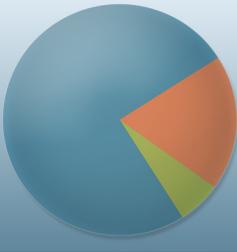


# Washington State Business Employment Dynamics



Quarterly Census of Employment and Wages  
Business Employment Dynamics

**Figure 1**

**Net change in jobs, seasonally adjusted, U.S. and Washington state, June 1993 through 2011 Q3**

**Figure 2**

**Gross job gains and losses, seasonally adjusted, Washington state, June 1993 through 2011 Q3**

**Figure 3**

**Net change in job gains and losses by industry, seasonally adjusted, Washington state, 2011 Q3**

**Figure 4**

**Net change in jobs by industry sector, seasonally adjusted, Washington state, 2010 Q3 to 2011 Q3**

The federal 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 change is due to establishment openings or closings versus adding or shedding employment in existing firms.

The most recent BED data cover the third quarter of 2011, from June 2011 through September 2011.

## Increases in jobs nationally, Washington showed sharp growth

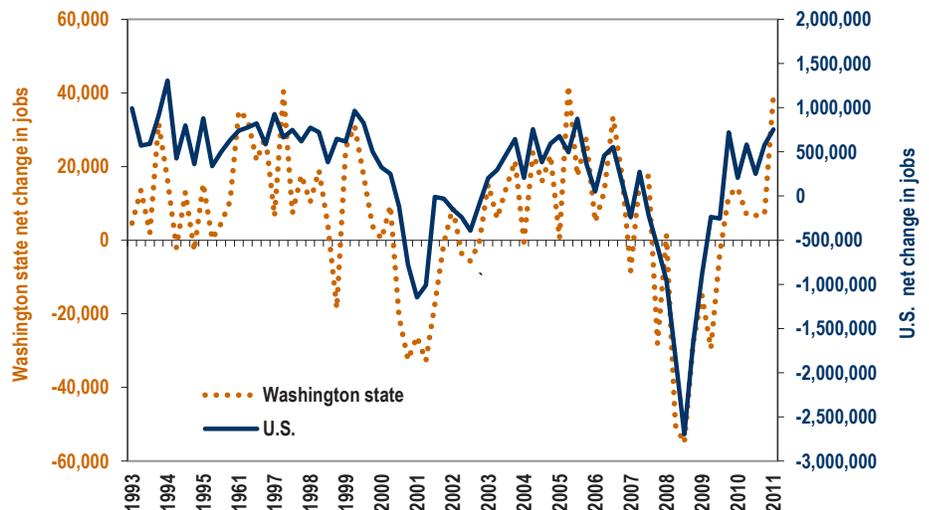
The third quarter of 2011 showed the sixth consecutive quarter of positive employment

change at the national level since the recession began in 2007, although the rates of growth have been fluctuating since 2010. Washington state also had its sixth consecutive employment gain, but with a high net growth – 39,386 jobs in third quarter of 2011 compared to 6,988 jobs in the second quarter of 2011.

Figure 1 depicts this changing dynamic and compares Washington state to national trends. Both the nation and the state show 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 recent recession beginning in the fourth quarter of 2007. Losses slowed during

Figure 1. Net change in jobs, seasonally adjusted United States and Washington state, 1993 through 2011 Q3

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



*In the third quarter of 2011, the nation and Washington had increasing job gains.*

the first three quarters of 2009 for Washington state and the nation. In the third quarter of 2011, both the nation and Washington state had increasing job gains.

At the national level, the number of private-sector gross job gains from opening and expanding establishments increased from 6.8 million to 7 million. On a seasonally adjusted basis, this was an increase of 166,000 jobs in gross job gains compared to the previous quarter. The number of gross job losses from closing and contracting firms increased by 9,000 jobs from the previous quarter. The nation showed a net gain in jobs compared to the previous quarter, adding 753,000 private-sector jobs in the third quarter of 2011 compared to 578,000 jobs in the second quarter of 2011.

Washington state had approximately 172,347 job gains from new and expanding private businesses and approximately 132,961 job losses from closing and downsizing businesses, for a net gain of 39,386 jobs. This compares to a net gain of 6,988 jobs in the second quarter of 2011 and a gain of 14,210 jobs in the third quarter of 2010.

