Washington state, 1995 Q1 through 2013 Q1

Figure 3

Net change in job gains and losses by industry, seasonally adjusted, United States, 2013 Q1

Figure 4

Net change in job gains and losses by industry, seasonally adjusted, Washington state, 2013 Q1

Figure 5

Net change in jobs by industry sector, seasonally adjusted, Washington state, 2012 Q1 and 2013 Q1

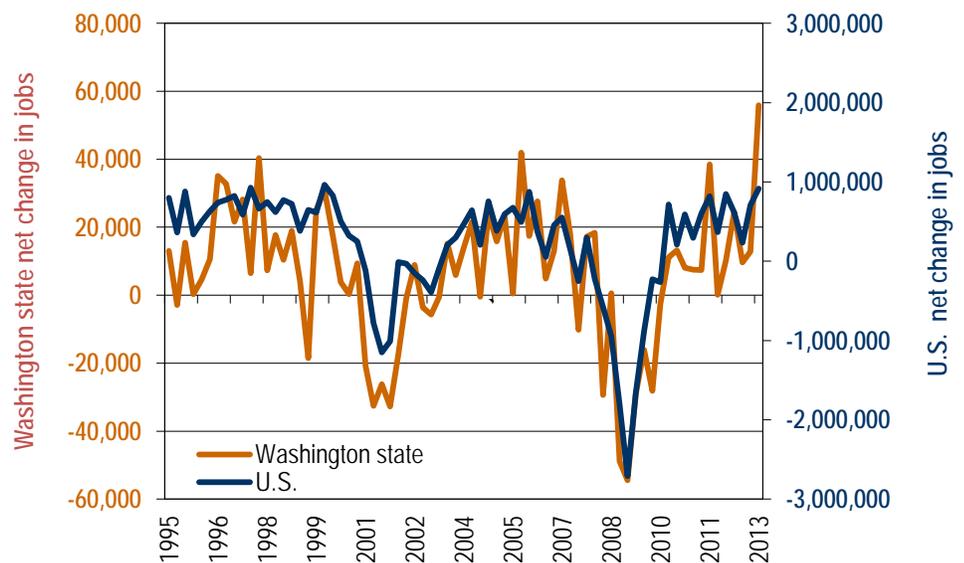
In the first quarter of 2013, seasonally adjusted job gains in Washington's private sector totaled 204,649, while job losses from businesses closing or contracting totaled 148,789. The result of these changes was a net gain of 55,860 jobs during the first quarter. These numbers show the key changes in 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 first quarter of 2013.

Administrative changes affecting BED data

First quarter 2013 data were affected by an administrative change to the count of establishments in the education and health services industry. A review of the administrative data from which the BED data are derived revealed that certain establishments that provide non-medical, home-based services for the elderly and persons with disabilities had been misclassified in the private households industry (NAICS 814110), which is out of scope for the BED. These establishments are now in scope and are classified in services for the elderly and persons with disabilities (NAICS 624120.) This non-economic industry code change artificially inflates the data for gross job gains, openings, births, and the net employment change for the following data series: national total private, state total private, the education and health services sector, and firm size class.

Figure 1. Net change in jobs, seasonally adjusted United States and Washington state, 1995 Q1 through 2013 Q1
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Washington job growth increased in the first quarter of 2013 but most of the gains reflect a reclassification change in the education and health services industry sector.

Both state and nation showed increased growth

Nationally, job gains exceeded job losses in 47 states for a net private-sector employment gain of 914,000. This marks the 12th consecutive quarter of employment growth nationally since the recovery began in the first quarter of 2010. Washington state showed a net employment growth of 55,860 in the first quarter of 2013.

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.

At the national level, gross job gains at expanding establishments totaled 5.6 million in the first quarter of 2013. Contracting establishments lost 5.1 million jobs, and closing establishments lost 1.2 million jobs, both in the first quarter of 2013. Gross job losses represented 5.6 percent of private-sector employment. Openings and gross gains cannot be compared to the previous quarter due to the administrative change in the education and health services industry sector.

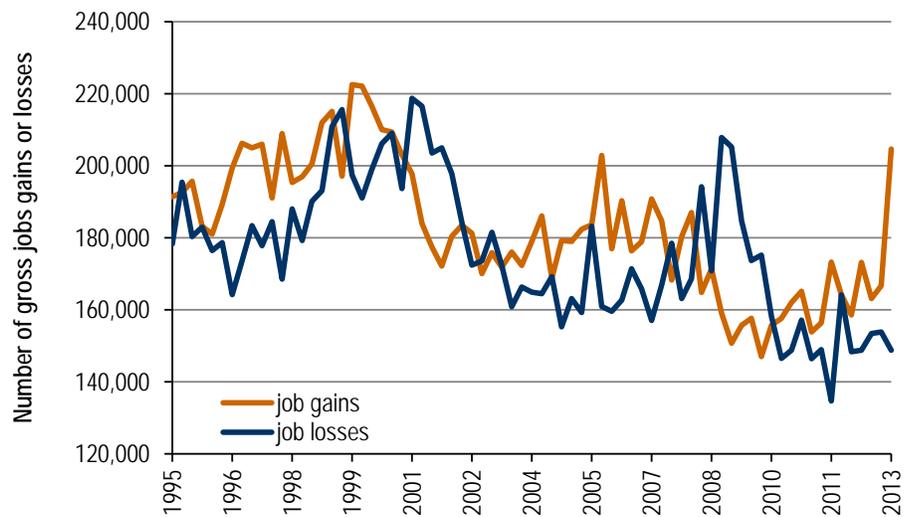
Washington state gained 204,649 jobs from new and expanding private businesses, and lost 148,789 jobs from businesses closing or contracting for a net gain of 55,860 jobs in the first quarter of 2013. Figure 2 shows the quarterly pattern of gross job gains and losses in Washington state.

