

The Kitchen Sink: Using All Our Tools To Analyze the Great Recession

Presented by
**Washington State
Employment Security Department**

Labor Market and Economic Analysis



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What's in our tool kit?



- CES—net changes by industry
- Firm-level changes: gross changes
 - LED
 - BED
 - QCEW/Wage file
- Firm-level changes: “stable” jobs
 - LED

What's in our tool kit?



- Firm-level changes: birth/death
 - BED?
 - QCEW and Wage file
- Firm-level changes: size of employer
 - BED
 - QCEW and Wage file
- Individual worker changes
 - LED

What's in our tool kit?

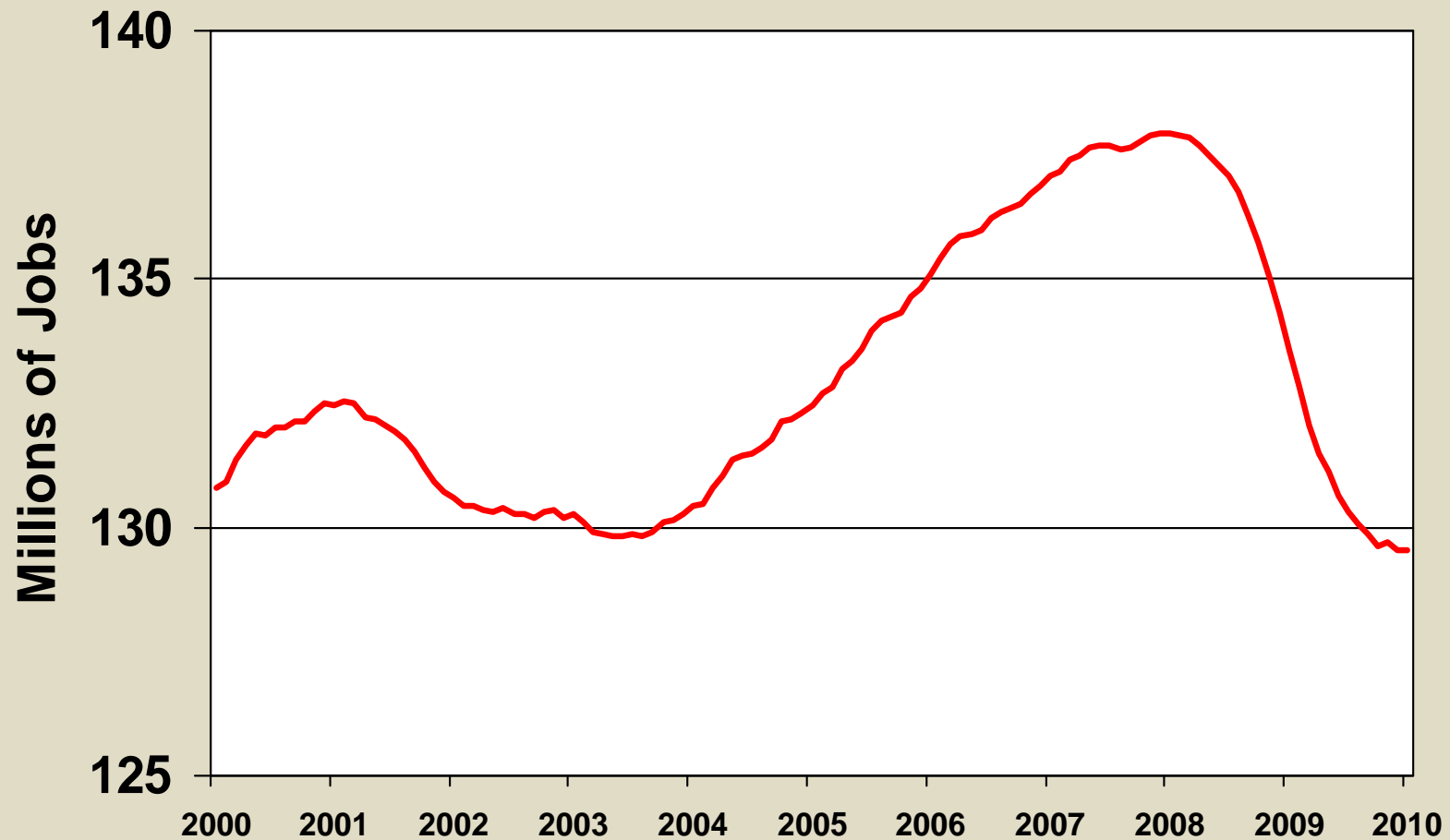


- CES
 - Two easily-understood metrics
 - Long history
 - Comparable across business cycles, states and nation
 - Seasonally adjusted
 - Industry detail
 - Deceptively simple

Recession indicators

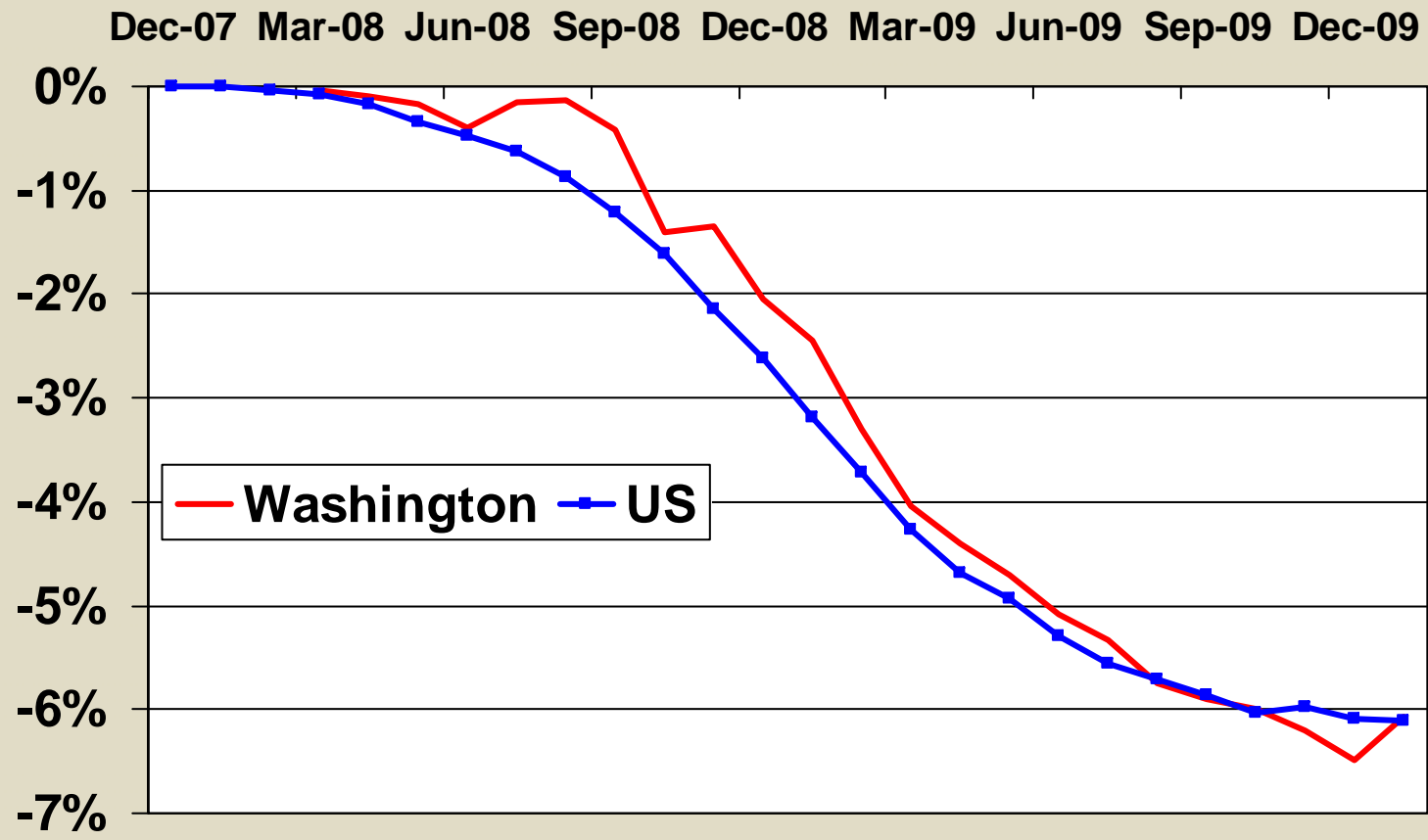


Nonfarm employment—naught in the aughts



Source: BLS. Millions of jobs, seasonally-adjusted.

Cumulative loss of nonfarm employment

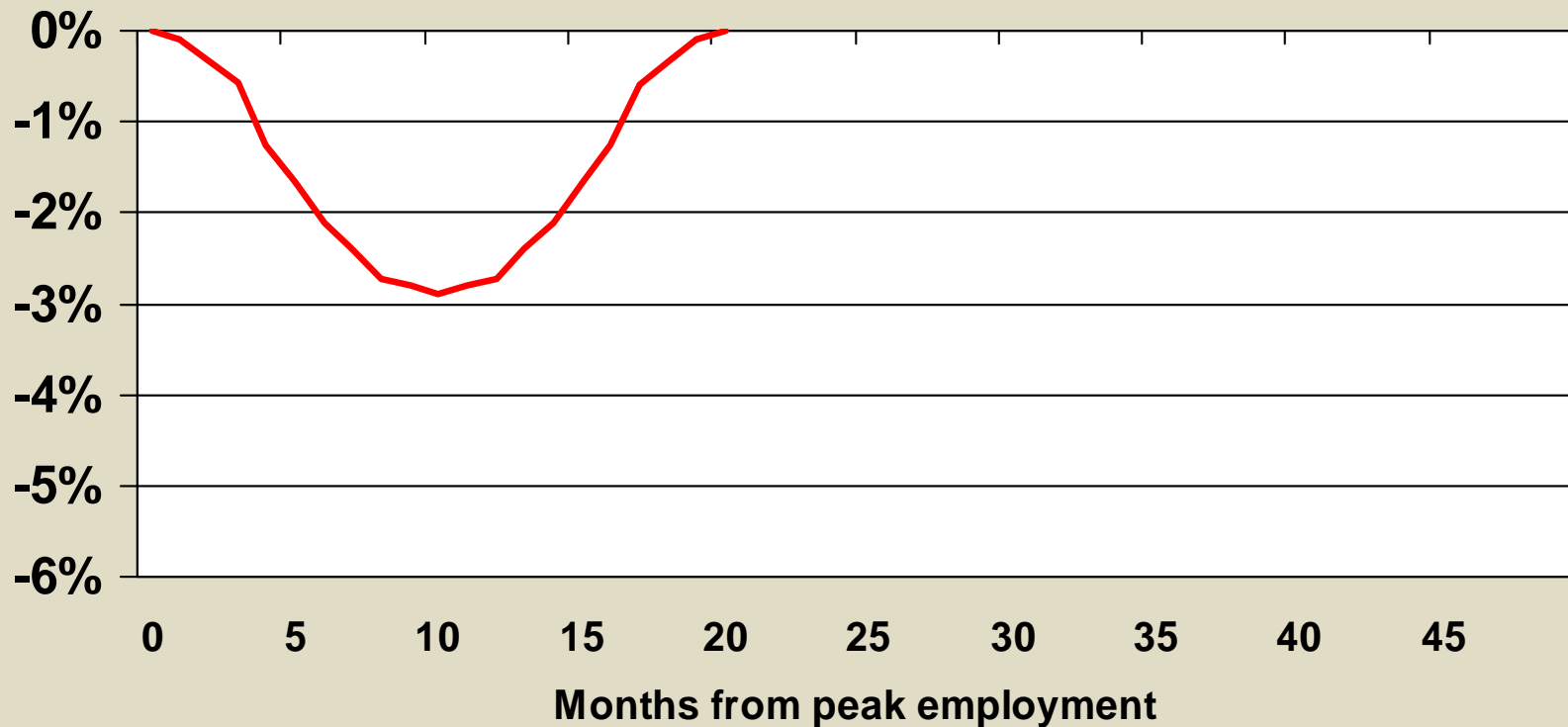


Source: BLS, LMEA

Recession indicators



Monthly job loss in past recessions



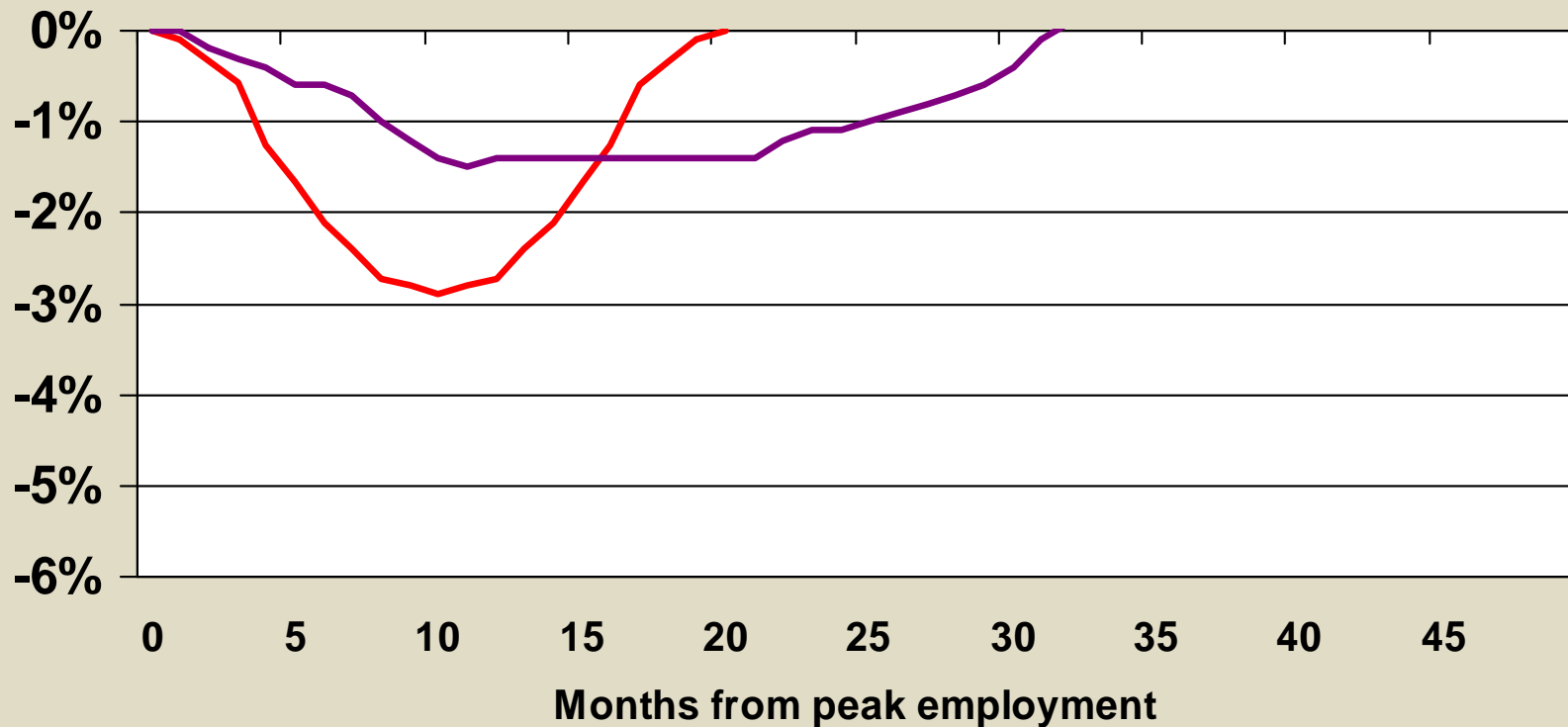
— Average 1947-1982

Source: BLS, calculations by LMEA. Hat tip Calculated Risk.

