

Washington State Business Employment Dynamics Second Quarter 2013



Quarterly Census of Employment and Wages
Business Employment Dynamics
March to June 2013

Figure 1

Net change in jobs, seasonally adjusted U.S. and Washington state, 1995 Q1 through 2013 Q2

Figure 2

Quarterly gross job gains and losses, seasonally adjusted, Washington state, 1995 Q1 through 2013 Q2

Figure 3

Net change in job gains and losses by industry, seasonally adjusted, United States, 2013 Q2

Figure 4

Net change in job gains and losses by industry, seasonally adjusted, Washington state, 2013 Q2

Figure 5

Net change in jobs by industry sector, seasonally adjusted, Washington state, 2012 Q2 and 2013 Q2

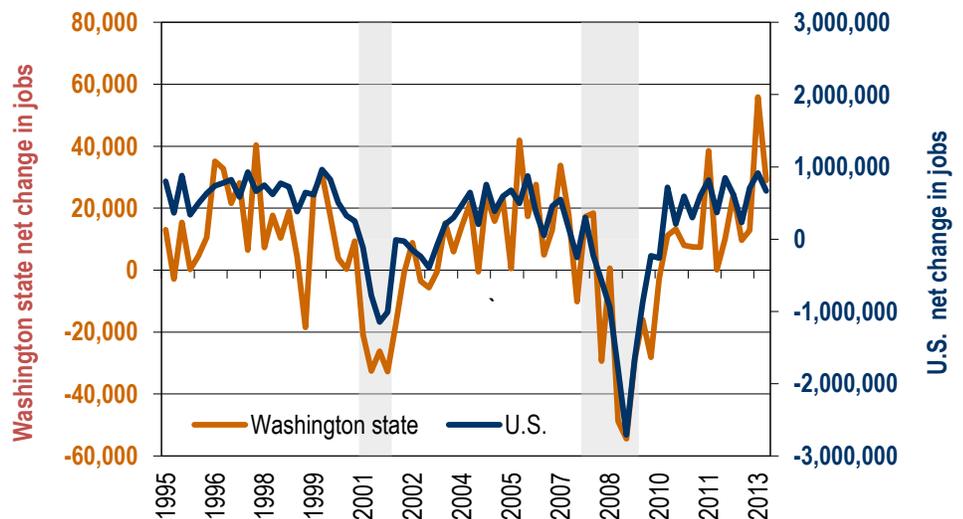
In second-quarter 2013, seasonally adjusted job gains in Washington's private sector totaled 177,515, while job losses from businesses closing or contracting totaled 148,500. The result of these changes was a net gain of 29,015 jobs during the second quarter. These numbers show the key changes in private-sector 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 second-quarter 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 change artificially inflates first-quarter 2013 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, first-quarter 1995 through second-quarter 2013
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Note: U.S. recessions are shaded in gray.

Both Washington and U.S. job growth decreased in second-quarter 2013.

Both state and nation showed less growth

Nationally, job gains exceeded job losses in 43 states for a net private-sector employment gain of 666,000. This marks the 13th consecutive quarter of employment growth nationally since the recovery began in first-quarter 2010. Washington state showed a net employment growth of 29,015 in second-quarter 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 fourth-quarter 2007.

At the national level, gross job gains were 7.1 million at opening and expanding establishments. Closing and contracting establishments lost 6.5 million jobs. Gross job losses represented 5.8 percent of private-sector employment. Opening establishments gained 1.3 million jobs.

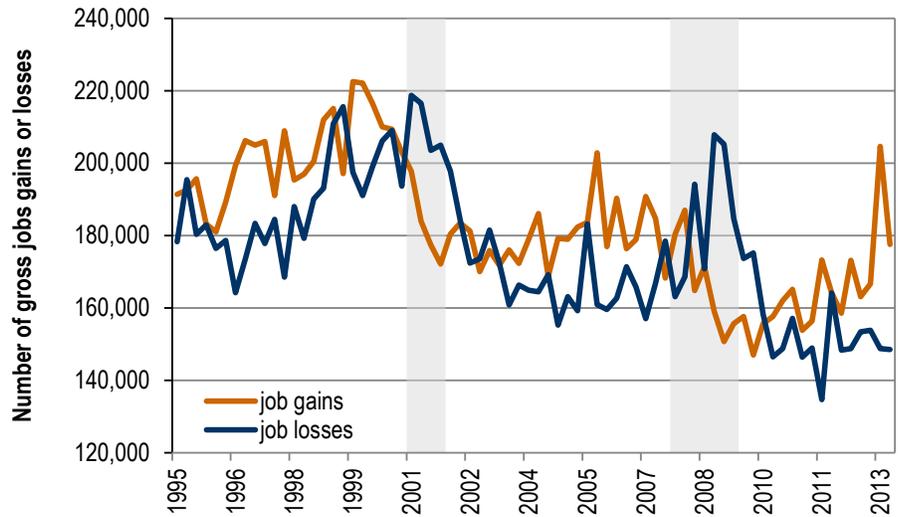
Washington state gained 177,515 jobs from new and expanding private businesses, and lost 148,500 jobs from businesses closing or contracting for a net gain of 29,015 jobs in second-quarter 2013. This compares to a net gain of 55,860 jobs in first-quarter 2013 and a net gain of 24,425 jobs in second-quarter 2012.

