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SOUTHWEST INFORMATION OFFICE: Dallas, Texas
Technical information: (972) 850-4800 BLSInfoDallas@bls.gov www.bls.gov/regions/southwest
Media contact: (972) 850-4800

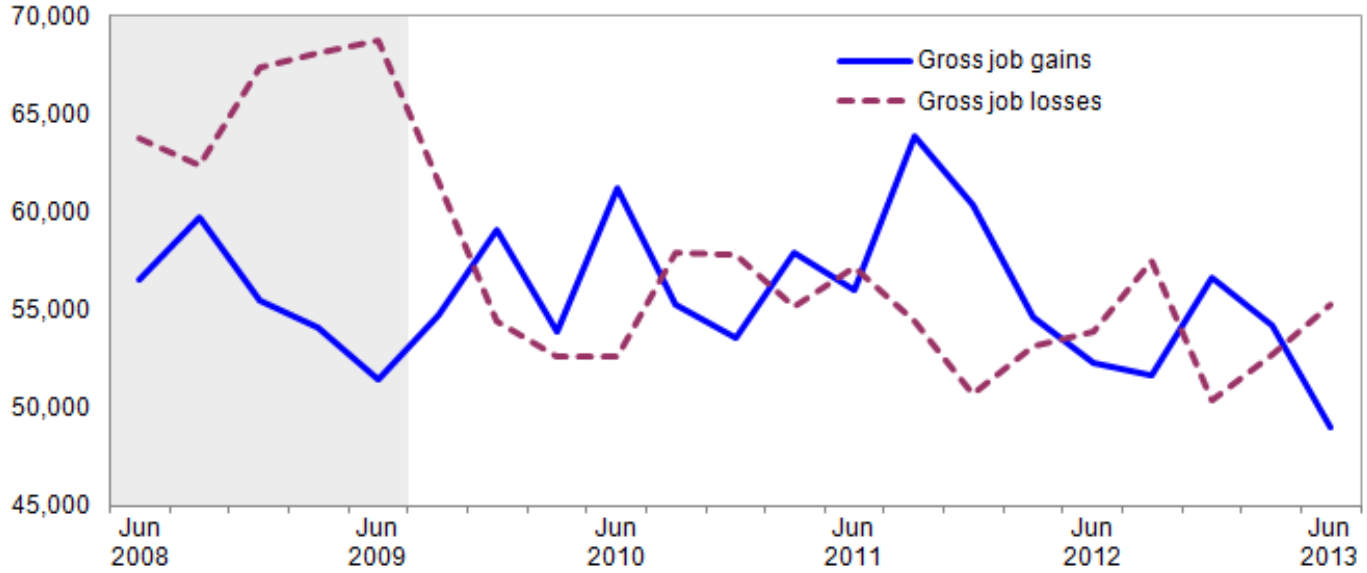
Business Employment Dynamics in Arkansas – June 2013

From March 2013 to June 2013 gross job losses in private sector establishments in Arkansas totaled 55,245, while gross job gains numbered 48,982, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that gross job losses exceeded gross job gains by 6,263. During the previous quarter, gross job gains exceeded gross job losses by 1,484.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross job gains and the number of gross job losses is the net change in employment. (See the Technical Note for more information.)

Though the number of gross job losses rose in Arkansas in June 2013, they remained within the levels experienced in each quarter since December 2009, and below the recent peak of nearly 69,000 in June 2009. Gross job gains, which declined by 5,216 in the three months ended in June 2013, recorded their lowest level since the series inception in 1992. (See chart 1.)