Recession indicators



Monthly job loss in past recessions



— Average 1947-1982

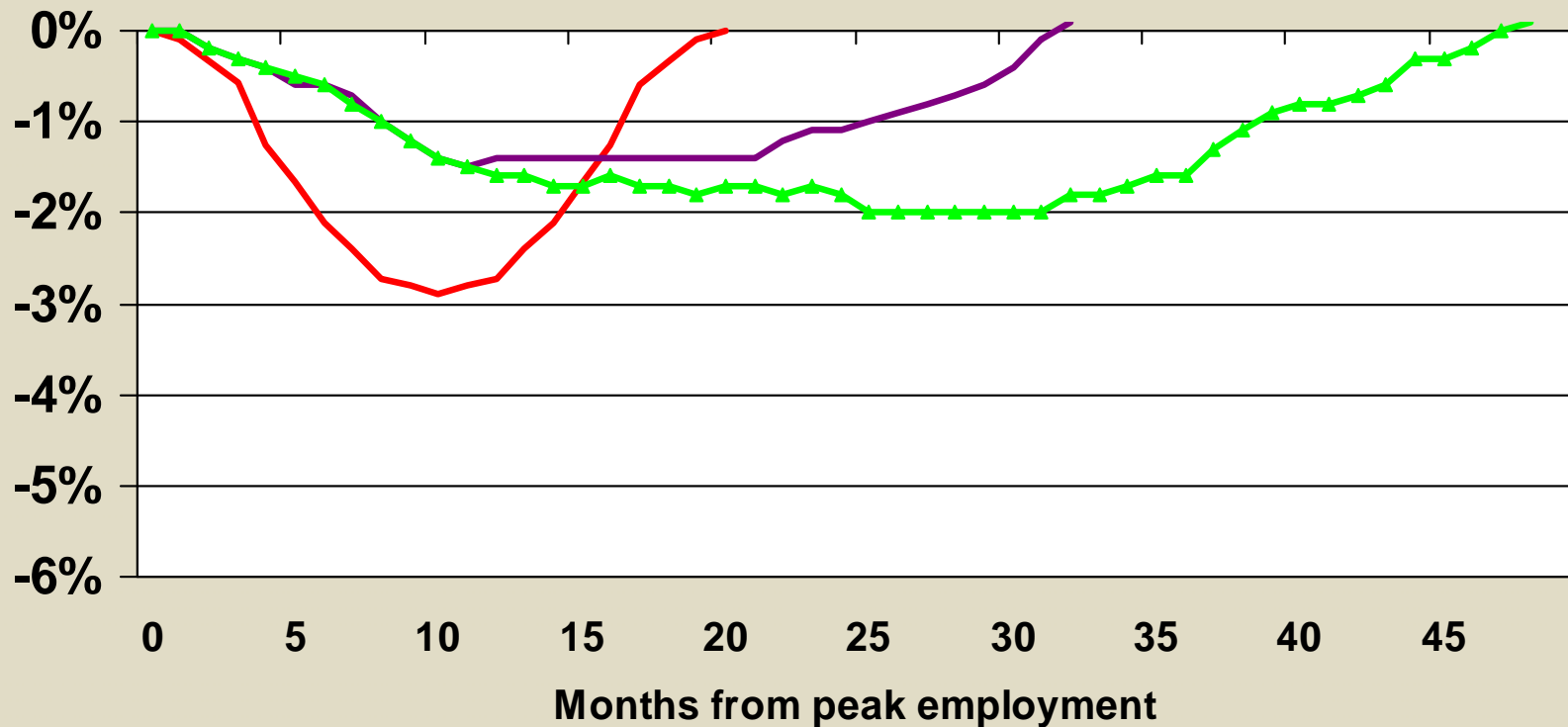
— 1991

Source: BLS, calculations by LMEA. Hat tip Calculated Risk.

Recession indicators



Monthly job loss in past recessions

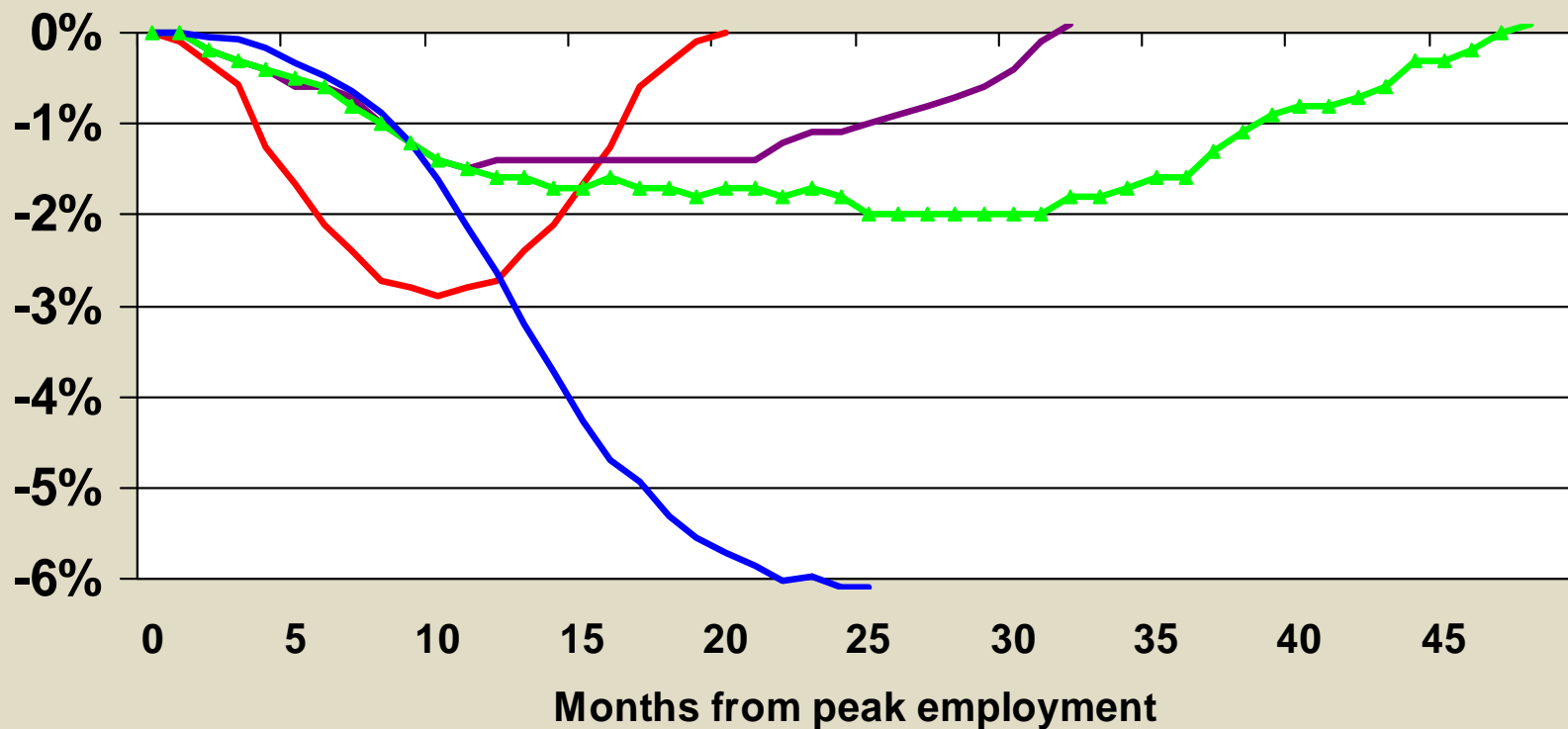


Source: BLS, calculations by LMEA. Hat tip Calculated Risk.

Recession indicators



Monthly job loss in past recessions

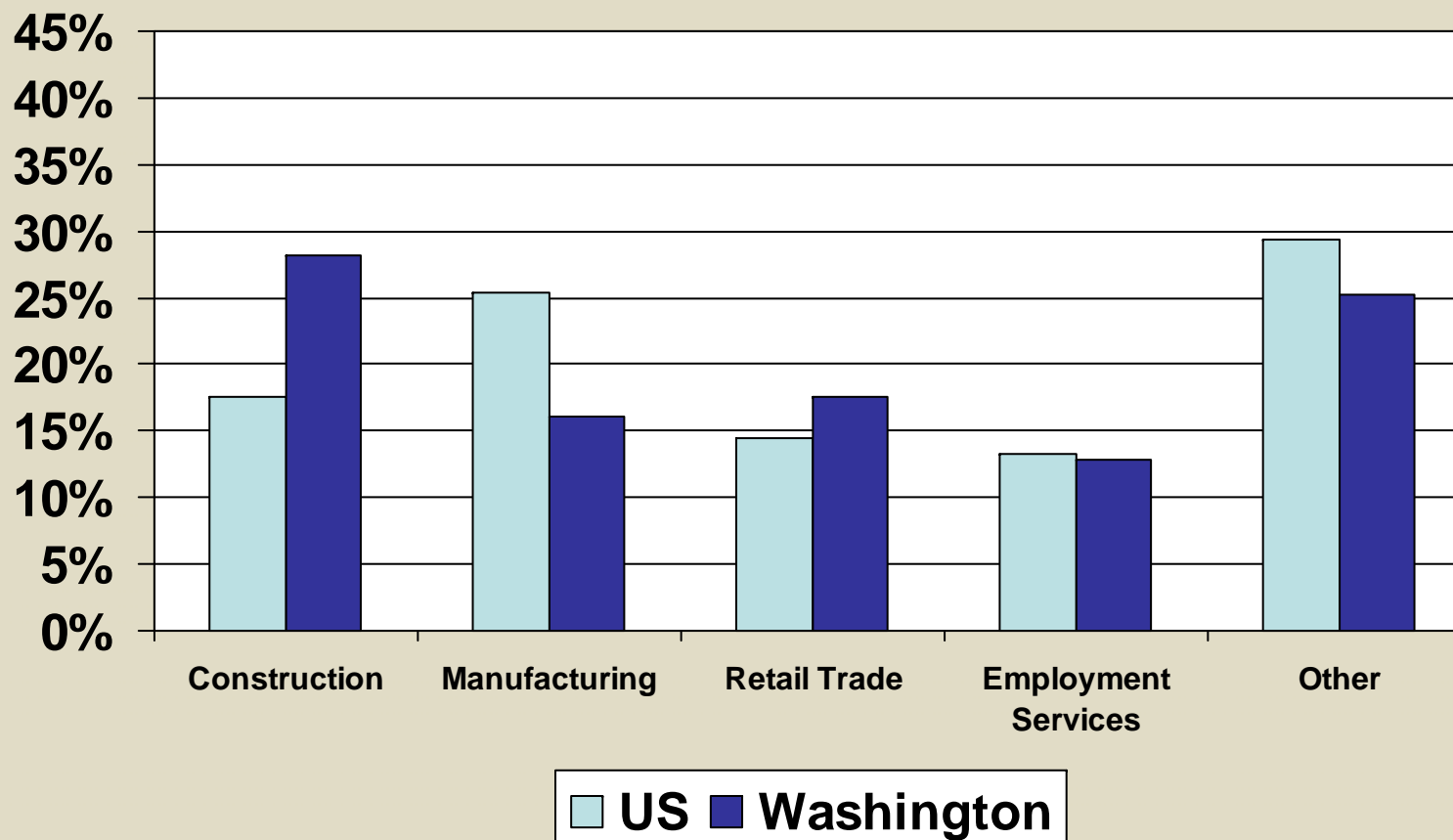


Source: BLS, calculations by LMEA. Hat tip Calculated Risk.

30% of employment,
70% of the loss



Job loss by industry, Sep. 2008 to Dec. 2008

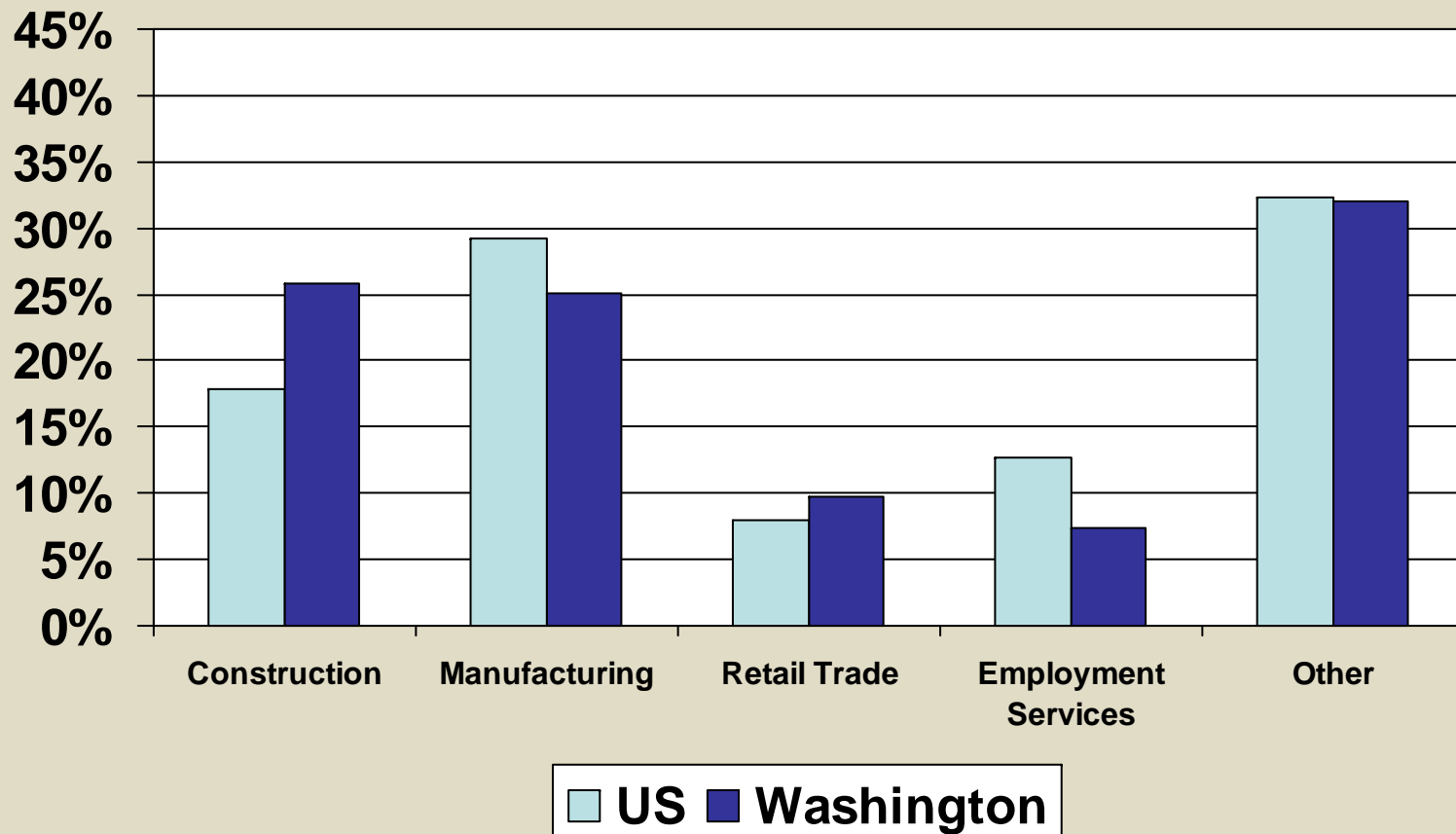


Source: BLS, LMEA. Adjusted for seasonality.

Next quarter, same story



Job loss by industry, Dec. 2008 to Mar. 2009

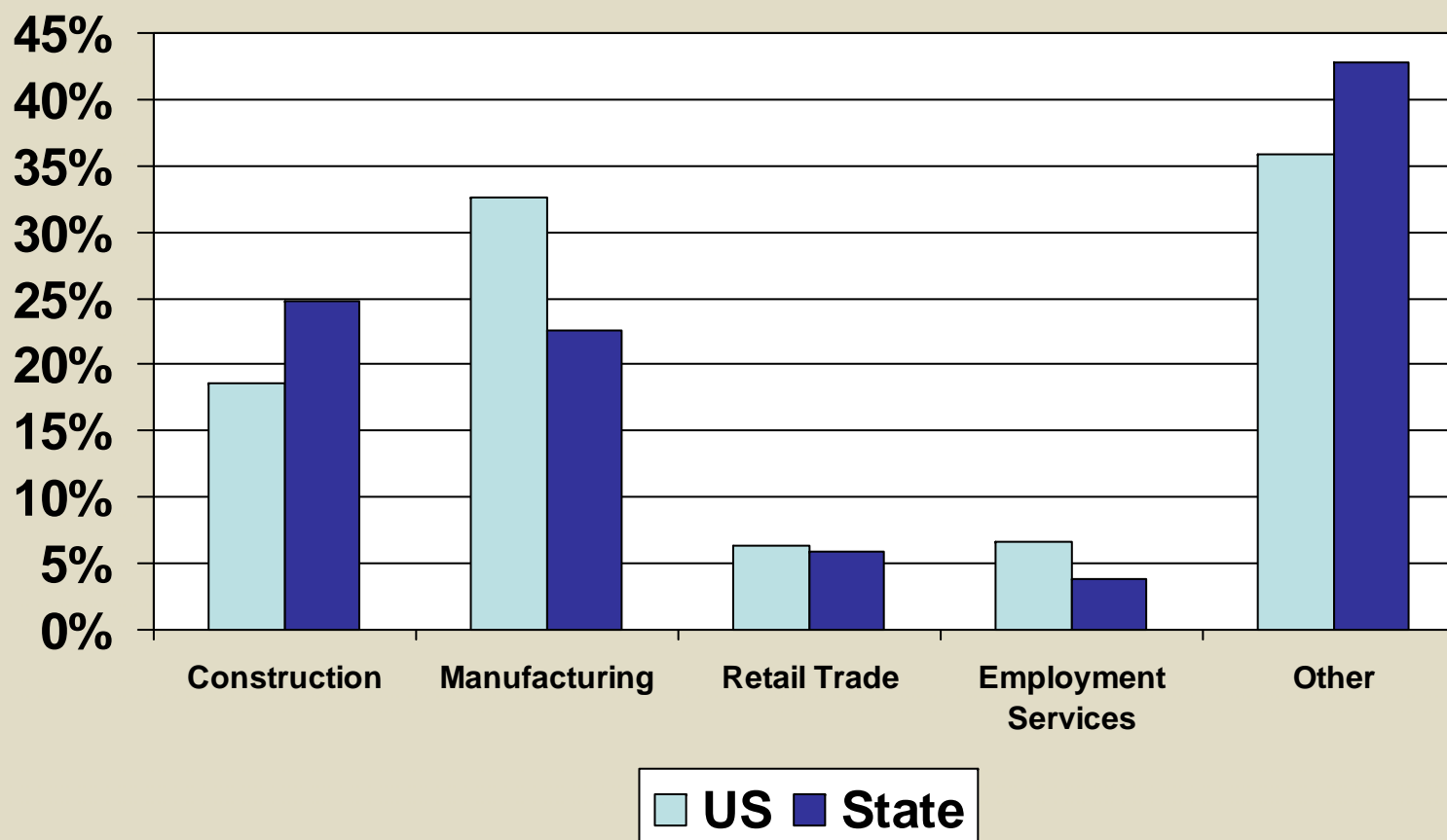


Source: BLS, LMEA. Adjusted for seasonality.

