Introducing the Job-to-Job Flows Data

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This article introduces a new set of statistics about the dynamic nature of the labor market – the Job-to-Job Flows. These statistics provide information on workers who leave or lose one job and take another with little or no unemployment in between. For example, when a worker quits one job to take a better job at a different company, this will be counted as a job-to-job flow. While the data is still considered "Beta" and will be enhanced and improved in future years, the recently released numbers help us understand job changes in Connecticut.

The monthly reports of employment and unemployment are based on a measure of employment levels at a particular time. For example, in June the U.S. Department of Labor reported that the number of jobs in May increased by 38,000 from April and the unemployment rate declined 0.3% to 4.7%. The jobs numbers are based on a survey of employers who are asked to report the number of workers on their payrolls in the month during a certain week. Similarly, the unemployment rate is based on a survey of households – individuals are asked whether they are working or not and if not, whether they are looking for work during a particular week of the month. While these monthly snapshots provide important information, the labor market is much more dynamic than the net changes show. We know from a separate report[1] that while the net change was 38,000 jobs, approximately 5 million workers were hired into new jobs that month (and approximately 5 million workers lost or left their jobs that month). We also know that thousands of jobs were added at companies that expanded and new companies that opened just as other jobs were being lost at companies that contracted or closed.[2]

Chart 1: Connecticut Job to Job Flows

All Industries

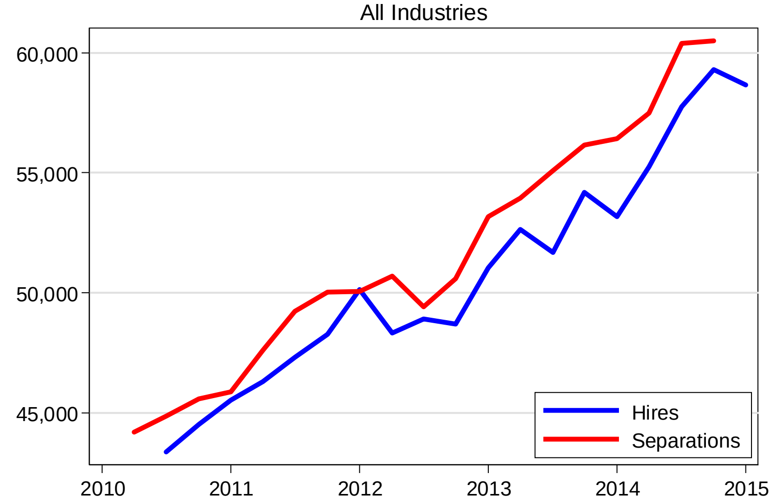
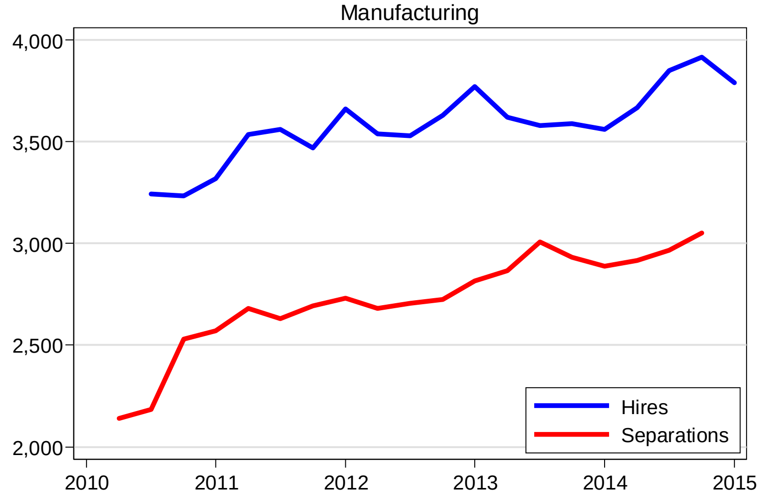


Chart 2: Connecticut Job to Job Flows

Manufacturing



In addition to these statistics we now have the Job-to-Job flows[3] to help us get a fuller picture of the dynamics of the labor market. The rest of this article will explore some aspects of what the Job-to-Job flows can tell us about the Connecticut labor market.

