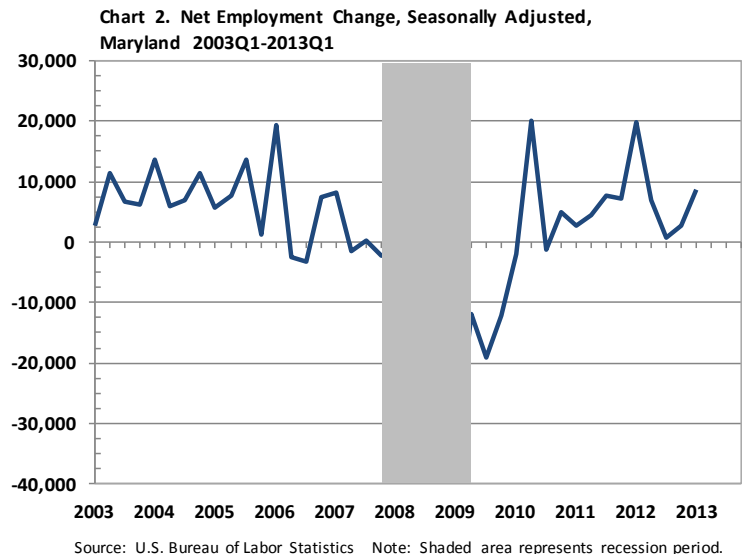
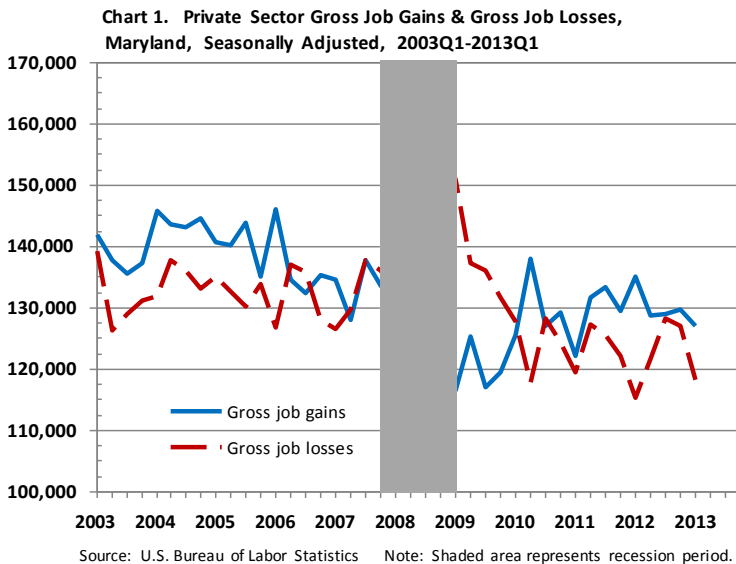


From December 2012 to March 2013 Maryland gained 126,945 jobs from opening and expanding private sector establishments, and lost 118,295 positions from businesses that were closing or contracting, seasonally adjusted, according to the latest data from the Business Employment Dynamics (BED) program of the U.S. Bureau of Labor Statistics (see Chart 1 and Table A). Gross job gains were 2,918 lower than in the previous quarter and gross job losses were down by 8,843. First quarter 2013 activity yielded a net employment change of 8,650 (see Chart 2 and Table A)—the tenth consecutive quarter of job gains exceeding losses.

Due to an administrative change by BLS to the coverage of establishments in the BED data series, effective first quarter 2013, data for job gains and net job change are not directly comparable to previous quarters (see explanation box below). For that reason BLS did not publish national job gains data for the quarter. However, the impact of this administrative change on Maryland data is unknown. Therefore, data for first quarter 2013 job gains and net change should be interpreted with caution. Data for job losses are not affected.