Losses in retail and temp agencies abate



Job loss by industry, Mar. 2009 to June 2009



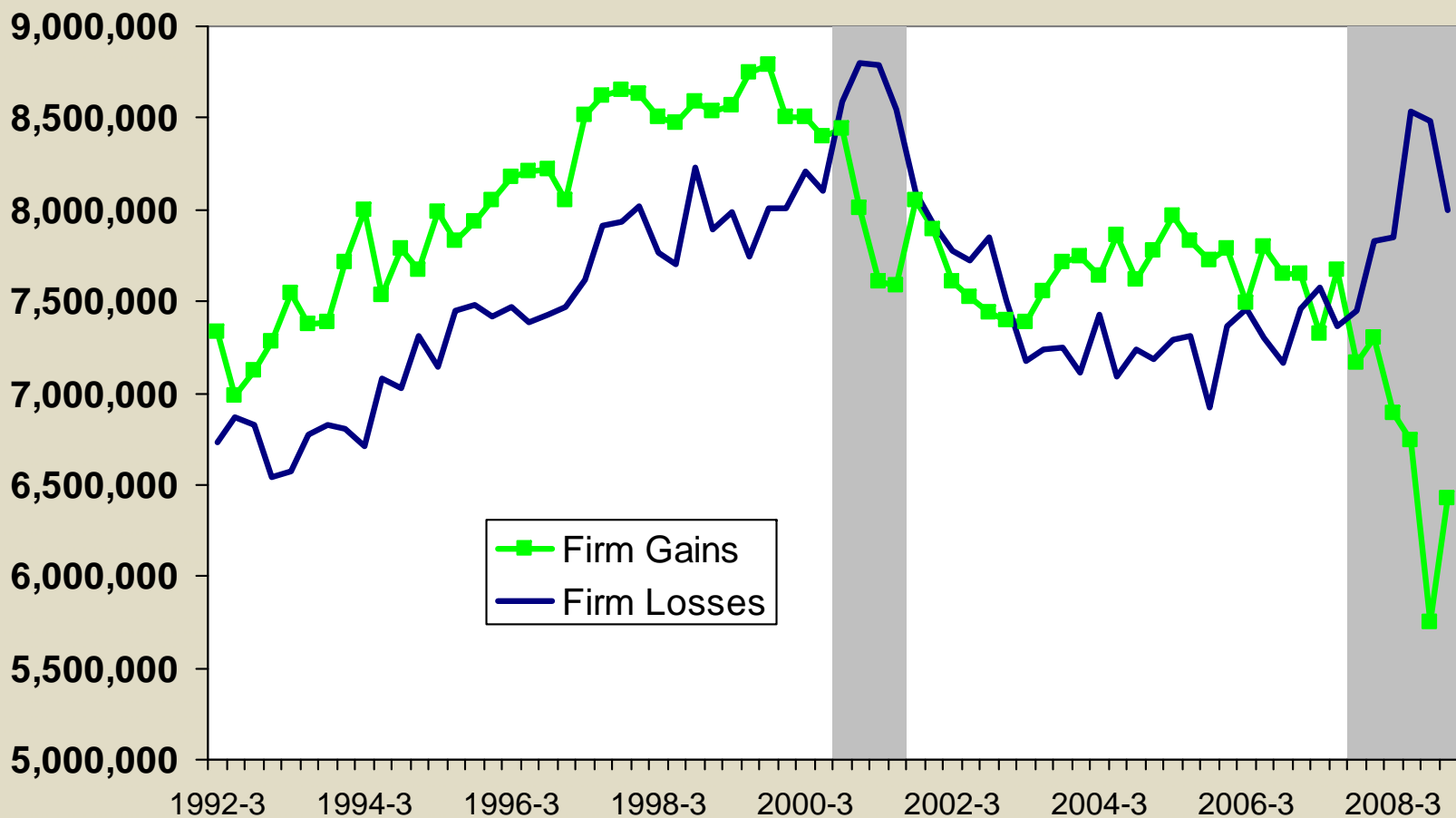
Source: BLS, LMEA. Adjusted for seasonality.

What's in our tool kit?



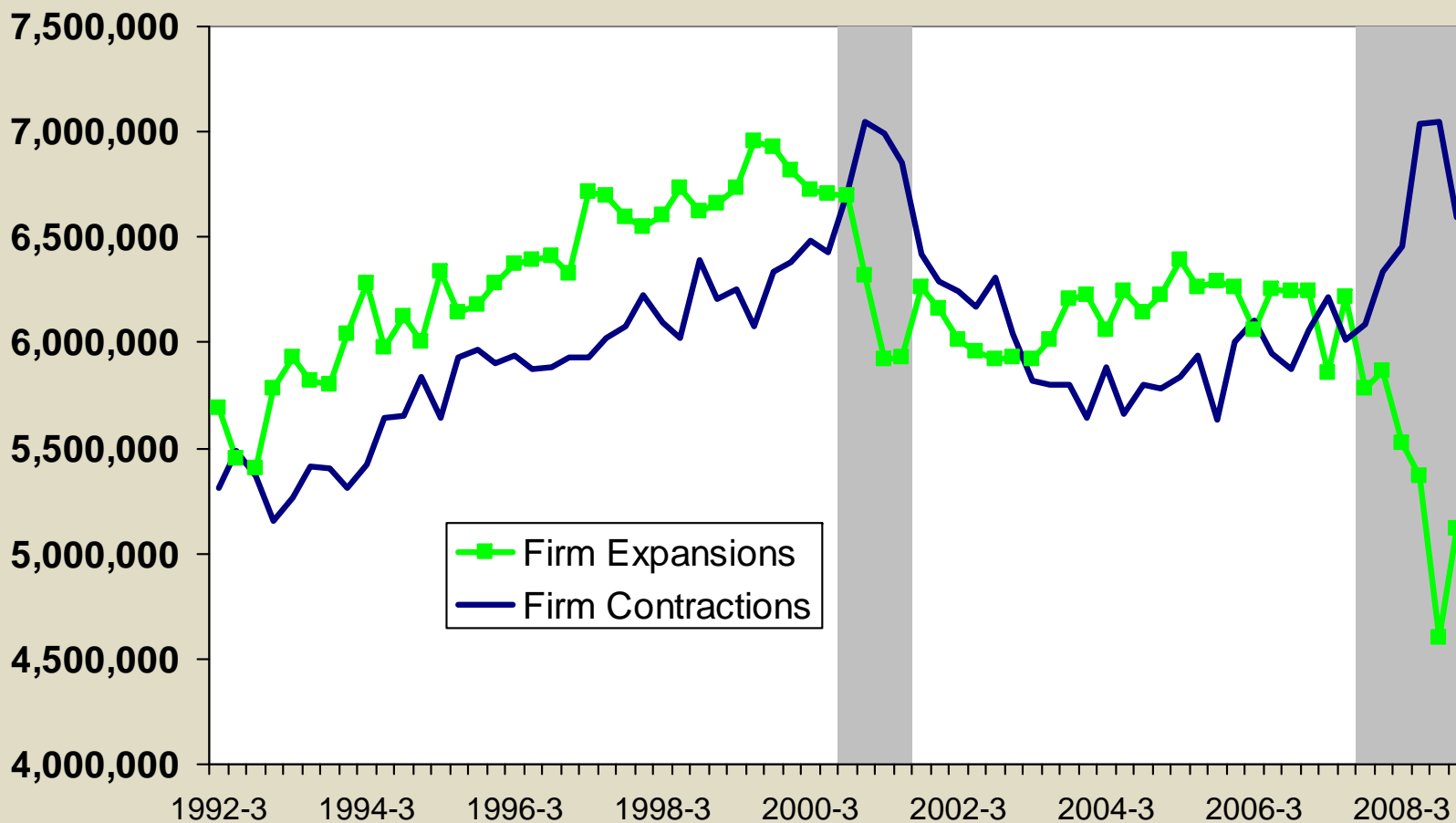
- Business Employment Dynamics
 - Gross changes at the employer level
 - Four easily-understood metrics
 - Available back to 1992
 - Comparable across states, nation
 - Seasonally adjusted
 - Size class, 2-digit NAICS detail available at national level

U.S. Firm-Level Employment Changes



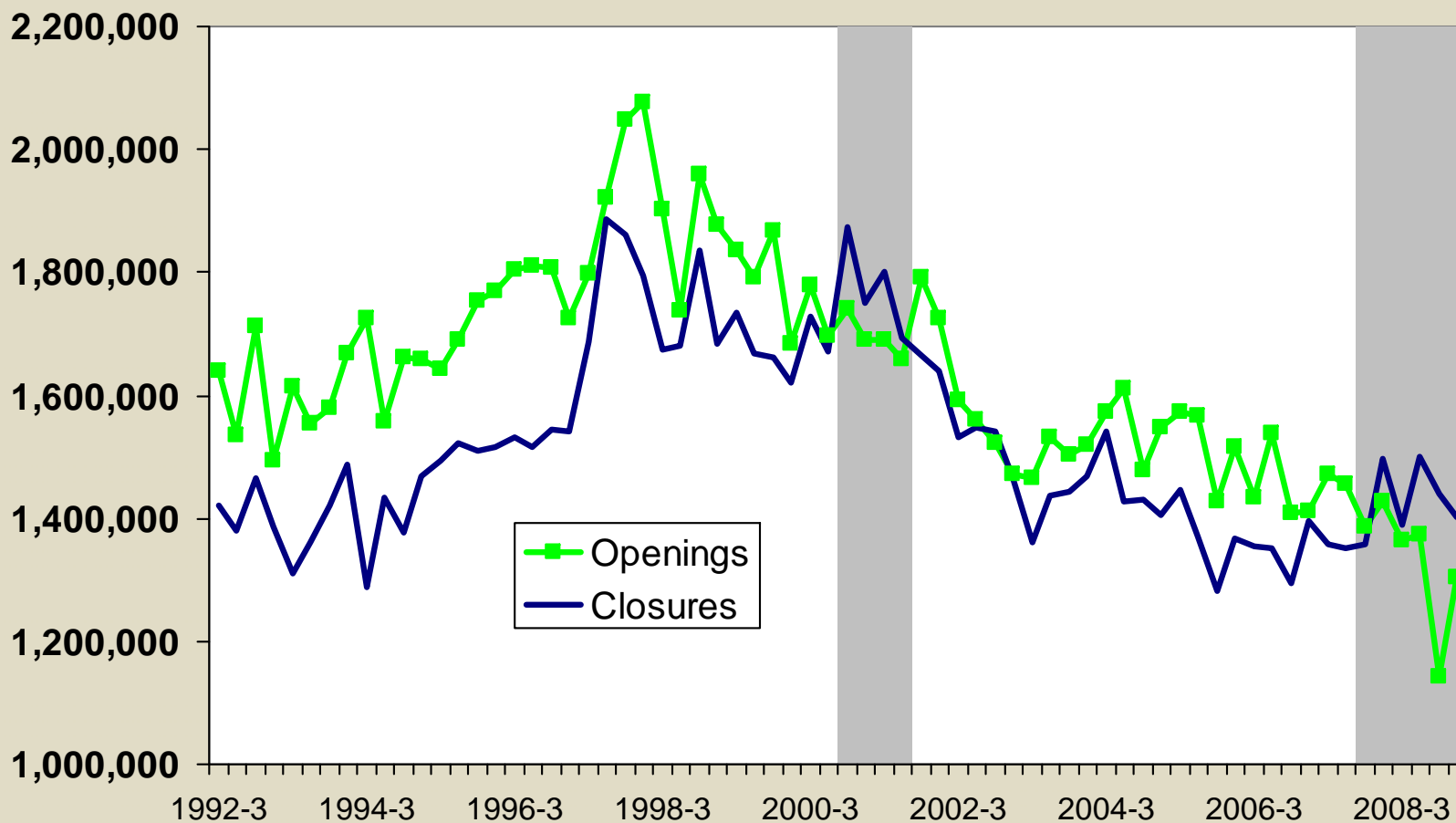
Source: BED, adjusted for seasonality.

U.S. Firm-Level Employment Changes



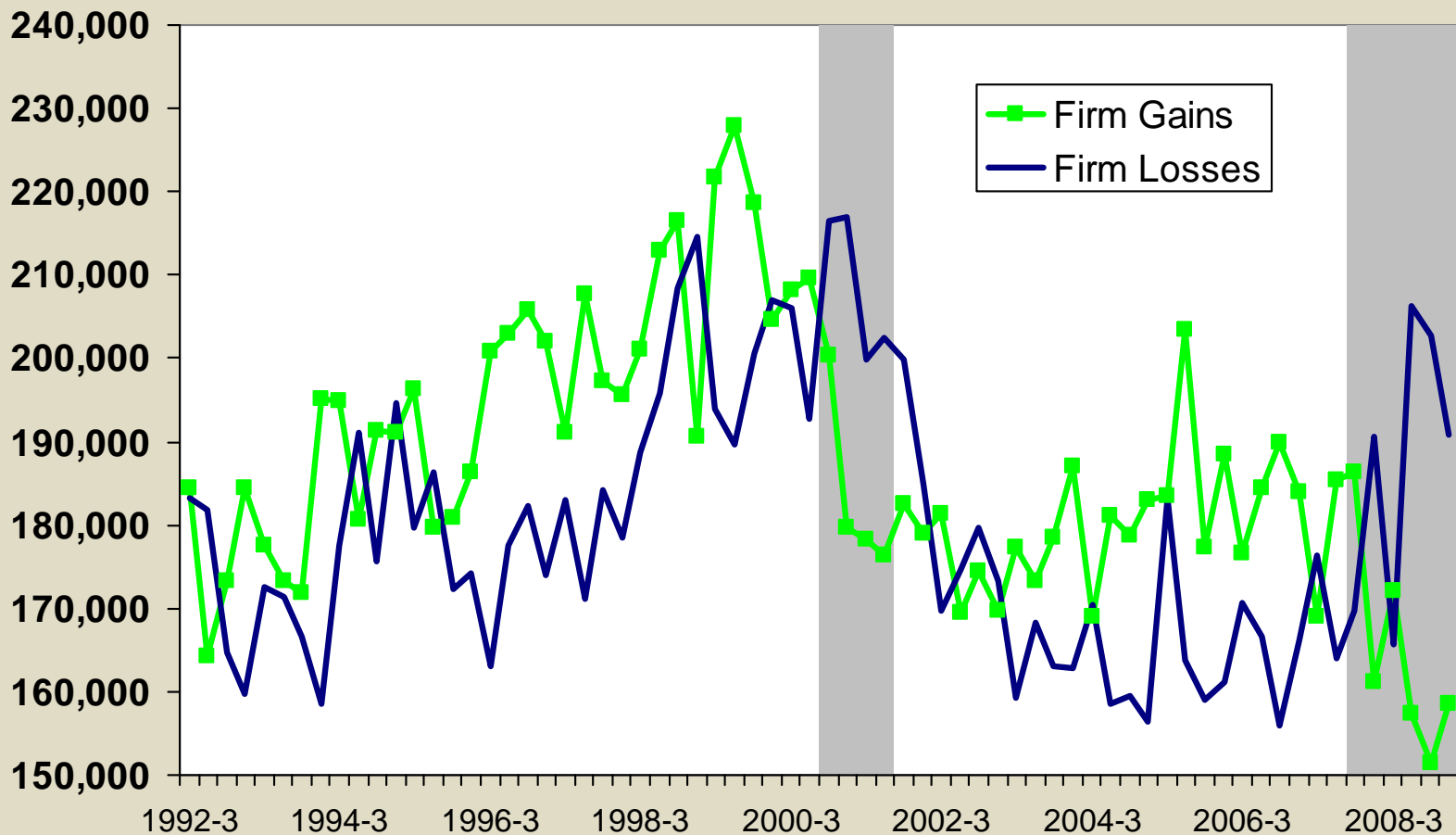
Source: BED, adjusted for seasonality.

