

B E D

November 2009

Washington State Business Employment Dynamics

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**Washington State
Employment Security Department**

Labor Market and Economic Analysis



The most recent Business Employment Dynamics (BED) data released by the Bureau of Labor Statistics covers the period from December 2008 to March 2009. During this period, both the Washington state and national labor markets continued to contract; each showing a net loss of jobs. At the national level, the number of private sector job gains from opening and expanding establishments fell from 6.7 to 5.7 million. This number of gains is the lowest level the nation has experienced since the series began in 1992. The number of job losses from closing and contracting establishments remained essentially unchanged from last quarter at 8.5 million. Washington state had approximately 151,373 job gains from new and expanding private businesses, and approximately 202,667 job losses from closing and downsizing businesses, for a net loss of 51,294 jobs. This job loss compares to a loss of 47,370 jobs the previous quarter, and a gain of 17,770 jobs from one year ago.

BED data highlight 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.

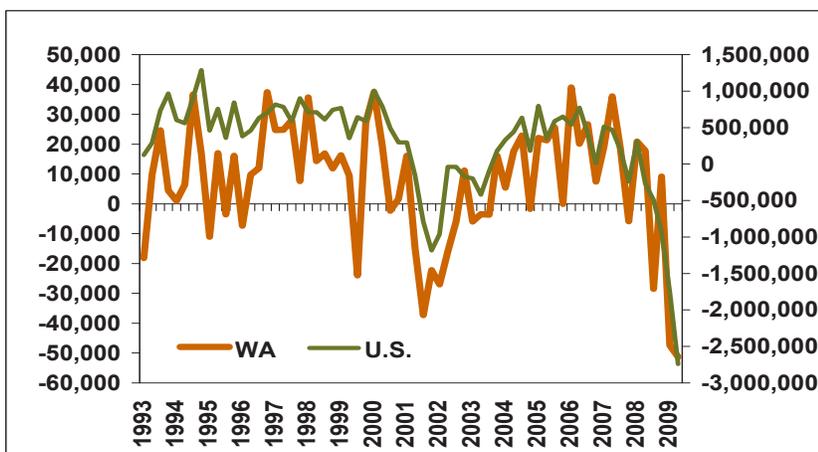
Figure 1 depicts this changing dynamic and compares Washington to national trends. Both the state and the nation show BED net change in jobs to be sensitive to the business cycle. They both dropped sharply during the recession of 2001, and recovered unevenly until the current recession beginning in the fourth quarter of 2007. The most recent data show a deepening recession with huge declines for Washington and the nation.

When sorting through gross job gains and losses by sector for the nation, utilities and education and health services were the only sectors showing gains. The utilities sector experienced job gains of 12,000 in the first quarter. The education and health services continued to experience growth with gains of 731,000, and a net employment change of 8,000. The goods-producing sector showed a net loss of 1,213,000 jobs over the quarter. The mining and logging sector lost 114,000 jobs; transportation and warehousing lost 138,000 jobs; and leisure and hospitality lost 213,000 jobs.

The District of Columbia held the top position nationally in terms of net job gains as a percentage of employment at 5.8 percent. All states showed net job losses rang-

Figure 1. Net Change in Jobs, Seasonally Adjusted, Washington State and U.S., 1992 to 2009

Source: BED/Bureau of Labor Statistics

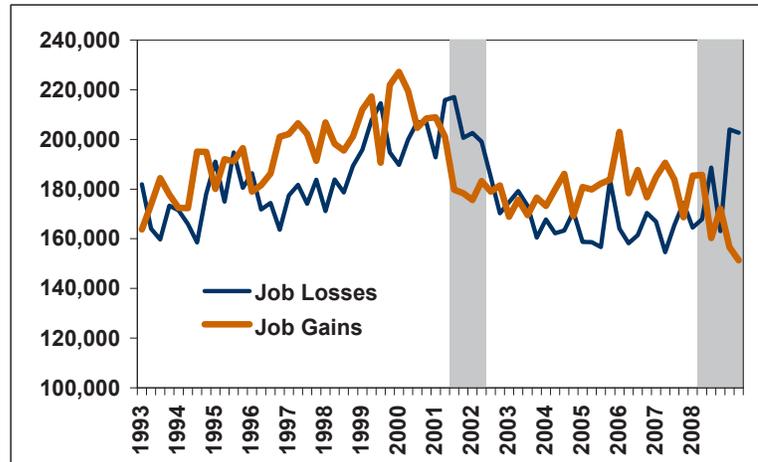


ing between 0.4 and 3.8 percent while three states showed losses over 3.5 percent. Fourteen states showed declines at 1.0 percent or greater; 27 states showed declines at 2.0 percent or greater; and ten states showed declines at 3.0 percent or greater. Washington state showed a loss of 2.2 percent and ranked 21st among states. Rhode Island and Massachusetts also experienced 2.2 percent losses. The states showing the largest net job declines were Wyoming, Michigan, and Nevada, each over 3.5 percent.

As shown in *Figure 2*, after a period of trending upward, job gains in Washington state declined in the second quarter of 2008. Likewise, job losses during this recent period have been trending up. Note that for most of this time series, job

Figure 2. Gross Job Gains and Losses, Seasonally Adjusted, Washington State 1992 to 2009

Source: BED/Bureau of Labor Statistics



gains in Washington have exceeded job losses, with the 2001 and current recessions as the only sustained periods in which the opposite was true. Declines were experienced throughout 2008 and have continued into 2009.

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

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