



BUSINESS EMPLOYMENT DYNAMICS

Office of Research
 Kurt Westby, Commissioner
 Andrew Condon, Director of Research

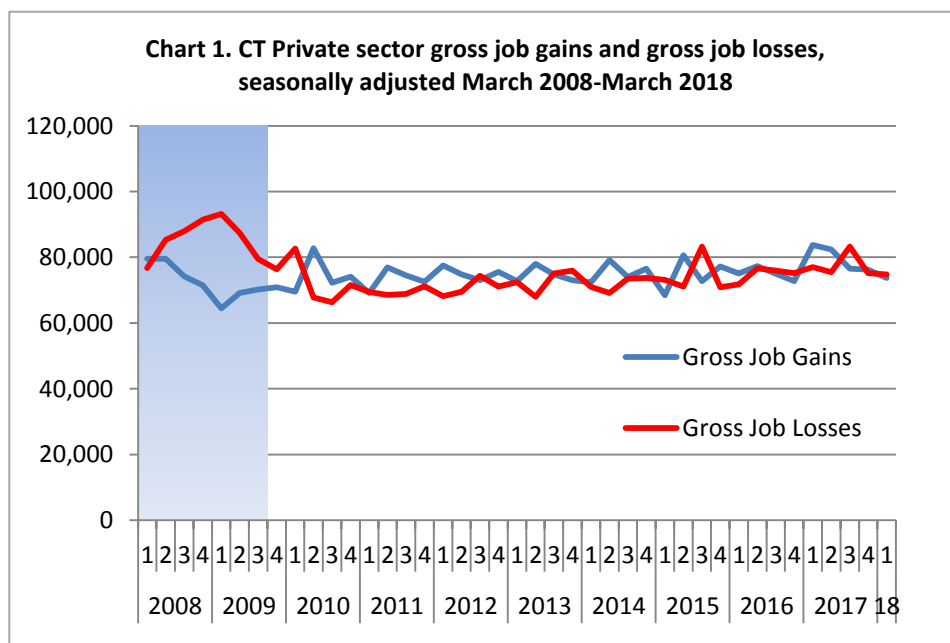
First Quarter 2018

WETHERSFIELD, November 7th, 2018 - 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 January 2018 to March 2018, **gross job gains** from opening and expanding private sector establishments in Connecticut was 73,726 a decrease of 2,499 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 74,835, an increase of 2,231 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment loss** of 1,109 jobs in the private sector during the first quarter of 2018. This follows a first quarter net gain of 1,081 jobs.

From 2004 to 2007, four quarter average net change was between 1,534 and 4,190 jobs. It fell precipitously to a series low of -15,445 jobs in 2009 and was up to 2,608 the following year. In 2018, four quarter average net change was 2,825 jobs. The prior two years were both below 200 jobs.

