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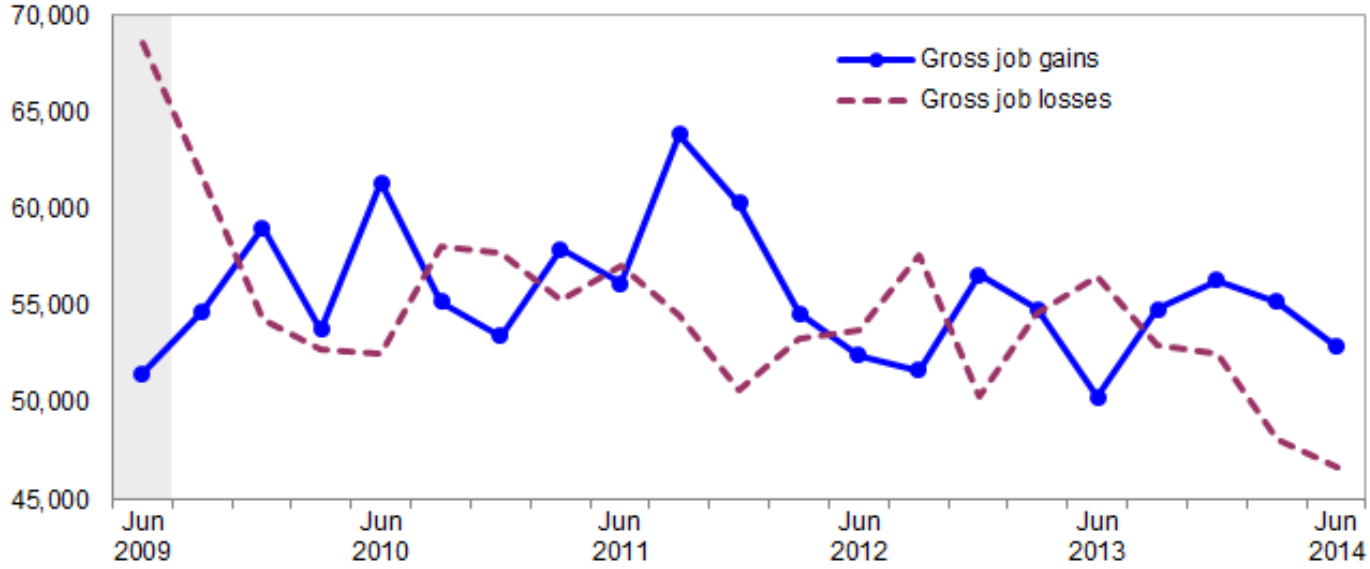
SOUTHWEST INFORMATION OFFICE: Dallas, Texas
Technical information: (972) 850-4800 BLSInfoDallas@bls.gov www.bls.gov/regions/southwest
Media contact: (972) 850-4800

Business Employment Dynamics in Arkansas – Second Quarter 2014

From March 2014 to June 2014 gross job gains in private sector establishments in Arkansas totaled 52,907, while gross job losses numbered 46,722, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that gross job gains exceeded gross job losses by 6,185. During the previous quarter, gross job gains exceeded gross job losses by 7,085. (See chart 1.)

Chart 1. Private sector gross job gains and losses of employment in Arkansas, June 2009–June 2014 by quarter, seasonally adjusted