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 which grew by 914,000 in the first quarter of 2013. Service-providing industries had a seasonally adjusted net gain of 793,000 jobs in the first quarter of 2013. The goods-producing industries posted a net gain of 121,000 jobs in the first quarter of 2013.

Figure 2. Quarterly gross job gains and losses, seasonally adjusted Washington state, 1995 Q1 through 2013 Q1

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



Gross job gains increased sharply during the first quarter of 2013 primarily due to the administrative change in the education and health services industry sector.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted United States, 2013 Q1

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



At the national level, education and health services and leisure and hospitality reported the most gains while transportation and warehousing and information reported the greatest job losses in the first quarter of 2013. Education and health services are not shown in the chart.

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 55,860. Ten Washington state sectors reported net job gains in the first quarter of 2013. The top three industry sectors in job gains were education and health services, with a gain of 43,045 resulting mostly from an administrative change (not shown), followed by retail trade (3,226) and manufacturing (2,640). Transportation and warehousing was the only industry that reported a net loss of 541 jobs. Washington state data for natural resources, mining and utilities are not disclosed to maintain employer confidentiality.

Comparing first quarter of 2012 to the first quarter of 2013 in Washington state (Figure 5):

- Seven industry sectors had higher net gains in first quarter 2013 compared to first quarter 2012. They were retail trade, manufacturing, leisure and hospitality, construction, financial activities, and wholesale trade. Education and health services posted a net gain due to a non-economic code change.
- Four industries had lower net gains in first quarter 2013 compared to the same quarter a year earlier. These were professional and business services, other services and information.
- Transportation and warehousing was the only industry that had a net loss in the first quarter of 2013 (-541 jobs) but had a net gain of 346 jobs in the first quarter of 2012.
- Retail trade had the largest net gain from year to year with a gain of 973 jobs in the first quarter of 2012 compared to 3,226 in the first quarter of 2013.
- Construction and financial activities also had higher net gains in first quarter 2013 compared to the same quarter a year ago

Figure 4. Net change in job gains and losses by industry, seasonally adjusted Washington state, 2013 Q1

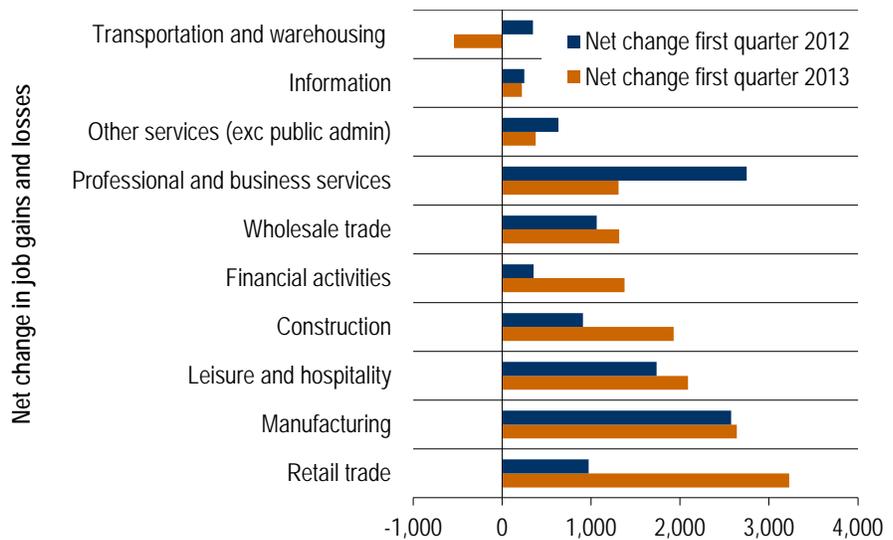
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



In Washington state Education and health services, retail trade and manufacturing had the most job gains while transportation and warehousing reported job losses in the first quarter of 2013. Education and health services are not shown in the chart.

Figure 5. Net change in jobs by industry sector, seasonally adjusted Washington state, 2012 Q1 and 2013 Q1

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



Washington's industry sectors had more job gains in the first quarter of 2013 than a year ago.

The non-economic industry code change for first quarter 2013 artificially inflated the net employment changes for total private and education and health services data series. As a result, total private and education and health

services data are not comparable to data from previous quarters.

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

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