U.S. Firm-Level Employment Changes



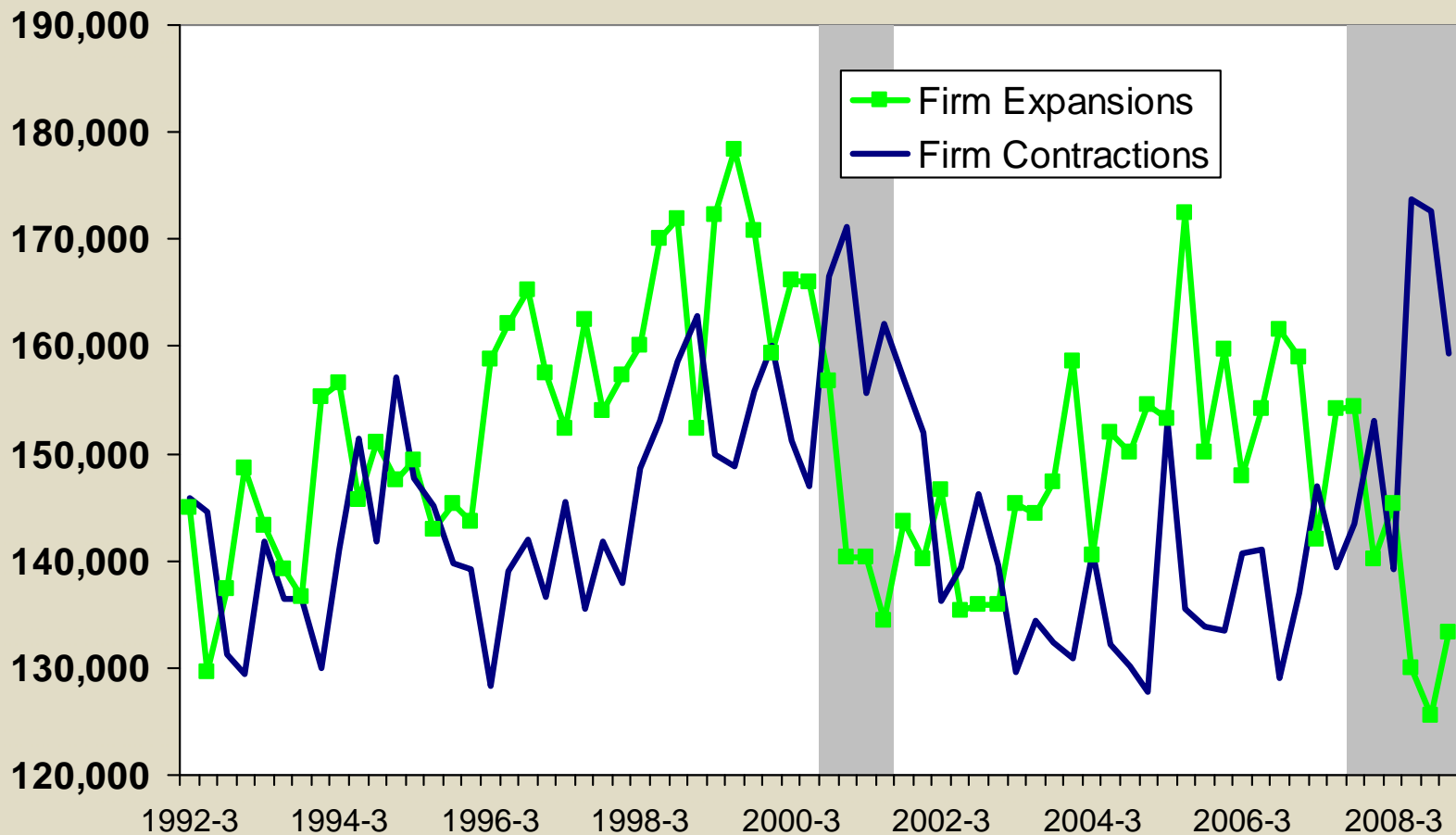
Source: BED, adjusted for seasonality.

Washington Firm-Level Employment Changes



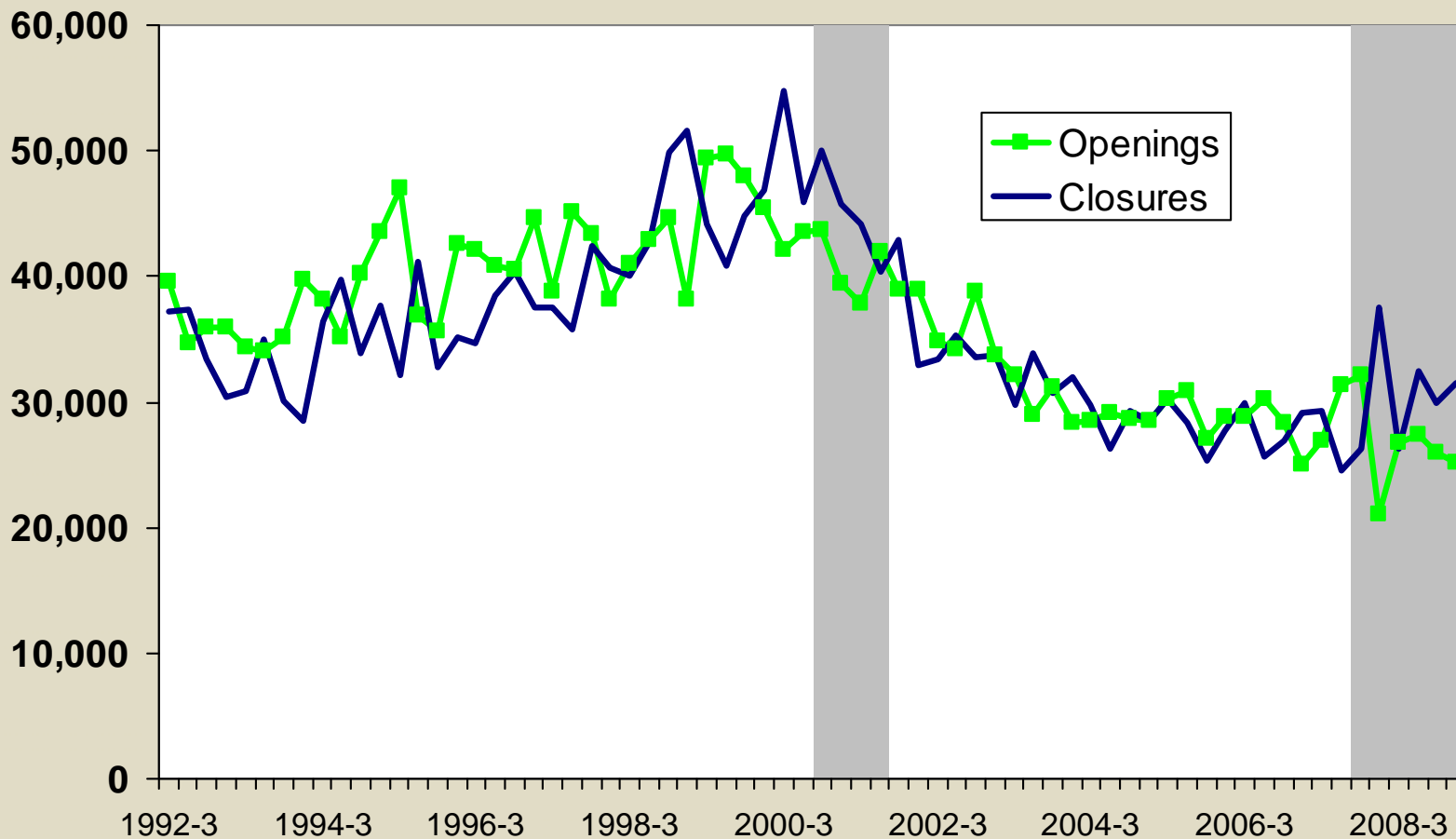
Source: BED, adjusted for seasonality.

Washington Firm-Level Employment Changes



Source: BED, adjusted for seasonality.

Washington Firm-Level Employment Changes

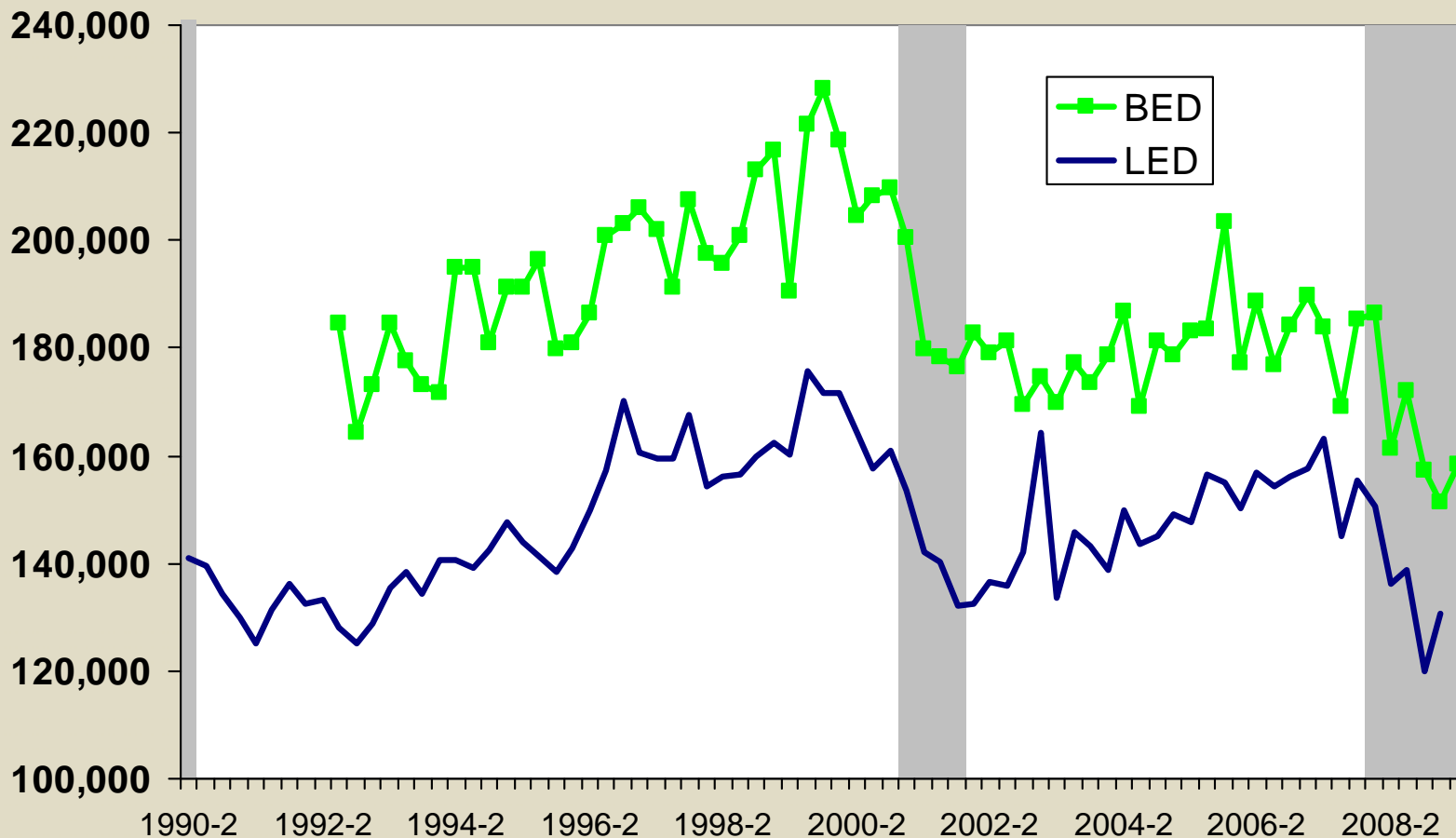


Source: BED, adjusted for seasonality.

BED vs. LED Smackdown!



Washington Firm-Level Employment Gains

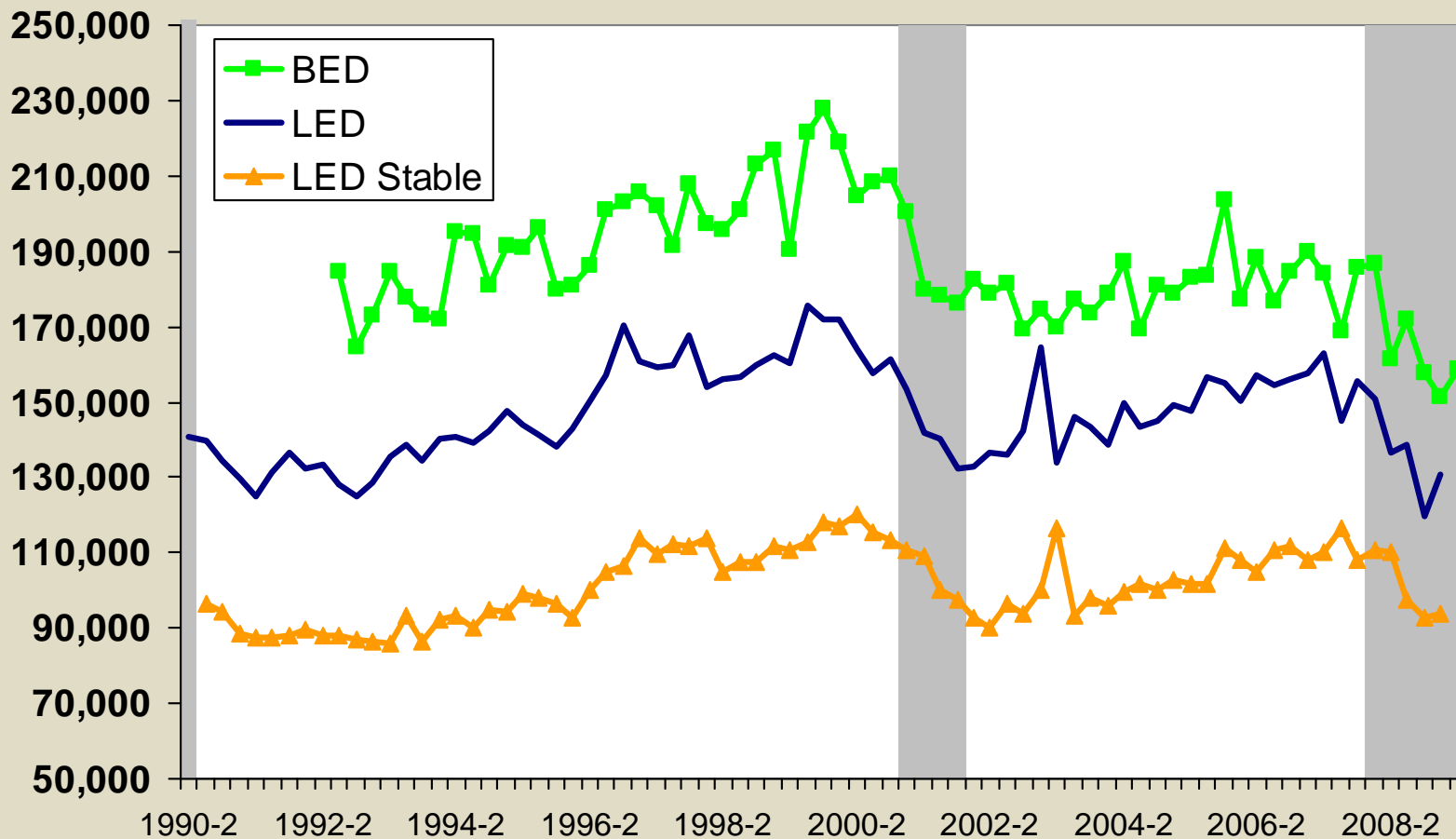


Source: BED, LED adjusted for seasonality.