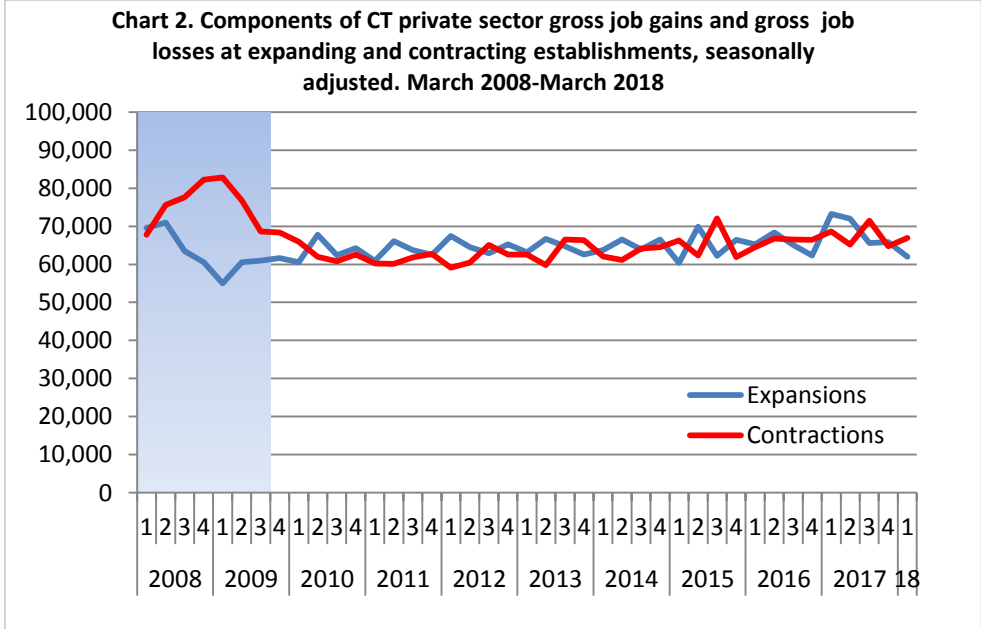


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 66,980 in the first quarter of 2018, a decrease of 3,904 jobs from the previous quarter.

Opening establishments accounted for 11,765 jobs gained in the first quarter of 2018, an increase of 1,405 jobs from the previous quarter.

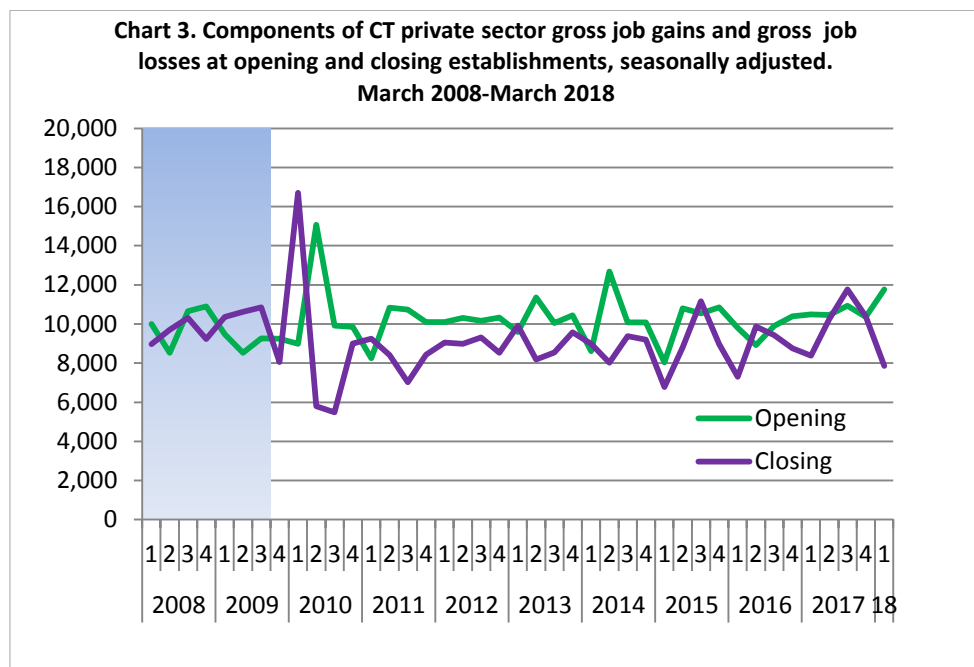


Contracting establishments lost 66,980 jobs in the first quarter of 2018. This was an increase of 2,231 jobs from the prior quarter.

In the first quarter of 2018, **closing** establishments lost 7,855 jobs, a decrease of 2,540 jobs from the previous quarter.