The number of people changing jobs has increased since the end of the recession. In general, this should be considered good news because changing jobs is often the best way for some workers to advance their careers. In 2010, there were fewer than 45,000 workers per quarter who left one job and took another. By 2014 (latest year for which we have data), that number approached 60,000 and the trend continued to be up.[4] (Chart 1)

Workers may change industries in order to move into a better position. For example, there are significantly more people who found a job in manufacturing who had previously worked in a different industry than left manufacturing jobs for other industries (Chart 2). On the other hand, more people left retail for jobs in other industries than came into retail from other industries. There has been a clear trend in retail: in 2010, approximately 1,000 more workers per quarter left retail for jobs in other industries than came into

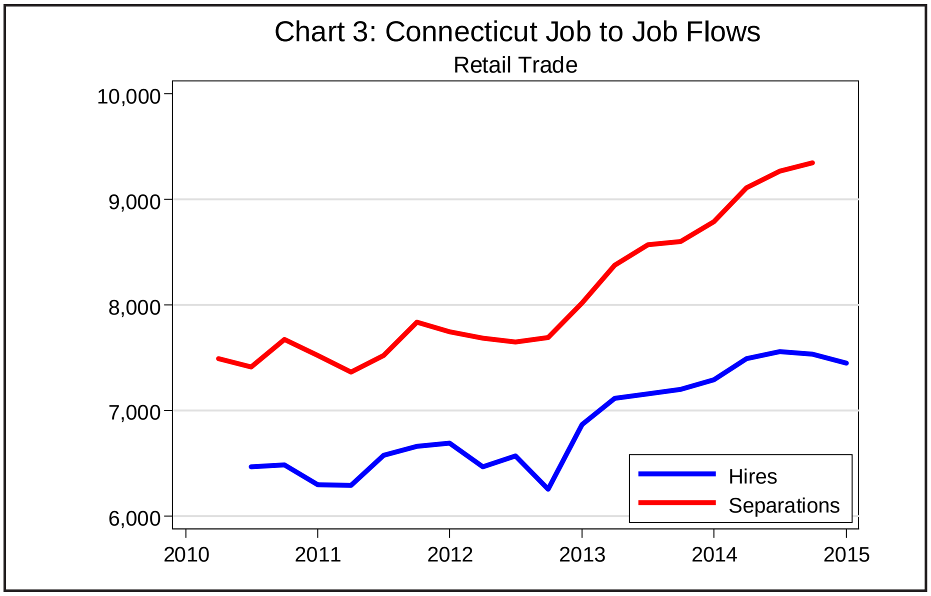


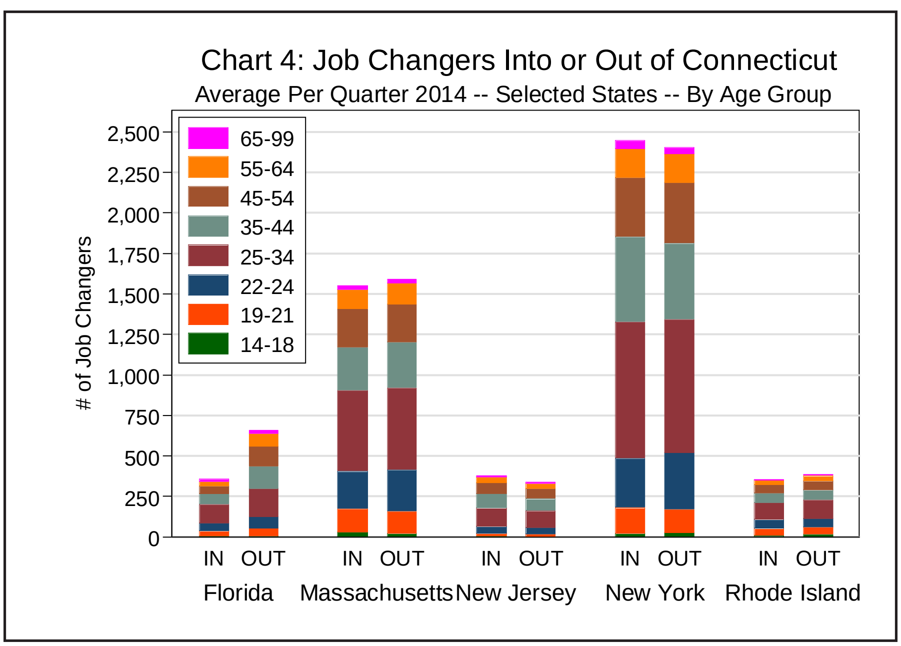
Table 1. Job to Job Flows Between Connecticut and Other States, Average Per Quarter 2014			
State	Came To Connecticut	Left Connecticut	Net Job-to-Job
New York	2,450	2,407	43
Massachusetts	1,552	1,594	-42
New Jersey	382	343	40
Florida	361	662	-302
Rhode Island	359	387	-29
Pennsylvania	229	237	-8
California	207	339	-132
Texas	177	266	-89
North Carolina	130	260	-130
Virginia	130	159	-30
Illinois	111	113	-1
Georgia	110	163	-53
New Hampshire	101	115	-14
United States	38,797	39,854	-1,057

retail from other industries. By 2014, that number had nearly doubled to 1,800 per quarter (Chart 3).

The Job-to-Job Flows data allows us to track job changes between states. Thousands of people per quarter leave jobs in other states to take jobs in Connecticut and thousands of workers leave jobs in Connecticut to take jobs elsewhere. As Table 1 shows, more people left jobs in New York and New Jersey for jobs in Connecticut than left jobs in Connecticut for jobs in those states. However, more people left Connecticut for jobs in Florida, California, North Carolina, and Texas than came to Connecticut from jobs in those states.

