



# BUSINESS EMPLOYMENT DYNAMICS

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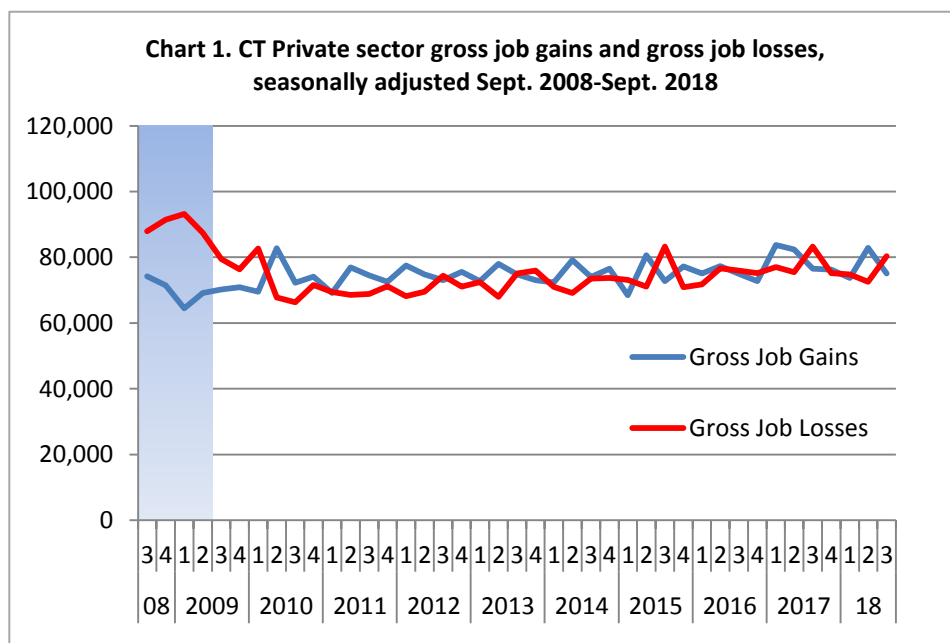
## Third Quarter 2018

WETHERSFIELD, April 24th, 2019 - 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 July 2018 to September 2018, **gross job gains** from opening and expanding private sector establishments in Connecticut was 75,079, a decrease of 7,835 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 80,313, an increase of 7,772 jobs from the previous quarter.

During the third quarter of 2018, difference between gross job gains and gross job losses yielded a **net employment loss** of 5,234 jobs in the private sector. This third quarter net loss is 1,509 jobs less than the net loss a year before.

From 2004 to 2007, annual average net employment 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 2017, annual average net change was 2,019 jobs. The prior two years were both below 200 jobs.

