

Washington State

Business Employment Dynamics

Third Quarter 2023, Published June 2024

Prepared by Anneliese Vance-Sherman, chief labor economist

In the third quarter of 2023, June to September, seasonally adjusted job gains in Washington's private sector totaled 161,082 while job losses from businesses closing or contracting totaled 179,554. The result of these changes was a net loss of 18,472 jobs during the third quarter. These numbers show the key changes in private sector employment, also called Business Employment Dynamics (BED).

The U.S. Bureau of Labor Statistics' Business Employment Dynamics data series highlights the forces driving labor market dynamics at the state and national levels. Job gains and losses at private business establishments are tracked showing employment changes due to establishment openings or closings versus adding or shedding jobs at existing firms. The most recent BED data covers events through the third quarter of 2023.

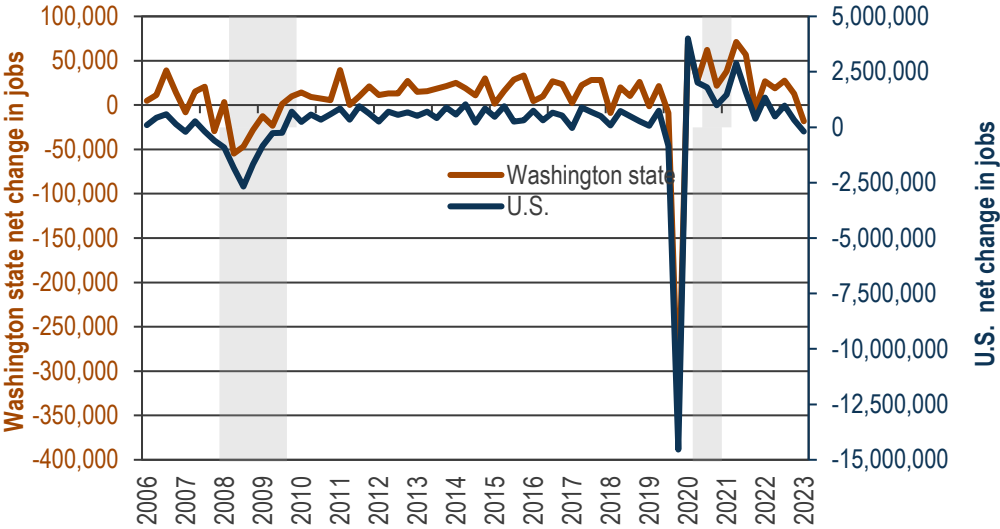
The third quarter of 2023 signaled a shift in national and statewide business dynamics. For only the second time since 2020, job losses outpaced job gains in Washington.

Nationally, private sector job gains exceeded job losses in 16 states, the District of Columbia, Puerto Rico and the Virgin Islands, and losses outpaced gains in 37 states. This shows that the shift in Washington was similar across much of the nation. Nationally, the net change in private sector employment dropped by 192,000. An estimated 7.56 million gross job gains were gained in the second quarter of 2023, down from 8.12 million the previous quarter. There were an estimated 7.75 million job losses; down from 7.79 million the previous quarter. In other words, job gains slowed, but so did job losses.

Washington lost an estimated 18,472 net private sector jobs in the third quarter of 2023. This follows net gains from every quarter since 2020. Employers collectively added a total of 161,082 jobs during the quarter and shed 179,554.

Figure 1 depicts the changing business employment dynamic and compares Washington to national trends. On a national and state basis, net job gains and losses are affected by the business cycle. The COVID-19 pandemic led to deep job losses in the second quarter of 2020. In Washington, there were an estimated 342,857 net job losses. Nationally, net job losses were estimated at 14.54 million. Job growth in the aftermath of the pandemic also rebounded relatively quickly. In Washington, gross job gains have outpaced gross job losses every quarter since the second quarter of 2023, with the exception of the second quarter of 2022 and the reading detailed in this report. Net job change has settled following the disruption brought on by the pandemic.

