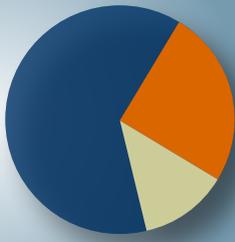


Washington State Business Employment Dynamics Second Quarter 2016



Quarterly Census of Employment and Wages
Business Employment Dynamics
April to June 2016

Figure 1

Net change in jobs, seasonally adjusted, U.S. and Washington state, second quarter 1998 through second quarter 2016

Figure 2

Gross job gains and losses, seasonally adjusted, Washington state, second quarter 1998 through second quarter 2016

Figure 3

Net change in job gains and losses by industry, seasonally adjusted, United States, second quarter 2016

Figure 4

Net change in job gains and losses by industry, seasonally adjusted, Washington state, second quarter 2016

Figure 5

Net change in jobs by industry, seasonally adjusted, Washington state, second quarter 2015 and second quarter 2016

In second quarter 2016, seasonally adjusted job gains in Washington's private sector totaled 192,605 while job losses from businesses closing or contracting totaled 154,150. The result of these changes was a net gain of 38,455 jobs during the second quarter. These numbers show the key changes in private sector employment also called Business Employment Dynamics (BED).

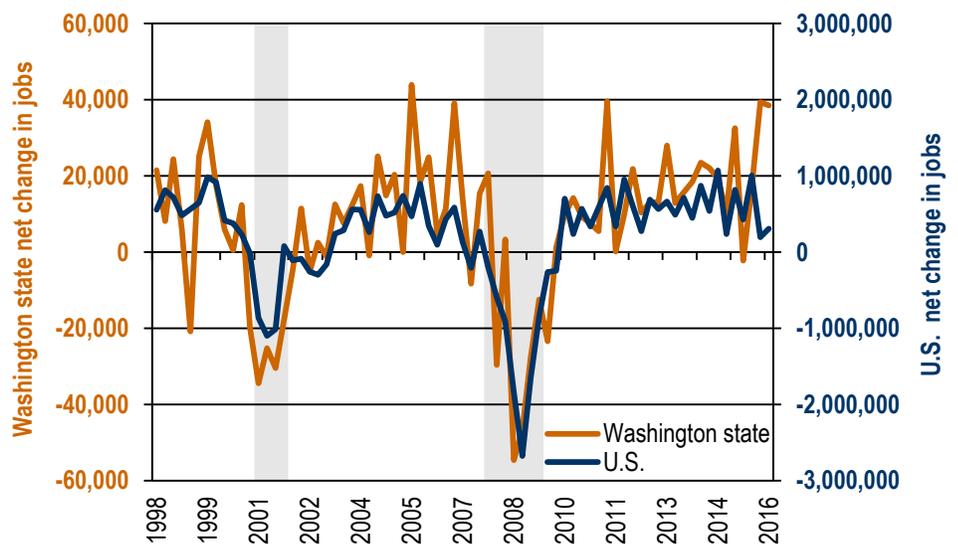
The U.S. Bureau of Labor Statistics' Business Employment Dynamics data series highlights the forces driving labor market dynamics at the state and national levels. Job gains and losses at private business establishments are tracked showing employment changes due to establishment openings or closings versus adding or shedding jobs at existing firms. The most recent BED data cover events through second quarter 2016.

Both state and nation showed job growth

Nationally, job gains exceeded job losses in 29 states for a net private sector employment gain of 307,000. This marks the 25th consecutive quarter of employment growth nationally 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, when the state showed negative employment growth of 2,242.

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 2001 recession, net job losses appeared very quickly. Net

Figure 1. Net change in jobs, seasonally adjusted United States and Washington state, second quarter 1998 through second quarter 2016
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Note: Shaded areas are U.S. recession periods.

Job growth in Washington stayed strong and picked up in the U.S. in second quarter 2016.

job growth resumed in 2002 and carried through until the most recent recession beginning in fourth quarter 2007. Job growth began to pick up in 2010 for the state and nation, although Washington experienced negative job growth in third quarter 2015 quarter 2007.

