

Washington State Business Employment Dynamics Third Quarter 2015



Quarterly Census of Employment and Wages
Business Employment Dynamics
July to September 2015

Figure 1

Net change in jobs, seasonally adjusted, U.S. and Washington state, third quarter 1997 through third quarter 2015

Figure 2

Gross job gains and losses, seasonally adjusted, Washington state, third quarter 1997 through third quarter 2015

Figure 3

Net change in job gains and losses by industry, seasonally adjusted, United States, third quarter 2015

Figure 4

Net change in job gains and losses by industry, seasonally adjusted, Washington state, third quarter 2015

Figure 5

Net change in jobs by industry, seasonally adjusted, Washington state, third quarter 2014 and third quarter 2015

In third quarter 2015, seasonally adjusted job gains in Washington's private sector totaled 170,134 while job losses from businesses closing or contracting totaled 174,709. The result of these changes was a net loss of 4,575 jobs during the third quarter. These numbers show the key changes in private-sector employment also called Business Employment Dynamics (BED).

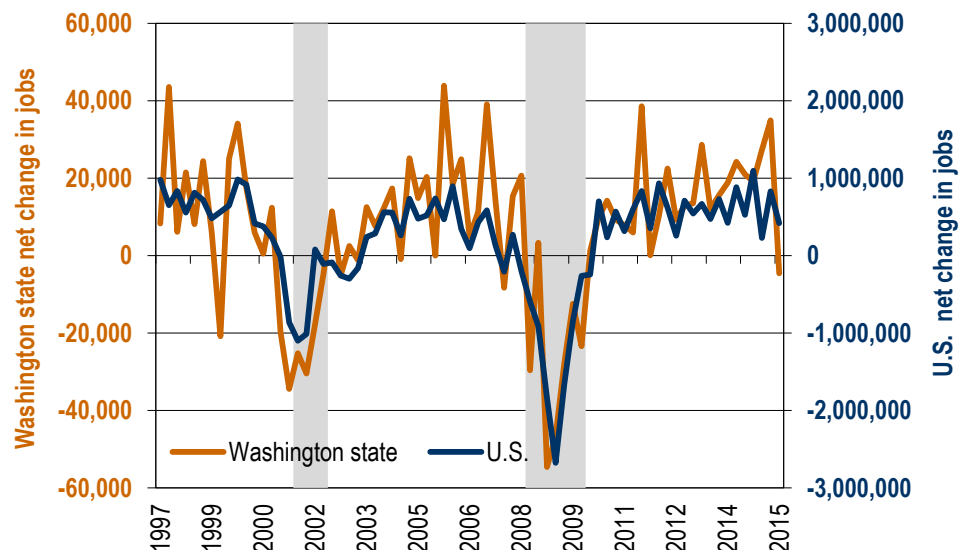
The U.S. Bureau of Labor Statistics' Business Employment Dynamics data series highlights the forces driving labor market dynamics at the state and national levels. Job gains and losses at private business establishments are tracked showing employment changes due to establishment openings or closings versus adding or shedding jobs at existing firms. The most recent BED data cover events through third quarter 2015.

State showed a decline but nation showed job growth

Nationally, job gains exceeded job losses in 27 states for a net private-sector employment gain of 418,000. This marks the 22nd consecutive quarter of employment growth nationally and 22nd in Washington state since the recovery in employment began in the aftermath of the nation's last recession. Washington state's streak of 22 straight quarters of employment growth ended in third quarter 2015. Over this period, the state showed negative employment growth of 4,575.

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.

Figure 1. Net change in jobs, seasonally adjusted United States and Washington state, third quarter 1997 through third quarter 2015
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Note: U.S. recessions are shaded in gray.

