



BUSINESS EMPLOYMENT DYNAMICS

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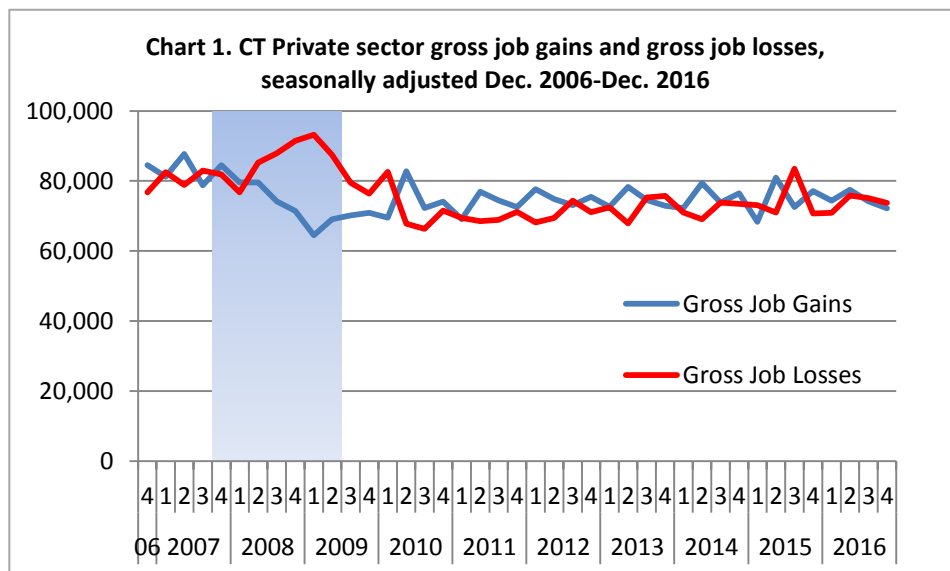
Fourth Quarter 2016

WETHERSFIELD, July 27th, 2017 - Business Employment Dynamics (BED) data published quarterly by the Bureau of Labor Statistics tracks employment change at the establishment level and reveals the underlying dynamics of net employment change. The data include gross employment change, business expansion/contraction, establishment birth/death, and is available at industry sector level.

From October 2016 to December 2016, **gross job gains** from opening and expanding private sector establishments in Connecticut was 72,208, a decrease of 2,000 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 73,722, a decrease of 1,387 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment loss** of 1,514 jobs in the private sector during the fourth quarter of 2016.

Since 2001, net change has been positive for 9 of 16 fourth quarters. The average fourth quarter net change is -967 jobs from 2001 to 2016. This average is significantly impacted by fourth quarter 2008 net change of -20,005 jobs, the second largest quarterly net loss in the series. Excluding 2008, the average fourth quarter net change since 2001 is 302 jobs.

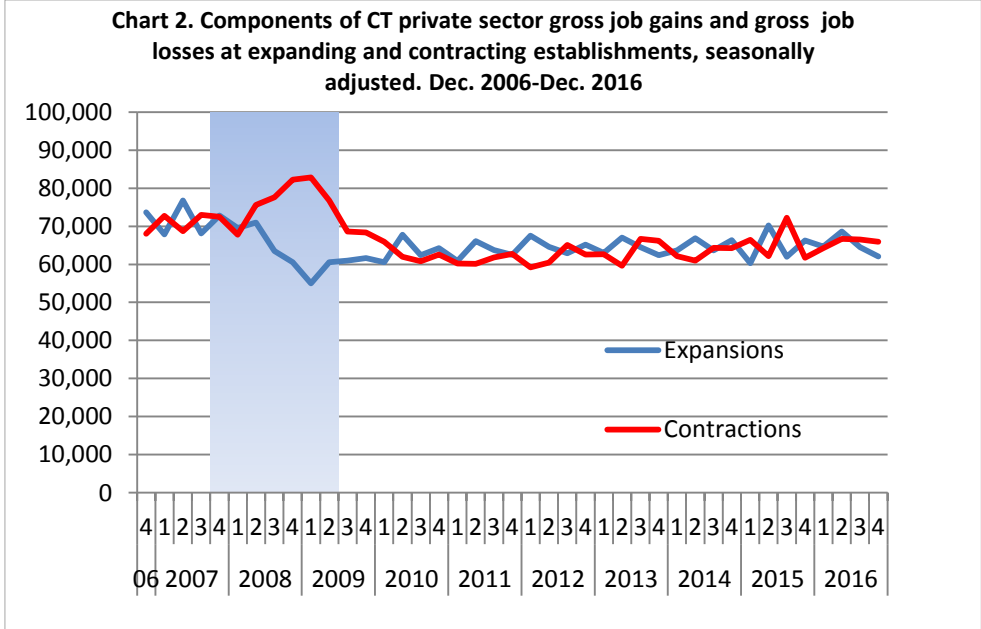


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third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

The BED data series includes gross job gains and gross job losses at the establishment level by industry subsector and for the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, as well as annual gross job gains and annual gross job losses at the firm level by employer size class.