Nationally most industries showed 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 666,000 in second-quarter 2013. Service-providing industries had a seasonally adjusted net gain of 569,000 jobs in second-quarter 2013. The goods-producing industries posted a net gain of 97,000 jobs in second-quarter 2013.

Figure 2. Quarterly gross job gains and losses, seasonally adjusted Washington state, first-quarter 1995 through second-quarter 2013

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



Note: U.S. recessions are shaded in gray.

Gross job gains declined sharply during second-quarter 2013.

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

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



Retail trade, leisure and hospitality and professional and business services reported the most gains in second-quarter 2013. Education and health services reported losses during the quarter while utilities showed no net change.

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 29,015. Eleven Washington state sectors reported net job gains in second-quarter 2013. The top three industry sectors in job gains were leisure and hospitality, with a gain of 6,701, followed by retail trade (5,717) and construction (2,335). Washington state data for natural resources, mining and utilities are not disclosed to maintain employer confidentiality.

Comparing second-quarter 2012 to second-quarter 2013 in Washington state (Figure 5):

- Six industry sectors had higher net gains in second-quarter 2013 compared to second-quarter 2012. They were leisure and hospitality, retail trade, construction, information, financial activities and other services.
- Five industries had lower net gains in second-quarter 2013 compared to the same quarter a year earlier. These were professional and business services, manufacturing, wholesale trade, education and health services and transportation and warehousing.
- Leisure and hospitality had the largest net gain from year to year with a gain of 2,070 jobs in second-quarter 2012 compared to 6,701 in second-quarter 2013.
- Manufacturing and professional and business services had much higher gains a year ago in second-quarter 2012 compared to the same quarter in 2013.

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

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

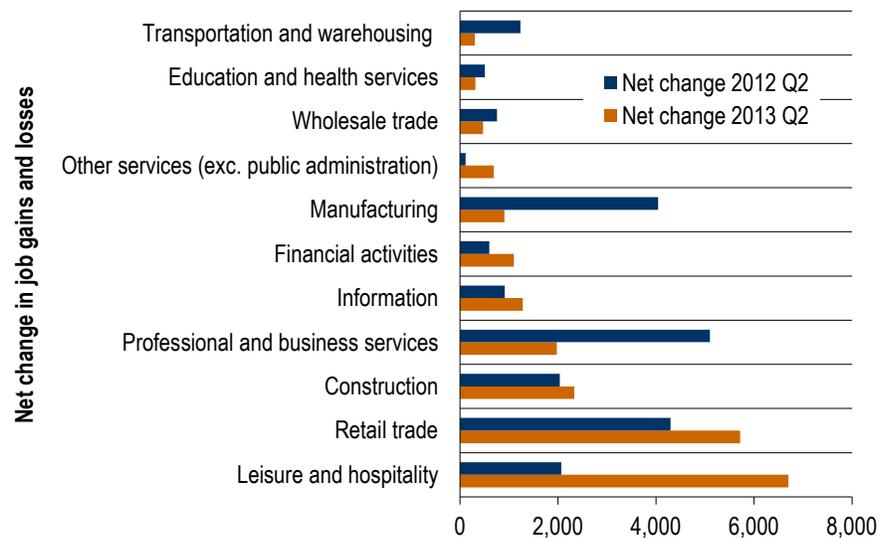
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



In Washington state leisure and hospitality, retail trade and construction had the most job gains in second-quarter 2013.

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

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



Washington had more job gains in leisure and hospitality and fewer gains in manufacturing in second-quarter 2013 than a year ago.

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