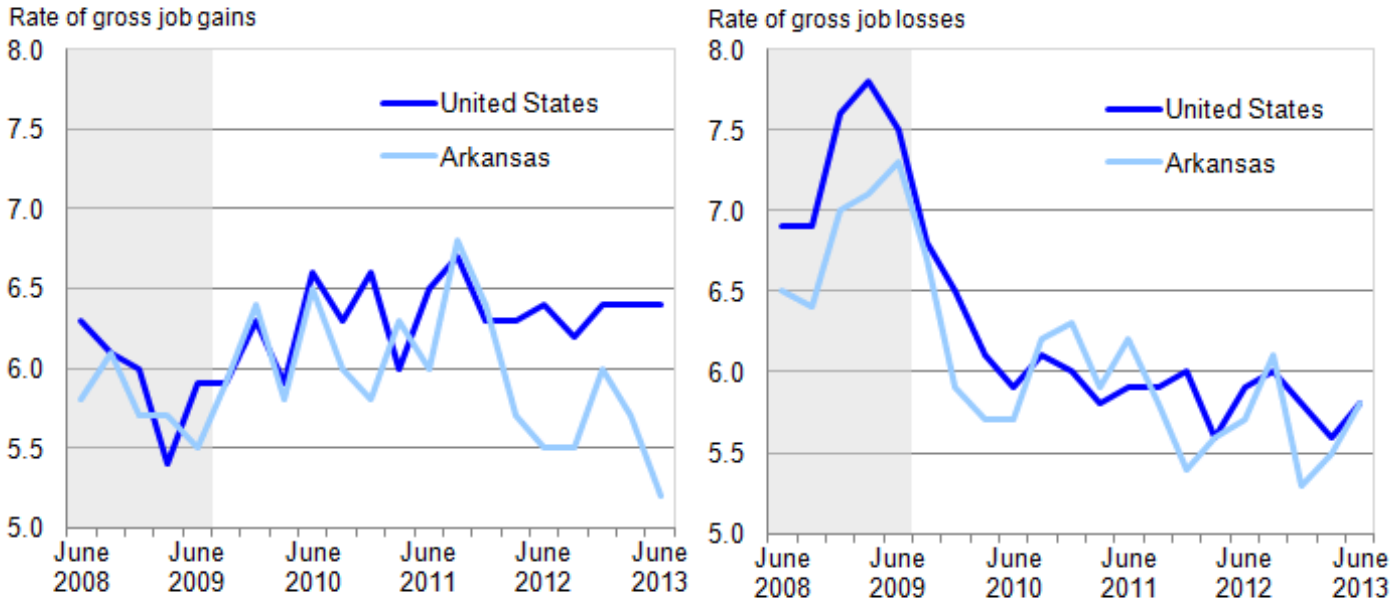
Chart 1. Private sector gross job gains and losses of employment in Arkansas, June 2008–June 2013 by quarter, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.
Note: Shaded area represents NBER defined recession period.

Gross job losses represented 5.8 percent of private sector employment in Arkansas in the quarter ended June 2013, matching the national rate. (See chart 2.) Since June 2009, movements in the state's rate of gross job losses have generally tracked movements in the national rate. The Arkansas rate of gross job gains, at 5.2 percent, was lower than the national rate of 6.4 percent in June 2013. With a few exceptions, the rate of gross job gains in Arkansas mirrored the national rate from September 2008 to December 2011, but has been below the U.S. rate in each quarter since then. In the second quarter of 2013, the state's rate of gross job gains was its lowest since the series began.

Chart 2. Private sector gross job gains and losses as a percent of employment, United States and Arkansas, June 2008–June 2013, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.
Note: Shaded area represents NBER defined recession period.

During the second quarter 2013, Arkansas gross job losses exceeded gross job gains in all industry sectors with the exception of leisure and hospitality. For example, within professional and business services, gross job losses exceeded gross job gains by 1,894. While 7,874 jobs were created at opening and expanding establishments in the industry, 9,768 jobs were lost at closing and contracting establishments in the 3 months ended in June 2013. Construction and manufacturing also showed net job losses in excess of 1,000. Within construction, more than 5,500 jobs were lost at closing and contracting establishments, while about 4,200 jobs were created at opening and expanding establishments, resulting in a net loss of 1,324 jobs. Manufacturing recorded a net employment loss of 1,033, with about 4,900 job losses in closing and contracting establishments and almost 3,900 job gains in opening and expanding establishments. (See table 1.)