Gross job gains at **expanding** establishments totaled 62,071 in the fourth quarter of 2016, a decrease of 2,467 jobs from the previous quarter.

Opening establishments accounted for 10,137 jobs gained in the fourth quarter of 2016, an increase of 467 jobs from the previous quarter.

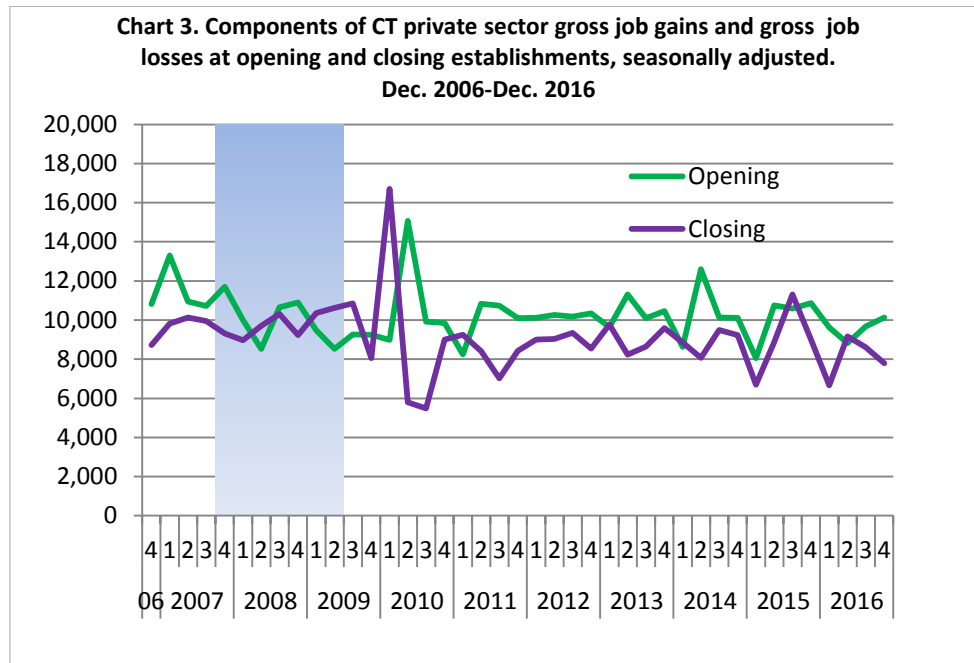


Contracting establishments lost 65,937 jobs in the fourth quarter of 2016. This was a decrease of 563 jobs from the prior quarter.

In the fourth quarter of 2016, **closing** establishments lost 7,785 jobs, a decrease of 824 jobs from the previous quarter.

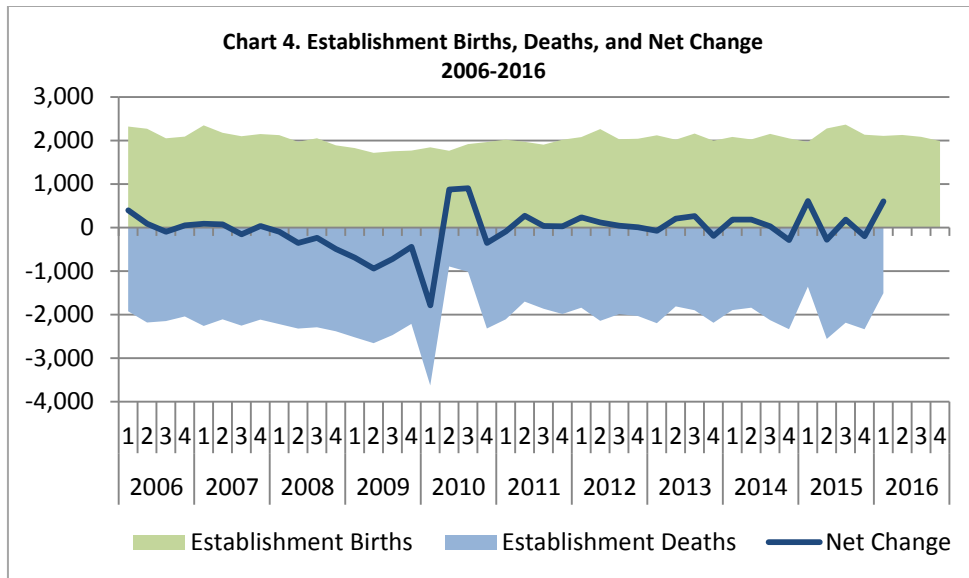
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.1 percent of private sector employment in the fourth quarter of 2016, while **gross job losses** represented 5.1 percent of private sector employment.



