

Washington State

Business Employment Dynamics

Second Quarter 2023, Published March 2024

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In the second quarter of 2023, March to June, seasonally adjusted job gains in Washington's private sector totaled 181,419 while job losses from businesses closing or contracting totaled 168,647. The result of these changes was a net gain of 12,772 jobs during the second quarter. These numbers show the key changes in private sector employment, also called Business Employment Dynamics (BED).

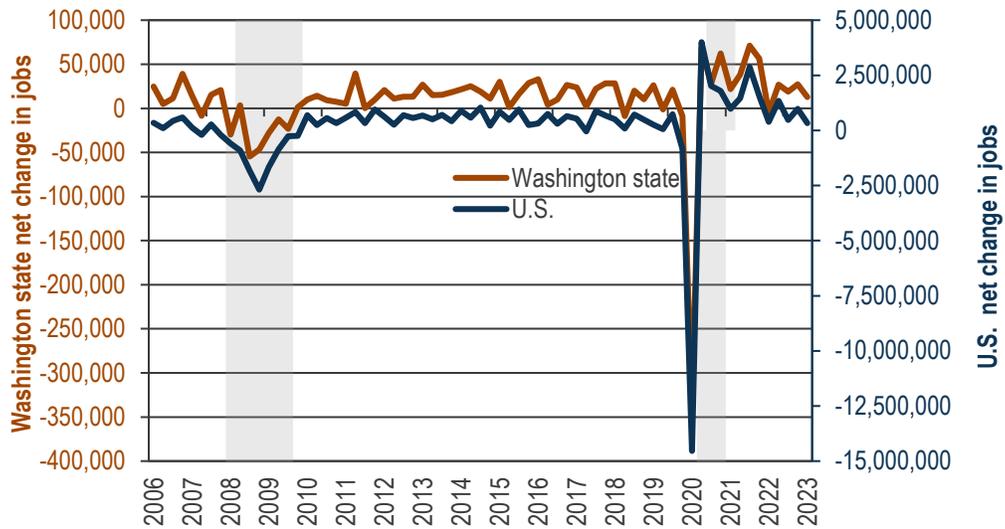
The U.S. Bureau of Labor Statistics' Business Employment Dynamics data series highlights the forces driving labor market dynamics at the state and national levels. Job gains and losses at private business establishments are tracked showing employment changes due to establishment openings or closings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

Net job gains dipped for both the state and nation relative to the previous quarter

Nationally, job gains exceeded job losses in 33 states, the District of Columbia, Puerto Rico and the Virgin Islands for a net private sector employment gain of 332,000. There were an estimated 8.1 million gross job gains in the second quarter of 2023, up from 8.0 million the previous quarter. The estimated number of job losses nationally was nearly 7.8 million; up from 7.1 million the previous quarter. Washington state gained 12,439 net private sector jobs in the second quarter of 2023. This was a decrease from 27,439 net gains in the first quarter of 2023. Employers collectively added a total of 181,419 jobs during the quarter and shed 168,647.

Figure 1 depicts the changing business employment dynamic and compares Washington state to national trends. On a national and state basis, net job gains and losses are sensitive to the business cycle. During the 2007 recession, net job losses increased before bottoming out in first quarter of 2009. Net job growth resumed in the second quarter of 2010 and carried through until the next recession, resulting from efforts to reduce the effects of the pandemic. Job growth had begun to pick up in the third quarter of 2020 for the state and nation, helping to confirm the end of the Covid-19 recession in April that year.