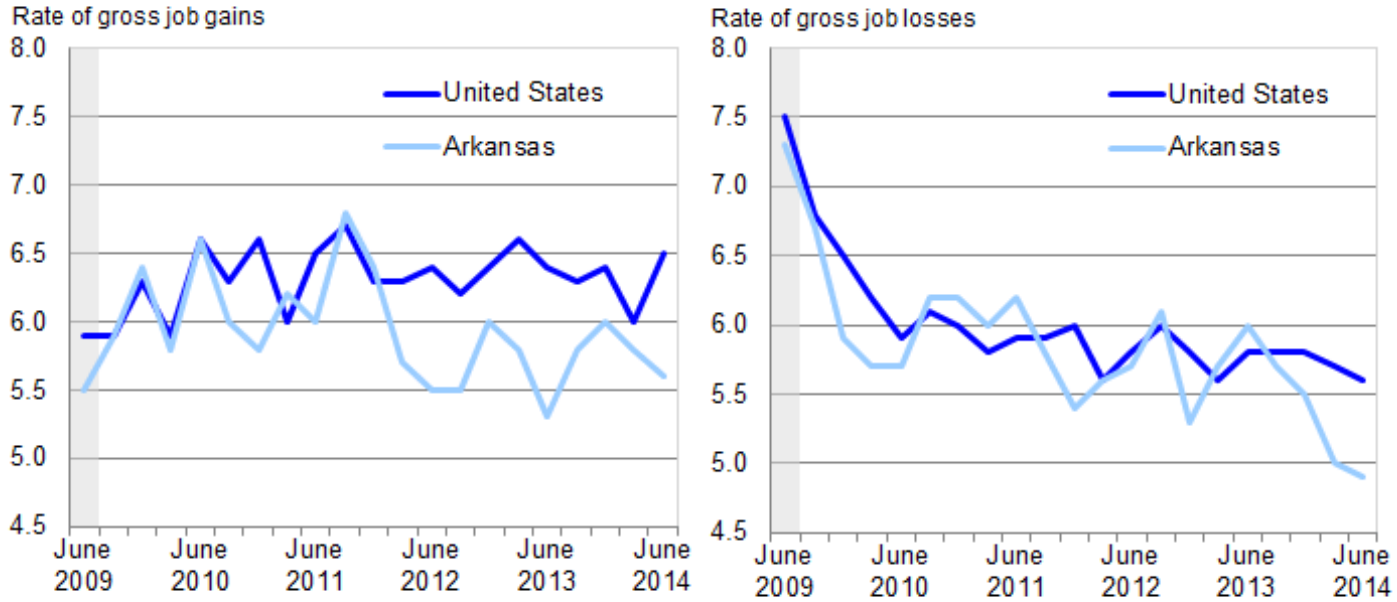
Source: U.S. Bureau of Labor Statistics.
Note: Shaded area represents NBER defined recession period.

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.)

The number of gross job gains fell by more than 2,300 in Arkansas between March 2014 and June 2014, though they remained within the levels generally recorded in each quarter since March 2012. Gross job losses, which declined by over 1,400 in the three months ended in June 2014, were at their second lowest level since the series inception in 1992. The gross job losses series low was 46,176 in June 1993. (See chart 1.)

Gross job gains represented 5.6 percent of private sector employment in Arkansas in the quarter ended June 2014, while nationally gross job gains accounted for 6.5 percent of private employment. (See chart 2.) From September 2009 to June 2010 the rate of gross job gains in Arkansas was similar to the national rate. Beginning in September 2010, the rate of gross job gains in Arkansas fell below the national rate, and with few exceptions, has remained below the national rate. The Arkansas rate of gross job losses (4.9 percent) was also lower than the national rate (5.6 percent) in June 2014. From June 2009 to June 2013, the state's rate of gross job losses generally tracked the national rate, with both declining from the June 2009 rate. In recent quarters, Arkansas's rate of gross job losses continued to decline, while the U.S. gross job losses rate was little changed. In June 2014, the Arkansas rate of gross job losses reached a series low.

Chart 2. Private sector gross job gains and losses as a percent of employment, United States and Arkansas, June 2009–June 2014, seasonally adjusted



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

During the second quarter 2014, Arkansas gross job gains exceeded gross job losses in all 10 industry sectors. For example, within retail trade, gross job gains exceeded gross job losses by 1,272. While approximately 6,500 jobs were lost at closing and contracting establishments in the industry, more than 7,700 jobs were created at opening and expanding establishments in the 3 months ended in June 2014. In leisure and hospitality, the loss of more than 7,900 jobs at closing and contracting establishments was offset by a gain of nearly 9,100 jobs at opening and expanding establishments, resulting in a net gain of 1,151 jobs. Professional and business services recorded a net employment gain of 974 in June 2014 while leading all industry sectors in the number of gross job gains and gross job losses. Within professional and business services, more than 9,100 jobs were created in opening and expanding establishments and nearly 8,200 jobs were lost in closing and contracting establishments. (See table 1.)