The Business Employment Dynamics (BED) data series counts job gains and job losses at the establishment level, summing each measure across all establishments in the private sector economy. Gross job gains are defined as increases in employment due to the addition of jobs at existing businesses and from the opening of new businesses. Gross job losses are comprised of decreases in employment at downsizing units and from business closings. Net job change (or job flow) is the tabulation of gross job gains minus gross job losses that occur among all businesses.

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. Certain establishments that provide non-medical home-based services for elderly and disabled persons were found by BLS to be misclassified in the private households industry, which is out of scope for BED. These establishments were reclassified as services for the elderly and disabled (health care industry), and are now in scope. This industry code change artificially inflates the data for gross job gains, job openings, and net employment change.

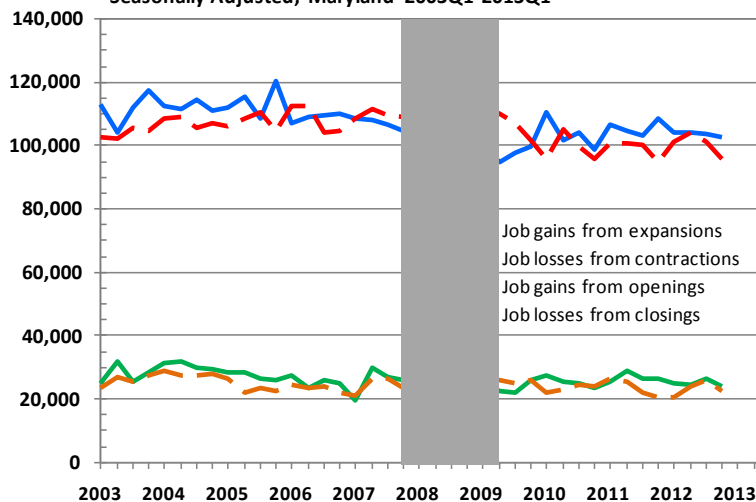
Table A. Maryland Private Sector Job Gains and Job Losses, Seasonally Adjusted

Year	Quarter ending	Gross Job Gains			Gross Job Losses			Net Job Change
		Expanding Estab.	Opening Estab.	Total	Contracting Estab.	Closing Estab.	Total	
2013	March	102,859	24,086	126,945	95,948	22,347	118,295	8,650
2012	December	103,562	26,202	129,764	101,377	25,761	127,138	2,626
	September	104,252	24,719	128,971	104,109	24,039	128,148	823
	June	103,976	24,798	128,774	101,204	20,514	121,718	7,056
	March	108,532	26,444	134,976	94,750	20,466	115,216	19,760

Source: U.S. Bureau of Labor Statistics

Gross job gains in Maryland fell by 2.2% between fourth quarter 2012 and first quarter 2013. Gains were lower for both expanding and opening establishments (see Chart 3 and Table A). Eight out of ten jobs created (102,859) occurred in existing businesses. The state's gross job losses also declined in the first quarter, down 7.0% from the previous quarter, as the number of jobs shed by both operating units and closing businesses fell. About 81% (95,948) of total jobs lost were in downsizing establi

Chart 3. Components of Private Sector Job Gains and Job Losses, Seasonally Adjusted, Maryland 2003Q1-2013Q1



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

Job gains exceeded job losses in four of eleven reported industry sectors in first quarter 2013, including: leisure and hospitality, professional and business services, education and health services, and retail trade. The professional and business services sector posted its tenth straight quarter of more gains than losses. For education and health services this marked the fourteenth consecutive

quarter of net positive job change. [Note: some job gains in health services reported due to business openings may be a result of the aforementioned administrative change.] This sector has compiled only four quarters of negative job flow since the current BED industry series began in third quarter 1992.

Job losses outnumbered job gains in transportation and warehousing, construction, other services, information, manufacturing, financial activities, and wholesale trade. There were no data reported for the industry sectors of natural resources, mining, and utilities, due to disclosure suppression.