Leisure and hospitality recorded a net employment gain of 769 jobs. Opening and expanding establishments added 9,001 jobs, while just over 8,200 jobs were lost in closing and contracting establishments.

Additional statistics and other information

BED data for the states have been included in table 2 of this release. For more information on the Business Employment Dynamics data, visit the BED web site at www.bls.gov/bdm/.

Information in this release will be made available to sensory impaired individuals upon request: voice phone: 202-691-5200; Federal Relay Service: 1-800-877-8339.

Administrative Change Affecting Business Employment Dynamics (BED) Data

First quarter 2013 data were affected by an administrative change to the count of establishments in the education and health services industry. A review of these data revealed that certain establishments that provide non-medical, home-based services for the elderly and persons with disabilities had been misclassified in the private households industry (NAICS 814110), which is out of scope for the BED. These establishments are now in scope and are classified in services for the elderly and persons with disabilities (NAICS 624120.) This non-economic industry code change artificially inflated the first quarter 2013 data for gross job gains, openings, births, and the net employment change for the following data series: national total private, state total private, the education and health services sector, firm size class, annual, and age and survival. As a result, data for first quarter 2013 are not comparable to data from other quarters. The administrative change affecting the Arkansas data was minimal.

Technical Note

The Business Employment Dynamics (BED) data are a product of a federal-state cooperative program known as Quarterly Census of Employment and Wages (QCEW), or the ES-202 program. The BED data are compiled from existing QCEW records. The QCEW reports are sent by the State Employment Security Agencies (SESAs) to BLS and form the basis of the Bureau's QCEW program and establishment universe sampling frame. These reports are also used to produce the QCEW data on total employment and wages. Other important Bureau uses of the QCEW reports are in the Current Employment Statistics (CES) program. The CES program produces monthly estimates of employment, net changes, and earnings by detailed industry.

In the BED program, the QCEW records are linked across quarters to provide a longitudinal history for each establishment. The linkage process allows the tracking of net employment changes at the establishment level, which in turn allows the estimation of jobs gained at opening and expanding establishments and jobs lost at closing and contracting establishments.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. BED statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross jobs gained and the number of gross jobs lost is the net change in employment.

Gross job gains and gross job losses are expressed as rates by dividing their levels by the average of employment in the current and previous quarters. The rates are calculated for the components of gross job gains and gross job losses and then summed to form their respective totals. These rates can be added and subtracted just as their levels can. For instance, the difference between the gross job gains rate and the gross job losses rate is the net growth rate.

The formal definitions of employment changes are as follows:

Openings. These are either establishments with positive third month employment for the first time in the current quarter, with no links to the prior quarter, or with positive third month employment in the current quarter following zero employment in the previous quarter.

Expansions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net increase in employment over this period.

Closings. These are either establishments with positive third month employment in the previous quarter, with no employment or zero employment reported in the current quarter.

Contractions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net decrease in employment over this period.

Table 1. Private sector gross job gains and losses by industry, Arkansas, seasonally adjusted