BED vs. LED

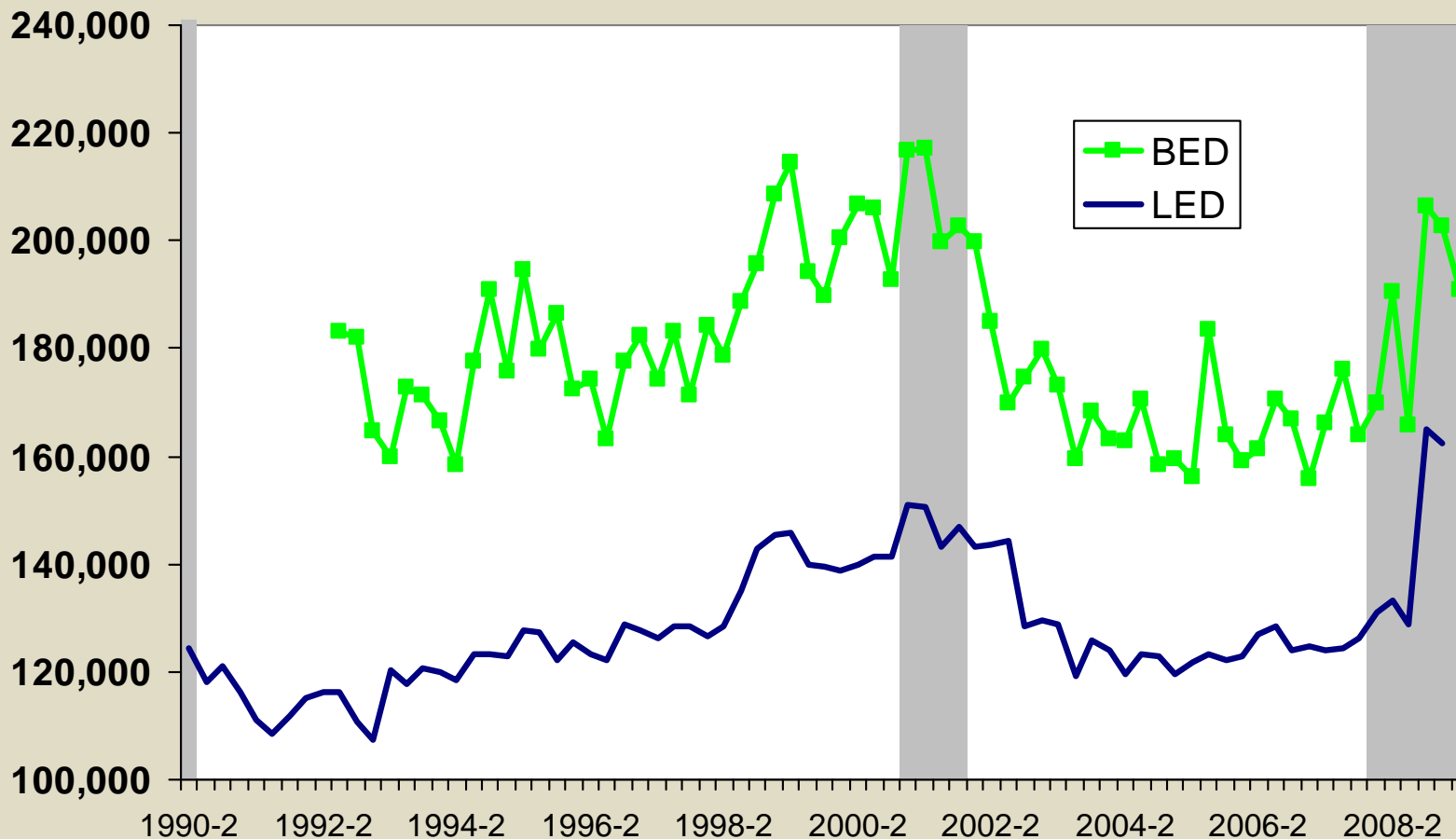


Washington Firm-Level Employment Gains



Source: BED, LED adjusted for seasonality.

Washington Firm-Level Employment Losses

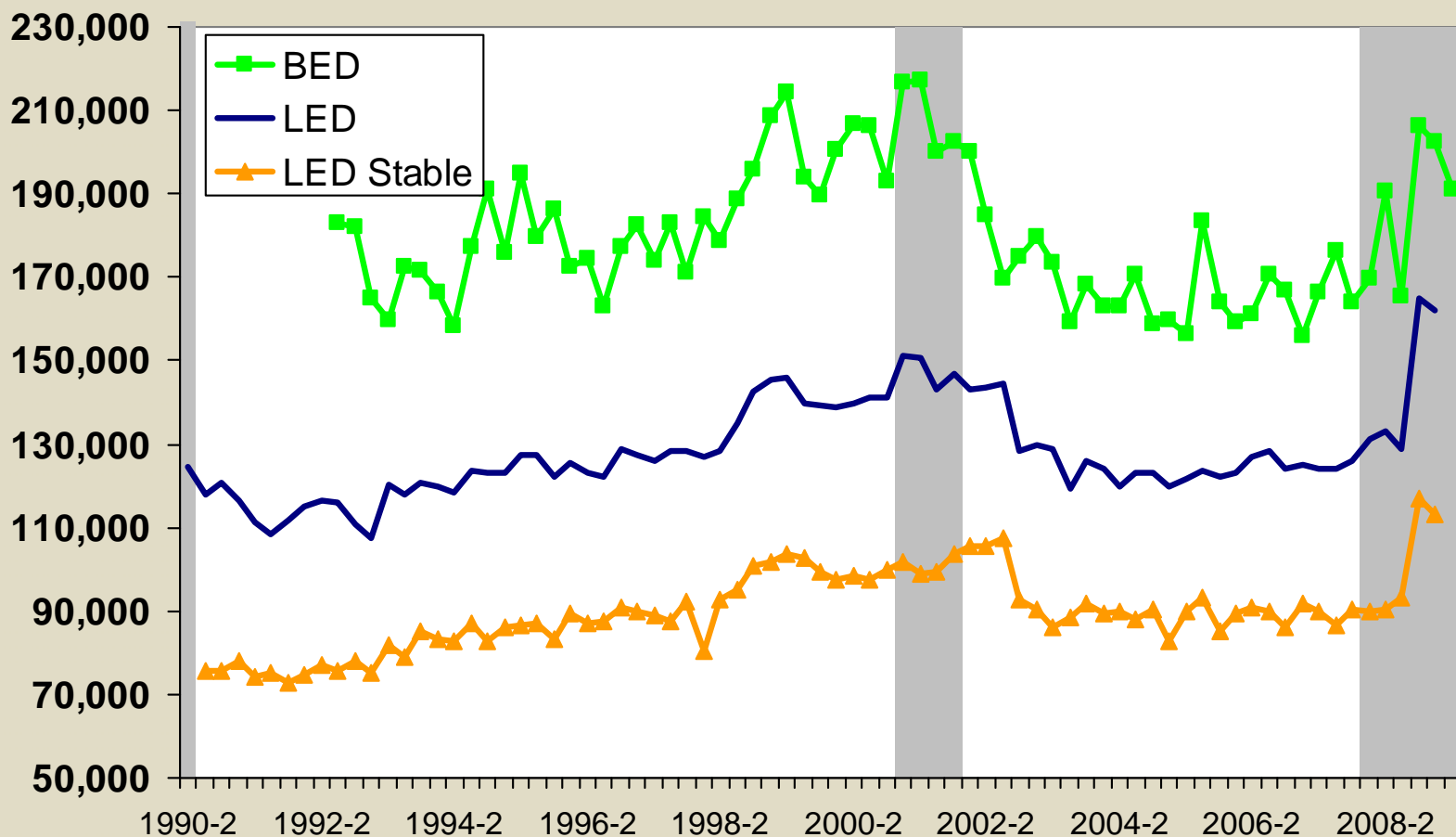


Source: BED, LED adjusted for seasonality.

BED vs. LED



Washington Firm-Level Employment Losses

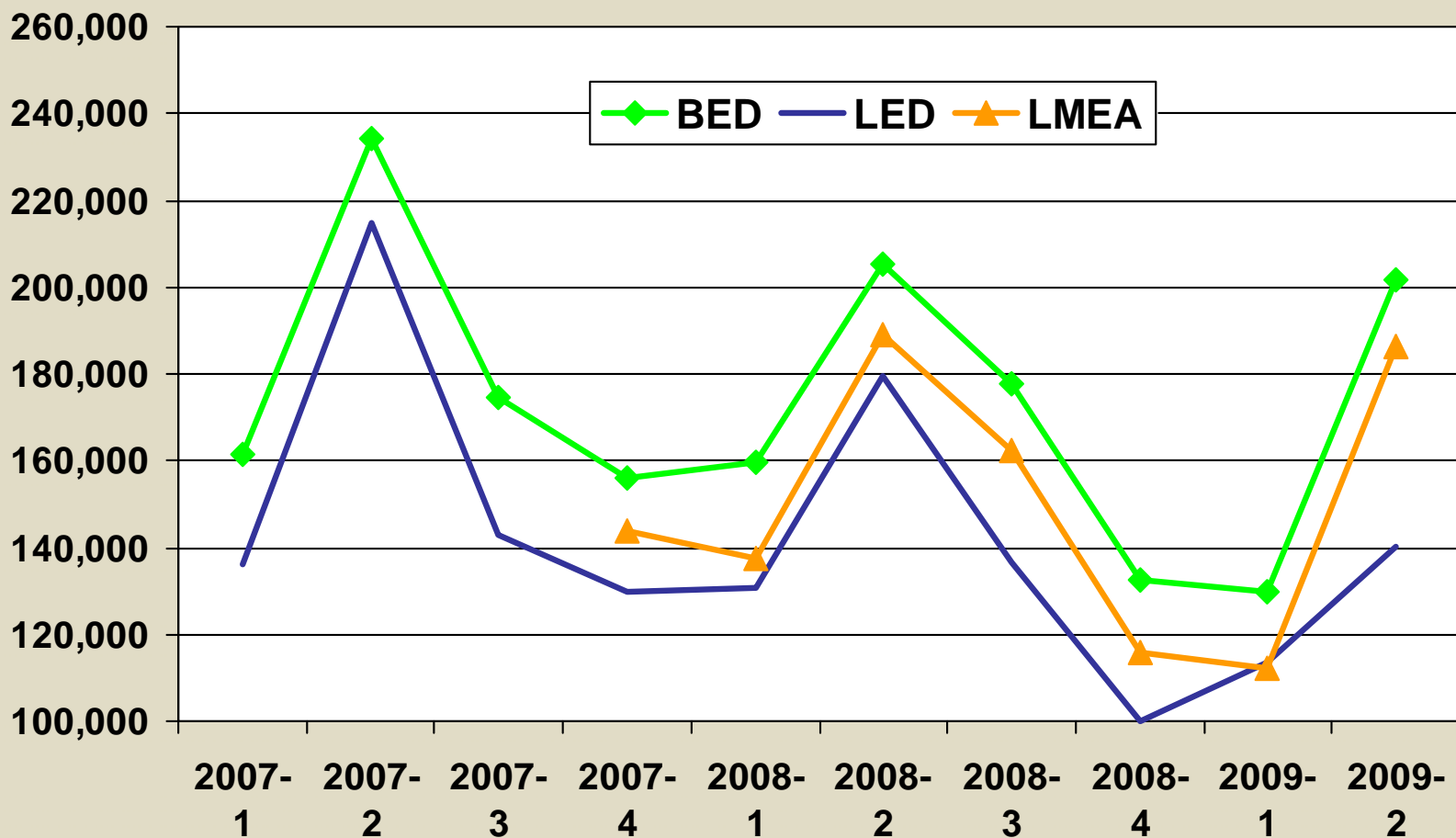


Source: BED, LED adjusted for seasonality.

BED vs. LED vs. LMEA



Washington Firm-Level Employment Gains



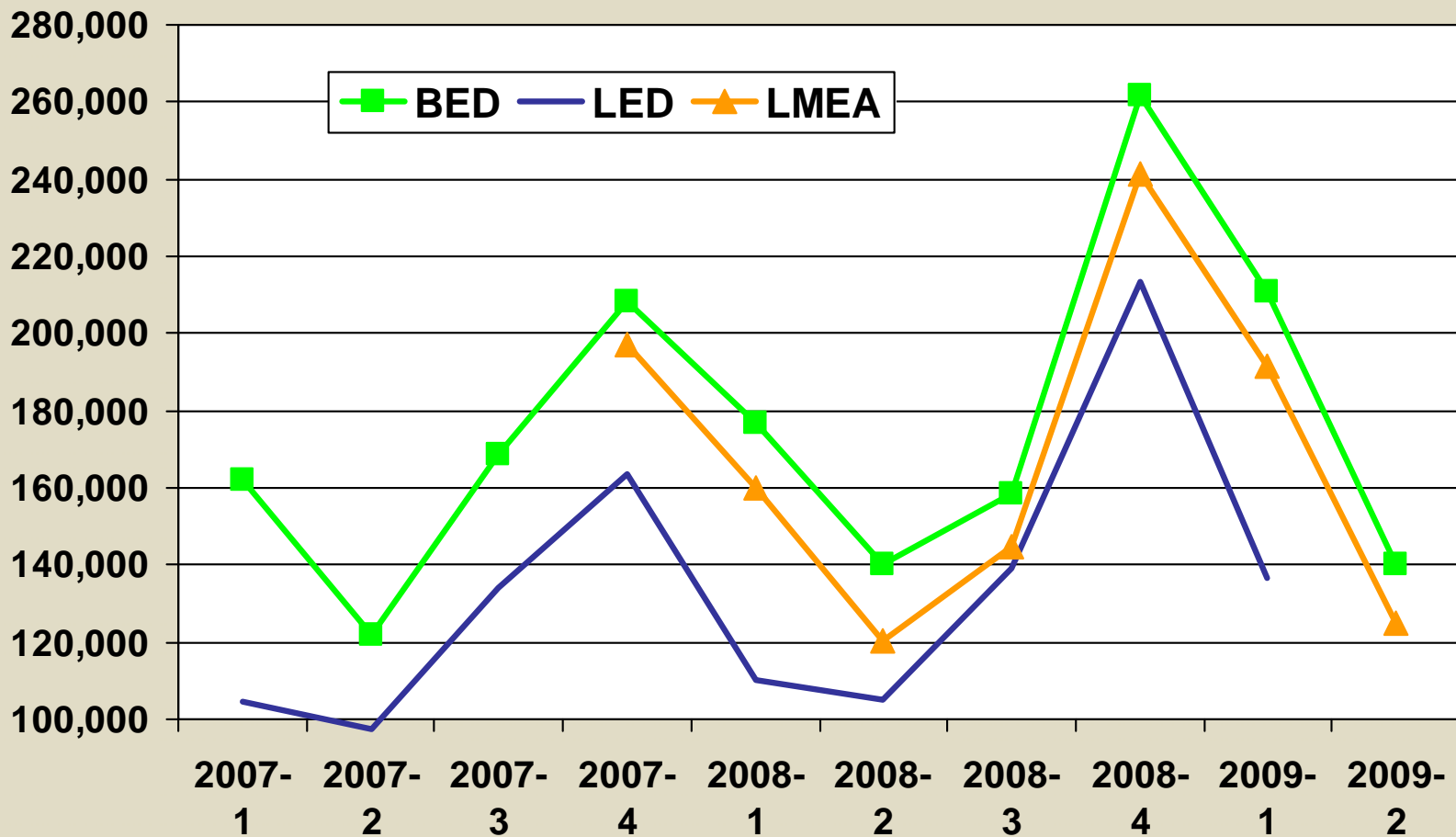
Source: BED, LED, LMEA, NOT adjusted for seasonality. LMEA excludes NAICS 814.