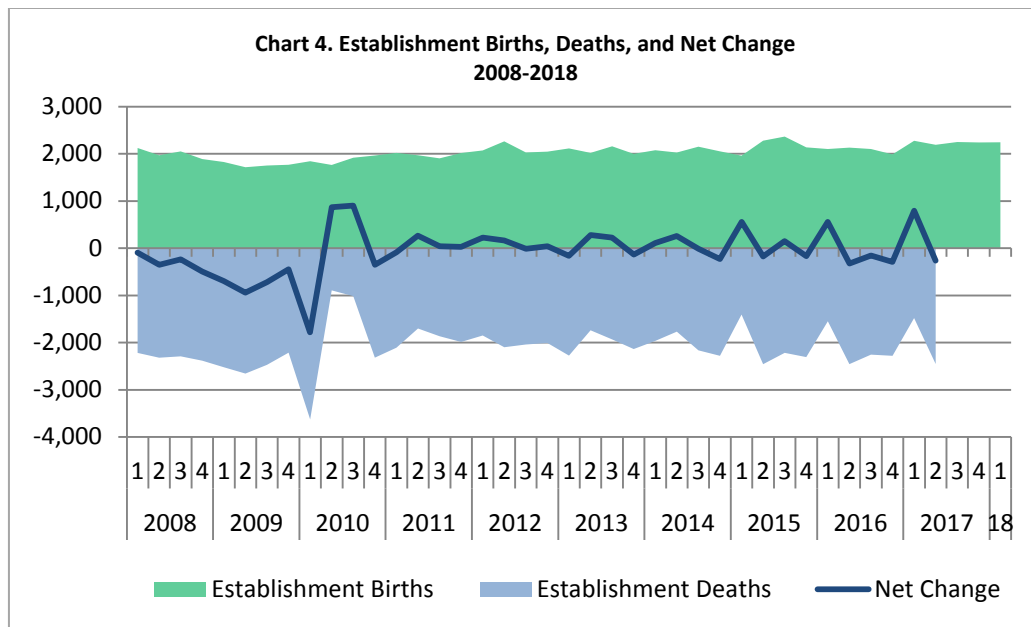
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.1 percent of private sector employment in the first quarter of 2018, while **gross job losses** represented 5.2 percent of private sector employment.



In the first quarter of 2018, there were 2,245 **establishment births** (a subset of the openings data). These new establishments accounted for 8,216 jobs, an increase of 831 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the second quarter of 2017, where 7,456 jobs were lost at 2,454 establishment deaths. In the prior quarter, 5,682 jobs were lost at 1,480 establishment deaths.



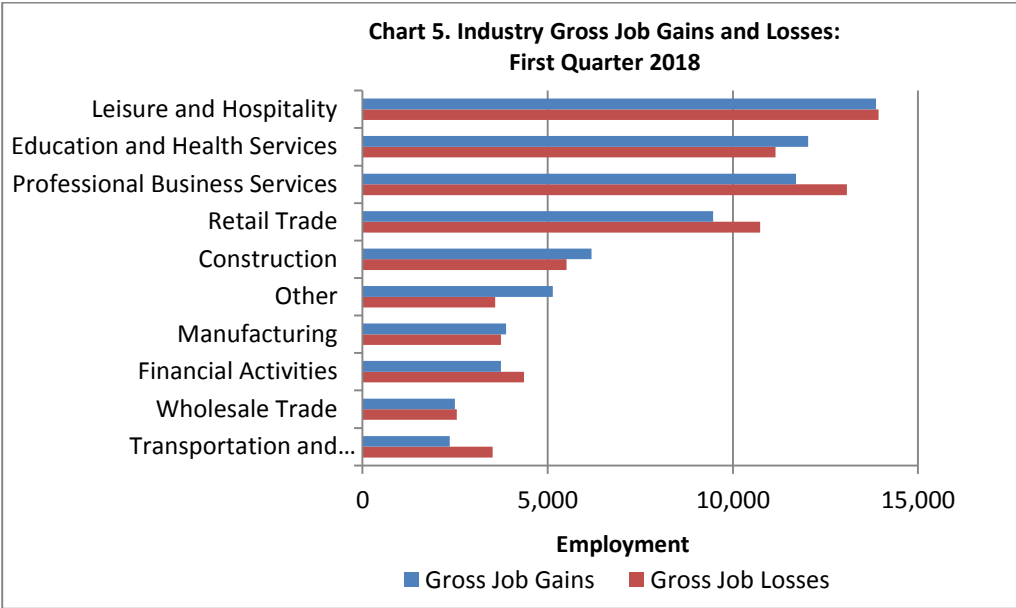
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 second quarter of 2017, birth/death net change has been positive in 16 of past 29 quarters of available data, with an averaging a net increase of 108 establishments per quarter during that period.

Post-recession second quarter net change has been positive in five of the past eight years and was negative in 2015, 2016, and 2017.