In the fourth quarter of 2016, there were 1,989 **establishment births** (a subset of the openings data). These new establishments accounted for 7,189 jobs, an increase of 23 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the first quarter of 2016, where 4,913 jobs were lost at 1,508 establishment deaths. In the prior quarter, 6,387 jobs were lost at 2,336 establishments.



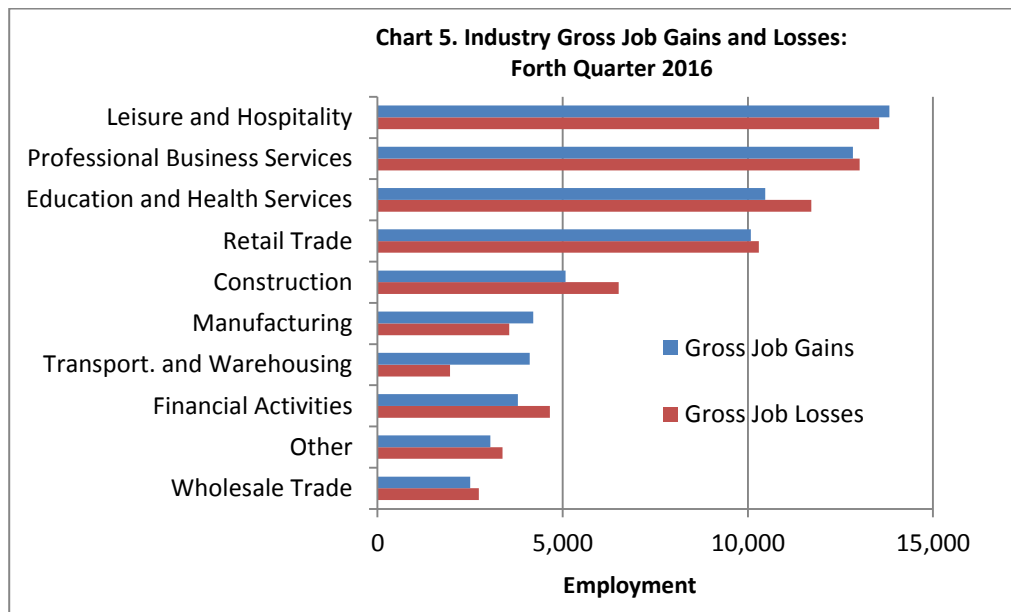
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net establishment decline occurring at the end of the recession, down 1,784 in the first quarter of 2010.

Since that early 2010 trough through the first quarter of 2016, birth/death net change has been positive in 17 of past 24 quarters of available data, with an averaging a net increase of 137 establishments per quarter during that period.

Post-recession first quarter net change has typically been positive, posting increases in four of the past six years with an average increase of 245 establishments.

In the first quarter of 2016 (the most recent quarter of establishment death data), there were 2,107 establishment births and 1,508 establishment deaths, resulting in a net change of 599 establishments. This follows a fourth quarter 2015 net change of -202 establishments.

During the fourth quarter of 2016, **gross job losses** exceeded **gross job gains** in 7 of the 10 available **industry sectors**, except for Manufacturing, Transportation and Warehousing, and Leisure and Hospitality.



Additional Information on Business Employment Dynamics, including data for the United States, 50 states, and US territories can be found at: <http://www.bls.gov/bdm/>.