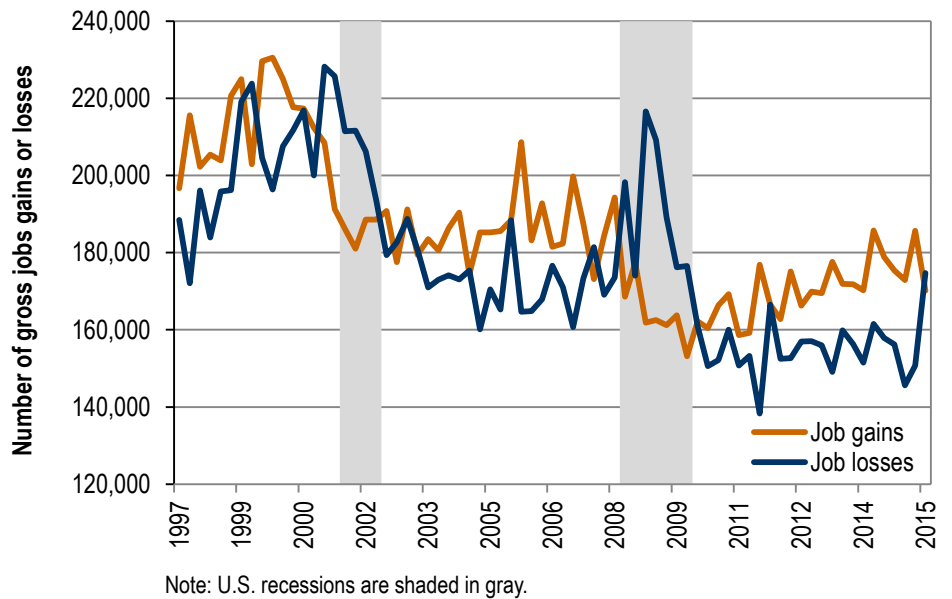
Job growth decreased in Washington and continued in U.S. in third quarter 2015.

During the 2001 recession, net job losses appeared very quickly. Net job growth resumed in 2002 and carried through until the recent recession beginning in fourth quarter 2007.

At the national level, gross job gains were 7.3 million at opening and expanding establishments. Closing and contracting establishments lost 6.9 million jobs. Gross job losses were 5.8 percent of private-sector employment. Opening establishments provided 1.3 million jobs. Washington state gained 170,134 jobs from new and expanding private businesses and lost 174,709 jobs from businesses closing or contracting for a net loss of 4,575 jobs in third quarter 2015. This compares to a net gain of 34,879 jobs in second quarter 2015 and a net gain of 20,962 jobs in third quarter 2014.

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, third quarter 1997 through third quarter 2015
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

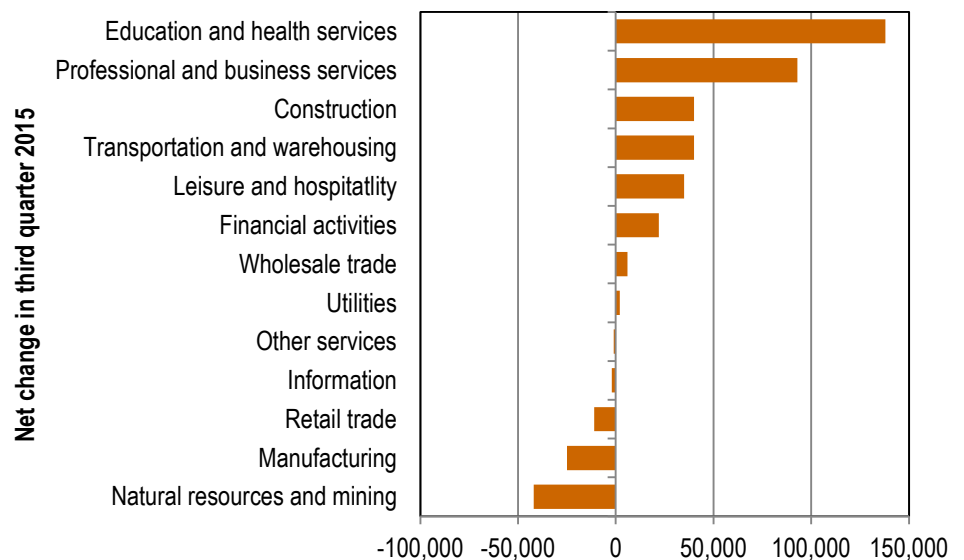


Gross job losses surpassed job gains in third quarter 2015.