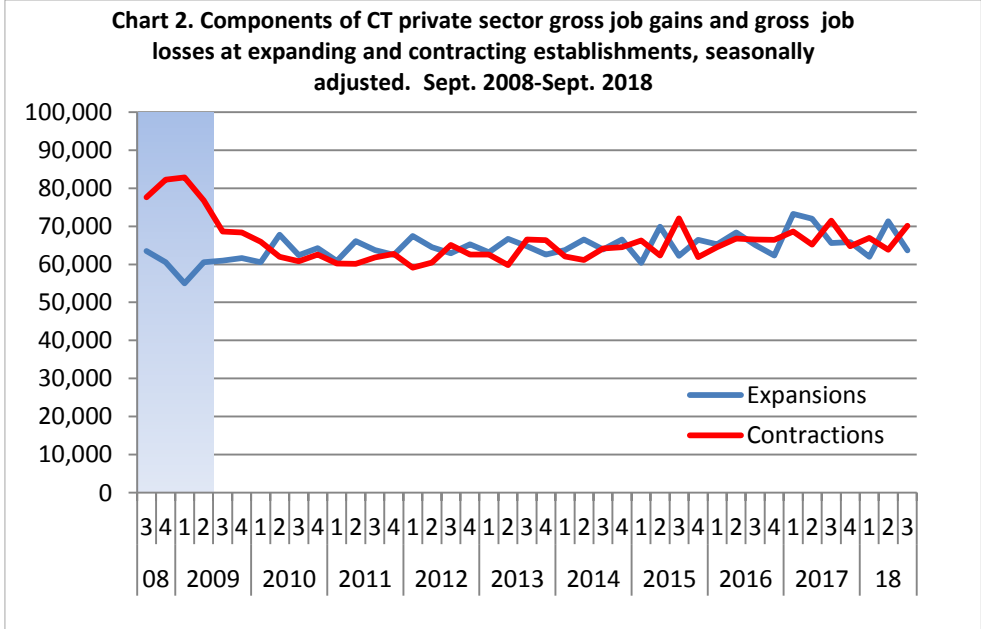


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 63,625 in the third quarter of 2018, a decrease of 7,721 jobs from the previous quarter.

**Opening** establishments accounted for 11,454 jobs gained in the third quarter of 2018, a decrease of 114 jobs from the previous quarter.

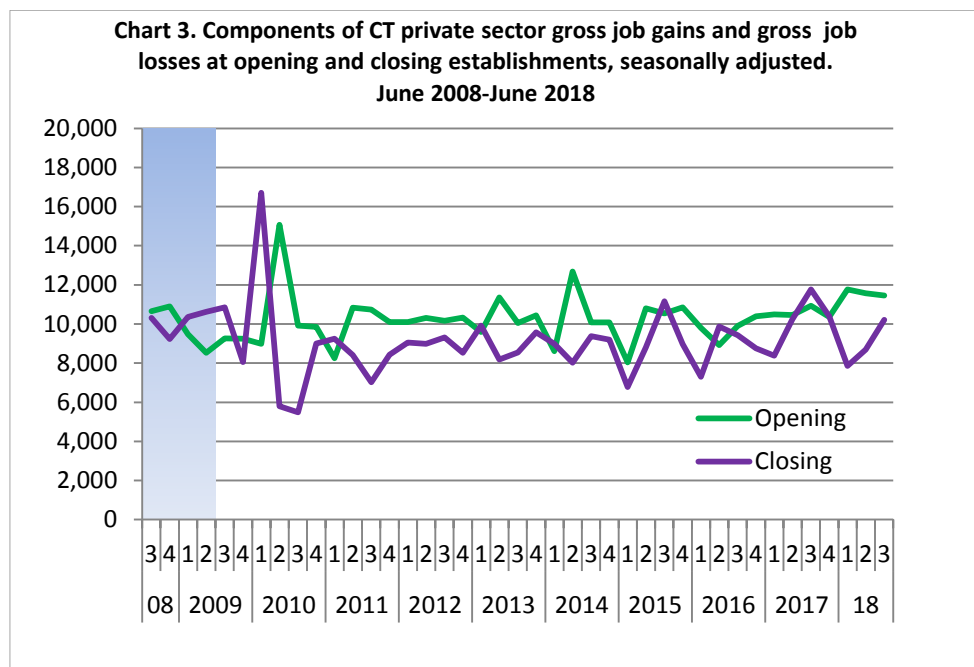


**Contracting** establishments lost 70,103 jobs in the third quarter of 2018. This was an increase of 6,246 jobs from the prior quarter.

In the third quarter of 2018, **closing** establishments lost 10,210 jobs, an increase of 1,526 jobs from the previous quarter.