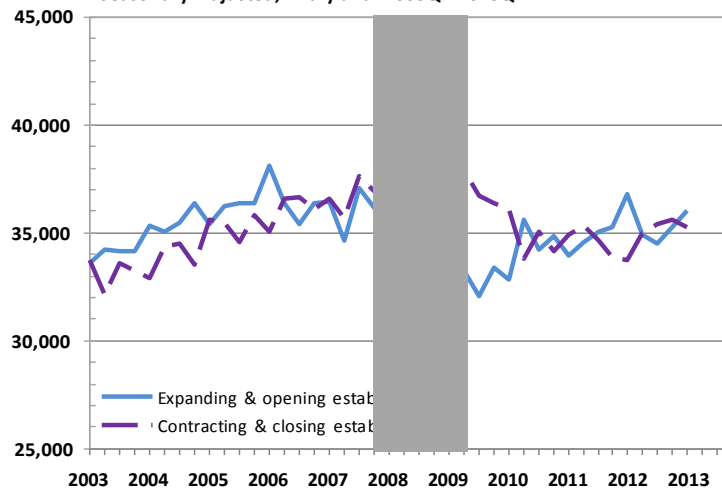
Table B. Maryland Establishments by Type of Employment Change, Seasonally Adjusted

Year	Quarter ending	Job Gaining Establishments			Job Losing Establishments			Net Establishment Change
		Expanding	Opening	Total	Contracting	Closing	Total	
2013	March	28,469	7,542	36,011	28,047	7,192	35,239	350
2012	December	27,901	7,365	35,266	27,668	7,923	35,591	-558
	September	28,034	6,489	34,523	28,238	7,164	35,402	-675
	June	27,827	7,082	34,909	28,429	6,535	34,964	547
	March	29,000	7,815	36,815	27,153	6,557	33,710	1,258

Source: U.S. Bureau of Labor Statistics

Data for employment change by establishment activity in first quarter 2013 indicated that 36,011 businesses in Maryland gained employment, either through opening or by adding jobs to their payrolls (see Chart 4 and Table B). At the same time, another 35,239 establishments lost employment through reducing jobs or shutting down. The total number of businesses gaining jobs outnumbered units losing positions by 772. Compared to the prior quarter, the total number of establishments that increased jobs rose by 745 and total units losing jobs declined by 352. Business openings outpaced closings by 305 (net establishment change)—only the sixth quarter that this has occurred since the recession ended in June 2009.

Chart 4. Establishments Gaining and Losing Jobs, Seasonally Adjusted, Maryland 2003Q1-2013Q1



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

Through first quarter 2013 the nation and the state have continued to recover from the Great Recession of 2007-2009. Post-recession employment dynamics in Maryland, as measured through the BED data series, have been inconsistent. Both gross job gains and gross job losses have risen and fallen from quarter to quarter. But job gains and losses also exhibited volatility before the

recession—this is the nature of the labor market. There are indications from BED data that the state's job market may be settling into a more stable recovery period. For the last ten quarters, total job gains, while continuing to fluctuate, have outnumbered total job losses. Though job gains have not solidly returned to pre-recession levels, job losses have fallen to levels similar or below those posted before the downturn. The post-recession job market appears to be less dynamic than pre-recession—both job gain and job loss activity are, on average, lower than in the past.

Employment statistics typically measure jobs at specific points in time, aggregating total employment across all establishments. These static indicators are the net result of all the employment transactions that have occurred between these points. The job market, however, is not static; it changes continually. Businesses open, close, add jobs, and eliminate them through all phases of the business cycle. The BED series captures these activities over time by linking employer administrative records longitudinally. BED uses data collected by the Quarterly Census of Employment and Wages (QCEW), a federal-state cooperative statistics program, to measure job gains and losses at private sector establishments from the third month of one quarter to the third month of the following quarter. The number of businesses expanding or contracting, and opening or closing, is also tabulated. Through tracking employment change at the establishment level by its components, BED data highlight the truly dynamic nature of the labor market.