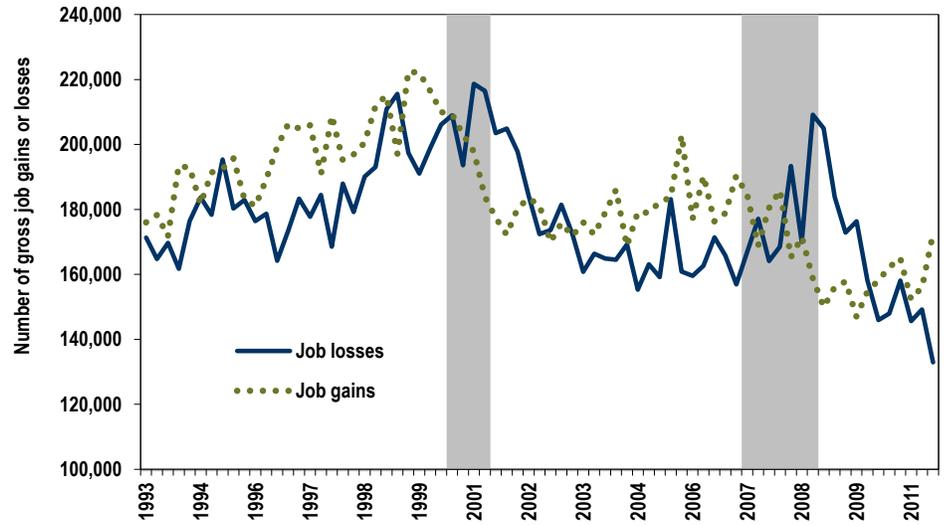
*Figure 2* tracks the increase in job gains and losses from 1993 through the third quarter of 2011.

### Most industries show job gains nationally and at the state level

Nationally, service-providing industries had a seasonally adjusted net gain of 575,000 jobs in the third quarter of 2011, compared to a gain of 158,000 jobs in the third quarter of 2010. The goods-producing industries posted a gain of 178,000 jobs

Figure 2. Gross job gains and losses, seasonally adjusted Washington state, 1993 through 2011 Q3

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



*Gross job losses declined in Washington state in the third quarter of 2011.*

in the third quarter of 2011, compared to a gain of 47,000 jobs in the previous year. Total private-sector net change in employment showed an increase of 753,000 jobs in the third quarter of 2011.

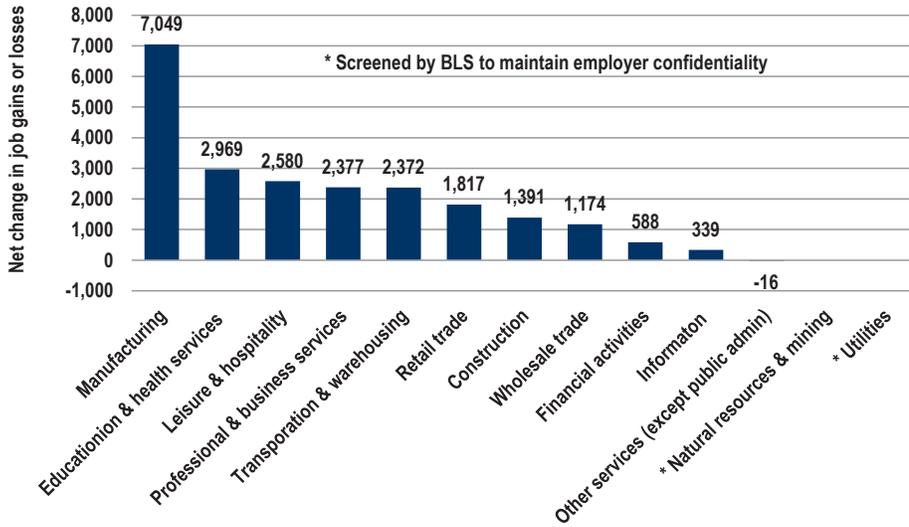
Breaking down job gains and losses by industry sector for the nation, 12 sectors showed gains and one showed a loss. Professional and business services, which include temporary help services, had a gain of 207,000 jobs followed by education and health services with a gain of 134,000 jobs. Other sectors showing gains were leisure and hospitality (66,000), construction (65,000), natural resources and mining (62,000), manufacturing (51,000), financial activities (34,000), transportation and warehousing (31,000), wholesale trade (27,000), other services (7,000), retail trade (6,000) and, information (1,000). Utilities was the only sector that experienced a decline, losing 1,000 jobs.

*Figure 3* shows net employment changes by Washington industry sector.

