

# 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 cover the period from January 2010 to March 2010. 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.

At the national level, the number of private sector job gains from opening and expanding private sector establishments decreased from 6.6 to 6.1 million, a decrease of 552,000 jobs on a seasonally adjusted basis compared to the previous quarter. The number of job losses from closing and contracting establishments fell to 6.4 million in the first quarter of 2010, a decline of 469,000 jobs from the previous quarter. Job losses have been steadily decreasing since December 2008. Washington state had approximately 153,771 job gains from new and expanding private businesses and approximately 155,633 job losses from closing and downsizing businesses, for a net loss of 1,862 jobs. This job loss

compares to a decrease of 29,593 jobs in the previous quarter and a decrease of 51,294 jobs in the first quarter of 2009.

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. For the first three quarters of 2009, the pace of losses slowed for Washington and the nation. During the fourth quarter of 2009, Washington losses picked up while the nation continued to trend down.

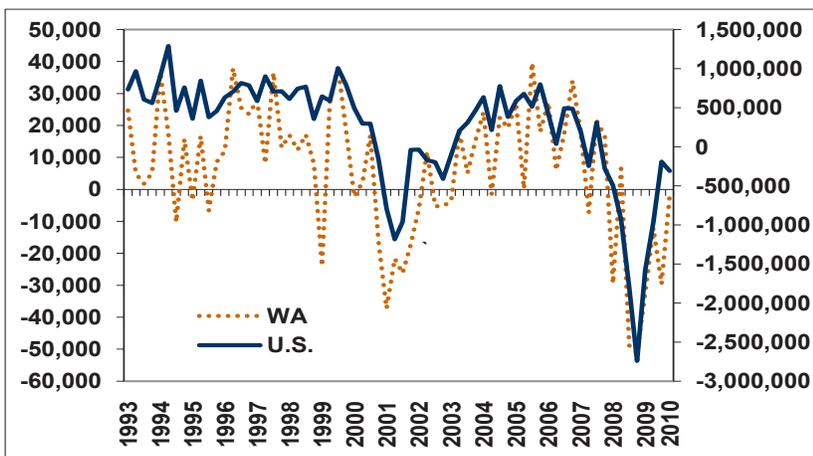
When breaking out gross job gains and losses by sector for the nation, only three industry sectors showed net positive gains. Professional and business services, which includes temporary help services, posted the largest net gain with 184,000 jobs. Transportation and warehousing, and education and health services both posted net gains of 40,000 jobs.

In contrast, the construction sector experienced the largest net decline, 137,000 jobs. Construction was followed by a decline in the manufacturing sector of 55,000 jobs and a decline in the financial activities sector of 43,000 jobs. In total, the goods-producing industries declined by 193,000 jobs and the service-providing industries declined by 118,000 jobs. Total private employment showed a net decrease of 311,000 jobs.

Alaska held the top position nationally in terms of net job gains as a percent of employment, which is at 0.8 percent. Washington ranked 23rd in net percent change among

Figure 1. Net Change in Jobs, Seasonally Adjusted, Washington State and U.S., 1993 to 2010

