In fourth quarter 2020, October to December, seasonally adjusted job gains in Washington’s private sector totaled 190,847 while job losses from businesses closing or contracting totaled 161,372. The result of these changes was a net gain of 29,475 jobs during the fourth 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 fourth quarter 2020.
Net job gains continue for the state and nation in fourth quarter 2020

Nationally, job gains exceeded job losses in 47 states for a net private sector employment gain of 2,043,000. The number of jobs gained during the fourth quarter were less than the 3,903,000 jobs gained during the previous quarter. Added together, the number of jobs gained in the third and fourth quarters have recovered roughly 41 percent of the jobs lost during the second quarter. Washington state gained 29,475 jobs. The increase for Washington continues to help offset the sharp downturn from the second quarter when the state lost 329,174 jobs.

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 2009. Net job growth resumed in second quarter 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 third quarter 2020 for the state and nation, helping to confirm the end of the COVID-19 recession in April.

At the national level, gross job gains were 8.8 million at opening and expanding establishments. Closing and contracting establishments lost 6.7 million jobs. Gross job losses were 5.7 percent of private sector employment. Opening establishments provided 1.7 million jobs. Washington state gained 190,847 jobs from new and expanding private businesses and lost 161,372 jobs from businesses closing or contracting for a net gain of 29,475 jobs in fourth quarter 2020. This compares to a net gain of 69,633 jobs in third quarter 2020 and a net gain of 23,187 jobs in fourth quarter 2019.

More labor market information is available at: [www.esd.wa.gov/labormarketinfo](http://www.esd.wa.gov/labormarketinfo)

For more on the Business Employment Dynamics data series, visit: [www.bls.gov/bdm](http://www.bls.gov/bdm)
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, fourth quarter 2003 through fourth quarter 2020

![Graph showing gross job gains and losses in Washington state from 2003 to 2020.](image)

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

Nationally, gross job gains exceeded gross job losses in every major industry

The data in Figure 3 illustrate the net change in industry employment for the U.S. Total private sector employment rose by 2,043,000 in fourth quarter 2020. Service-providing industries had a seasonally adjusted net gain of 1,751,000 jobs and goods-producing industries posted a net gain of 292,000 jobs. In fourth quarter 2020, 13 industry sectors reported job gains compared with 11 reporting gains during fourth quarter 2019.

Figure 3. Net change in job gains and losses by industry sector, seasonally adjusted
United States, fourth quarter 2020

![Bar chart showing net change in job gains and losses by industry sector in fourth quarter 2020.](image)

**Note:** Professional and business services reported the most net gains while natural resources and mining reported the fewest net gains in fourth quarter 2020.
Washington state industry employment

Figure 4 shows net employment changes in Washington state industry sectors. Total private sector employment had a net increase of 29,475. Nine industry sectors reported net job gains in fourth quarter 2020 and two industry sectors showed job losses. The top three industry sectors showing job gains were professional and business services with a gain of 14,197, followed by construction (7,066) and education and health services (5,196). The industry that experienced the most job losses was leisure and hospitality (-15,133).

Comparing fourth quarter 2020 to fourth quarter 2019 in Washington state (Figure 5):

- Eight of 11 private industry sectors had higher net gains in fourth quarter 2020 compared with fourth quarter 2019.
- Professional and business services had the largest net gain from year to year with a gain of 14,197 jobs in fourth quarter 2020 compared with a gain of 2,177 in fourth quarter 2019.
- Leisure and hospitality had the largest net decline from year to year with a loss of 15,133 jobs in fourth quarter 2020 compared with a gain of 1,966 in fourth quarter 2019.

Note: data for natural resources, mining and utilities are not disclosed in order to maintain employer confidentiality.
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**Washington state regional labor economist reporting areas**

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