BED vs. LED

vs. LMEA



Washington Firm-Level Employment Losses

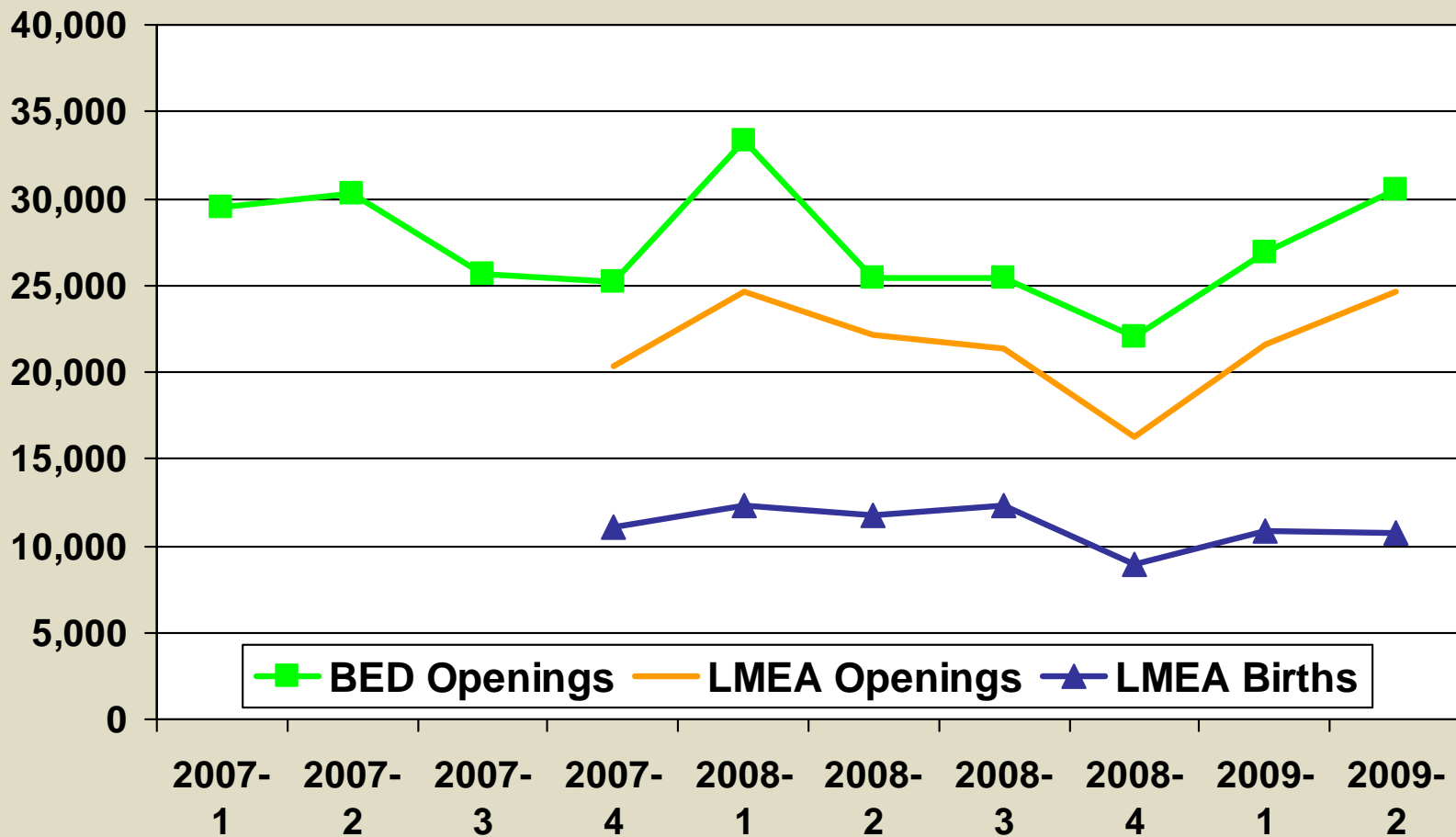


Source: BED, LED, LMEA, NOT adjusted for seasonality. LMEA excludes NAICS 814.

BED vs. LMEA: Smackdown II



Washington Openings

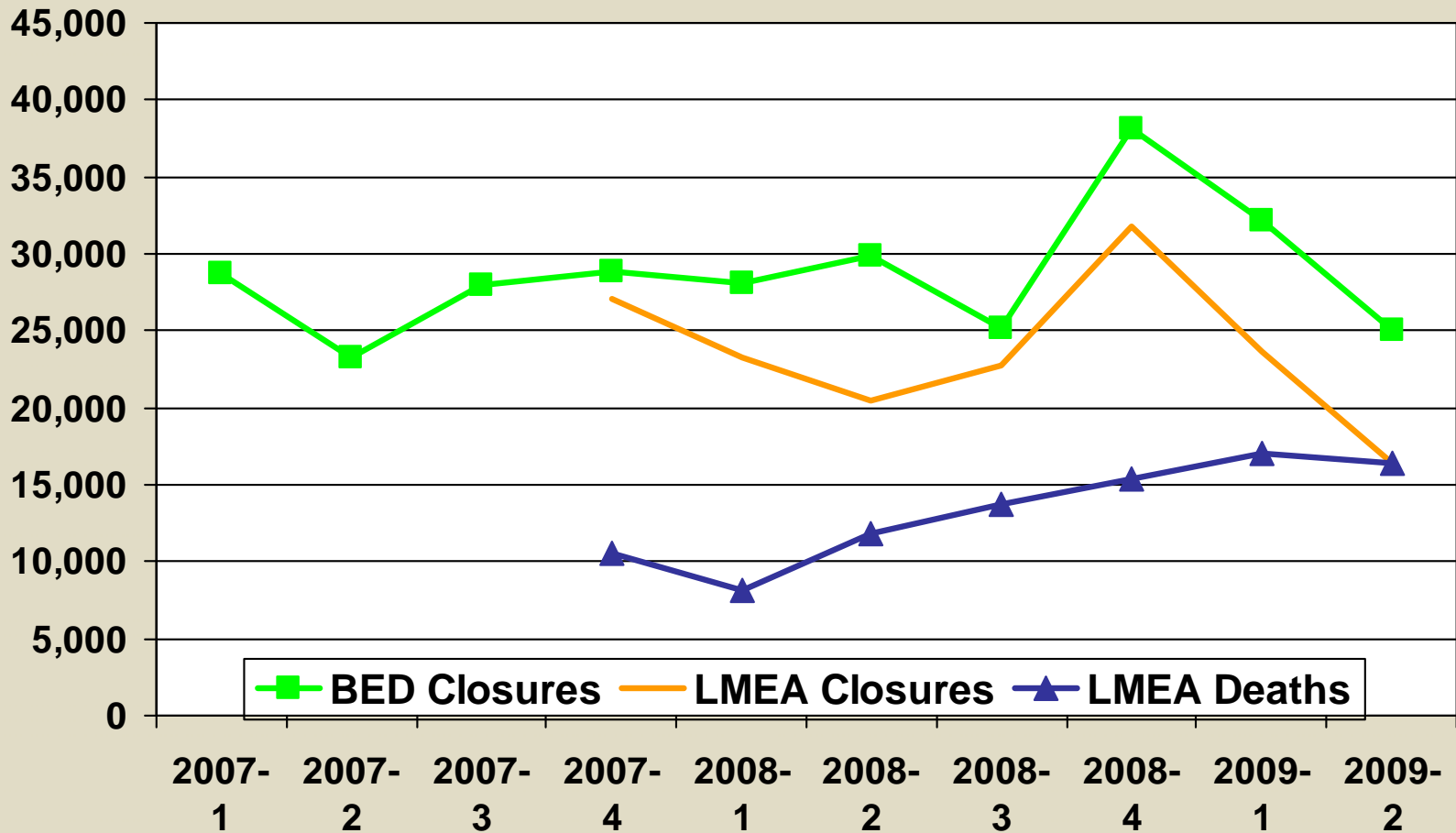


Source: BED, LMEA. NOT adjusted for seasonality.

BED vs. LMEA: Smackdown II

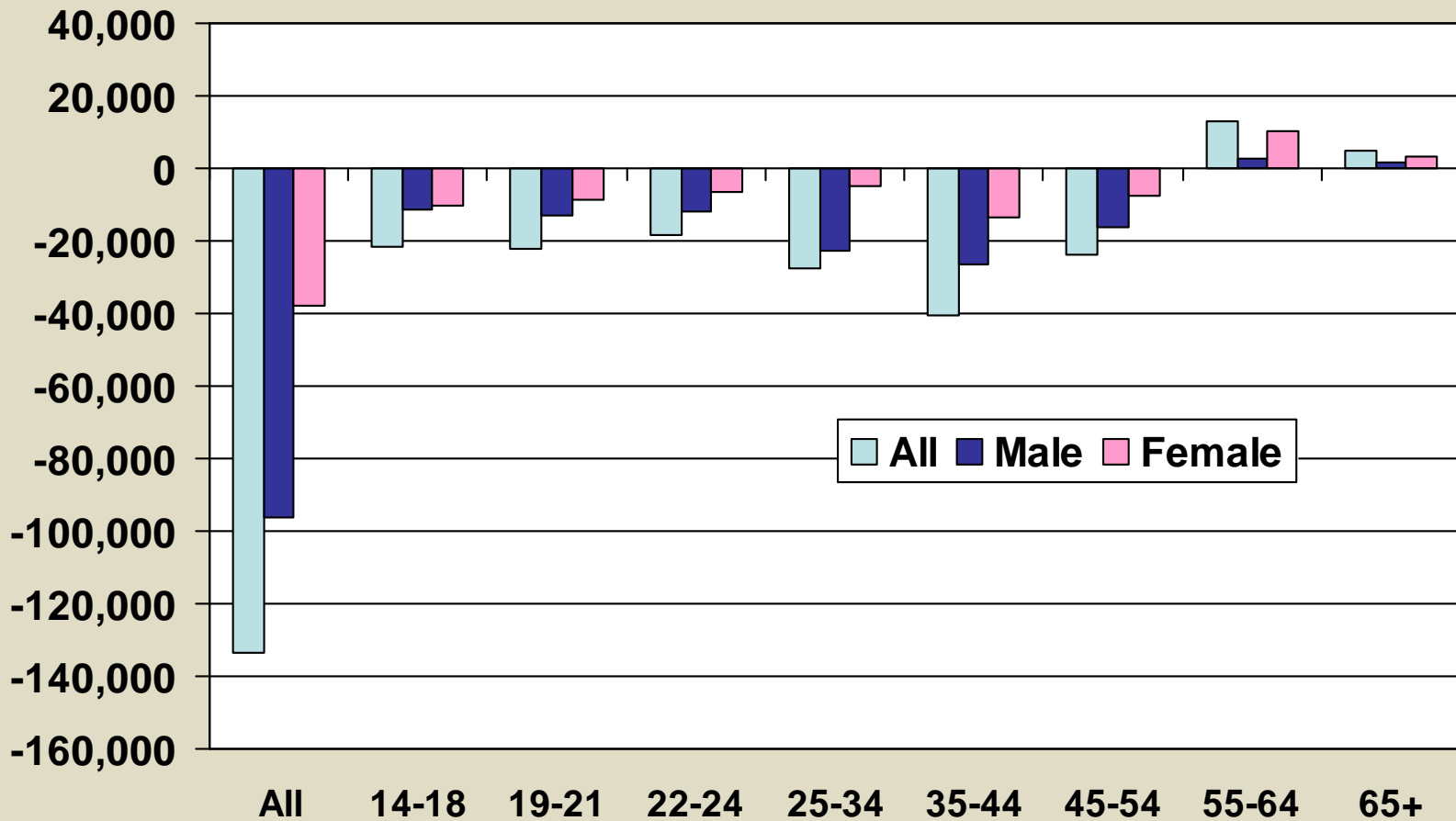


Washington Closures



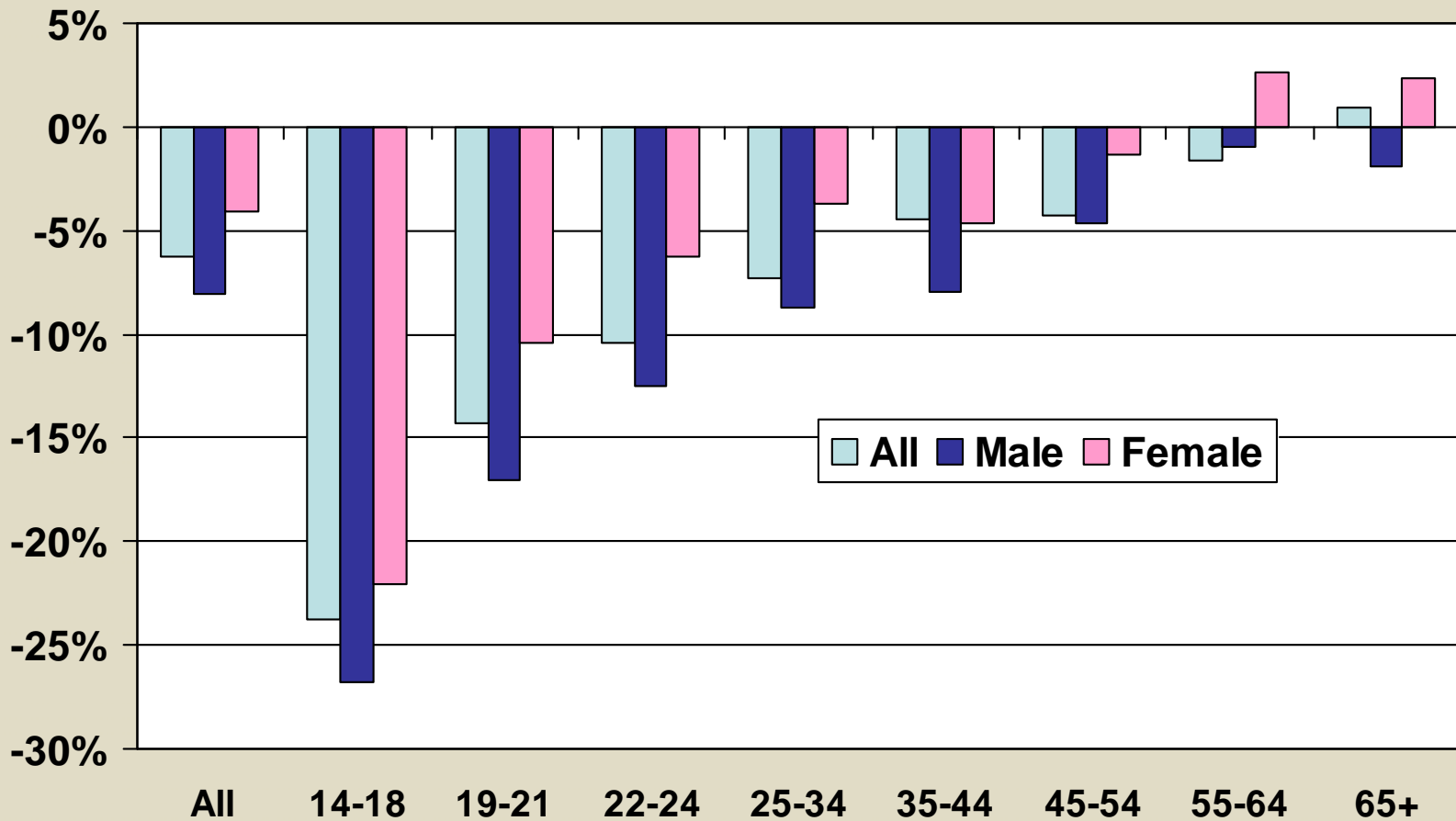
Source: BED, LMEA. NOT adjusted for seasonality.

Change in Washington Emp, 2008Q1 – 2009Q2



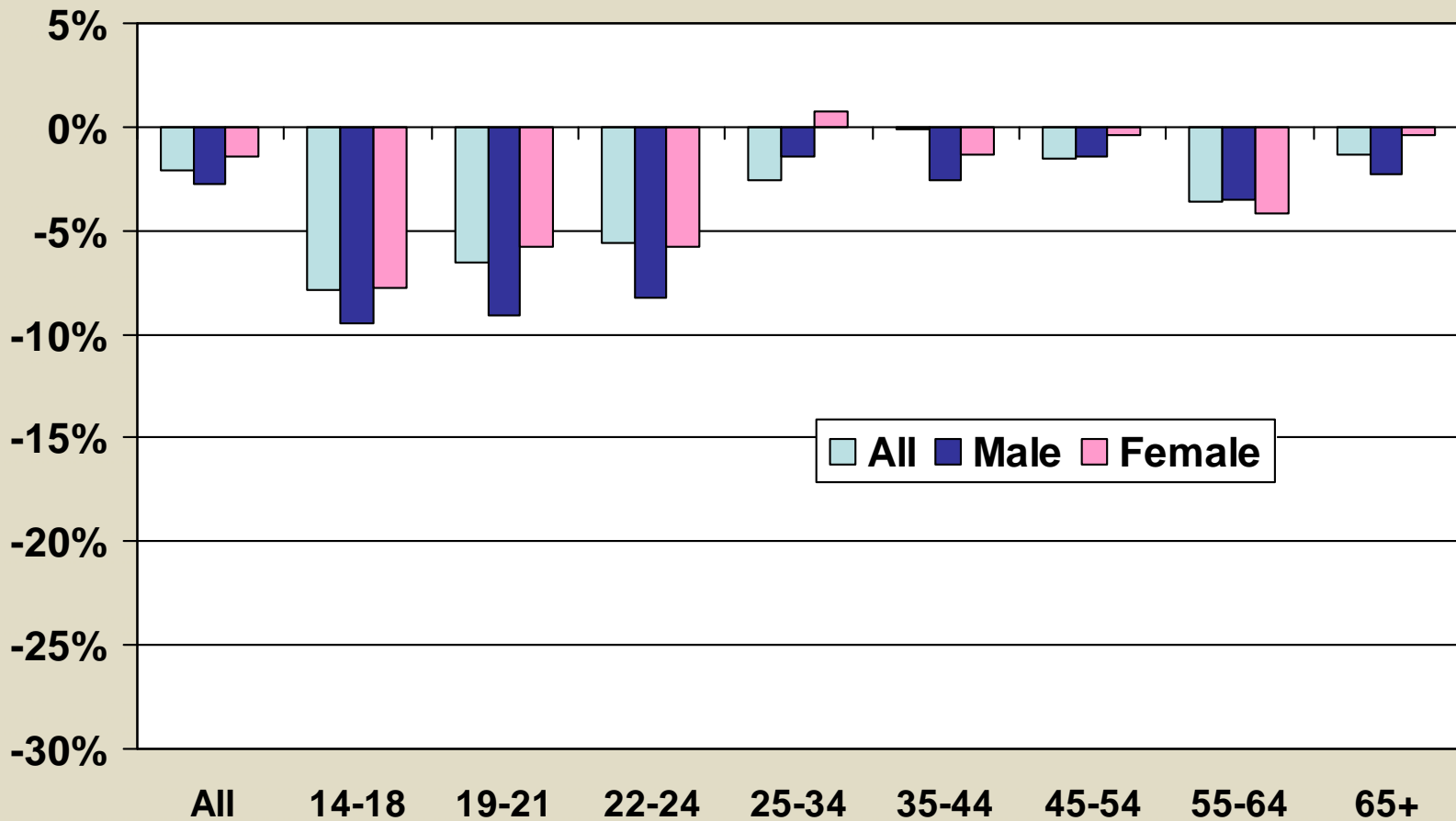
Source: LED. Adjusted for seasonality.