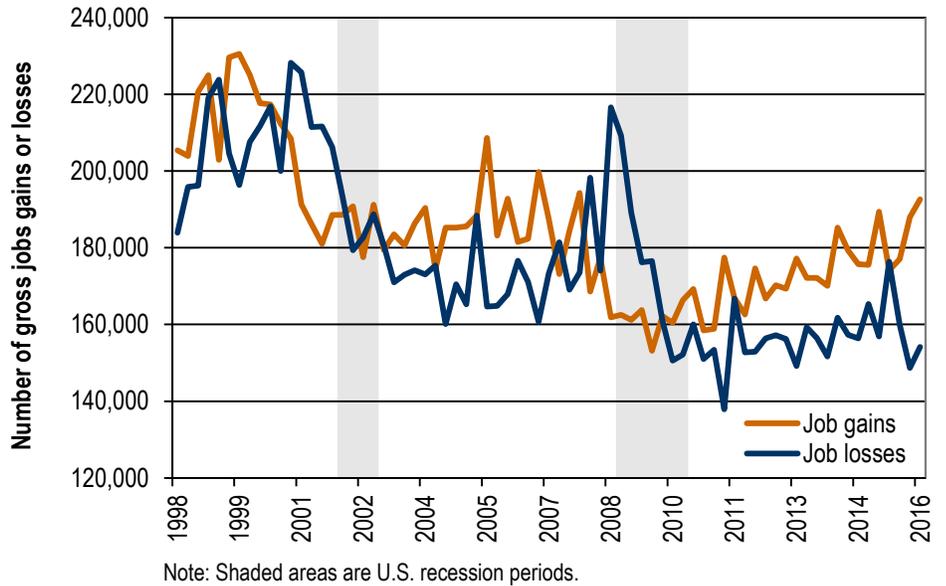
At the national level, gross job gains were 7.5 million at opening and expanding establishments. Closing and contracting establishments lost 7.2 million jobs. Gross job losses were 6.2 percent of private sector employment. Opening establishments provided 1.2 million jobs. Washington state gained 192,605 jobs from new and expanding private businesses and lost 154,150 jobs from businesses closing or contracting for a net gain of 38,455 jobs in second quarter 2016. This compares to a net gain of 39,276 jobs in first quarter 2016 and a net gain of 32,482 jobs in second quarter 2015.

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

Nationally, most industries gained jobs

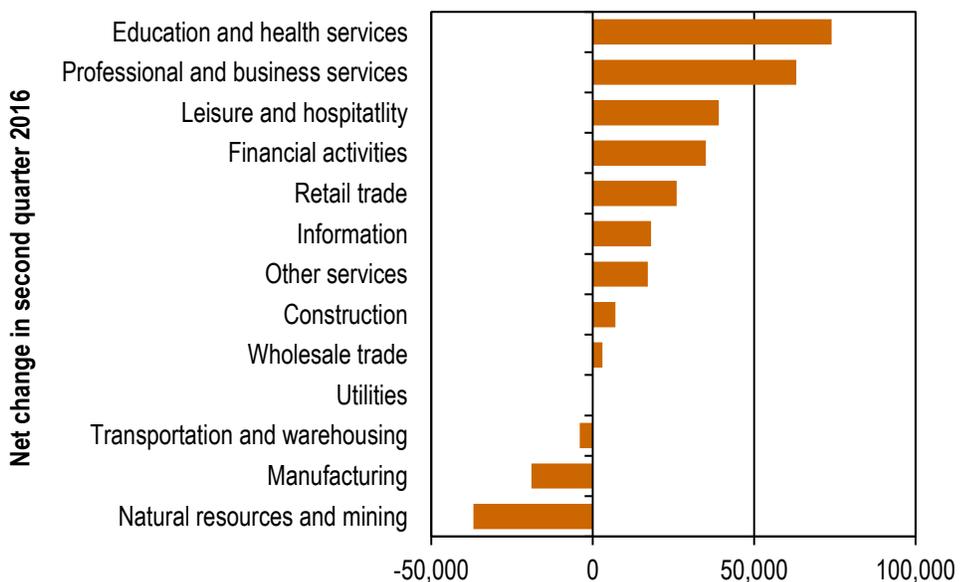
The data in Figure 3 illustrate the net change in industry employment for the U.S. Total private sector employment grew by 307,000 in second quarter 2016. Service-providing industries had a seasonally adjusted net gain of 356,000 jobs. The goods-producing industries posted a net loss of 49,000 jobs. In second quarter 2016, nine industries reported job gains compared to six in first quarter 2016.