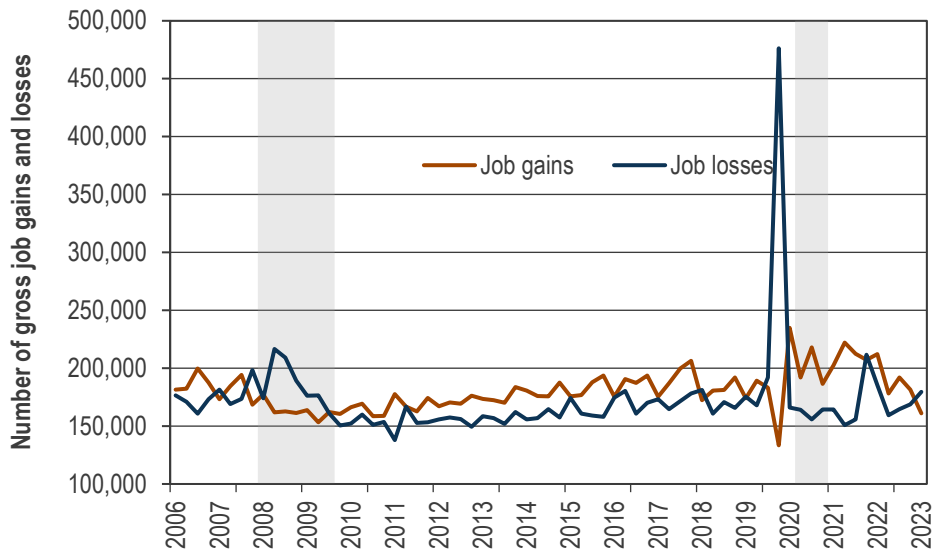
Figure 1. Net change in jobs, seasonally adjusted, United States and Washington, third quarter 2006 through third quarter 2023



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Net job losses were observed nationally and in Washington in the third quarter of 2023. Note: Shaded areas are U.S. recession periods.

At the national level, gross job gains at opening and expanding establishments amounted to 7.56 million or 5.8% of private sector employment. Closing and contracting establishments lost 7.76 million jobs. Gross job losses were 5.9% of private sector employment. Opening establishments provided 1.56 million jobs and closing establishments shed 1.58 million jobs. Washington gained 161,082 jobs from new and expanding private businesses and lost 179,554 jobs from businesses closing or contracting for a net loss of 18,472 jobs in the third quarter of 2023. This compares to a net gain of 12,772 jobs in the previous quarter. Within the gross job gains, new establishments contributed 21,234 new jobs and closing establishments shed 19,752 jobs.

Figure 2. Gross job gains and losses, seasonally adjusted, Washington state, third quarter 2006 through third quarter 2023

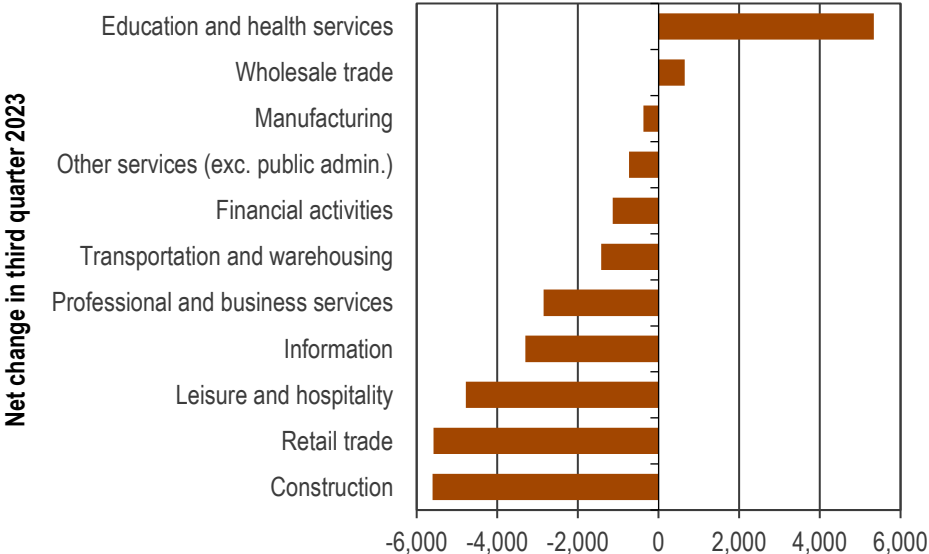


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. In the third quarter of 2023, the gross number of jobs added decreased over the quarter and the gross number of jobs shed increased over the quarter. Note: Shaded areas are U.S. recession periods.

Nationally, four major industries reported net job gains and eight reported net job losses.

The data in *Figure 3* illustrates the net change in industry employment for the U.S. Total private sector employment dipped by 192,000 in the third quarter 2023. Service-providing industries had a seasonally adjusted net loss of 94,000 jobs and goods-producing industries posted a net loss of 98,000 jobs. In the third quarter of 2023, four industry sectors reported job gains. By comparison, eleven had reported gains in the previous quarter. The largest gains were observed in education and health services. The sectors reporting the deepest net quarterly losses included professional and business services and leisure and hospitality.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted, United States, third quarter 2023