Change in Washington Emp, 2008Q1 – 2009Q2



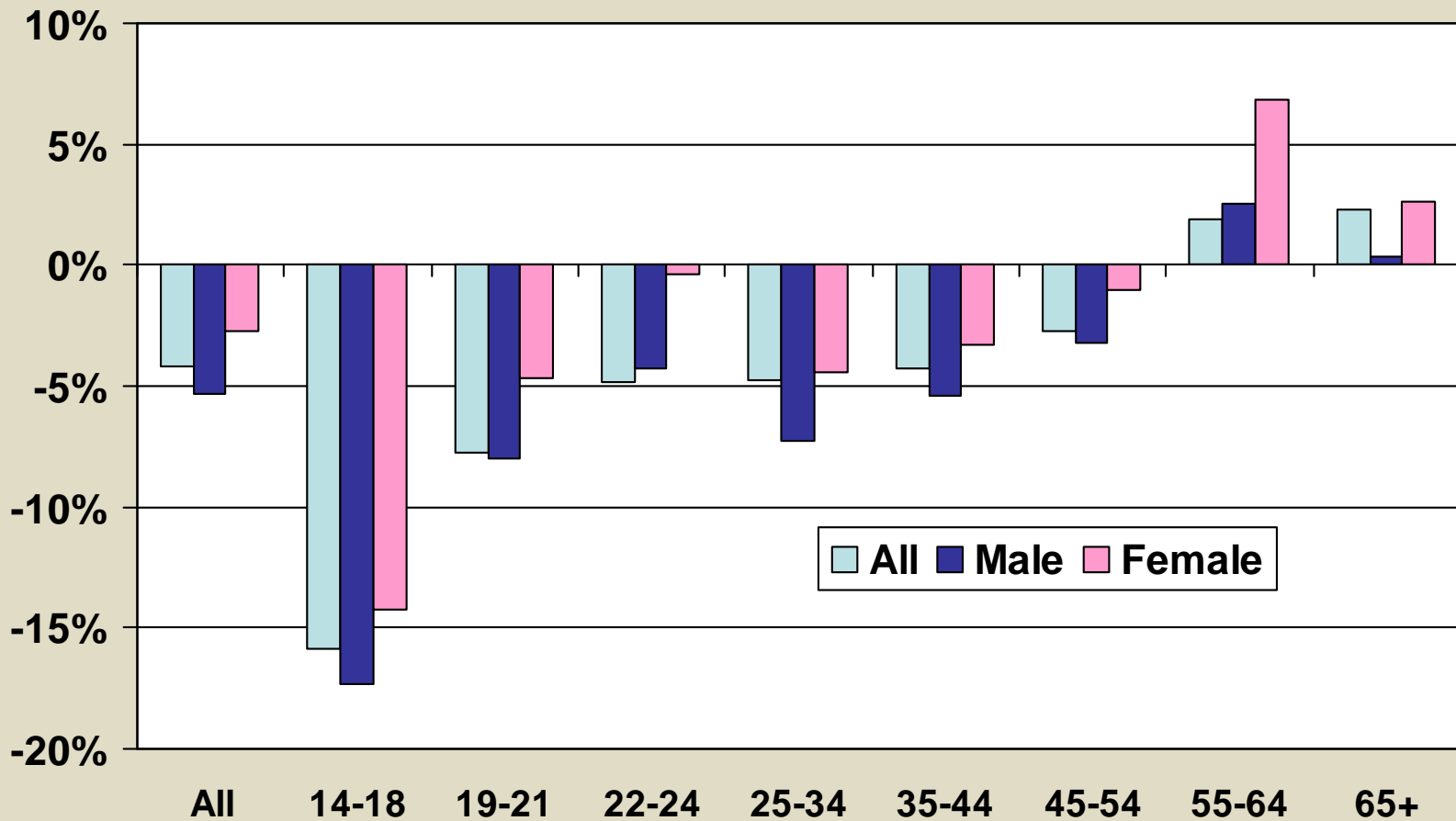
Source: LED. Adjusted for seasonality and population growth.

Change in Washington Emp, 2001Q1 – 2002Q2



Source: LED. Adjusted for seasonality and population growth.

Difference between current recession and 2001

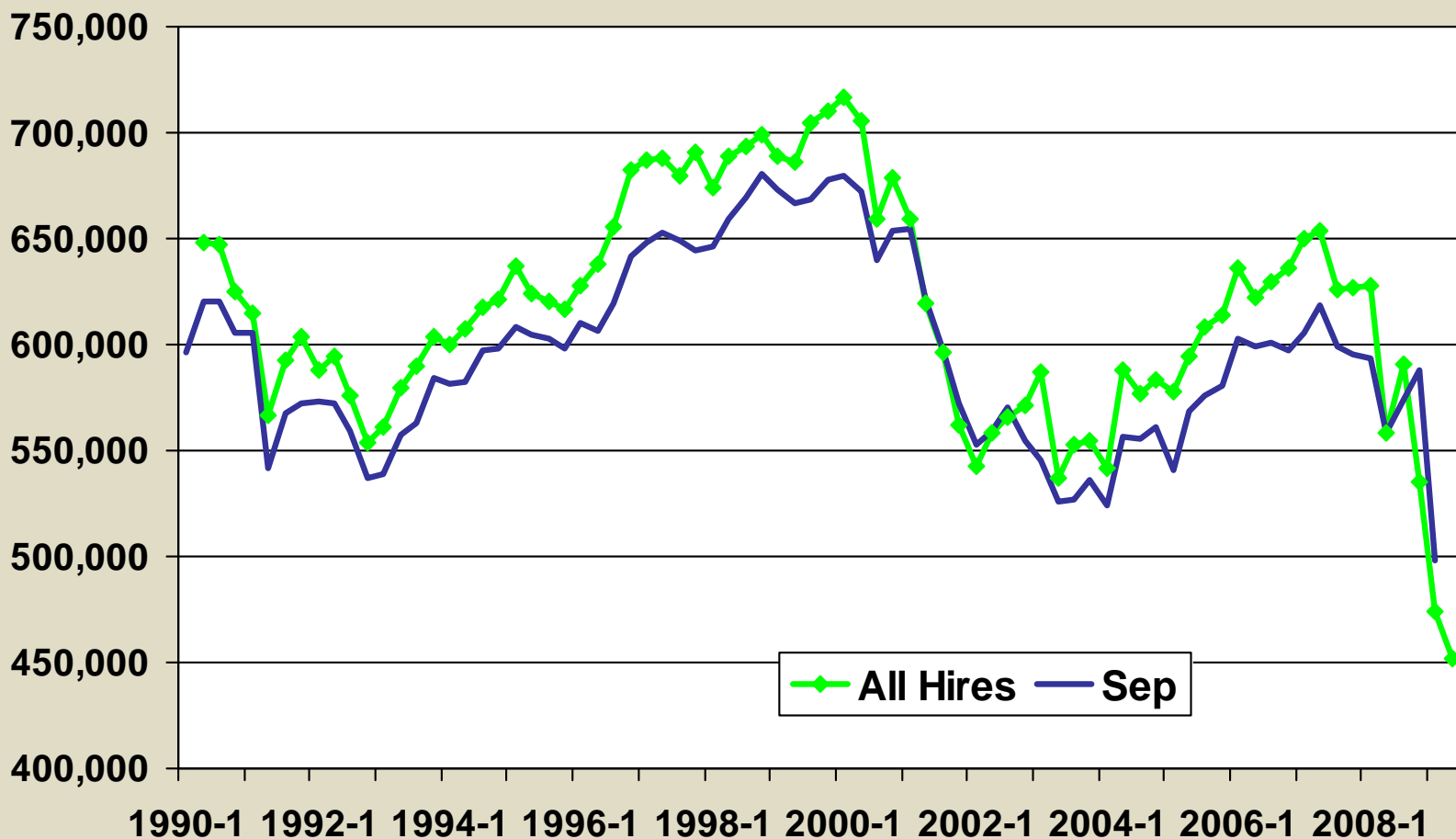


Source: LED. Adjusted for seasonality and population growth.

LED, Nonfarm only



Washington hires and separations

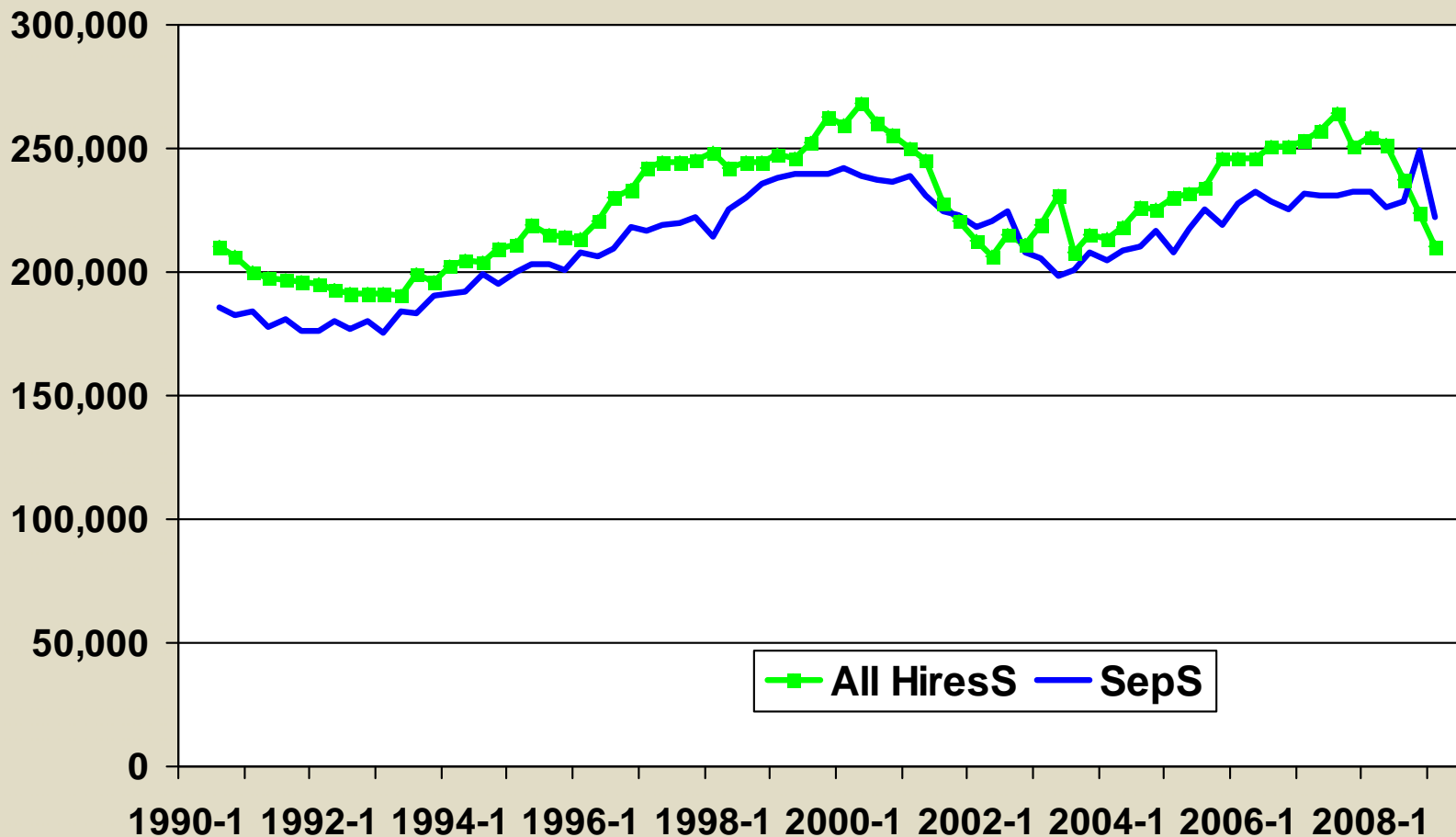


Source: LED. Seasonally-adjusted.

LED, Nonfarm only



Washington “stable” hires and separations



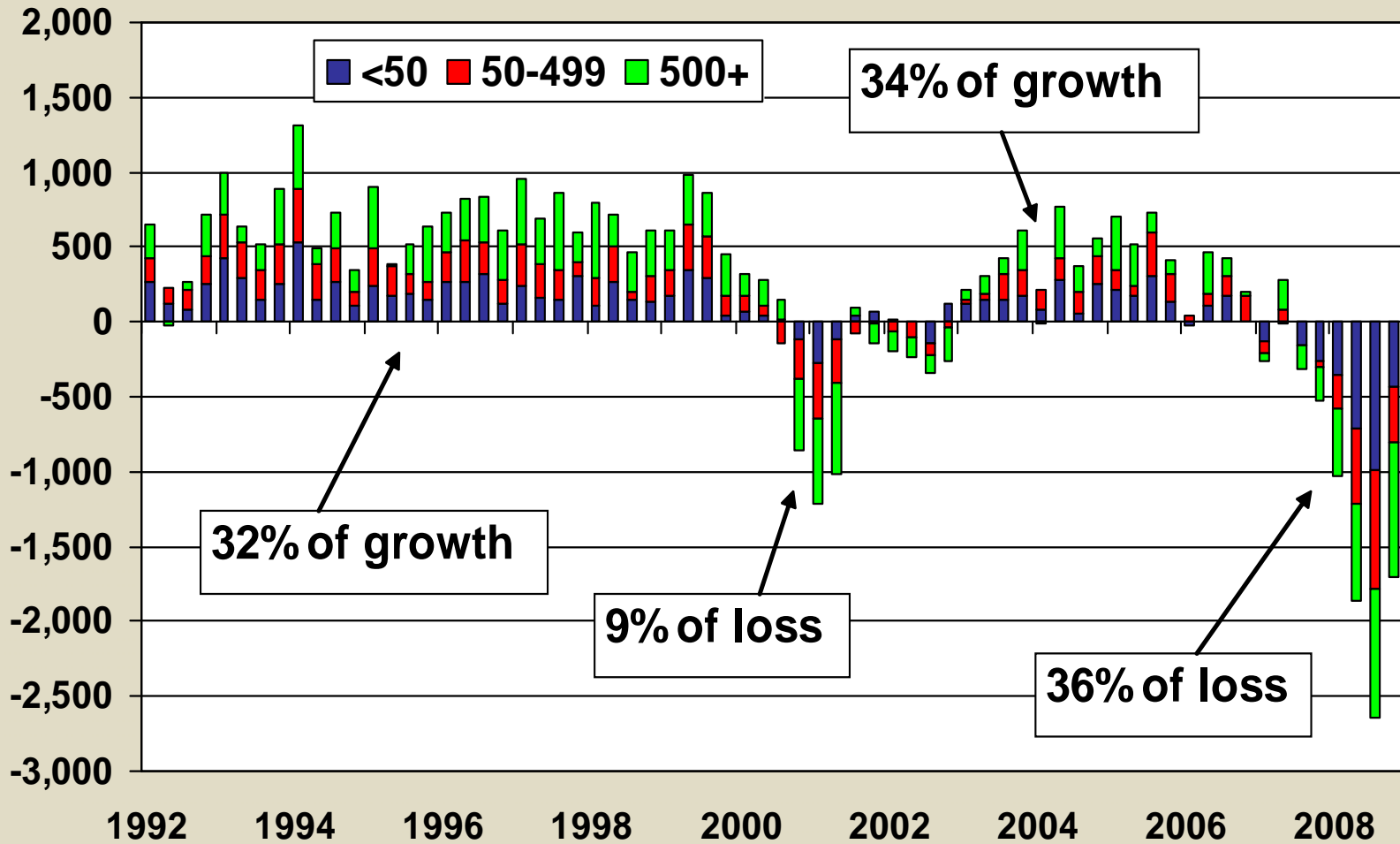
Source: LED. Seasonally-adjusted.