In the second quarter of 2017 (the most recent quarter of establishment death data), there were 2,192 establishment births and 2,454 establishment deaths, resulting in a net change of 262 establishments. This follows a first quarter 2017 net change of 797 establishments.

During the first quarter of 2018, **gross job gains** exceeded **gross job losses** 4 of 10 available **industry sectors**. The four net positive sectors were Education and Health Services, Construction, Other Services, and Manufacturing.



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)						
	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018
	Total Private													
Gross job gains	75,030	72,728	83,754	82,431	76,526	76,225	73,726	5.3	5.1	5.8	5.7	5.4	5.3	5.1
at expanding establishments	65,126	62,335	73,267	71,974	65,596	65,865	61,961	4.6	4.4	5.1	5.0	4.6	4.6	4.3
at opening establishments	9,904	10,393	10,487	10,457	10,930	10,360	11,765	0.7	0.7	0.7	0.7	0.8	0.7	0.8
Gross job losses	75,922	75,195	77,019	75,429	83,269	75,144	74,835	5.4	5.3	5.4	5.2	5.8	5.2	5.2
at contracting establishments	66,501	66,434	68,638	65,185	71,499	64,749	66,980	4.7	4.7	4.8	4.5	5.0	4.5	4.7
at closing establishments	9,421	8,761	8,381	10,244	11,770	10,395	7,855	0.7	0.6	0.6	0.7	0.8	0.7	0.5
Net employment change	-892	-2,467	6,735	7,002	-6,743	1,081	-1,109	-0.1	-0.2	0.4	0.5	-0.4	0.1	-0.1
Construction														
Gross job gains	5,150	5,328	6,403	6,918	5,693	5,321	6,186	8.8	9.2	11.1	11.7	9.7	9.3	10.6
at expanding establishments	4,448	4,531	5,441	6,073	4,789	4,425	5,120	7.6	7.8	9.4	10.3	8.2	7.7	8.8
at opening establishments	702	797	962	845	904	896	1,066	1.2	1.4	1.7	1.4	1.5	1.6	1.8
Gross job losses	6,015	6,588	5,949	6,495	6,448	6,689	5,510	10.2	11.4	10.3	11.0	11.0	11.6	9.5
at contracting establishments	5,227	5,789	5,216	5,246	5,489	5,691	4,797	8.9	10.0	9.0	8.9	9.4	9.9	8.3
at closing establishments	788	799	733	1,249	959	998	713	1.3	1.4	1.3	2.1	1.6	1.7	1.2
Net employment change	-865	-1,260	454	423	-755	-1,368	676	-1.4	-2.2	0.8	0.7	-1.3	-2.3	1.1
Manufacturing														
Gross job gains	3,717	4,252	3,990	5,124	4,063	4,839	3,876	2.4	2.7	2.5	3.2	2.5	3.1	2.4
at expanding establishments	3,623	4,028	3,777	4,789	3,734	4,248	3,663	2.3	2.6	2.4	3.0	2.3	2.7	2.3
at opening establishments	94	224	213	335	329	591	213	0.1	0.1	0.1	0.2	0.2	0.4	0.1
Gross job losses	3,941	3,540	3,652	3,426	4,779	3,591	3,739	2.5	2.2	2.4	2.1	3.0	2.2	2.4
at contracting establishments	3,745	3,341	3,406	3,041	4,088	3,243	3,467	2.4	2.1	2.2	1.9	2.6	2.0	2.2
at closing establishments	196	199	246	385	691	348	272	0.1	0.1	0.2	0.2	0.4	0.2	0.2
Net employment change	-224	712	338	1,698	-716	1,248	137	-0.1	0.5	0.1	1.1	-0.5	0.9	0.0