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Jun. 2012	Sep. 2012	Dec. 2012	Mar. 2013	Jun. 2013	Jun. 2012	Sep. 2012	Dec. 2012	Mar. 2013	Jun. 2013
Total private [1]										
Gross job gains	52,314	51,668	56,703	54,198	48,982	5.5	5.5	6.0	5.7	5.2
At expanding establishments	42,939	42,219	46,594	43,814	39,010	4.5	4.5	4.9	4.6	4.1
At opening establishments	9,375	9,449	10,109	10,384	9,972	1.0	1.0	1.1	1.1	1.1
Gross job losses	53,856	57,464	50,392	52,714	55,245	5.7	6.1	5.3	5.5	5.8
At contracting establishments	45,470	48,670	40,650	43,857	46,607	4.8	5.2	4.3	4.6	4.9
At closing establishments	8,386	8,794	9,742	8,857	8,638	0.9	0.9	1.0	0.9	0.9
Net employment change [2]	-1,542	-5,796	6,311	1,484	-6,263	-0.2	-0.6	0.7	0.2	-0.6
Construction										
Gross job gains	5,189	5,232	5,403	5,183	4,233	10.7	11.0	11.5	11.1	9.2
At expanding establishments	4,071	4,129	4,370	4,262	3,458	8.4	8.7	9.3	9.1	7.5
At opening establishments	1,118	1,103	1,033	921	775	2.3	2.3	2.2	2.0	1.7
Gross job losses	5,799	6,286	5,708	5,260	5,557	12.0	13.2	12.1	11.2	12.1
At contracting establishments	4,603	5,065	4,700	4,454	4,545	9.5	10.6	10.0	9.5	9.9
At closing establishments	1,196	1,221	1,008	806	1,012	2.5	2.6	2.1	1.7	2.2
Net employment change [2]	-610	-1,054	-305	-77	-1,324	-1.3	-2.2	-0.6	-0.1	-2.9
Manufacturing										
Gross job gains	3,902	3,868	4,688	4,040	3,879	2.5	2.5	3.1	2.6	2.5
At expanding establishments	3,740	3,742	4,453	3,860	3,551	2.4	2.4	2.9	2.5	2.3
At opening establishments	162	126	235	180	328	0.1	0.1	0.2	0.1	0.2
Gross job losses	4,450	4,806	5,098	4,193	4,912	2.9	3.1	3.3	2.7	3.2
At contracting establishments	4,209	4,563	4,622	3,851	4,382	2.7	2.9	3.0	2.5	2.9
At closing establishments	241	243	476	342	530	0.2	0.2	0.3	0.2	0.3
Net employment change [2]	-548	-938	-410	-153	-1,033	-0.4	-0.6	-0.2	-0.1	-0.7
Wholesale trade										
Gross job gains	2,703	2,413	2,660	2,637	2,233	5.7	5.1	5.6	5.5	4.7
At expanding establishments	2,203	1,989	2,023	2,196	1,813	4.6	4.2	4.3	4.6	3.8
At opening establishments	500	424	637	441	420	1.1	0.9	1.3	0.9	0.9
Gross job losses	2,279	2,898	2,556	2,556	3,008	4.8	6.1	5.4	5.4	6.3
At contracting establishments	1,882	2,355	2,049	2,095	2,570	4.0	5.0	4.3	4.4	5.4
At closing establishments	397	543	507	461	438	0.8	1.1	1.1	1.0	0.9
Net employment change [2]	424	-485	104	81	-775	0.9	-1.0	0.2	0.1	-1.6
Retail trade										
Gross job gains	7,055	7,596	7,527	9,347	6,529	5.3	5.7	5.7	7.0	4.9
At expanding establishments	5,983	6,308	6,312	7,203	5,364	4.5	4.7	4.8	5.4	4.0
At opening establishments	1,072	1,288	1,215	2,144	1,165	0.8	1.0	0.9	1.6	0.9
Gross job losses	7,158	7,753	7,285	8,412	7,376	5.4	5.8	5.5	6.3	5.6
At contracting establishments	6,372	6,958	5,855	7,017	6,359	4.8	5.2	4.4	5.3	4.8
At closing establishments	786	795	1,430	1,395	1,017	0.6	0.6	1.1	1.0	0.8
Net employment change [2]	-103	-157	242	935	-847	-0.1	-0.1	0.2	0.7	-0.7
Transportation and warehousing										
Gross job gains	2,411	2,256	2,472	2,513	2,081	4.7	4.4	4.9	4.9	4.1
At expanding establishments	2,038	1,992	2,236	1,891	1,778	4.0	3.9	4.4	3.7	3.5
At opening establishments	373	264	236	622	303	0.7	0.5	0.5	1.2	0.6
Gross job losses	2,394	2,752	2,098	2,755	2,469	4.8	5.4	4.2	5.4	4.9
At contracting establishments	2,051	2,434	1,607	2,439	2,010	4.1	4.8	3.2	4.8	4.0
At closing establishments	343	318	491	316	459	0.7	0.6	1.0	0.6	0.9
Net employment change [2]	17	-496	374	-242	-388	-0.1	-1.0	0.7	-0.5	-0.8

Note: See footnotes at end of table.