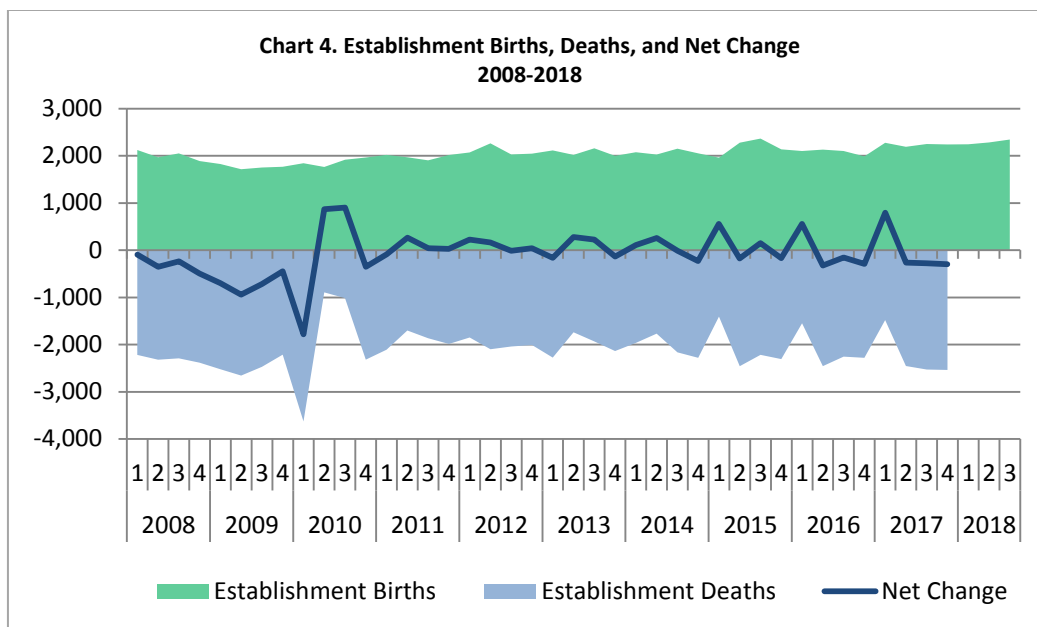
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see: [www.bls.gov/bdm](http://www.bls.gov/bdm)). Gross job gains exceeding losses indicates employment expansion.

**Gross job gains** represented 5.2 percent of private sector employment in the third quarter of 2018, while **gross job losses** represented 5.6 percent of private sector employment.



In the third quarter of 2018, there were 2,346 **establishment births** (a subset of the openings data). These new establishments accounted for 8,531 jobs, an increase of 618 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the fourth quarter of 2017, where 7,151 jobs were lost at 2,537 establishment deaths. In the prior quarter, 8,320 jobs were lost at 2,528 establishment deaths.



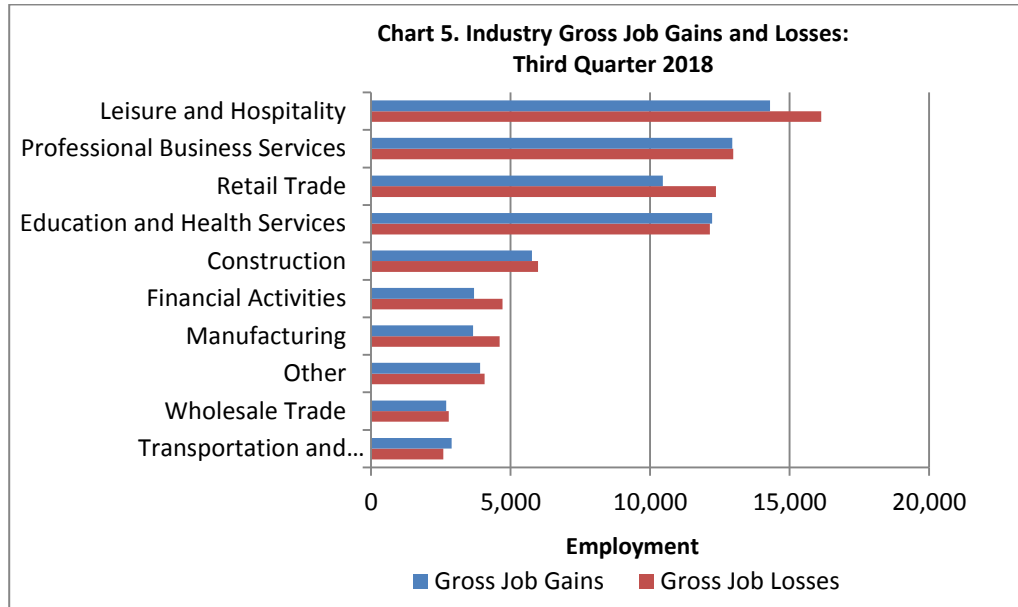
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 third quarter of 2017, birth/death net change has been positive in 16 of past 31 quarters of available data, with an averaging a net increase of 82 establishments per quarter during that period.

Post-recession fourth quarter net change has been negative every year since 2013 with an average loss of 224.

In the fourth quarter of 2017 (the most recent quarter of establishment death data), there were 2,242 establishment births and 2,537 establishment deaths, resulting in a net change of -295 establishments. This follows a 2017 third quarter net change of -277 establishments.

