Quarterly Census of Employment and Wages
Business Employment Dynamics

B E D

June 2011

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Washington State
Business Employment Dynamics

The U.S. Bureau of Labor Statistics Business Employment Dynamics (BED) data series highlights the forces behind labor market dynamics 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.

The most recent BED data cover the period from June 2010 to September 2010.

At the national level, the number of private sector job gains from opening and expanding establishments decreased from 6.9 million to 6.6 million. This was a decrease of 342,000 jobs on a seasonally adjusted basis compared to the previous quarter. The number of job losses from closing and contracting establishments increased to 6.4 million, an increase of 235,000 jobs from the previous quarter. In the third quarter of 2010 the nation gained jobs (151,000), but at a lesser rate than the previous quarter (728,000).

Washington state had approximately 161,355 job gains from new and expanding private businesses and approximately 145,950 job losses from closing and downsizing businesses, for a net gain of 15,405 jobs *(Figure 1)*. This compares to a gain of 10,227 jobs in the previous quarter and a loss of 12,072 jobs in the third quarter of 2009.

Job gains in the third quarter of 2010 represents the second consecutive quarter of positive net employment change at the national level since the recession began in 2007. In addition, Washington state had its second consecutive employment gain.

Figure 2 depicts this changing dynamic and compares Washington state to the nation. The state and the nation show change in jobs to be sensitive to the business cycle. Job gains and job losses fell sharply during the recession of 2001, and recovered unevenly until the recent recession beginning in the fourth quarter of 2007. For the first three quarters of 2009, losses slowed for both Washington state and the nation. Then, during the fourth quarter of 2009, Washington losses increased while the nation showed declining losses. In the third quarter of 2010 the nation continued to post job gains, but at a lesser rate than the previous quarter. Washington showed an increase in jobs from the previous quarter.

Nationally, service-providing industries had a gain of 106,000 jobs in the third quarter of 2010 compared to a gain of 572,000 jobs in the second quarter. The goods-producing industries posted an increase of 45,000 jobs in the third quarter of 2010 compared to 156,000 jobs in the previous quarter. Total private employment showed an increase of 151,000.

Washington State Employment Security Department

Labor Market and Economic Analysis

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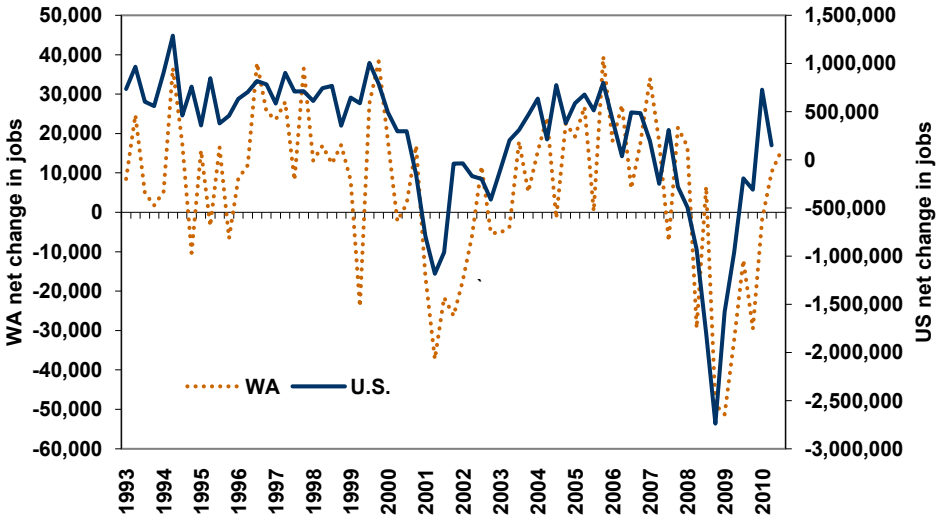
Among all states, the District of Columbia and Puerto Rico, 28 states posted job gains as a percent of employment in the third quarter of 2010, ranging from 1.9 to 0.1 percent. North Dakota had the highest job gains percentage at 1.9, and Washington ranked seventh, posting a 0.7 percent change in the third quarter of 2010. Five states posted no change and 19 states declined as a percent of employment, ranging from 0.1 to 0.9 percent. In contrast, in the third quarter of 2009, North Dakota, Michigan, Idaho and Indiana were the only states to post job gains as a percent of employment. Maine posted no change. The other 45 states, the District of Columbia and Puerto Rico all recorded declines as a percent of employment for the third quarter of 2009.