BED:

Small businesses



U.S. Employment Change By Size of Employer

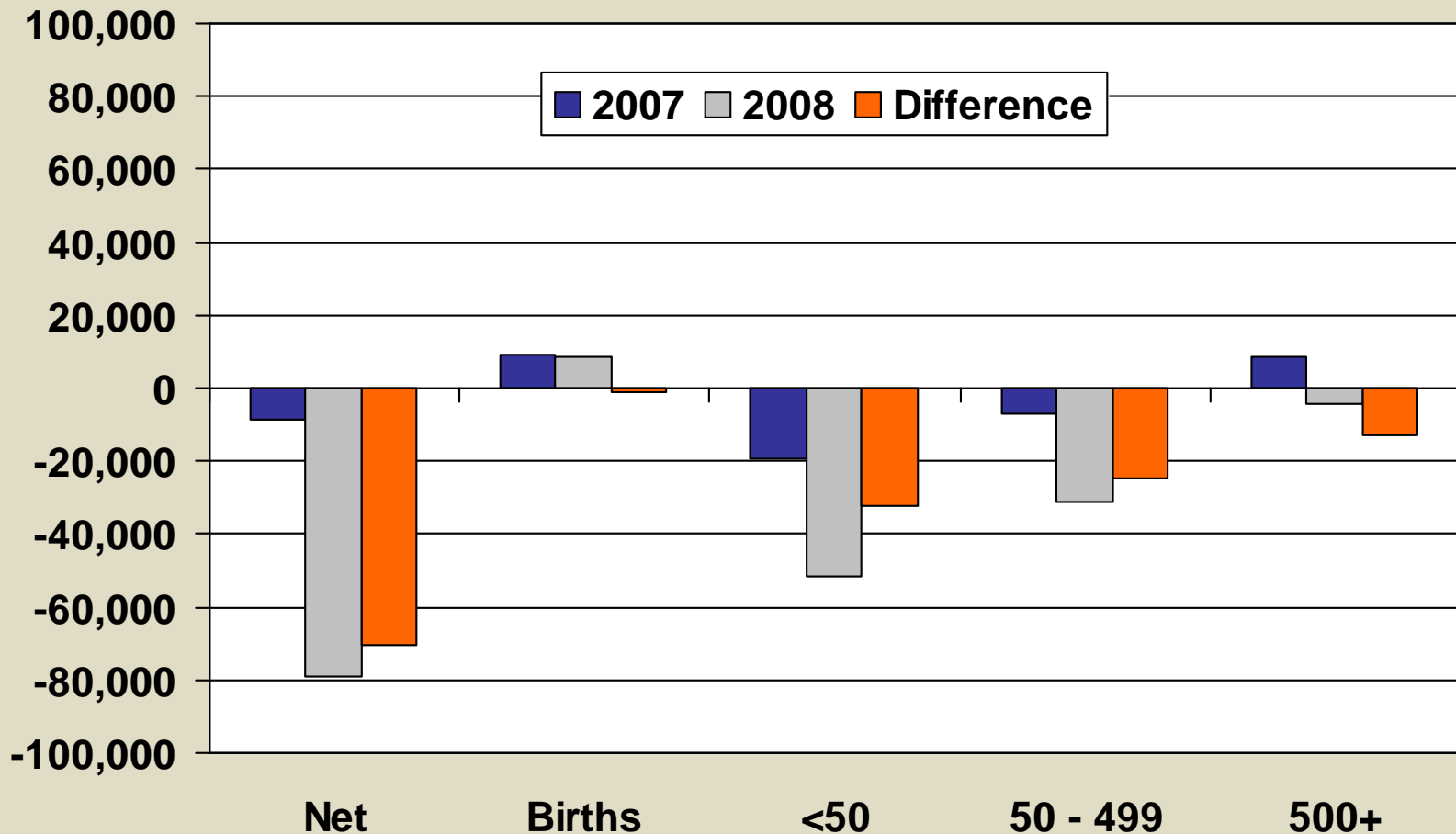


Source: Atlanta FED/BED. Private sector employment, adjusted for seasonality.

Firm-level changes, private sector only



Washington employment changes, 4th quarter

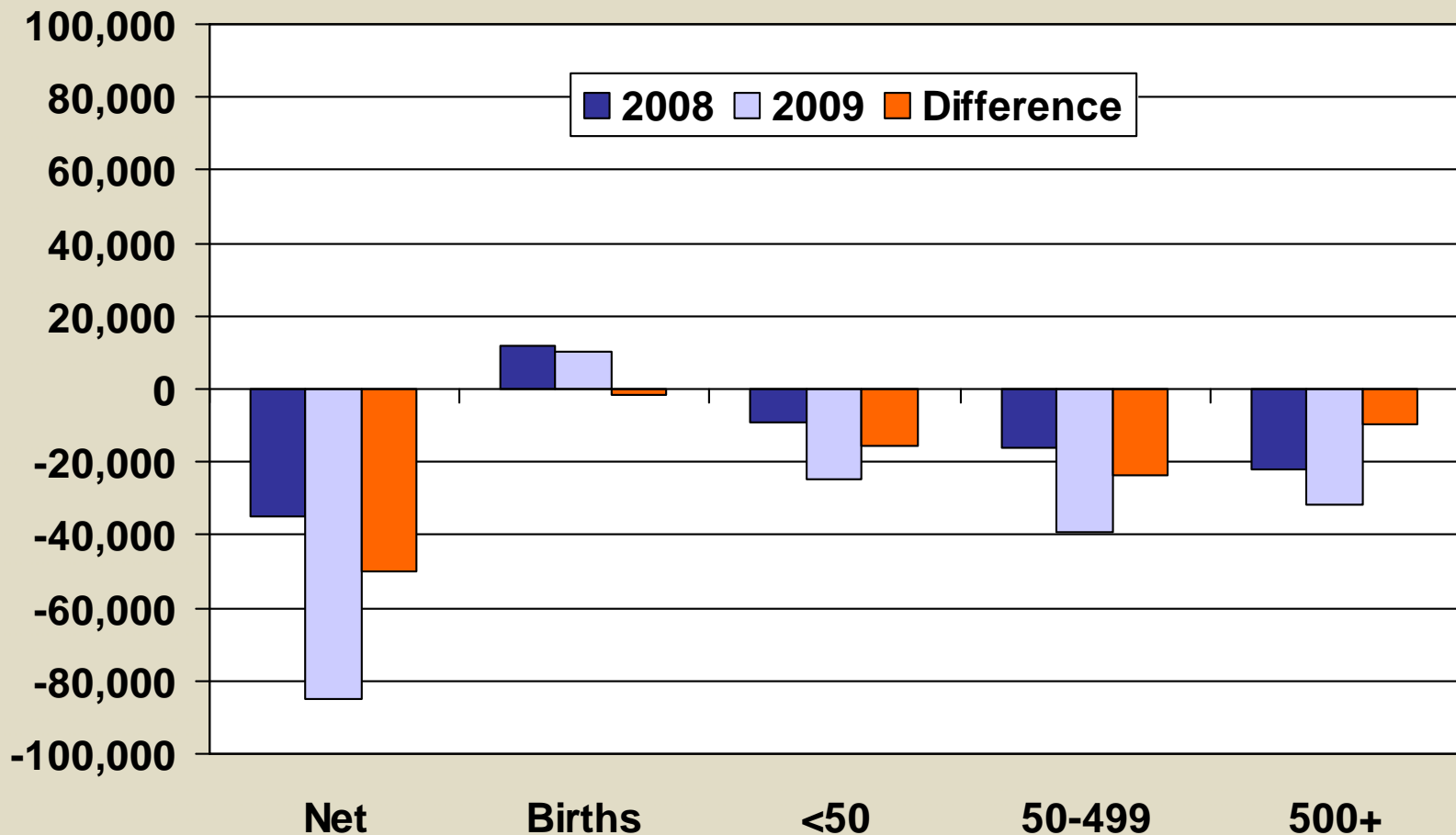


Source: LMEA. Not adjusted for seasonality.

Firm-level changes, private sector only



Washington employment changes, 1st quarter

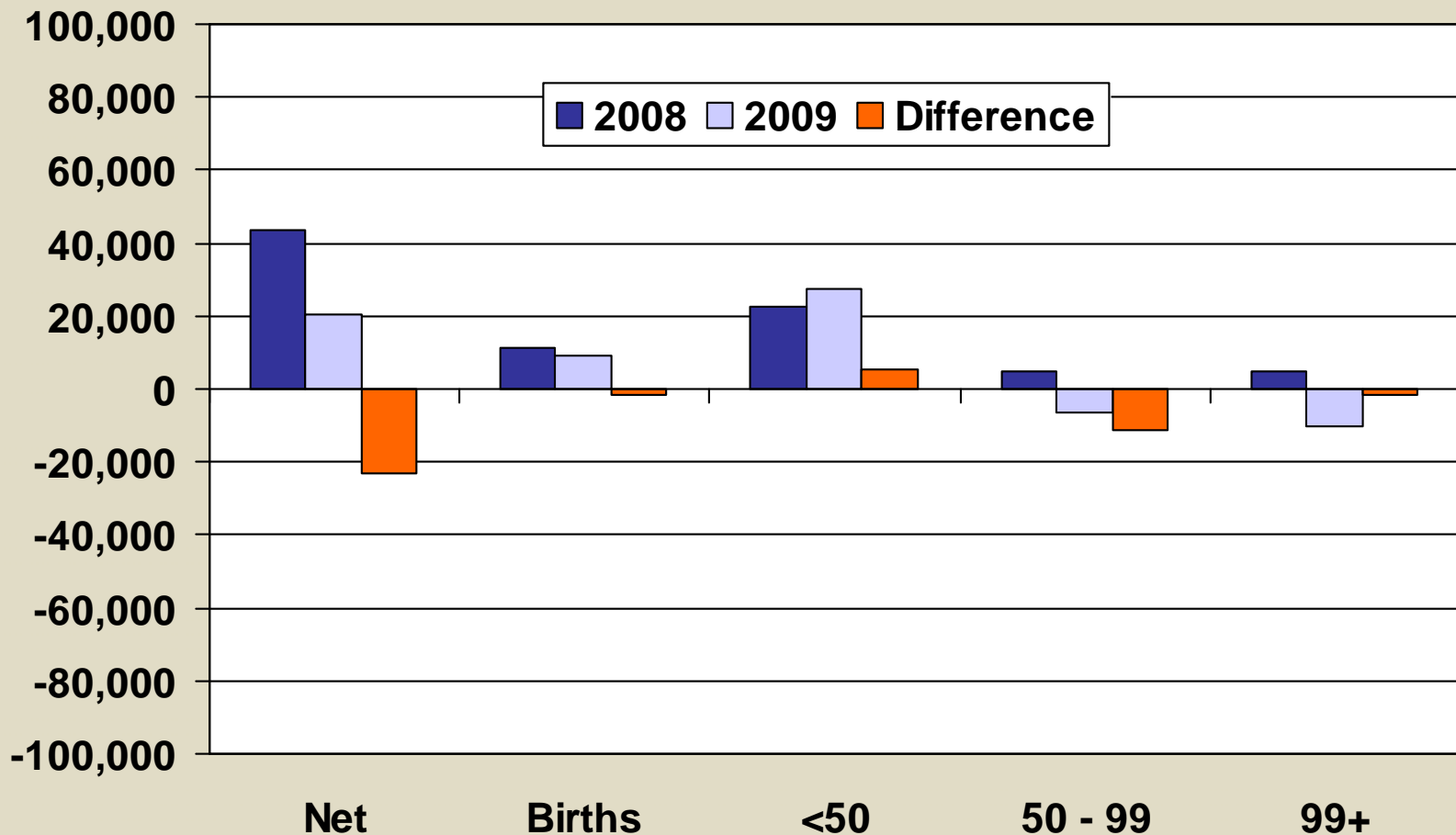


Source: LMEA. Not adjusted for seasonality.

Firm-level changes, private sector only



Washington employment changes, 2nd quarter

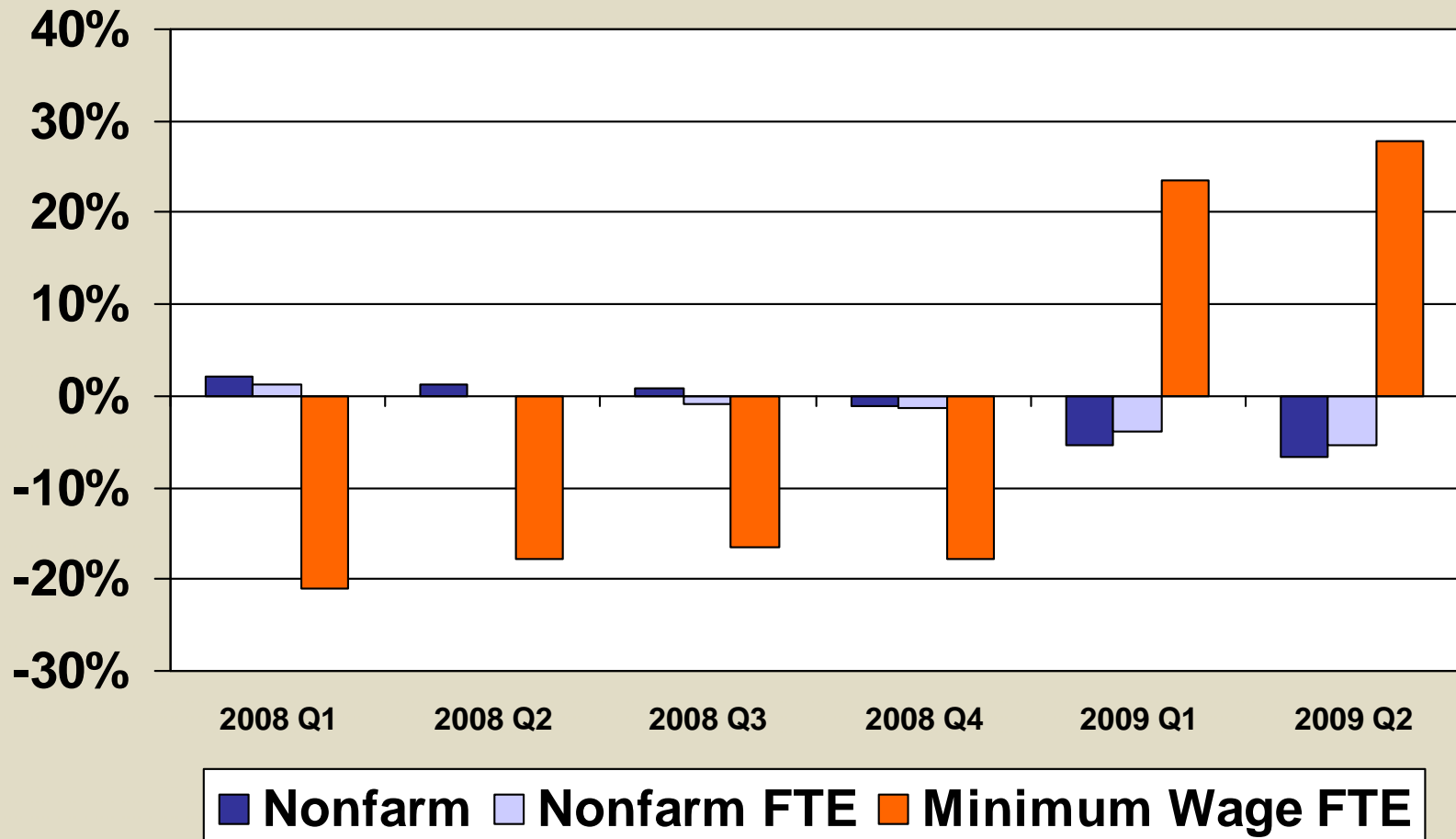


Source: LMEA. Not adjusted for seasonality.

Minimum Wage Washington State



Year-over-year change in employment



Source: LMEA.

- For more information
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 - Labor Market & Economic Analysis
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 - 360-906-2768