Table 1. Private sector gross job gains and losses by industry, Arkansas, seasonally adjusted - Continued

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Jun. 2012	Sep. 2012	Dec. 2012	Mar. 2013	Jun. 2013	Jun. 2012	Sep. 2012	Dec. 2012	Mar. 2013	Jun. 2013
Financial activities										
Gross job gains	2,217	2,337	2,168	2,214	2,217	4.7	4.9	4.5	4.6	4.6
At expanding establishments	1,795	1,867	1,576	1,510	1,654	3.8	3.9	3.3	3.1	3.4
At opening establishments	422	470	592	704	563	0.9	1.0	1.2	1.5	1.2
Gross job losses	2,334	2,375	2,232	2,206	2,330	4.9	5.0	4.7	4.6	4.8
At contracting establishments	1,941	1,849	1,651	1,636	1,652	4.1	3.9	3.5	3.4	3.4
At closing establishments	393	526	581	570	678	0.8	1.1	1.2	1.2	1.4
Net employment change (2)	-117	-38	-64	8	-113	-0.2	-0.1	-0.2	0.0	-0.2
Professional and business services										
Gross job gains	8,871	7,412	9,450	8,896	7,874	7.2	6.0	7.6	7.0	6.1
At expanding establishments	7,407	5,757	7,745	7,420	6,294	6.0	4.7	6.2	5.8	4.9
At opening establishments	1,464	1,655	1,705	1,476	1,580	1.2	1.3	1.4	1.2	1.2
Gross job losses	7,759	9,345	7,047	7,448	9,768	6.2	7.6	5.7	5.8	7.7
At contracting establishments	6,243	7,757	5,342	5,956	8,630	5.0	6.3	4.3	4.6	6.8
At closing establishments	1,516	1,588	1,705	1,492	1,138	1.2	1.3	1.4	1.2	0.9
Net employment change (2)	1,112	-1,933	2,403	1,448	-1,894	1.0	-1.6	1.9	1.2	-1.6
Education and health services										
Gross job gains	7,409	7,949	8,106	6,803	6,899	4.4	4.7	4.7	4.0	4.1
At expanding establishments	5,507	6,723	6,665	5,471	5,242	3.3	4.0	3.9	3.2	3.1
At opening establishments	1,902	1,226	1,441	1,332	1,657	1.1	0.7	0.8	0.8	1.0
Gross job losses	7,661	6,856	6,379	6,988	7,184	4.5	4.1	3.7	4.1	4.2
At contracting establishments	6,459	5,508	4,996	5,444	5,965	3.8	3.3	2.9	3.2	3.5
At closing establishments	1,202	1,348	1,383	1,544	1,219	0.7	0.8	0.8	0.9	0.7
Net employment change (2)	-252	1,093	1,727	-185	-285	-0.1	0.6	1.0	-0.1	-0.1
Leisure and hospitality										
Gross job gains	8,138	8,564	9,195	8,051	9,001	7.9	8.3	8.9	7.6	8.6
At expanding establishments	6,594	6,415	7,163	6,225	6,605	6.4	6.2	6.9	5.9	6.3
At opening establishments	1,544	2,149	2,032	1,826	2,396	1.5	2.1	2.0	1.7	2.3
Gross job losses	8,527	8,888	7,530	7,728	8,232	8.3	8.6	7.3	7.4	7.8
At contracting establishments	7,131	7,524	6,211	6,677	6,843	6.9	7.3	6.0	6.4	6.5
At closing establishments	1,396	1,364	1,319	1,051	1,389	1.4	1.3	1.3	1.0	1.3
Net employment change (2)	-389	-324	1,665	323	769	-0.4	-0.3	1.6	0.2	0.8
Other services (3)										
Gross job gains	1,923	1,657	1,784	1,700	1,618	8.1	7.0	7.7	7.3	7.0
At expanding establishments	1,509	1,272	1,278	1,301	1,288	6.4	5.4	5.5	5.6	5.6
At opening establishments	414	385	506	399	330	1.7	1.6	2.2	1.7	1.4
Gross job losses	1,823	2,128	1,628	2,005	1,636	7.7	9.1	7.0	8.6	7.1
At contracting establishments	1,414	1,644	1,252	1,518	1,311	6.0	7.0	5.4	6.5	5.7
At closing establishments	409	484	376	487	325	1.7	2.1	1.6	2.1	1.4
Net employment change (2)	100	-471	156	-305	-18	0.4	-2.1	0.7	-1.3	-0.1