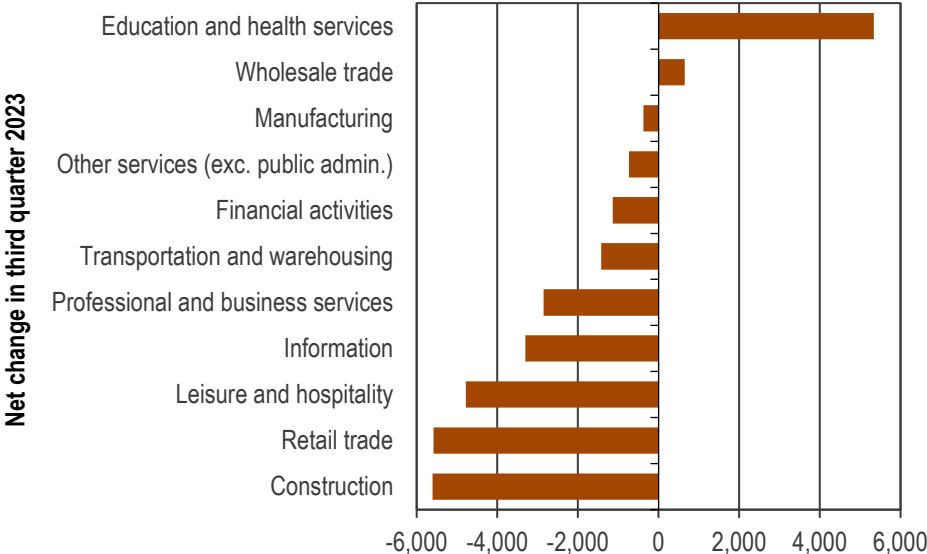


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Education and health services added the largest number of jobs in the third quarter of 2023.

Washington industry employment

Figure 4 shows net employment changes in Washington industry sectors. Total private sector employment had decreased by 18,472 in the third quarter of 2023. Only two industry sectors reported net job gains in the quarter. Nine industry sectors reported net losses. The two industry sectors showing job gains were education and health services with a gain of 5,339, and wholesale trade (650). The deepest net losses were observed in construction (-5,607), retail trade (-5,579) and leisure and hospitality (-4,778).

Figure 4. Net change in job gains and losses by industry sector, seasonally adjusted, Washington state, third quarter 2023

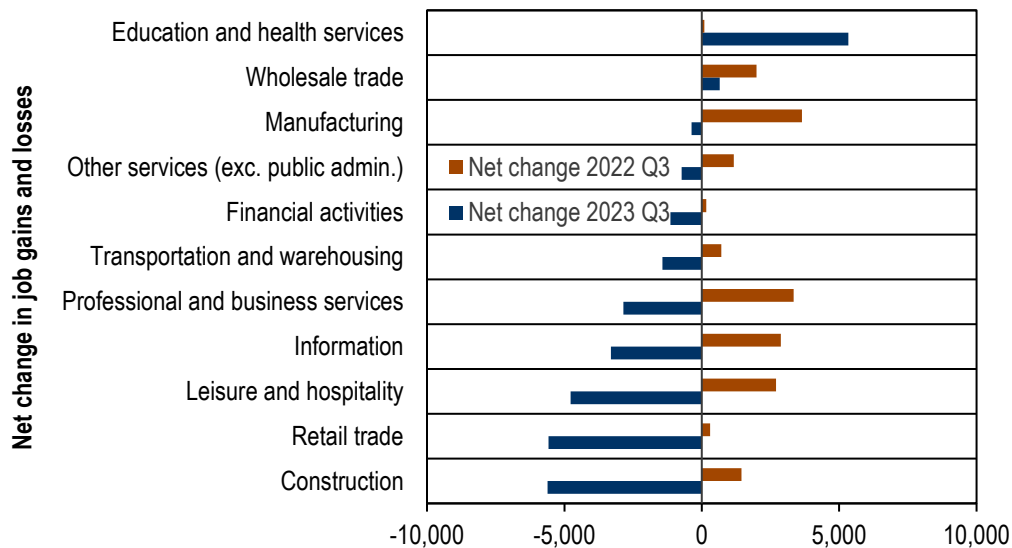


Note: Data for natural resources, mining and utilities are not disclosed in order to maintain employer confidentiality. In Washington, education and health services added the most jobs in the third quarter of 2023. In most other sectors, job losses outpaced job gains.

Comparing the third quarter of 2023 to the third quarter of 2022 in Washington (*Figure 5*):

- The education and health services sector had stronger gains in the third quarter of 2023 than any sector in the corresponding quarter of 2022.
- Every sector detailed in this report added more jobs than they shed in the second quarter of 2022. For context, most industries added jobs during this time period, as the labor market recovered from the brief but impactful COVID-19 pandemic recession.
- In the second quarter of 2023, all but two sectors experienced more job losses than employment gains, as the tight labor market eased.

Figure 5. Net change in jobs by industry sector, seasonally adjusted, Washington, third quarter 2022 and 2023



Note: Data for natural resources, mining and utilities are not disclosed in order to maintain employer confidentiality. Every sector added more jobs than were shed during the third quarter of 2022. By the third quarter of 2023, all but two sectors shed more jobs than were added.

More information on the Business Employment Dynamics data series is available at www.bls.gov/bdm.

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