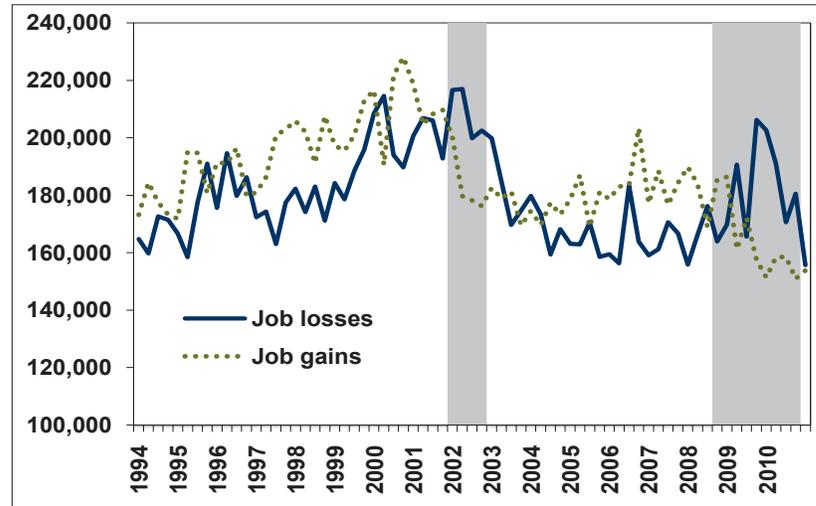
Source: BED/Bureau of Labor Statistics



all the states, posting a 0.1 percent decrease in the first quarter of 2010. Ten states posted net job gains in the first quarter of 2010 ranging from 0.8 to 0.1 percent; nine states posted no change; and in 33 states net job gains declined as a percent of employment. The following are among the top five states in gross job gains as a percent of employment: Alaska 10.6 percent, Virgin Islands 8.5 percent, Wyoming 8.4 percent, Montana 7.7 percent, and Idaho 7.2 percent. Washington state is at 6.9 percent. The following are among the top five states in gross job losses as a percent of employment: Alaska 9.8 percent, Wyoming 8.9 percent, Montana 8.2 percent, Idaho 7.8 percent, and Vermont 7.4 percent. Washington ranked ninth at 7.0 percent.

While Washington state gross job losses continued to decline in the first quarter of 2010, gross jobs gains increased (*Figure 2*).

Figure 2. Gross Job Gains and Losses, Seasonally Adjusted, Washington State 1994 to 2010, Source: BED/Bureau of Labor Statistics



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. In the first quarter of 2010, gross job losses and gross job gains have almost intersected, showing signs of a moderate recovery.

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](mailto:gweeks@esd.wa.gov)  
 (360) 438-4800

Dave Wallace  
*Acting Chief Economist*  
[dbwallace@esd.wa.gov](mailto:dbwallace@esd.wa.gov)  
 (360) 438-4818

Molly Webster  
*QCEW Supervisor*  
[mwebster@esd.wa.gov](mailto:mwebster@esd.wa.gov)  
 (360) 438-4815

Michael Moores  
*QCEW Publication*  
[mmoores@esd.wa.gov](mailto:mmoores@esd.wa.gov)  
 (360) 438-4833

Keyi Lu, *Economist*  
 (360) 438-3248  
[klu@esd.wa.gov](mailto:klu@esd.wa.gov)

Greg Morgan, *Economist*  
[grmorgan@esd.wa.gov](mailto:grmorgan@esd.wa.gov)  
 (306) 438-4692

Alex Roubinchtein, *Ph.D., Economist*  
[aroubinchtein@esd.wa.gov](mailto:aroubinchtein@esd.wa.gov)  
 (360) 438-4764

### *Regional Labor Economists:*

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

Mark Berreth, *N. Central Washington*  
[mberreth@esd.wa.gov](mailto:mberreth@esd.wa.gov)  
 (509) 665-3737

Reinhold Groepler, *Ph.D.*  
*N.W. Washington*  
[rgroepler@esd.wa.gov](mailto:rgroepler@esd.wa.gov)  
 (360) 676-3253

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

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

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

Chris Thomas, *Economist*  
*BED Author*  
[cthomas@esd.wa.gov](mailto:cthomas@esd.wa.gov)  
 (360) 438-3169

Elizabeth Scott, *Ph.D.*,  
*Olympic Consortium*  
[escott@esd.wa.gov](mailto:escott@esd.wa.gov)  
 (360) 337-4784

Ajsa Suljic, *Benton-Franklin*  
[asuljic@esd.wa.gov](mailto:asuljic@esd.wa.gov)  
 (509) 734-5928

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

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

Anneliese Vance-Sherman, *Ph.D., Snohomish*  
[avancesherman@esd.wa.gov](mailto:avancesherman@esd.wa.gov)  
 (425) 258-6315

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