

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 March to June 2009. During this period, both the Washington state and national labor markets continued to contract, showing a net loss of jobs. At the national level, the number of private sector job gains from opening and expanding private sector establishments grew from 5.2 to 6.0 million. This number of gains is the largest one-quarter increase the nation has experienced since the series began in 1992. The number of job losses from closing and contracting establishments fell to 8.0 million from the previous quarter.

Washington state had approximately 158,451 job gains from new and expanding private businesses, and approximately 190,911 job losses from closing and downsizing businesses, for a net loss of 32,460 jobs. This job loss compares to a loss of 51,294 jobs in the previous quarter, and a loss of 28,450 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.

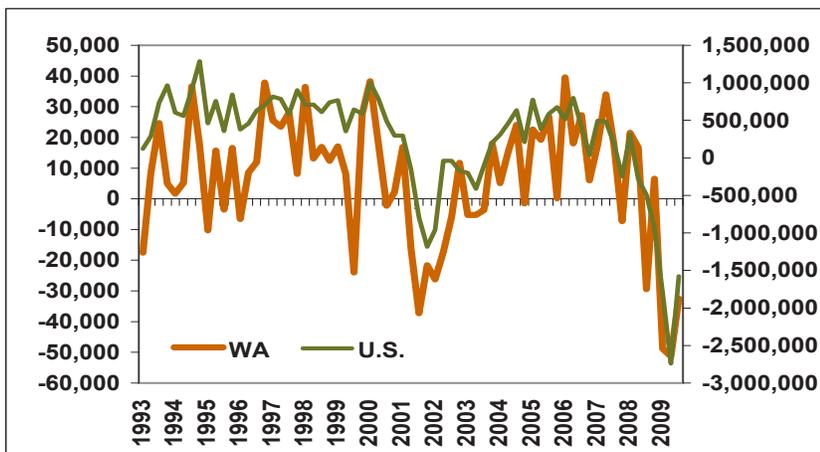
Figure 1 depicts this changing dynamic and compares Washington to national trends. Both the state and the nation show BED net change in jobs to be sensitive to the business cycle. They both dropped sharply during the recession of 2001, and recovered unevenly until the current recession beginning in the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

When breaking out gross job gains and losses by sector for the nation, education and health services was the only sector showing gains. Education and health services continued to experience growth with gains of 770,000, and a net employment change of 60,000. The goods-producing sector showed a net loss of 879,000 jobs over the quarter. The services-providing sector lost 700,000 jobs; manufacturing lost 529,000 jobs; and wholesale trade lost 116,000 jobs.

Alaska held the top position nationally, in terms of net job gains as a percentage of employment at 10.8 percent. All states, with the exception of Alaska, showed net job losses ranging between 0.1 and 4.6 percent. Eleven states showed declines under 1.0 percent; 27 states showed declines at 1.0 percent or greater

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

Source: BED/Bureau of Labor Statistics

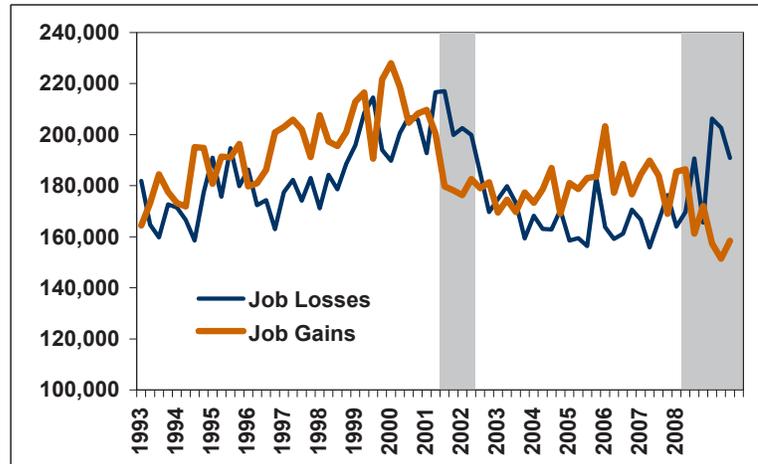


and 10 states showed declines at 2.0 percent or greater. Two states showed losses over 2.9 percent. Washington state showed a loss of 1.5 percent and ranked 33rd among states. The states showing the largest net job declines were Wyoming, Puerto Rico, Michigan, and Oklahoma, each over 2.8 percent.

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

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

Source: BED/Bureau of Labor Statistics



2008. Although declines have continued into 2009, the second quarter loss is less severe than the previous two quarters.

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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