Table A: Connecticut Private Sector gross job gains and losses by industry, seasonally adjusted

Category	Gross job gains and losses (3 months ending)							Gross job gains and losses as a percent of employment (3 months ending)						
	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
	2015	2015	2015	2016	2016	2016	2016	2015	2015	2015	2016	2016	2016	2016
Total Private														
Gross job gains	80,963	72,563	77,156	74,339	77,489	74,208	72,208	5.7	5.1	5.5	5.2	5.4	5.2	5.1
at expanding establishments	70,212	61,971	66,285	64,708	68,664	64,538	62,071	4.9	4.4	4.7	4.5	4.8	4.5	4.4
at opening establishments	10,751	10,592	10,871	9,631	8,825	9,670	10,137	0.8	0.7	0.8	0.7	0.6	0.7	0.7
Gross job losses	71,007	83,562	70,694	70,865	75,829	75,109	73,722	5.0	5.9	4.9	5.0	5.3	5.3	5.1
at contracting establishments	62,140	72,253	61,690	64,209	66,671	66,500	65,937	4.4	5.1	4.3	4.5	4.7	4.7	4.6
at closing establishments	8,867	11,309	9,004	6,656	9,158	8,609	7,785	0.6	0.8	0.6	0.5	0.6	0.6	0.5
Net employment change	9,956	-10,999	6,462	3,474	1,660	-901	-1,514	0.7	-0.8	0.6	0.2	0.1	-0.1	0.0
Construction														
Gross job gains	7,256	6,398	6,658	6,767	6,233	5,053	5,078	12.6	11.1	11.4	11.3	10.4	8.6	8.8
at expanding establishments	6,200	5,432	5,820	5,760	5,510	4,374	4,337	10.8	9.4	10.0	9.6	9.2	7.4	7.5
at opening establishments	1056	966	838	1,007	723	679	741	1.8	1.7	1.4	1.7	1.2	1.2	1.3
Gross job losses	5,847	7,069	5,500	6,161	6,736	6,004	6,510	10.1	12.3	9.4	10.3	11.3	10.2	11.2
at contracting establishments	4,854	6,169	4,681	5,517	6,041	5,245	5,814	8.4	10.7	8.0	9.2	10.1	8.9	10.0
at closing establishments	993	900	819	644	695	759	696	1.7	1.6	1.4	1.1	1.2	1.3	1.2
Net employment change	1,409	-671	1158	606	-503	-951	-1,432	2.5	-1.2	2.0	1.0	-0.9	-1.6	-2.4
Manufacturing														
Gross job gains	4,249	3,845	3,583	3,414	4,493	3,671	4,202	2.7	2.4	2.3	2.2	2.9	2.4	2.7
at expanding establishments	4,119	3,687	3,309	3,266	4,332	3,578	4,009	2.6	2.3	2.1	2.1	2.8	2.3	2.6
at opening establishments	130	158	274	148	161	93	193	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Gross job losses	3,359	4,542	4,336	3,590	3,863	3,946	3,558	2.1	2.8	2.8	2.3	2.5	2.5	2.2
at contracting establishments	3,151	4,217	4,059	3,442	3,592	3,780	3,331	2.0	2.6	2.6	2.2	2.3	2.4	2.1
at closing establishments	208	325	277	148	271	166	227	0.1	0.2	0.2	0.1	0.2	0.1	0.1
Net employment change	890	-697	-753	-176	630	-275	644	0.6	-0.4	-0.5	-0.1	0.4	-0.1	0.5
Wholesale Trade														
Gross job gains	2,968	2,791	2,826	2,641	3,080	2,827	2,507	4.7	4.5	4.5	4.3	4.9	4.5	4.0
at expanding establishments	2,467	2,231	2,257	2,152	2,531	2,336	1,985	3.9	3.6	3.6	3.5	4.0	3.7	3.2
at opening establishments	501	560	569	489	549	491	522	0.8	0.9	0.9	0.8	0.9	0.8	0.8
Gross job losses	2,758	3,254	3,056	2,433	3,209	2,649	2,734	4.4	5.2	4.9	3.9	5.1	4.2	4.3
at contracting establishments	2,207	2,607	2,301	2,011	2,764	2,192	2,219	3.5	4.2	3.7	3.2	4.4	3.5	3.5
at closing establishments	551	647	755	422	445	457	515	0.9	1.0	1.2	0.7	0.7	0.7	0.8
Net employment change	210	-463	-230	208	-129	178	-227	0.3	-0.7	-0.4	0.4	-0.2	0.3	-0.3
Retail Trade														
Gross job gains	12,322	9,684	11,646	10,627	10,481	10,266	10,081	6.6	5.2	6.3	5.8	5.6	5.5	5.5
at expanding establishments	10,398	8,554	10,186	9,772	9,493	8,920	9,312	5.6	4.6	5.5	5.3	5.1	4.8	5.1
at opening establishments	1,924	1,130	1,460	855	988	1,346	769	1.0	0.6	0.8	0.5	0.5	0.7	0.4
Gross job losses	10,649	12,692	10,258	10,456	10,658	11,481	10,299	5.7	6.9	5.5	5.6	5.7	6.2	5.6
at contracting establishments	9,638	11,281	9,263	9,713	9,580	10,408	9,610	5.2	6.1	5.0	5.2	5.1	5.6	5.2
at closing establishments	1,011	1,411	995	743	1,078	1,073	689	0.5	0.8	0.5	0.4	0.6	0.6	0.4
Net employment change	1,673	-3,008	1,388	171	-177	-1,215	-218	0.9	-1.7	0.8	0.2	-0.1	-0.7	-0.1
Transportation and Warehousing														
Gross job gains	2,438	2,549	3,711	2,271	1,866	2,989	4,112	5.5	5.7	8.1	4.8	4.1	6.6	8.8
at expanding establishments	2,289	2,351	3535	1,785	1,777	2,565	3545	5.2	5.3	7.7	3.8	3.9	5.7	7.6
at opening establishments	149	198	176	486	89	424	567	0.3	0.4	0.4	1.0	0.2	0.9	1.2
Gross job losses	1,393	2,011	1,782	3,132	3,644	1,707	1,959	3.2	4.5	3.8	6.7	8.0	3.8	4.2
at contracting establishments	1,265	1,750	1,577	3,027	3,534	1,430	1,834	2.9	3.9	3.4	6.5	7.8	3.2	3.9
at closing establishments	128	261	205	105	110	277	125	0.3	0.6	0.4	0.2	0.2	0.6	0.3
Net employment change	1,045	538	1,929	-861	-1,778	1,282	2,153	2.3	1.2	4.3	-1.9	-3.9	2.8	4.6
Financial Activities														
Gross job gains	4,542	3,864	4,013	3,940	4,427	3,721	3,794	3.5	3.0	3.2	3.1	3.4	2.9	3.0
at expanding establishments	4,025	3,248	3,385	3,487	4,002	3,151	3,318	3.1	2.5	2.7	2.7	3.1	2.5	2.6
at opening establishments	517	616	628	453	425	570	476	0.4	0.5	0.5	0.4	0.3	0.4	0.4
Gross job losses	3,701	4,921	4,361	4,022	4,245	4,908	4,656	2.9	3.8	3.4	3.2	3.4	3.9	3.6
at contracting establishments	3,247	4,277	3,792	3,537	3,665	4,321	4,007	2.5	3.3	3.0	2.8	2.9	3.4	3.1
at closing establishments	454	644	569	485	580	587	649	0.4	0.5	0.4	0.4	0.5	0.5	0.5
Net employment change	841	-1,057	-348	-82	182	-1,187	-862	0.6	-0.8	-0.2	-0.1	0.0	-1.0	-0.6