The Business Employment Dynamics for Third Quarter 2014 are scheduled to be released on Wednesday, April 29, 2015 at 10:00 a.m. (EDT).

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.

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.

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)				
	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014
Total private [1]										
Gross job gains	50,289	54,835	56,317	55,241	52,907	5.3	5.8	6.0	5.8	5.6
At expanding establishments	39,451	45,262	46,092	45,811	43,645	4.2	4.8	4.9	4.8	4.6
At opening establishments	10,838	9,573	10,225	9,430	9,262	1.1	1.0	1.1	1.0	1.0
Gross job losses	56,485	53,002	52,575	48,156	46,722	6.0	5.7	5.5	5.0	4.9
At contracting establishments	47,272	43,890	42,677	39,460	39,343	5.0	4.7	4.5	4.1	4.1
At closing establishments	9,213	9,112	9,898	8,696	7,379	1.0	1.0	1.0	0.9	0.8
Net employment change [2]	-6,196	1,833	3,742	7,085	6,185	-0.7	0.1	0.5	0.8	0.7
Construction										
Gross job gains	4,514	4,629	5,381	4,659	4,585	9.8	10.3	12.0	10.3	10.1
At expanding establishments	3,535	3,722	4,186	3,854	3,766	7.7	8.3	9.3	8.5	8.3
At opening establishments	979	907	1,195	805	819	2.1	2.0	2.7	1.8	1.8
Gross job losses	5,765	5,212	5,169	4,742	3,755	12.5	11.6	11.6	10.5	8.3
At contracting establishments	4,662	4,098	4,153	3,697	2,946	10.1	9.1	9.3	8.2	6.5
At closing establishments	1,103	1,114	1,016	1,045	809	2.4	2.5	2.3	2.3	1.8
Net employment change [2]	-1,251	-583	212	-83	830	-2.7	-1.3	0.4	-0.2	1.8
Manufacturing										
Gross job gains	3,992	4,307	3,764	4,535	4,190	2.6	2.9	2.4	3.0	2.7
At expanding establishments	3,628	3,926	3,543	4,082	4,053	2.4	2.6	2.3	2.7	2.6
At opening establishments	364	381	221	453	137	0.2	0.3	0.1	0.3	0.1
Gross job losses	4,984	4,470	4,771	3,486	3,321	3.3	2.9	3.1	2.2	2.1
At contracting establishments	4,410	4,162	3,979	3,261	3,099	2.9	2.7	2.6	2.1	2.0
At closing establishments	574	308	792	225	222	0.4	0.2	0.5	0.1	0.1
Net employment change [2]	-992	-163.0	-1007.0	1,049	869	-0.7	0.0	-0.7	0.8	0.6
Wholesale trade										
Gross job gains	2,309	2,497	2,452	2,715	2,406	4.9	5.3	5.4	5.9	5.2
At expanding establishments	1,851	1,915	1,967	2,191	1,896	3.9	4.1	4.3	4.8	4.1
At opening establishments	458	582	485	524	510	1.0	1.2	1.1	1.1	1.1
Gross job losses	3,110	2,399	2,451	2,060	2,170	6.6	5.1	5.3	4.5	4.7
At contracting establishments	2,639	1,862	1,809	1,602	1,713	5.6	4.0	3.9	3.5	3.7
At closing establishments	471	537	642	458	457	1.0	1.1	1.4	1.0	1.0
Net employment change [2]	-801	98	1	655	236	-1.7	0.2	0.1	1.4	0.5
Retail trade										
Gross job gains	6,631	8,630	8,423	8,373	7,749	5.0	6.5	6.3	6.2	5.7
At expanding establishments	5,387	7,452	7,144	7,056	6,524	4.1	5.6	5.3	5.2	4.8
At opening establishments	1,244	1,178	1,279	1,317	1,225	0.9	0.9	1.0	1.0	0.9
Gross job losses	7,509	6,898	7,182	7,832	6,477	5.6	5.2	5.4	5.8	4.8
At contracting establishments	6,384	5,843	6,142	6,716	5,824	4.8	4.4	4.6	5.0	4.3
At closing establishments	1,125	1,055	1,040	1,116	653	0.8	0.8	0.8	0.8	0.5
Net employment change [2]	-878	1,732	1,241	541	1,272	-0.6	1.3	0.9	0.4	0.9
Transportation and warehousing										
Gross job gains	2,159	1,963	2,544	2,589	2,465	4.3	4.0	5.1	5.2	4.9
At expanding establishments	1,805	1,672	2,289	2,240	2,166	3.6	3.4	4.6	4.5	4.3
At opening establishments	354	291	255	349	299	0.7	0.6	0.5	0.7	0.6
Gross job losses	2,560	2,629	2,125	2,520	2,059	5.1	5.3	4.3	5.0	4.1
At contracting establishments	2,098	2,300	1,569	2,018	1,723	4.2	4.6	3.2	4.0	3.4
At closing establishments	462	329	556	502	336	0.9	0.7	1.1	1.0	0.7
Net employment change [2]	-401	-666	419	69	406	-0.8	-1.3	0.8	0.2	0.8
Financial activities										
Gross job gains	2,281	2,480	2,201	2,262	2,148	4.8	5.1	4.5	4.8	4.5
At expanding establishments	1,666	1,738	1,604	1,707	1,594	3.5	3.6	3.3	3.6	3.3
At opening establishments	615	742	597	555	554	1.3	1.5	1.2	1.2	1.2
Gross job losses	2,409	2,264	2,338	2,286	2,012	5.0	4.8	4.8	4.7	4.2

