

B E D

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Washington State
Employment Security Department

Labor Market and Economic Analysis



Washington State Business Employment Dynamics

The most recent Business Employment Dynamics (BED) data released by the Bureau of Labor Statistics covers the period from December 2007 to March 2008. During this period, both the Washington state and national labor markets contracted, showing a net loss in jobs or a slowing of job growth. At the national level, the number of job gains from new and expanding private businesses was 7.1 million. This compares to 7.4 million job losses from closing and downsizing businesses for a net loss of 270,000 jobs. Washington state had approximately 185,681 job gains from new and expanding private businesses, and approximately 167,911 job losses from closing and downsizing businesses, for a net gain of 17,770 jobs. This compares to a gain of 20,966 the previous quarter, and a gain of 36,005 one year ago.

BED data highlights the forces behind the dynamics of labor markets at the state and national

level. It also tracks job gains and losses at private business establishments, and can identify whether the change is due to establishment openings or closings versus adding or shedding employment in existing firms.

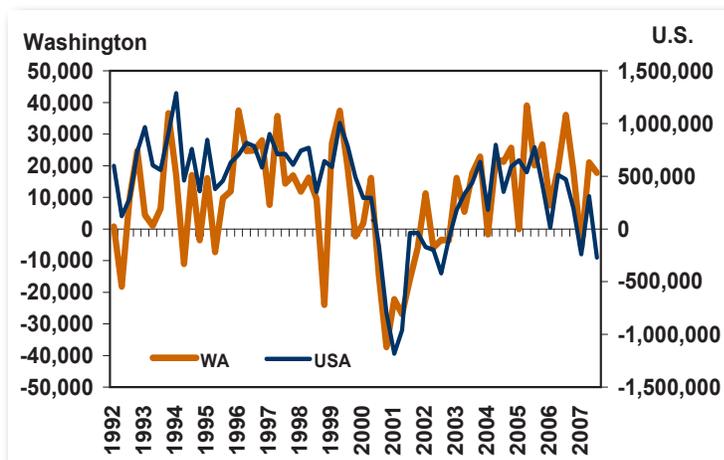
Figure 1 depicts this changing dynamic and compares Washington to national trends. Both the state and the nation show BED net change in jobs to be sensitive to the business cycle. They both dropped sharply during the recession of 2001, and recovered unevenly until now. The most recent quarter shows a drop in growth of net jobs, with the nation seeing a much larger decrease than Washington state.

When breaking out gross job gains and losses by sector for the nation, education and health services was the only one showing substantial gains (118,000). The goods producing sector showed a net loss of 265,000 jobs over the quarter. The construction sector lost 106,000 jobs, professional and business services lost 119,000, and manufacturing lost 140,000.

The top three slots nationally in terms of net job gains as a percentage of employment were held by Wyoming and North Dakota at 1.6 percent and Alaska at 1.2 percent. Washington state also fared well at .6 percent, in the top ten nationwide. The states showing the largest net job declines were Arizona, Michigan, Ohio, and Nevada.

Figure 1. Net Change in Jobs, Seasonally Adjusted, Washington State and U.S., 1992 to 2008

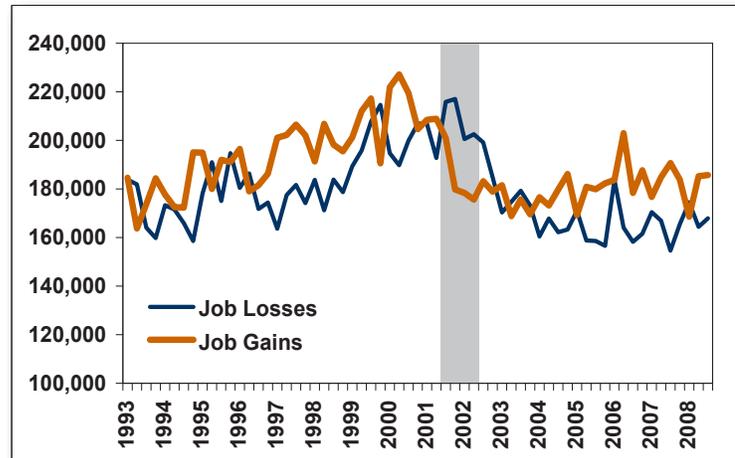
Source: BED/Bureau of Labor Statistics



As one can see from *Figure 2*, after a period of trending upward, job gains in Washington state leveled in the first quarter of 2008. Likewise, job losses during this recent period have been trending up, with a reversal in the previous period. Note that for most of this time series, job gains in Washington have exceeded job losses, with the recession of 2001 as the only sustained period where the opposite was true. Since 2003, job gains remain a healthy distance above losses. This underlines the case for a slowing, but still strong labor market.

Figure 2. Gross Job Gains and Losses, Seasonally Adjusted, Washington State 1993 to 2008

Source: BED/Bureau of Labor Statistics



For more information on the Business Employment Dynamics Series, go to the website located at <http://stats.bls.gov/bdm/home.htm>.

Contacts

Greg Weeks, *Ph.D.*
Director
 Labor Market and
 Economic Analysis
 gweeks@esd.wa.gov
 (360) 438-4800

Mary Ayala, *Ph.D.*
Chief Economist
 mayala@esd.wa.gov
 (360) 438-4812

Molly Webster
QCEW Supervisor
 mwebster@esd.wa.gov
 (360) 438-4815

Michael Moores
QCEW Publication
 mmoores@esd.wa.gov
 (360) 438-4833

Robert Haglund
Research Analyst
 rhaglund@esd.wa.gov
 (360) 438-3219

Economic & Policy Analysis Economists:

Jami Mills
 jmills@esd.wa.gov
 (360) 438-4874

Alex Roubinchtein, *Ph.D.*
 aroubinchtein@esd.wa.gov
 (360) 438-4764

Regional Labor Economists:

Scott Bailey, *Southwest Washington*
 scott.bailey@esd.wa.gov
 (360) 906-2768

Dean Schau, *Benton-Franklin*
 dschau@cbc2.org
 (509) 547-0511 ext. 2217

Tess Camilon, *Olympic Consortium*
 mcamilon@esd.wa.gov
 (360) 438-3152

Donna Thompson, *Snobomish*
 dthompson@esd.wa.gov
 (425) 258-6325

Joe Giannamore, *Northwest Washington*
 jgiannamore@esd.wa.gov
 (360) 676-3253

Paul Turek, *Ph.D., Pierce*
 pturek@esd.wa.gov
 (253) 593-7336

Arum Kone, *Eastern Washington*
 akone@esd.wa.gov
 (509) 527-1844

Doug Tweedy, *Spokane*
 dtweedy@esd.wa.gov
 (509) 532-3188

Don Meseck, *S. Central Washington*
 dmeseck@esd.wa.gov
 (509) 963-2606

Jim Vleming, *Pacific Mountain*
 jvleming@esd.wa.gov
 (360) 438-4821

Baba Moussa, *N. Central Washington*
 bmoussa@esd.wa.gov
 (509) 665-3737

Desiree Phair, *King County*
 dphair@esd.wa.gov
 (206) 448-0474 ext. 3073