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	June 2015	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	June 2015	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016
Professional Business Services														
Gross job gains	14,703	12,881	13,597	11,905	13,515	13,179	12,835	6.8	6.0	6.2	5.4	6.2	6.0	5.9
at expanding establishments	12,582	10,356	11,149	10,373	11,801	11,605	10,642	5.8	4.8	5.1	4.7	5.4	5.3	4.9
at opening establishments	2,121	2,525	2,448	1,532	1,714	1,574	2,193	1.0	1.2	1.1	0.7	0.8	0.7	1.0
Gross job losses	13,120	15,415	12,154	12,584	12,773	13,429	13,020	6.1	7.1	5.6	5.7	5.8	6.1	6.0
at contracting establishments	10,811	12,565	10,193	11,205	10,521	11,352	11,332	5.0	5.8	4.7	5.1	4.8	5.2	5.2
at closing establishments	2,309	2,850	1,961	1,379	2,252	2,077	1,688	1.1	1.3	0.9	0.6	1.0	0.9	0.8
Net employment change	1,583	-2,534	1,443	-679	742	-250	-185	0.7	-1.1	0.6	-0.3	0.4	-0.1	-0.1
Education and Health Services														
Gross job gains	11,399	10,853	10,918	11,848	12,757	12,459	10,467	3.6	3.4	3.4	3.7	4.0	3.9	3.2
at expanding establishments	10,506	10,117	10,125	10,600	11,754	11,289	9,338	3.3	3.2	3.2	3.3	3.7	3.5	2.9
at opening establishments	893	736	793	1,248	1,003	1,170	1,129	0.3	0.2	0.2	0.4	0.3	0.4	0.3
Gross job losses	9,153	12,045	10,142	10,919	11,217	10,022	11,714	2.9	3.8	3.2	3.5	3.5	3.1	3.6
at contracting establishments	8,567	10,889	9,203	10,095	10,058	8,859	11,002	2.7	3.4	2.9	3.2	3.1	2.7	3.4
at closing establishments	586	1,156	939	824	1,159	1,163	712	0.2	0.4	0.3	0.3	0.4	0.4	0.2
Net employment change	2,246	-1,192	776	929	1,540	2,437	-1,247	0.7	-0.4	0.2	0.2	0.5	0.8	-0.4
Leisure and Hospitality														
Gross job gains	14,999	13,169	14,585	15,159	14,781	14,230	13,821	9.9	8.7	9.7	9.8	9.6	9.2	8.9
at expanding establishments	12,472	10,791	11,772	12,643	12,513	12,039	11,152	8.2	7.1	7.8	8.2	8.1	7.8	7.2
at opening establishments	2,527	2,378	2,813	2,516	2,268	2,191	2,669	1.7	1.6	1.9	1.6	1.5	1.4	1.7
Gross job losses	15,363	15,655	13,252	12,152	14,373	15,359	13,545	10.1	10.3	8.8	7.9	9.3	10.0	8.8
at contracting establishments	13,521	13,479	11,661	10,871	12,461	14,042	11,824	8.9	8.9	7.7	7.1	8.1	9.1	7.7
at closing establishments	1,842	2,176	1,591	1,281	1,912	1,317	1,721	1.2	1.4	1.1	0.8	1.2	0.9	1.1
Net employment change	-364	-2,486	1,333	3,007	408	-1,129	276	-0.2	-1.6	0.9	1.9	0.3	-0.8	0.1
Other														
Gross job gains	3,559	4,210	3,087	3,383	3,712	3,179	3,050	7.2	8.5	6.2	6.8	7.4	6.3	6.0
at expanding establishments	3,016	3,208	2,579	2,802	3,111	2,559	2,636	6.1	6.5	5.2	5.6	6.2	5.1	5.2
at opening establishments	543	1,002	508	581	601	620	414	1.1	2.0	1.0	1.2	1.2	1.2	0.8
Gross job losses	3,213	3,582	3,365	2,898	2,954	3,516	3,376	6.5	7.2	6.8	5.8	5.9	7.0	6.7
at contracting establishments	2,769	3,021	2,830	2,585	2,517	3,017	2,851	5.6	6.1	5.7	5.2	5.0	6.0	5.7
at closing establishments	444	561	535	313	437	499	525	0.9	1.1	1.1	0.6	0.9	1.0	1.0
Net employment change	346	628	-278	485	758	-337	-326	0.7	1.3	-0.6	1.0	1.5	-0.7	-0.7