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)				
	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014
At contracting establishments	1,675	1,707	1,743	1,696	1,564	3.5	3.6	3.6	3.5	3.3
At closing establishments	734	557	595	590	448	1.5	1.2	1.2	1.2	0.9
Net employment change [2]	-128	216	-137	-24	136	-0.2	0.3	-0.3	0.1	0.3
Professional and business services										
Gross job gains	8,079	10,561	11,596	10,671	9,136	6.3	8.3	8.9	8.0	6.8
At expanding establishments	6,437	8,950	9,669	9,294	7,399	5.0	7.0	7.4	7.0	5.5
At opening establishments	1,642	1,611	1,927	1,377	1,737	1.3	1.3	1.5	1.0	1.3
Gross job losses	9,778	9,006	8,971	7,945	8,162	7.7	7.0	6.9	6.0	6.1
At contracting establishments	8,619	7,155	7,070	6,255	6,859	6.8	5.6	5.4	4.7	5.1
At closing establishments	1,159	1,851	1,901	1,690	1,303	0.9	1.4	1.5	1.3	1.0
Net employment change [2]	-1,699	1,555	2,625	2,726	974	-1.4	1.3	2.0	2.0	0.7
Education and health services										
Gross job gains	7,022	7,030	7,035	6,355	6,645	4.1	4.2	4.2	3.7	3.9
At expanding establishments	5,251	5,930	5,514	5,104	5,476	3.1	3.5	3.3	3.0	3.2
At opening establishments	1,771	1,100	1,521	1,251	1,169	1.0	0.7	0.9	0.7	0.7
Gross job losses	7,343	6,879	7,146	6,035	6,392	4.4	4.1	4.3	3.6	3.8
At contracting establishments	6,067	5,534	5,870	4,864	5,226	3.6	3.3	3.5	2.9	3.1
At closing establishments	1,276	1,345	1,276	1,171	1,166	0.8	0.8	0.8	0.7	0.7
Net employment change [2]	-321	151	-111	320	253	-0.3	0.1	-0.1	0.1	0.1
Leisure and hospitality										
Gross job gains	9,175	8,939	8,190	8,582	9,093	8.8	8.5	7.8	8.0	8.4
At expanding establishments	6,597	6,931	6,434	6,624	7,130	6.3	6.6	6.1	6.2	6.6
At opening establishments	2,578	2,008	1,756	1,958	1,963	2.5	1.9	1.7	1.8	1.8
Gross job losses	8,446	8,838	7,910	7,078	7,942	8.1	8.5	7.5	6.6	7.4
At contracting establishments	6,992	7,627	6,586	5,984	6,764	6.7	7.3	6.2	5.6	6.3
At closing establishments	1,454	1,211	1,324	1,094	1,178	1.4	1.2	1.3	1.0	1.1
Net employment change [2]	729	101	280	1,504	1,151	0.7	0.0	0.3	1.4	1.0
Other services [3]										
Gross job gains	1,654	1,684	1,723	1,816	2,012	7.2	7.4	7.5	7.9	8.7
At expanding establishments	1,306	1,302	1,244	1,404	1,572	5.7	5.7	5.4	6.1	6.8
At opening establishments	348	382	479	412	440	1.5	1.7	2.1	1.8	1.9
Gross job losses	1,730	1,723	1,887	1,580	1,609	7.5	7.5	8.3	6.9	6.9
At contracting establishments	1,378	1,322	1,509	1,219	1,255	6.0	5.8	6.6	5.3	5.4
At closing establishments	352	401	378	361	354	1.5	1.7	1.7	1.6	1.5
Net employment change [2]	-76	-39	-164	236	403	-0.3	-0.1	-0.8	1.0	1.8