During the third quarter of 2018, **gross job losses** exceeded **gross job gains** in 8 of 10 available sectors. The sectors with the largest net losses were Retail Trade and Leisure and Hospitality. The two positive sectors were Education and Health Services and Transportation and Warehousing.



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)						
	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
	2017	2017	2017	2017	2018	2018	2018	2017	2017	2017	2017	2018	2018	2018
<b>Total Private</b>														
Gross job gains	83,754	82,431	76,526	76,225	73,726	82,914	75,079	5.8	5.7	5.4	5.3	5.1	5.8	5.2
at expanding establishments	73,267	71,974	65,596	65,865	61,961	71,346	63,625	5.1	5.0	4.6	4.6	4.3	5.0	4.4
at opening establishments	10,487	10,457	10,930	10,360	11,765	11,568	11,454	0.7	0.7	0.8	0.7	0.8	0.8	0.8
Gross job losses	77,019	75,429	83,269	75,144	74,835	72,541	80,313	5.4	5.2	5.8	5.2	5.2	5.0	5.6
at contracting establishments	68,638	65,185	71,499	64,749	66,980	63,857	70,103	4.8	4.5	5.0	4.5	4.7	4.4	4.9
at closing establishments	8,381	10,244	11,770	10,395	7,855	8,684	10,210	0.6	0.7	0.8	0.7	0.5	0.6	0.7
Net employment change	6,735	7,002	-6,743	1,081	-1,109	10,373	-5,234	0.4	0.5	-0.4	0.1	-0.1	0.8	-0.4
<b>Construction</b>														
Gross job gains	6,403	6,918	5,693	5,321	6,186	6,401	5,769	11.1	11.7	9.7	9.3	10.6	10.9	9.8
at expanding establishments	5,441	6,073	4,789	4,425	5,120	5,449	5,014	9.4	10.3	8.2	7.7	8.8	9.3	8.5
at opening establishments	962	845	904	896	1,066	952	755	1.7	1.4	1.5	1.6	1.8	1.6	1.3
Gross job losses	5,949	6,495	6,448	6,689	5,510	5,287	5,980	10.3	11.0	11.0	11.6	9.5	9.0	10.2
at contracting establishments	5,216	5,246	5,489	5,691	4,797	4,510	4,939	9.0	8.9	9.4	9.9	8.3	7.7	8.4
at closing establishments	733	1,249	959	998	713	777	1,041	1.3	2.1	1.6	1.7	1.2	1.3	1.8
Net employment change	454	423	-755	-1368	676	1114	-211	0.8	0.7	-1.3	-2.3	1.1	1.9	-0.4
<b>Manufacturing</b>														
Gross job gains	3,990	5,124	4,063	4,839	3,876	4,809	3,659	2.5	3.2	2.5	3.1	2.4	3.0	2.3
at expanding establishments	3,777	4,789	3,734	4,248	3,663	4,561	3,210	2.4	3.0	2.3	2.7	2.3	2.8	2.0
at opening establishments	213	335	329	591	213	248	449	0.1	0.2	0.2	0.4	0.1	0.2	0.3
Gross job losses	3,652	3,426	4,779	3,591	3,739	3,275	4,608	2.4	2.1	3.0	2.2	2.4	2.1	2.9
at contracting establishments	3,406	3,041	4,088	3,243	3,467	3,167	4,180	2.2	1.9	2.6	2.0	2.2	2.0	2.6
at closing establishments	246	385	691	348	272	108	428	0.2	0.2	0.4	0.2	0.2	0.1	0.3
Net employment change	338	1,698	-716	1248	137	1534	-949	0.1	1.1	-0.5	0.9	0.0	0.9	-0.6
<b>Wholesale Trade</b>														
