

B E D

May 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 July 2008 through September 2008. During this period, the Washington state labor market grew slightly¹, while the national labor market contracted. At the national level, the number of private sector job gains from new and expanding private businesses was 6.8 million. This compares to 7.8 million job losses from closing and downsizing businesses for a net loss of 932,000 jobs. Washington state had approximately 172,149 job gains from new and expanding private businesses, and approximately 163,055 job losses from closing and downsizing businesses, for a net gain of 9,094 jobs. This compares to a loss of 28,450 the previous quarter, and a loss of 5,557 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 in the years leading up to the current recession beginning in the 4th quarter of 2007. The most recent data show a deepening recession with uneven results quarter to quarter for Washington and larger declines for the nation.

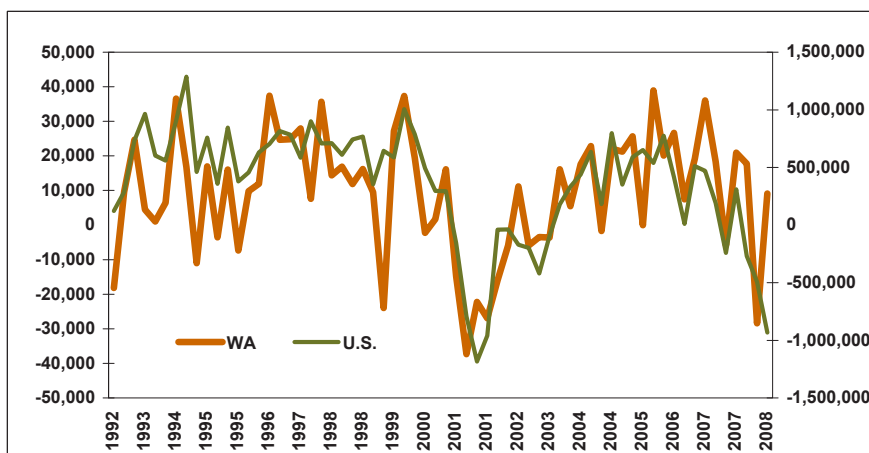
When breaking out gross job gains and losses by sector for the nation, education and health services was the only one showing substantial gains of 93,000. The goods producing sector showed a net loss of 370,000 jobs over the quarter. The construction sector lost 178,000 jobs, retail trade lost 170,000, professional and business services lost 180,000, and manufacturing lost 211,000. Leisure and hospitality also lost 145,000 jobs.

The top slot nationally in terms of net job gains as a percentage of employment was held by Wyoming at 1.1 percent. Only

¹This growth is confirmed by Washington state's Quarterly Census of Employment and Wages, which showed a gain of nearly 40,000 total jobs between the second and third quarters of 2008.

Figure 1. Net Change in Jobs, Seasonally Adjusted, Washington State and U.S., 1992 to 2008

Source: BED/Bureau of Labor Statistics

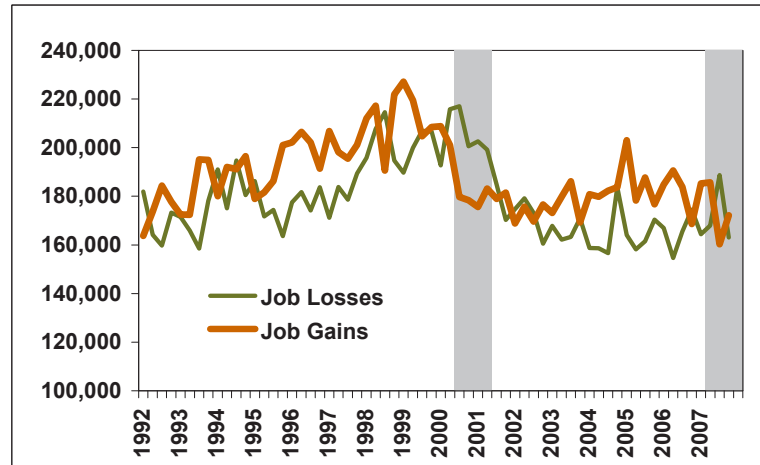


five other states showed gains, between 0.1 and 0.9 percent. One state showed no change, while 43 states showed declines. Washington state showed a gain of 0.4 percent and ranked 4th among the states with job gains. The states showing the largest net job declines were Nevada, Florida, Michigan, and Hawaii, each over 1.7 percent.

As one can see from *Figure 2*, after a period of trending upward until mid 2006, job gains in Washington state slowed in the third quarter of 2008. 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 recession of 2001 as the only sustained period where the opposite

Figure 2. Gross Job Gains and Losses, Seasonally Adjusted, Washington State 1992 to 2008

Source: BED/Bureau of Labor Statistics



was true. However these data are only current as of the third quarter of 2008, and may show additional declines in the fourth quarter 2008 and 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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