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 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014
United States [1]	6.4	6.3	6.4	6.0	6.5	5.8	5.8	5.8	5.7	5.6
Alabama	6.0	5.5	6.0	5.6	5.9	5.6	5.7	5.3	5.7	5.5
Alaska	10.7	9.8	10.1	10.8	10.9	9.9	10.1	10.4	9.6	10.9
Arizona	6.2	6.4	6.7	5.7	6.0	5.9	5.5	5.4	6.0	6.0
Arkansas	5.3	5.8	6.0	5.8	5.6	6.0	5.7	5.5	5.0	4.9
California	7.0	6.9	7.3	6.8	7.0	6.5	6.2	6.3	6.1	6.4
Colorado	7.0	7.0	6.9	6.7	7.3	6.1	6.3	6.1	5.9	6.1
Connecticut	5.6	5.3	5.3	5.1	5.6	4.8	5.4	5.4	5.0	4.8
Delaware	6.5	6.6	6.6	6.3	6.5	5.8	6.0	5.8	5.9	5.2
District of Columbia	6.2	6.0	5.8	5.9	6.4	5.7	5.1	5.4	5.5	5.7
Florida	7.1	7.0	7.0	6.5	7.2	6.4	6.2	6.0	5.8	6.2
Georgia	6.6	6.6	6.8	6.5	6.8	6.1	6.0	5.8	5.6	5.9
Hawaii	5.2	5.6	5.4	4.8	4.9	5.1	4.7	4.5	5.1	5.1
Idaho	8.0	7.7	8.3	8.4	7.7	7.4	7.2	7.3	7.2	8.0
Illinois	5.8	5.7	5.8	5.8	6.1	5.3	5.7	5.3	5.5	5.5
Indiana	5.7	5.6	6.1	5.3	5.9	5.3	5.4	5.1	5.5	5.0
Iowa	6.0	5.9	6.0	5.8	6.2	5.4	5.5	5.5	5.5	5.7
Kansas	6.2	6.1	6.2	5.7	6.1	5.6	5.7	5.3	5.5	5.7
Kentucky	5.9	6.0	6.5	6.1	6.2	5.7	5.5	5.4	5.9	5.5
Louisiana	6.3	6.9	6.7	6.7	6.6	6.6	6.0	6.1	5.8	6.4
Maine	8.1	7.4	7.0	6.7	7.8	6.4	7.3	7.5	7.0	6.5
Maryland	6.2	6.1	6.4	5.9	6.6	6.1	6.1	6.3	5.8	5.8
Massachusetts	6.1	5.5	5.4	5.3	6.3	5.0	5.5	5.3	5.0	5.3
Michigan	6.3	5.9	6.0	5.5	6.4	5.7	5.8	5.6	5.1	5.4
Minnesota	6.1	5.6	5.6	5.3	6.5	5.2	5.5	5.6	5.7	5.1
Mississippi	5.9	6.2	6.6	5.7	6.1	6.1	5.8	5.6	5.9	6.7
Missouri	5.9	5.8	6.0	5.6	6.0	5.3	5.7	5.5	5.5	5.3
Montana	8.0	7.7	8.2	7.2	8.2	7.9	7.6	7.5	7.9	7.7