Wholesale Trade														
Gross job gains	2,874	2,531	2,703	2,889	2,686	2,692	2,496	4.6	4.1	4.3	4.6	4.3	4.3	4.1
at expanding establishments	2,381	1,993	2,172	2,501	2,236	2,199	2,033	3.8	3.2	3.5	4.0	3.6	3.5	3.3
at opening establishments	493	538	531	388	450	493	463	0.8	0.9	0.8	0.6	0.7	0.8	0.8
Gross job losses	2,694	2,924	2,588	2,686	2,964	2,620	2,550	4.3	4.7	4.1	4.3	4.7	4.2	4.1
at contracting establishments	2,177	2,226	2,089	2,086	2,262	1,953	2,161	3.5	3.6	3.3	3.3	3.6	3.1	3.5
at closing establishments	517	698	499	600	702	667	389	0.8	1.1	0.8	1.0	1.1	1.1	0.6
Net employment change	180	-393	115	203	-278	72	-54	0.3	-0.6	0.2	0.3	-0.4	0.1	0.0
Retail Trade														
Gross job gains	10,308	10,127	11,370	11,550	10,058	10,329	9,471	5.5	5.5	6.2	6.2	5.5	5.7	5.2
at expanding establishments	8,961	9,306	9,790	10,186	8,955	9,616	8,499	4.8	5.1	5.3	5.5	4.9	5.3	4.7
at opening establishments	1,347	821	1,580	1,364	1,103	713	972	0.7	0.4	0.9	0.7	0.6	0.4	0.5
Gross job losses	11,771	10,435	11,430	10,201	11,957	10,445	10,734	6.4	5.7	6.3	5.5	6.5	5.7	5.9
at contracting establishments	10,698	9,603	10,231	9,009	10,615	9,553	9,958	5.8	5.2	5.6	4.9	5.8	5.2	5.5
at closing establishments	1,073	832	1,199	1,192	1,342	892	776	0.6	0.5	0.7	0.6	0.7	0.5	0.4
Net employment change	-1,463	-308	-60	1,349	-1,899	-116	-1,263	-0.9	-0.2	-0.1	0.7	-1.0	0.0	-0.7
Transportation and Warehousing														
Gross job gains	2,977	4,057	2,810	2,221	4,076	3,929	2,357	6.6	8.7	6.0	4.8	8.7	8.0	4.8
at expanding establishments	2,563	3,487	2,728	2,097	3,756	3,786	2,170	5.7	7.5	5.8	4.5	8.0	7.7	4.4
at opening establishments	414	570	82	124	320	143	187	0.9	1.2	0.2	0.3	0.7	0.3	0.4
Gross job losses	1,852	2,039	3,635	2,076	1,930	1,821	3,516	4.1	4.4	7.8	4.5	4.1	3.7	7.1
at contracting establishments	1,458	1,900	3,219	1,897	1,723	1,660	3,381	3.2	4.1	6.9	4.1	3.7	3.4	6.8
at closing establishments	394	139	416	179	207	161	135	0.9	0.3	0.9	0.4	0.4	0.3	0.3
Net employment change	1,125	2,018	-825	145	2,146	2,108	-1,159	2.5	4.3	-1.8	0.3	4.6	4.3	-2.3
Financial Activities														
Gross job gains	3,783	3,806	4,142	4,576	3,657	4,157	3,740	3.0	3.0	3.3	3.6	2.9	3.3	3.0
at expanding establishments	3,178	3,315	3,548	3,843	2,965	3,539	3,143	2.5	2.6	2.8	3.0	2.4	2.8	2.5
at opening establishments	605	491	594	733	692	618	597	0.5	0.4	0.5	0.6	0.5	0.5	0.5
Gross job losses	5,037	4,752	4,515	4,327	4,842	4,990	4,358	4.0	3.7	3.6	3.5	3.8	4.0	3.5
at contracting establishments	4,301	4,001	4,028	3,361	4,179	4,274	3,907	3.4	3.1	3.2	2.7	3.3	3.4	3.1
at closing establishments	736	751	487	966	663	716	451	0.6	0.6	0.4	0.8	0.5	0.6	0.4
Net employment change	-1,254	-946	-373	249	-1,185	-833	-618	-1.0	-0.7	-0.3	0.1	-0.9	-0.7	-0.5