Figure 2. Gross job gains and losses, seasonally adjusted
Washington state, second quarter 1998 through second quarter 2016
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Gross job gains exceeded job losses by a large margin in second quarter 2016.

Figure 3. Net change in job gains and losses by industry, seasonally adjusted
United States, second quarter 2016
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

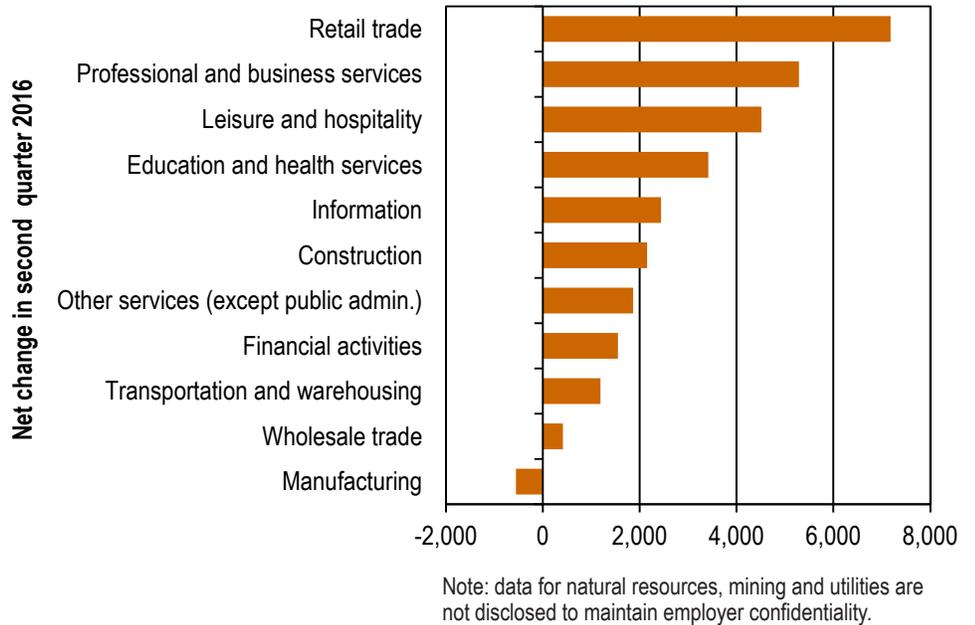


Education and health services reported the most net gains while natural resources and mining reported the most net losses in second quarter 2016.

Washington state industry employment

Figure 4 shows net employment changes in Washington state industries. Total private sector employment had a net increase in employment of 38,455. Ten industries reported net job gains in second quarter 2016. Net job losses occurred only in manufacturing (554). The top three industries in job gains were retail trade, with a gain of 7,180, followed by professional and business services (5,290) and leisure and hospitality (4,513).

Figure 4. Net change in job gains and losses by industry, seasonally adjusted Washington state, second quarter 2016
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series

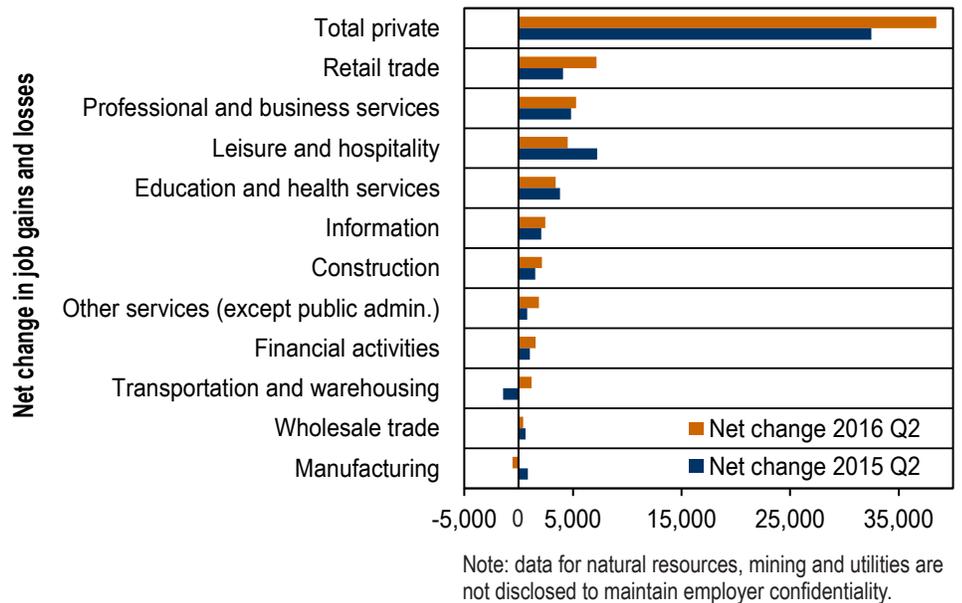


In Washington state, retail trade, professional and business services, and leisure and hospitality had the most job gains in second quarter 2016.