Nebraska	6.0	6.3	6.3	5.9	6.0	5.4	5.7	5.7	5.6	6.0
Nevada	6.7	6.0	6.3	6.6	6.7	5.6	5.8	5.3	5.2	5.6
New Hampshire	6.8	6.0	6.8	5.7	6.7	5.9	6.5	5.8	5.9	6.1
New Jersey	6.5	6.2	6.4	5.9	6.9	5.7	6.2	6.4	6.2	5.8
New Mexico	6.9	6.7	6.9	6.3	6.6	6.7	6.7	6.4	6.4	6.1
New York	6.5	6.4	6.6	6.2	6.6	5.8	6.1	6.0	6.0	5.7
North Carolina	6.3	6.3	6.4	5.9	6.4	5.8	5.8	5.7	5.6	5.5
North Dakota	7.3	8.3	8.2	8.6	7.6	7.6	6.9	6.9	6.8	7.0
Ohio	6.2	5.6	6.0	5.6	6.1	5.3	5.6	5.3	5.6	5.3
Oklahoma	6.4	6.4	6.2	6.1	6.2	5.9	5.7	6.2	6.0	6.1
Oregon	7.2	7.1	6.9	7.0	6.9	6.3	6.3	6.6	6.1	6.4
Pennsylvania	5.3	5.2	5.4	5.2	5.6	5.2	5.2	5.2	4.9	4.8
Rhode Island	6.5	6.2	6.2	5.7	6.5	5.7	6.1	5.7	5.7	5.5
South Carolina	6.3	6.2	6.7	6.2	6.5	5.4	5.6	5.5	5.8	5.7
South Dakota	6.5	6.2	6.9	6.3	6.4	5.7	6.3	6.0	6.1	6.0
Tennessee	5.6	5.5	6.3	5.4	5.6	5.3	5.3	4.7	5.3	5.0
Texas	5.8	6.0	6.1	5.9	6.0	5.1	5.2	5.3	5.1	4.9
Utah	7.0	6.9	7.4	6.5	7.0	6.5	6.4	6.1	6.0	6.6
Vermont	7.4	7.1	7.6	6.7	7.4	7.7	7.4	6.6	6.8	6.9
Virginia	5.6	5.9	5.7	5.3	6.2	5.6	5.9	5.6	5.5	5.5
Washington	7.3	7.0	6.9	6.6	7.3	6.1	6.6	6.3	5.9	5.5
West Virginia	6.2	6.0	6.5	6.3	6.6	6.6	6.4	6.4	6.7	6.4
Wisconsin	5.8	5.5	5.7	5.3	5.9	5.3	5.4	5.2	5.1	5.0
Wyoming	8.6	8.4	9.4	8.4	8.7	9.1	8.2	8.1	8.0	8.2
Puerto Rico	6.0	6.1	6.6	5.1	5.6	6.0	6.6	5.2	6.4	6.3

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 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014
Virgin Islands	4.9	5.7	5.5	4.9	6.1	6.8	6.5	6.0	6.1	6.4

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