Gross job gains	2,703	2,889	2,686	2,692	2,496	2,965	2,686	4.3	4.6	4.3	4.3	4.1	4.8	4.3
at expanding establishments	2,172	2,501	2,236	2,199	2,033	2,339	2,116	3.5	4.0	3.6	3.5	3.3	3.8	3.4
at opening establishments	531	388	450	493	463	626	570	0.8	0.6	0.7	0.8	0.8	1.0	0.9
Gross job losses	2,588	2,686	2,964	2,620	2,550	2,764	2,780	4.1	4.3	4.7	4.2	4.1	4.4	4.6
at contracting establishments	2,089	2,086	2,262	1,953	2,161	2,060	2,191	3.3	3.3	3.6	3.1	3.5	3.3	3.6
at closing establishments	499	600	702	667	389	704	589	0.8	1.0	1.1	1.1	0.6	1.1	1.0
Net employment change	115	203	-278	72	-54	201	-94	0.2	0.3	-0.4	0.1	0.0	0.4	-0.3
<b>Retail Trade</b>														
Gross job gains	11,370	11,550	10,058	10,329	9,471	10,911	10,456	6.2	6.2	5.5	5.7	5.2	5.9	5.7
at expanding establishments	9,790	10,186	8,955	9,616	8,499	9,920	8,930	5.3	5.5	4.9	5.3	4.7	5.4	4.9
at opening establishments	1,580	1,364	1,103	713	972	991	1,526	0.9	0.7	0.6	0.4	0.5	0.5	0.8
Gross job losses	11,430	10,201	11,957	10,445	10,734	10,367	12,366	6.3	5.5	6.5	5.7	5.9	5.7	6.8
at contracting establishments	10,231	9,009	10,615	9,553	9,958	9,330	10,903	5.6	4.9	5.8	5.2	5.5	5.1	6.0
at closing establishments	1,199	1,192	1,342	892	776	1,037	1,463	0.7	0.6	0.7	0.5	0.4	0.6	0.8
Net employment change	-60	1349	-1,899	-116	-1263	544	-1910	-0.1	0.7	-1.0	0.0	-0.7	0.2	-1.1
<b>Transportation and Warehousing</b>														
Gross job gains	2,810	2,221	4,076	3,929	2,357	3,124	2,890	6.0	4.8	8.7	8.0	4.8	6.3	5.8
at expanding establishments	2,728	2,097	3,756	3,786	2,170	2,858	2,564	5.8	4.5	8.0	7.7	4.4	5.8	5.1
at opening establishments	82	124	320	143	187	266	326	0.2	0.3	0.7	0.3	0.4	0.5	0.7
Gross job losses	3,635	2,076	1,930	1,821	3,516	1,921	2,590	7.8	4.5	4.1	3.7	7.1	3.9	5.1
at contracting establishments	3,219	1,897	1,723	1,660	3,381	1,727	2,368	6.9	4.1	3.7	3.4	6.8	3.5	4.7
at closing establishments	416	179	207	161	135	194	222	0.9	0.4	0.4	0.3	0.3	0.4	0.4
Net employment change	-825	145	2146	2,108	-1,159	1,203	300	-1.8	0.3	4.6	4.3	-2.3	2.4	0.7
<b>Financial Activities</b>														
Gross job gains	4,142	4,576	3,657	4,157	3,740	4,540	3,685	3.3	3.6	2.9	3.3	3.0	3.6	3.0
at expanding establishments	3,548	3,843	2,965	3,539	3,143	3,857	3,190	2.8	3.0	2.4	2.8	2.5	3.1	2.6
at opening establishments	594	733	692	618	597	683	495	0.5	0.6	0.5	0.5	0.5	0.5	0.4
Gross job losses	4,515	4,327	4,842	4,990	4,358	4,231	4,709	3.6	3.5	3.8	4.0	3.5	3.4	3.8
at contracting establishments	4,028	3,361	4,179	4,274	3,907	3,631	4,125	3.2	2.7	3.3	3.4	3.1	2.9	3.3
at closing establishments	487	966	663	716	451	600	584	0.4	0.8	0.5	0.6	0.4	0.5	0.5
Net employment change	-373	249	-1185	-833	-618	309	-1024	-0.3	0.1	-0.9	-0.7	-0.5	0.2	-0.8