The top five states in terms of gross job gains as a percent of employment were: Wyoming, 9.8 percent; Alaska, 9.4 percent; Montana, 8.1 percent; Idaho, 8 percent; and North Dakota 7.7 percent. Washington ranked eighth with gross job gains of 7.2 percent.

The five states with the highest gross job losses as a percent of employment were: Alaska, 10 percent, Wyoming, 8 percent; Montana, 7.5 percent; Idaho, 7.2 percent; and Maine 7.2 percent. Washington ranked 21st at 6.5 percent.

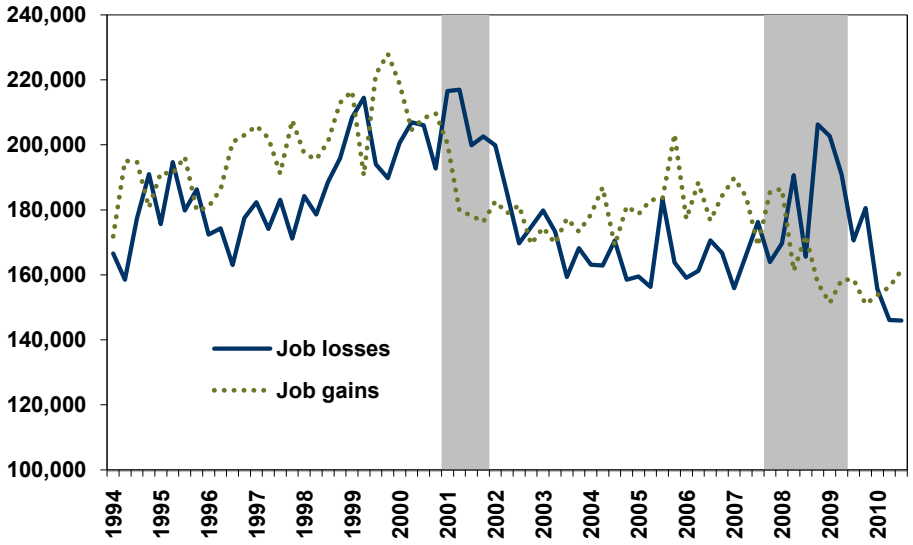
Ten Washington industries reported job gains in the third quarter of 2010 (*Figure 3*). The top industry was natural resources and mining (4,970), followed by manufacturing (3,280) and professional and business services (2,681). Retail trade posted the greatest decrease (-1,680), followed by other services (except public administration) (-400) and utilities (-9).

Figure 1. Net Change in Jobs, Seasonally Adjusted
Washington State and U.S., 1993 through 2010
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



In the third quarter of 2010, Washington state increased job gains. The nation gained jobs as well, but at a lesser rate.

Figure 2. Gross Job Gains and Losses, Seasonally Adjusted
Washington State, 1994 through 2010
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



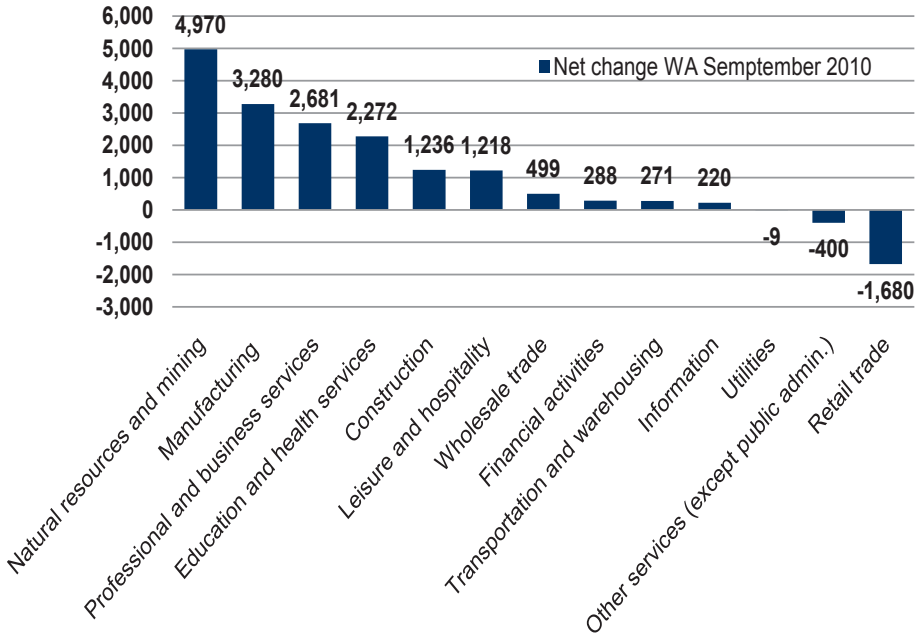
Washington state gross job losses remained about the same in the third quarter of 2010, while gross job gains increased in the third quarter of 2010.