Nationally, industry gains and losses were mixed

The data in Figure 3 illustrate the net change in industry employment for the U.S. Total private-sector employment grew by 418,000 in third quarter 2015. Service-providing industries had a seasonally adjusted net gain of 445,000 jobs. The goods-producing industries posted a net loss of 27,000 jobs. In third quarter 2015 eight industry sectors reported job gains compared to twelve in second quarter 2015.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted United States, third quarter 2015
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

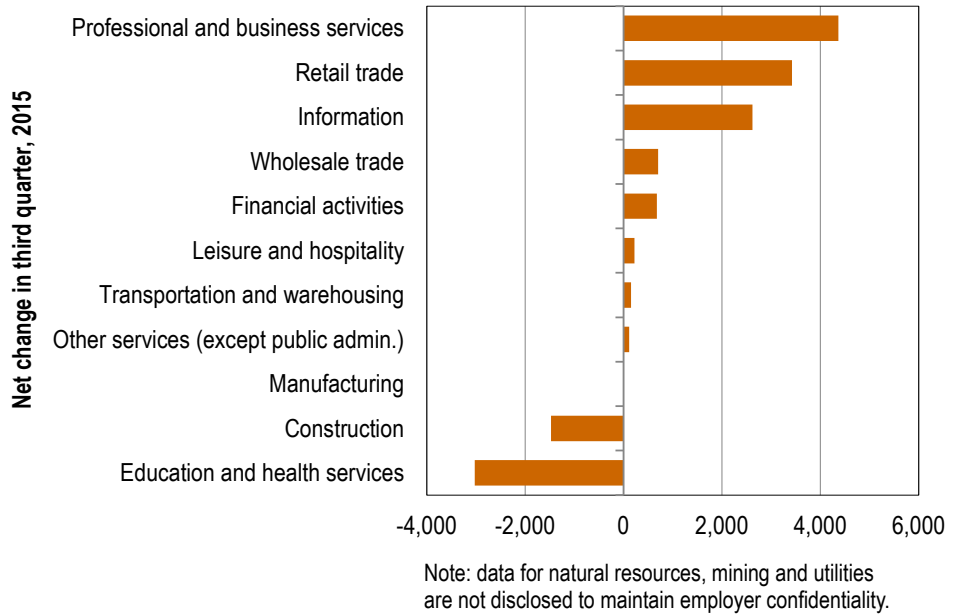


Education and health services reported the most net gains while natural resources and mining reported the most net losses in third quarter 2015.

Washington state industry employment

Figure 4 shows net employment changes in Washington state industry sectors. Total private-sector employment had a net decrease in employment of 4,575. Eight industry sectors reported net job gains in third quarter 2015. Net job losses occurred in manufacturing (5), construction (1,474), and education and health services (3,028). The top three industry sectors in job gains were professional and business services, with a gain of 4,368, followed by retail trade (3,424) and information (2,623).

Figure 4. Net change in job gains and losses by industry, seasonally adjusted Washington state, third quarter 2015
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

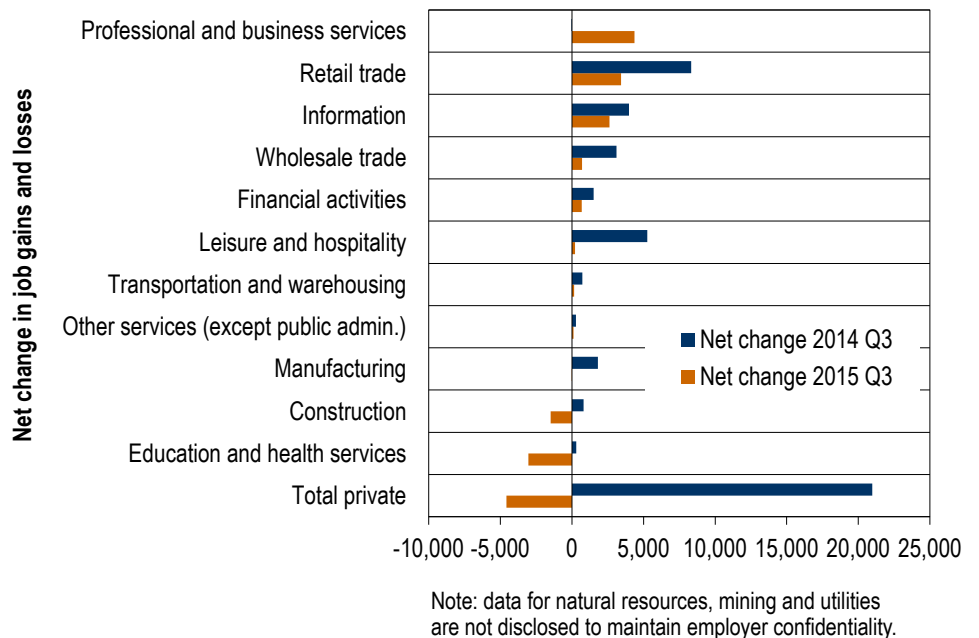


In Washington state, professional and business services, retail trade, and information had the most job gains in third quarter 2015.