Footnotes:
(1) Includes unclassified sector, not shown separately.
(2) The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.
(3) Except public administration.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted

State	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	June 2012	Sept. 2012	Dec. 2012	Mar. 2013	June 2013	June 2012	Sept. 2012	Dec. 2012	Mar. 2013	June 2013
United States[1]	6.4	6.2	6.4	6.4	6.4	5.9	6.0	5.8	5.6	5.8
Alabama	5.9	5.7	5.8	6.0	5.9	5.6	5.7	5.5	5.4	5.5
Alaska	11.1	9.0	9.8	10.7	10.6	9.4	10.3	10.1	9.6	10.0
Arizona	6.3	6.7	6.9	6.2	6.2	6.1	5.7	5.8	5.9	6.1
Arkansas	5.5	5.5	6.0	5.7	5.2	5.7	6.1	5.3	5.5	5.8
California	7.2	6.8	7.4	9.0	7.0	6.3	6.4	6.2	5.9	6.4
Colorado	7.3	6.9	7.1	7.1	7.1	6.3	6.5	6.2	6.2	6.1
Connecticut	5.5	5.2	5.4	5.1	5.6	4.9	5.4	5.1	5.2	4.8
Delaware	6.4	6.2	6.8	6.5	6.5	6.4	6.2	5.7	5.9	5.8
District of Columbia	5.8	5.8	6.8	5.7	6.1	5.3	6.1	5.5	5.4	5.6
Florida	6.9	7.3	7.1	6.7	7.1	6.3	6.7	6.3	6.0	6.3
Georgia	6.6	6.4	6.8	6.6	6.6	6.1	6.2	5.9	5.7	6.2
Hawaii	5.7	5.6	5.4	5.1	5.2	5.0	4.7	4.3	4.8	5.2
Idaho	8.0	8.2	7.9	8.1	8.0	7.5	7.0	7.2	7.2	7.5
Illinois	5.5	5.5	5.3	5.5	5.8	5.0	5.4	5.2	5.5	5.3
Indiana	5.8	5.7	5.9	5.6	5.7	5.5	5.5	5.4	5.3	5.3
Iowa	5.8	5.7	5.7	5.8	6.0	5.2	5.6	5.5	5.4	5.4
Kansas	6.0	5.6	6.3	5.6	6.2	5.7	6.1	5.4	5.5	5.5
Kentucky	6.1	5.7	6.5	5.8	5.8	5.5	5.9	5.5	5.8	5.6
Louisiana	6.7	6.6	7.0	6.7	6.2	6.9	6.7	5.9	6.1	6.3
Maine	7.9	6.7	7.0	6.7	8.1	6.9	7.3	7.5	7.0	6.4
Maryland	6.3	6.3	6.4	6.3	6.2	6.0	6.3	6.3	5.8	6.1
Massachusetts	5.9	5.3	5.4	6.2	6.1	4.9	5.6	5.3	4.9	5.0
Michigan	6.1	6.2	6.0	6.0	6.3	5.7	5.9	5.4	5.0	5.8
Minnesota	6.1	6.0	5.9	6.0	6.1	5.4	5.6	5.7	5.2	5.2
Mississippi	5.9	6.4	6.8	5.9	5.8	6.5	6.2	6.1	5.5	6.0
Missouri	6.1	5.9	6.4	6.5	5.9	6.1	5.9	5.6	5.5	5.4