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

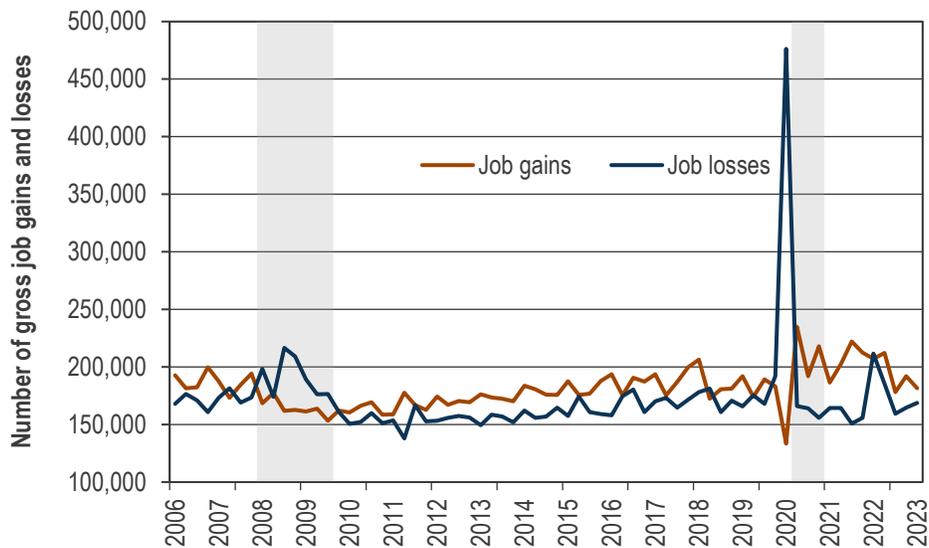


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Job growth in the U.S. and Washington increased in the second quarter 2023. Note: Shaded areas are U.S. recession periods.

At the national level, gross job gains at opening and expanding establishments amounted to 8.1 million or 5.5 percent of private sector employment. Closing and contracting establishments lost 7.8 million jobs. Gross job losses were 5.7 percent of private sector employment. Opening establishments provided 1.6 million jobs and closing establishments shed 1.5 million jobs. Washington state gained 181,419 jobs from new and expanding private businesses and lost 168,647 jobs from businesses closing or contracting for a net gain of 12,772 jobs in the second quarter 2023. This compares to a net gain of 27,439 jobs in the first quarter of 2023.

Figure 2 shows the quarterly pattern of gross job gains and losses in Washington state.

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

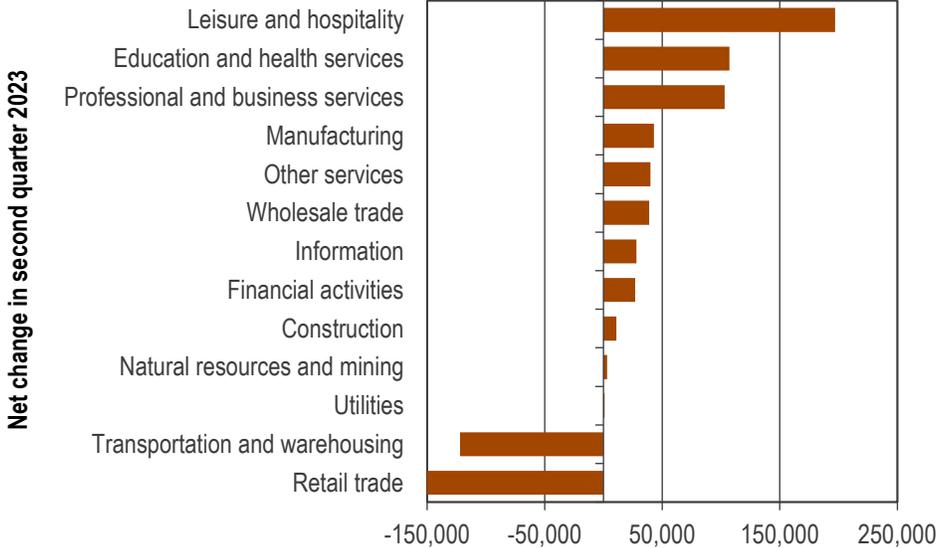


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Washington job gains decreased from the first quarter to the second quarter but job losses increased. Note: Shaded areas are U.S. recession periods.

Nationally, eleven major industries reported net job gains

The data in *Figure 3* illustrate the net change in industry employment for the U.S. Total private sector employment rose by 382,000 in the second quarter 2023. Service-providing industries had a seasonally adjusted net gain of 325,000 jobs and goods-producing industries posted a net gain of 57,000 jobs. In the second quarter 2023, eleven industry sectors reported job gains. By comparison, ten reported gains in the first quarter 2022. The largest gains were observed in leisure and hospitality, education and health services, and professional and business services. Net employment in two sectors (retail trade and transportation and warehousing) dropped over the quarter.