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)						
	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018
Professional Business Services														
Gross job gains	13,353	12,876	13,747	13,965	13,490	14,014	11,702	6.1	5.9	6.3	6.3	6.2	6.4	5.3
at expanding establishments	11,730	10,671	11,995	12,121	11,399	11,706	10,089	5.4	4.9	5.5	5.5	5.2	5.3	4.6
at opening establishments	1,623	2,205	1,752	1,844	2,091	2,308	1,613	0.7	1.0	0.8	0.8	1.0	1.1	0.7
Gross job losses	13,693	13,355	14,028	13,914	13,701	14,073	13,076	6.2	6.1	6.4	6.3	6.2	6.5	6.0
at contracting establishments	11,448	11,383	12,488	11,863	11,260	11,726	11,332	5.2	5.2	5.7	5.4	5.1	5.4	5.2
at closing establishments	2,245	1,972	1,540	2,051	2,441	2,347	1,744	1.0	0.9	0.7	0.9	1.1	1.1	0.8
Net employment change	-340	-479	-281	51	-211	-59	-1,374	-0.1	-0.2	-0.1	0.0	0.0	-0.1	-0.7
Education and Health Services														
Gross job gains	12,613	10,688	16,421	13,439	13,154	11,105	12,036	3.9	3.3	5.1	4.1	4.0	3.4	3.7
at expanding establishments	11,396	9,519	14,889	12,072	11,586	9,875	10,464	3.5	2.9	4.6	3.7	3.5	3.0	3.2
at opening establishments	1,217	1,169	1,532	1,367	1,568	1,230	1,572	0.4	0.4	0.5	0.4	0.5	0.4	0.5
Gross job losses	9,902	11,748	11,872	11,232	13,944	11,685	11,154	3.1	3.6	3.7	3.4	4.3	3.6	3.4
at contracting establishments	8,647	10,950	10,570	10,085	12,425	10,018	10,216	2.7	3.4	3.3	3.1	3.8	3.1	3.1
at closing establishments	1,255	798	1,302	1,147	1,519	1,667	938	0.4	0.2	0.4	0.3	0.5	0.5	0.3
Net employment change	2,711	-1,060	4,549	2,207	-790	-580	882	0.8	-0.3	1.4	0.7	-0.3	-0.2	0.3
Leisure and Hospitality														
Gross job gains	14,304	13,745	15,803	15,663	13,830	14,508	13,867	9.3	8.9	10.1	10.0	8.8	9.2	8.8
at expanding establishments	12,143	11,028	13,738	13,223	11,271	12,088	11,701	7.9	7.1	8.8	8.4	7.2	7.7	7.4
at opening establishments	2,161	2,717	2,065	2,440	2,559	2,420	2,166	1.4	1.8	1.3	1.6	1.6	1.5	1.4
Gross job losses	15,329	13,709	13,316	14,928	16,960	13,518	13,935	9.9	8.9	8.6	9.5	10.8	8.6	8.8
at contracting establishments	13,926	11,921	11,965	13,318	14,712	11,734	12,340	9.0	7.7	7.7	8.5	9.4	7.5	7.8
at closing establishments	1,403	1,788	1,351	1,610	2,248	1,784	1,595	0.9	1.2	0.9	1.0	1.4	1.1	1.0
Net employment change	-1,025	36	2,487	735	-3,130	990	-68	-0.6	0.0	1.5	0.5	-2.0	0.6	0.0
Other														
Gross job gains	3,195	3,112	3,372	3,921	3,381	3,156	5,139	6.3	6.2	6.7	7.8	6.6	6.2	10.0
at expanding establishments	2,569	2,664	2,762	3,231	2,771	2,628	3,025	5.1	5.3	5.5	6.4	5.4	5.2	5.9
at opening establishments	626	448	610	690	610	528	2,114	1.2	0.9	1.2	1.4	1.2	1.0	4.1
Gross job losses	3,520	3,378	3,305	3,115	3,497	3,538	3,580	6.9	6.7	6.6	6.1	6.9	6.9	7.0
at contracting establishments	2,993	2,858	2,865	2,538	2,890	2,972	3,186	5.9	5.7	5.7	5.0	5.7	5.8	6.2
at closing establishments	527	520	440	577	607	566	394	1.0	1.0	0.9	1.1	1.2	1.1	0.8
Net employment change	-325	-266	67	806	-116	-382	1,559	-0.6	-0.5	0.1	1.7	-0.3	-0.7	3.0

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.