Finally, the Job-to-Job Flows statistics contain demographic information (Chart 4). For example, we can look at the age breakdown of the workers who are coming to Connecticut for jobs and who are leaving Connecticut for jobs in other states. Not surprisingly, the greatest number of those moving are workers in their 20's and early 30's; however, moving across state lines for a new job can take place at any age. Interestingly, significantly more workers in the 35-44 age range left jobs in New York for jobs in Connecticut than did the reverse. Importantly, for every age group the flows are large in both directions. While more workers in their early 20's left Connecticut for jobs in Massachusetts than the reverse, the net is quite small (25 workers per quarter) compared to the flow (approximately 250 workers per quarter in either direction).

Net changes in labor statistics such as total employment and the unemployment rate receive the most media attention. However, to fully understand the labor markets one must examine the underlying dynamics. Fortunately, the tools to conduct this analysis are being developed and improved. The Job-to-Job Flows, recently released by the U.S. Census in partnership with the Bureau of Labor Statistics and state labor departments, is one important example. ■



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1 Job Openings and Labor Turnover (JOLTS) http://www.bls.gov/jlt/.

2 See Business Employment Dynamics (BED) http://www1.ctdol.state.ct.us/lmi/bed.asp.

3 Job-to-Job Flows (J2J) are available from the U.S. Census – Longitudinal Employer-Household Dynamics http://lehd.did.census.gov/data/j2j_beta.html.

4 How to interpret the charts: Job-to-Job means the worker left one job and started another so a worker who left a job in Connecticut and started a new job in Connecticut would be on both lines. The reason for the gap is that more people left jobs in Connecticut for jobs in other states than took jobs in Connecticut having left jobs in other states. This is discussed in more detail later in the article.