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

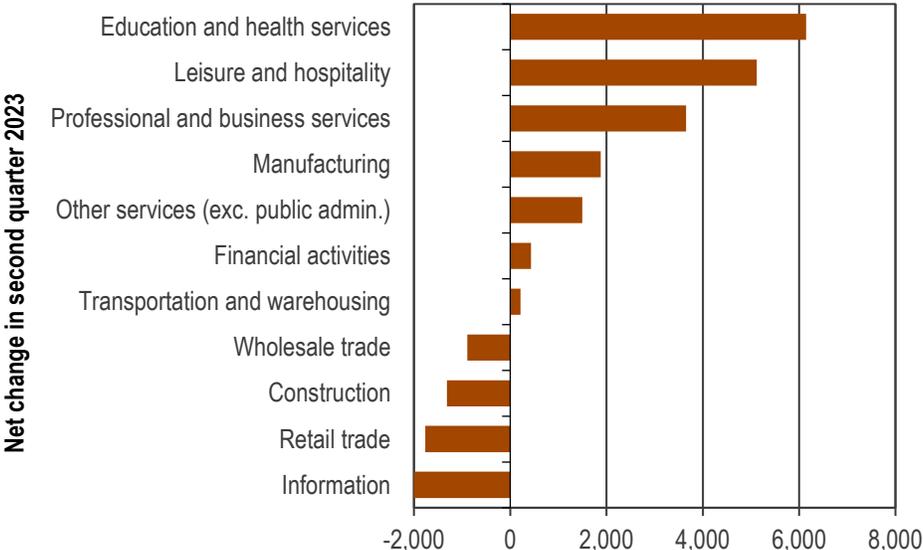


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Leisure and hospitality added the largest number of jobs in the second quarter of 2023.

Washington state industry employment

Figure 4 shows net employment changes in Washington state industry sectors. Total private sector employment had a net increase of 12,772. Seven industry sectors reported net job gains in the second quarter of 2023. Three industry sectors reported net losses. The top three industry sectors showing job gains were education and health services with a gain of 6,142, followed by leisure and hospitality (5,122) and professional and business services (3,650). Information, retail trade and construction each experienced a net loss of jobs in the second quarter.

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

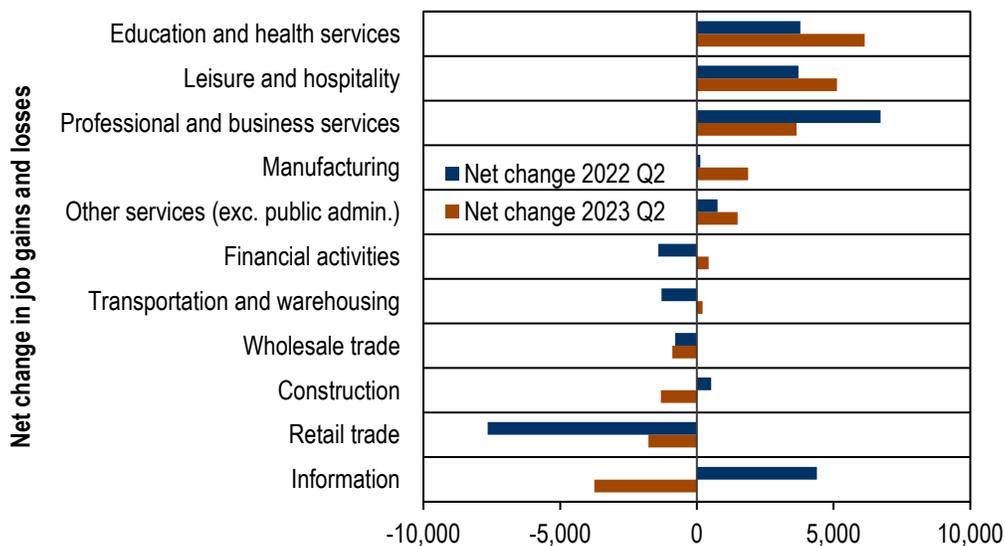


Note: data for natural resources, mining, and utilities are not disclosed in order to maintain employer confidentiality. In Washington state, education and health services added the most jobs in the second quarter of 2023.

Comparing the second quarter of 2023 to the second quarter of 2022 in Washington state (Figure 5):

- Employment gains in the second quarter of 2023 were stronger education and health services, leisure and hospitality, manufacturing, other services, financial activities and transportation and warehousing than in the corresponding quarter in 2022.
- The largest net gains in the second quarter of 2023 were attributable to hiring in education and health services. During the corresponding quarter of 2022, the largest net job gains were observed in professional and business services.
- The information and construction sectors both added jobs during the second quarter of 2022; both industries experienced strong growth during the pandemic and recovery periods. The pattern for both industries reversed in 2023, with both high-growth sectors reporting one-quarter losses during the second quarter of 2023.

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



Note: data for natural resources, mining, and utilities are not disclosed in order to maintain employer confidentiality. Washington had lower net gains in jobs in most major industries in the second quarter of 2023 compared with the second quarter of 2022.

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

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