Montana	8.3	7.9	8.3	8.1	8.0	7.6	7.3	7.8	7.4	7.7
Nebraska	5.7	5.6	5.9	6.0	6.0	5.2	5.5	5.2	5.4	5.7
Nevada	6.4	5.9	6.0	6.3	6.6	5.4	5.7	5.7	5.4	5.5
New Hampshire	7.1	6.4	6.5	6.3	6.8	6.4	6.9	6.4	6.1	5.9
New Jersey	6.5	6.2	6.4	6.3	6.6	5.9	6.3	6.2	5.8	5.6
New Mexico	6.7	6.4	7.4	6.2	6.7	6.9	6.6	6.2	6.5	6.8
New York	6.5	6.3	6.4	6.3	6.4	6.0	6.2	6.1	5.9	5.8
North Carolina	6.4	6.3	6.5	6.0	6.3	6.1	6.0	5.9	5.7	5.8
North Dakota	7.9	8.3	8.3	8.3	7.2	6.5	7.2	6.8	6.6	7.9
Ohio	5.8	5.6	6.1	5.9	6.2	5.3	5.7	5.5	5.6	5.3
Oklahoma	6.3	6.1	6.7	6.0	6.1	5.6	6.0	5.6	6.0	5.7
Oregon	6.9	7.1	7.0	7.2	7.1	6.6	6.4	6.6	6.1	6.2
Pennsylvania	5.4	5.4	5.5	5.5	5.3	5.5	5.4	5.1	5.3	5.2
Rhode Island	6.4	6.0	6.3	6.1	6.5	5.9	6.3	6.0	5.8	5.7
South Carolina	6.1	5.8	6.6	5.8	6.3	5.9	5.9	5.4	5.6	5.5
South Dakota	6.7	6.4	6.3	6.3	6.5	6.3	6.2	6.2	6.2	5.8
Tennessee	6.0	5.6	6.1	5.4	5.5	5.6	5.5	5.1	5.1	5.4
Texas	6.2	5.9	6.1	5.9	5.8	5.2	5.2	5.0	5.1	5.0
Utah	7.2	6.9	7.3	7.3	7.0	6.1	6.1	6.1	6.3	6.5
Vermont	7.4	7.0	7.6	7.0	7.3	7.1	7.0	7.1	6.7	7.8
Virginia	5.8	6.4	6.0	5.7	5.6	5.8	6.1	5.6	5.5	5.6
Washington	7.4	7.0	7.1	8.6	7.3	6.4	6.6	6.5	6.2	6.1
West Virginia	6.3	6.4	6.4	6.3	6.1	7.1	6.8	6.5	6.1	6.6
Wisconsin	5.8	5.4	5.7	5.4	5.8	5.2	5.5	5.3	5.2	5.4
Wyoming	8.2	8.6	9.5	8.7	8.5	9.0	8.7	8.4	8.5	9.0
Puerto Rico	6.8	6.2	6.8	5.6	5.9	5.6	6.3	5.9	6.4	6.2

Note: See footnotes at end of table.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted - Continued

State	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	June 2012	Sept. 2012	Dec. 2012	Mar. 2013	June 2013	June 2012	Sept. 2012	Dec. 2012	Mar. 2013	June 2013
Virgin Islands	6.2	5.3	7.0	5.6	5.0	13.9	7.7	5.6	6.5	6.5

Footnotes:
(1) Totals for the United States do not include data for Puerto Rico or the Virgin Islands.