Comparing the third quarter of 2009 to the third quarter of 2010 in Washington state (*Figure 4*):

- Eight industries went from job losses to job gains. These were manufacturing; professional and business services; construction; leisure and hospitality; wholesale trade; financial activities; transportation and warehousing; and information. These job gains were generally a result of higher rates of expansion of establishments compared to contraction of establishments.
- The natural resources and mining industry and the education and health services industry were the only industries to post job gains for both periods. These gains were primarily due to an expansion of establishment hiring, fewer contractions of establishments and increased openings of establishments.
- Other services (except public administration) was the only industry that had job losses in both the third quarter of 2010 and the third quarter of 2009. The losses in this industry were primarily due to decreased expansions of establishments and increased contractions of establishments.
- The construction industry reported the highest job losses in the third quarter of 2009 and some job gains in the third quarter of 2010. The gains were primarily due to increased expansions of establishments and decreased contractions of establishments.

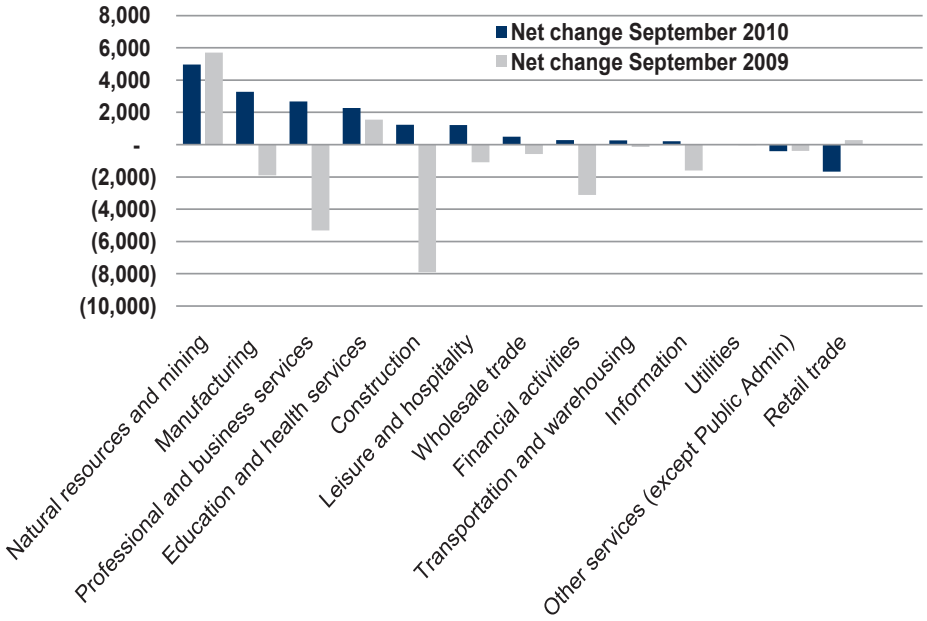
For more information on the Business Employment Dynamics series, go to http://stats.bls.gov/bdm/home.htm.

Figure 3. Change in Job Gains and Losses, Seasonally Adjusted
Washington State, Third Quarter 2010
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Natural resources and mining had the most job gains in the third quarter of 2010, while retail trade had the most job losses.

Figure 4. Net Change in Job Gains and Losses by Industry, Seasonally Adjusted
Washington State, 2009 and 2010
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Most industries fared better, in terms of job gains, in third quarter 2010 than in third quarter 2009. Construction showed the biggest gain and retail trade show the biggest loss compared to the same quarter a year ago.

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