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	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	June 2018	Sept. 2018
<b>Professional Business Services</b>														
Gross job gains	13,747	13,965	13,490	14,014	11,702	14,655	12,946	6.3	6.3	6.2	6.4	5.3	6.6	5.9
at expanding establishments	11,995	12,121	11,399	11,706	10,089	12,136	11,044	5.5	5.5	5.2	5.3	4.6	5.5	5.0
at opening establishments	1,752	1,844	2,091	2,308	1,613	2,519	1,902	0.8	0.8	1.0	1.1	0.7	1.1	0.9
Gross job losses	14,028	13,914	13,701	14,073	13,076	13,202	12,983	6.4	6.3	6.2	6.5	6.0	6.0	5.9
at contracting establishments	12,488	11,863	11,260	11,726	11,332	11,323	10,965	5.7	5.4	5.1	5.4	5.2	5.1	5.0
at closing establishments	1,540	2,051	2,441	2,347	1,744	1,879	2,018	0.7	0.9	1.1	1.1	0.8	0.9	0.9
Net employment change	-281	51	-211	-59	-1,374	1,453	-37	-0.1	0.0	0.0	-0.1	-0.7	0.6	0.0
<b>Education and Health Services</b>														
Gross job gains	16,421	13,439	13,154	11,105	12,036	12,894	12,228	5.1	4.1	4.0	3.4	3.7	4.0	3.7
at expanding establishments	14,889	12,072	11,586	9,875	10,464	11,720	10,861	4.6	3.7	3.5	3.0	3.2	3.6	3.3
at opening establishments	1,532	1,367	1,568	1,230	1,572	1,174	1,367	0.5	0.4	0.5	0.4	0.5	0.4	0.4
Gross job losses	11,872	11,232	13,944	11,685	11,154	11,353	12,145	3.7	3.4	4.3	3.6	3.4	3.4	3.7
at contracting establishments	10,570	10,085	12,425	10,018	10,216	10,300	10,702	3.3	3.1	3.8	3.1	3.1	3.1	3.3
at closing establishments	1,302	1,147	1,519	1,667	938	1,053	1,443	0.4	0.3	0.5	0.5	0.3	0.3	0.4
Net employment change	4,549	2,207	-790	-580	882	1,541	83	1.4	0.7	-0.3	-0.2	0.3	0.6	0.0
<b>Leisure and Hospitality</b>														
Gross job gains	15,803	15,663	13,830	14,508	13,867	15,881	14,299	10.1	10.0	8.8	9.2	8.8	10.0	9.1
at expanding establishments	13,738	13,223	11,271	12,088	11,701	13,288	11,636	8.8	8.4	7.2	7.7	7.4	8.4	7.4
at opening establishments	2,065	2,440	2,559	2,420	2,166	2,593	2,663	1.3	1.6	1.6	1.5	1.4	1.6	1.7
Gross job losses	13,316	14,928	16,960	13,518	13,935	14,416	16,139	8.6	9.5	10.8	8.6	8.8	9.1	10.2
at contracting establishments	11,965	13,318	14,712	11,734	12,340	12,840	14,639	7.7	8.5	9.4	7.5	7.8	8.1	9.3
at closing establishments	1,351	1,610	2,248	1,784	1,595	1,576	1,500	0.9	1.0	1.4	1.1	1.0	1.0	0.9
Net employment change	2,487	735	-3,130	990	-68	1,465	-1,840	1.5	0.5	-2.0	0.6	0.0	0.9	-1.1
<b>Other</b>														
Gross job gains	3,372	3,921	3,381	3,156	5,139	4,171	3,910	6.7	7.8	6.6	6.2	10.0	7.9	7.4
at expanding establishments	2,762	3,231	2,771	2,628	3,025	3,337	2,931	5.5	6.4	5.4	5.2	5.9	6.3	5.5
at opening establishments	610	690	610	528	2,114	834	979	1.2	1.4	1.2	1.0	4.1	1.6	1.9
Gross job losses	3,305	3,115	3,497	3,538	3,580	3,173	4,068	6.6	6.1	6.9	6.9	7.0	6.0	7.7
at contracting establishments	2,865	2,538	2,890	2,972	3,186	2,699	3,442	5.7	5.0	5.7	5.8	6.2	5.1	6.5
at closing establishments	440	577	607	566	394	474	626	0.9	1.1	1.2	1.1	0.8	0.9	1.2
Net employment change	67	806	-116	-382	1,559	998	-158	0.1	1.7	-0.3	-0.7	3.0	1.9	-0.3

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](mailto:Matthew.Krzyzek@ct.gov).