Comparing third quarter 2015 to third quarter 2014 in Washington state (Figure 5):

- Ten of eleven private industry sectors had lower net gains in third quarter 2015 compared to third quarter 2014.
- Professional and business services was the only major industrial group to show a larger net gain in third quarter 2015 compared to third quarter 2014.
- Leisure and hospitality had the largest net loss from year to year with a gain of 220 jobs in third quarter 2015 compared with a gain of 5,266 in the third quarter 2014.

Figure 5. Net change in jobs by industry sector, seasonally adjusted Washington state, third quarter 2014 and third quarter 2015
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Washington had less job gains in every industry in third quarter 2015 than a year ago, except professional and business services.

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

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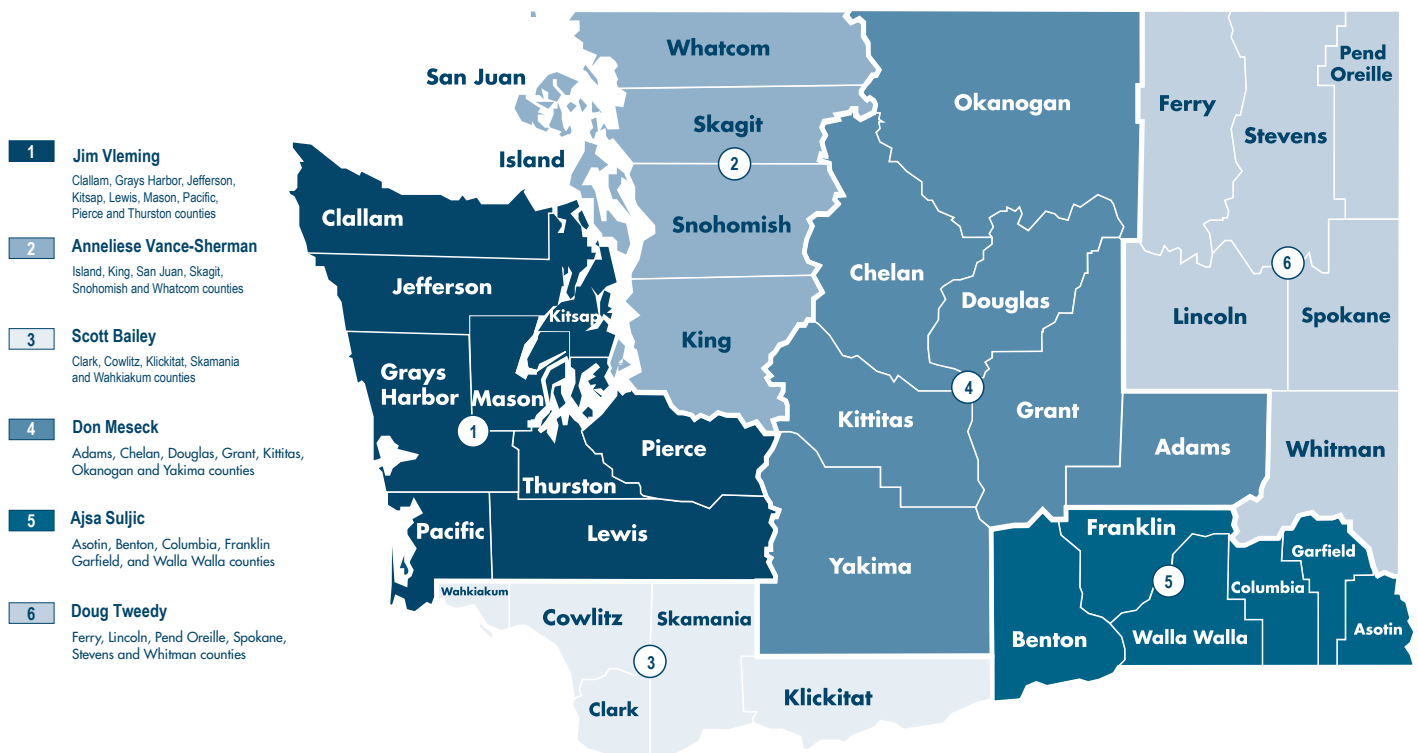
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