A Note About the Data:

The Business Employment Dynamics (BED) data are generated from Connecticut's unemployment insurance (UI) records, enhanced through procedures conducted in association with the Bureau of Labor Statistics, and cover approximately 93% of all wage and salary workers in the state. The BED program links these records across quarters, providing a longitudinal history of employment for each establishment. These longitudinal records allow the identification of employment changes at expanding, opening, contracting, or closing establishments. Aggregating these changes, the BED data identify the gross job gains and losses, also known as job flows, in the state. These flows provide an understanding of the labor market dynamics that unfold over time. The job flows data scratches below the surface to expose the undercurrents that result in the net employment outcomes reported in other statistical series

The net change in employment from the Business Employment Dynamics data series will not match the net change in nonfarm employment produced from the monthly survey and reported in the Labor Situation. The monthly estimates are based on surveys from a sample of establishments, while the BED data are based on a quarterly census of administrative records. In addition, the monthly series has a different coverage, excluding the agriculture sector but including government, private households, and establishments not covered by the unemployment insurance program. Thus, the net over-the-quarter changes derived from the BED data may be different from the net employment change estimated from the monthly nonfarm employment series. The intended use of the BED statistics is to show the dynamic labor market flows that underlie the net changes in aggregate employment levels; data users who want to track net changes in aggregate employment levels over time should refer to monthly nonfarm data.

With the release of first quarter data each year, seasonally adjusted data for prior periods are revised and will therefore be different than figures shown in earlier releases. Please see <http://www.bls.gov/bdm/> for more detailed information.

This publication was prepared by Matthew Krzyzek, Economist at the Connecticut Department of Labor, Office of Research. If you have any questions regarding this publication, please call (860) 263-6287 or Matthew.Krzyzek@ct.gov.