Ten Washington sectors reported net job gains in the third quarter of 2011. The top industry sector in job gains was manufacturing (7,049), followed by education and health services (2,969), leisure and hospitality (2,580), professional and business services (2,377), transportation and warehousing (2,372), retail trade (1,817), construction (1,391), wholesale trade (1,174), financial-activities (588), and information (339). Other services (except public administration) was the only sector to report a net job loss, down 16 jobs. Total private-sector employment had a net increase in employment of 39,386. Washington state data for natural resources & mining and utilities were not disclosed to maintain employer confidentiality.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted Washington state, 2011 Q3

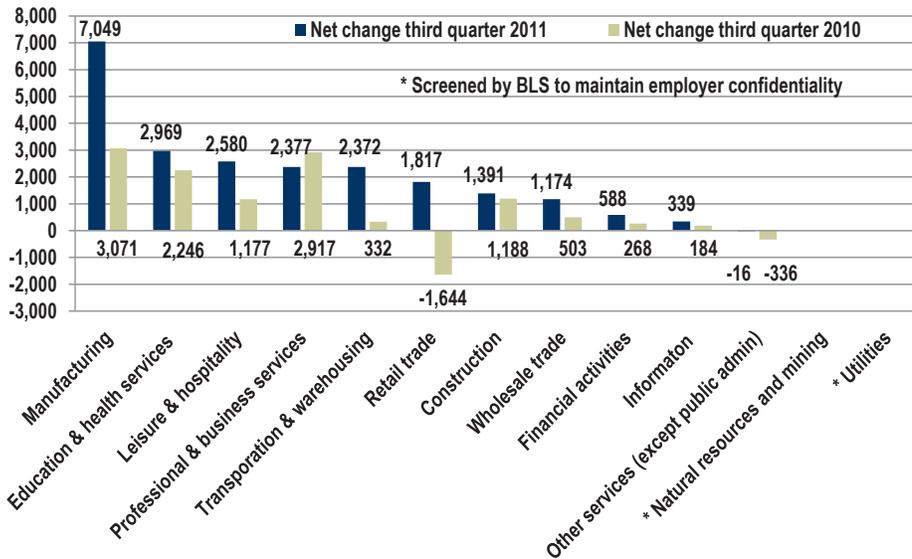
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Manufacturing had the most job gains in the third quarter of 2011. Other services was the only sector to report job losses.

Figure 4. Net change in jobs by industry sector, seasonally adjusted Washington state, 2010 Q3 and 2011 Q3

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



More Washington industry sectors fared better in terms of job gains in third quarter 2011 than in third quarter 2010. Total private-industry employment showed a steep increase in net gains compared to the same quarter last year. Retail trade went from losses to gains. Manufacturing and transportation & warehousing had large net employment gains compared to the same quarter last year.

Comparing third quarter 2010 to third quarter 2011 in Washington state (Figure 4):

- Total private-sector employment in the third quarter of 2011 had a sharp net gain in jobs from the previous quarter. This was a result of an increase in the rate of expansions and openings and a decreased rate of closings and contractions.
- Ten of the 11 sectors for which data was available had net increases in jobs gains in third quarter 2011 compared to nine in the third quarter 2010. Most of these industries saw an increased rate of expansion with a decreased rate of contractions.
- Retail trade was the only sector that went from net job losses to net job gains over the year. This net job gain was generally a result of higher rates of expansion of establishments compared to a lower rate of contraction and closing of establishments.
- Manufacturing and transportation and warehousing both saw sharp increases in net gains primarily due to increased rate of expansions and decreased rate of contractions.
- Professional and business services showed a decline in net gains from third quarter 2010 to third quarters 2011. This trend is primarily a result of a declining rate of expansions and an increased rate of contractions of establishments.

- Other services was the only sector that had job losses in the third quarter of 2010 and the third quarter of 2011. The losses in this sector were less in 2011 than in 2010. The primary reason for the net loss was an increasing rate of contractions and a lower rate of expansions of establishments.

### Job gains and losses among states

Among all states, the District of Columbia and Puerto Rico, 50 areas posted net job gains as a percent of employment in the third quarter of 2011, ranging from 0.1 to 4.0 percent. North Dakota had the highest net percentage of job gains at 4 percent, and Washington state had the third-highest net growth

at 1.8 percent. Three states had no change in net growth and no areas had a decline as a percent of employment. In contrast, during the third quarter of 2010, 34 areas gained jobs on a percentage basis, six had no change, and thirteen states and Puerto Rico recorded percentage declines.

In terms of gross job gains as a percent of employment in the third quarter of 2011, Washington had a gain of 7.6 percent. The top five states for gross job gains as a percent of employment were:

- Alaska (10 percent)
- North Dakota (9.9 percent)
- Wyoming (9.6 percent)
- Montana (8.4 percent)
- Idaho (8.3 percent)

Washington gross job losses amounted to 5.8 percent of employment in the third quarter of 2011. The five states with the highest percentage of gross job losses were:

- Alaska (9.4 percent)
- Vermont (7.7 percent)
- Wyoming (7.4 percent)
- Montana (7.1 percent)
- Idaho (8.6 percent)

More information on the Business Employment Dynamics data series is available at [www.bls.gov/bdm/](http://www.bls.gov/bdm/).

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