Comparing second quarter 2016 to second quarter 2015 in Washington state (Figure 5):

- Seven of 11 private industries had higher net gains in second quarter 2016 compared to second quarter 2015.
- Retail trade had the largest net gain from year to year with a gain of 7,180 jobs in second quarter 2016 compared with a gain of 4,081 in second quarter 2015.
- Leisure and hospitality had the largest net loss from year to year with a gain of 4,513 jobs in second quarter 2016 compared with a gain of 7,238 in second quarter 2015.

Figure 5. Net change in jobs by industry, seasonally adjusted Washington state, second quarter 2015 and second quarter 2016
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series



Washington had more jobs gained in seven industries and fewer jobs gained in four industries in second quarter 2016 than a year ago.

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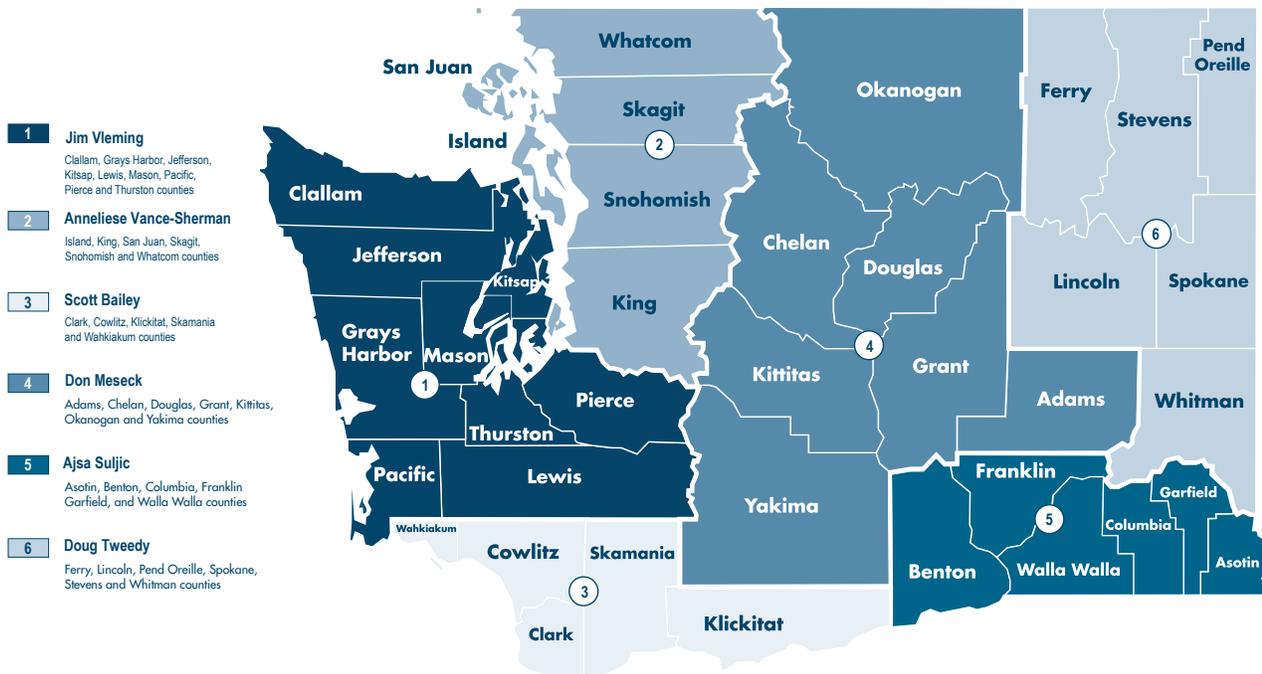
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Washington State Regional Labor Economist Reporting Areas



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