



BUSINESS EMPLOYMENT DYNAMICS

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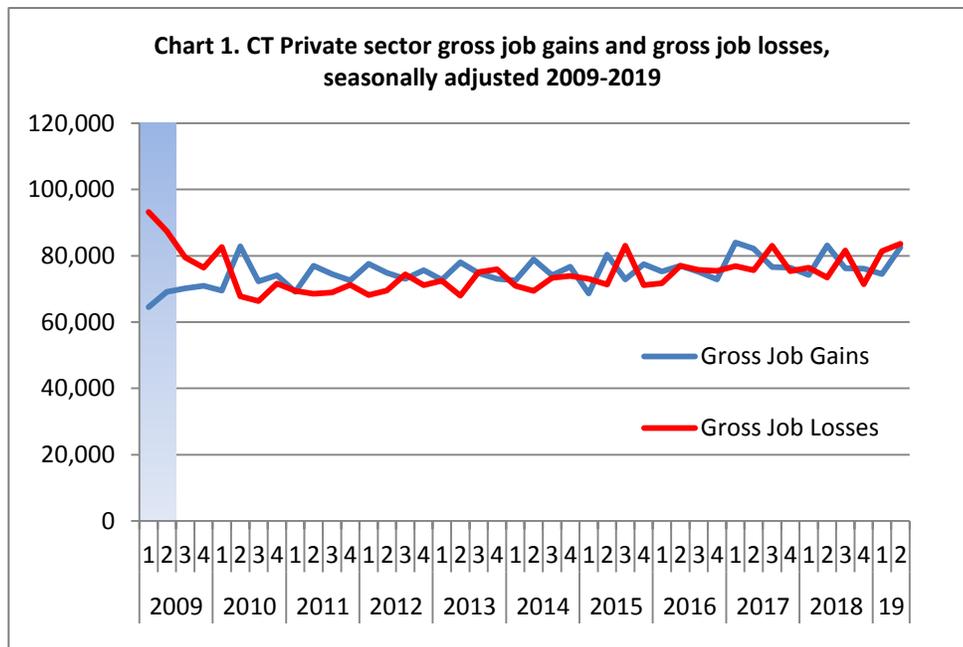
Second Quarter 2019

WETHERSFIELD, January 31th, 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 April 2019 to June 2019, **gross job gains** from opening and expanding private sector establishments in Connecticut was 82,537, an increase of 8,038 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 83,630, an increase of 2,187 jobs from the previous quarter.

During the second quarter of 2019, difference between gross job gains and gross job losses yielded a **net employment loss** of 1,083 jobs in the private sector. This second quarter net loss differs from the 9,677 second quarter net gain experienced a year before in 2018.

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. Annual average net change has been positive from 2010 onward and was 1,697 jobs in 2018.

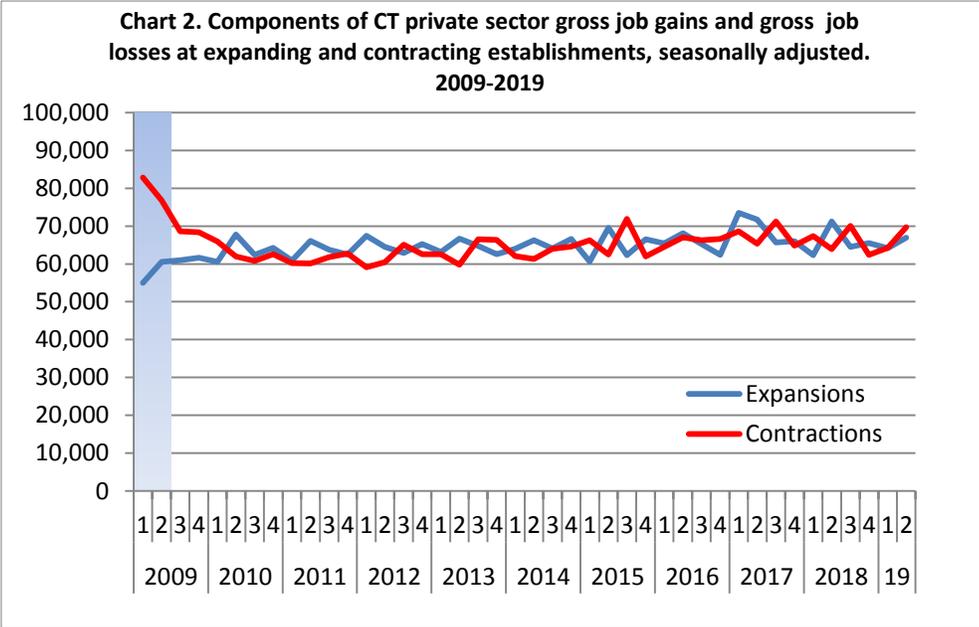


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 66,908 in the second quarter of 2019, an increase of 2,731 from the previous quarter.

Opening establishments accounted for 15,629 jobs gained in the second quarter of 2019, an increase of 5,307 jobs from the previous quarter.

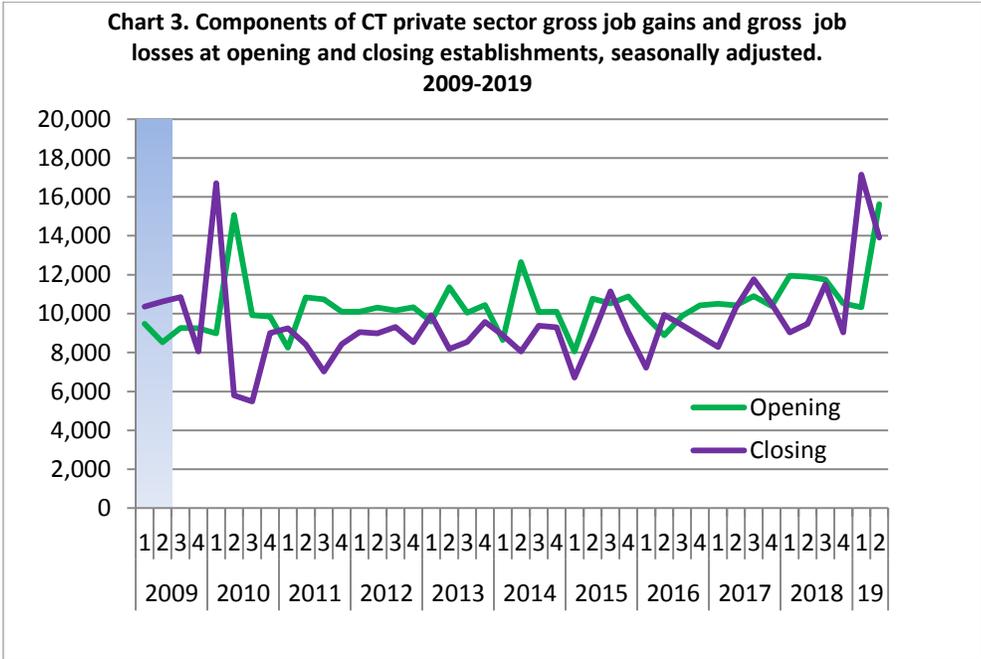


Contracting establishments lost 69,717 jobs in the second quarter of 2019. This was an increase of 5,436 jobs from the prior quarter.

In the second quarter of 2019, **closing** establishments lost 13,903 jobs, a decrease of 3,249 jobs from the previous quarter. Chart 3 shows the relationship between opening and closing-derived job change. Job loss from closings increased the first quarter of 2019 and openings increased the following quarter.

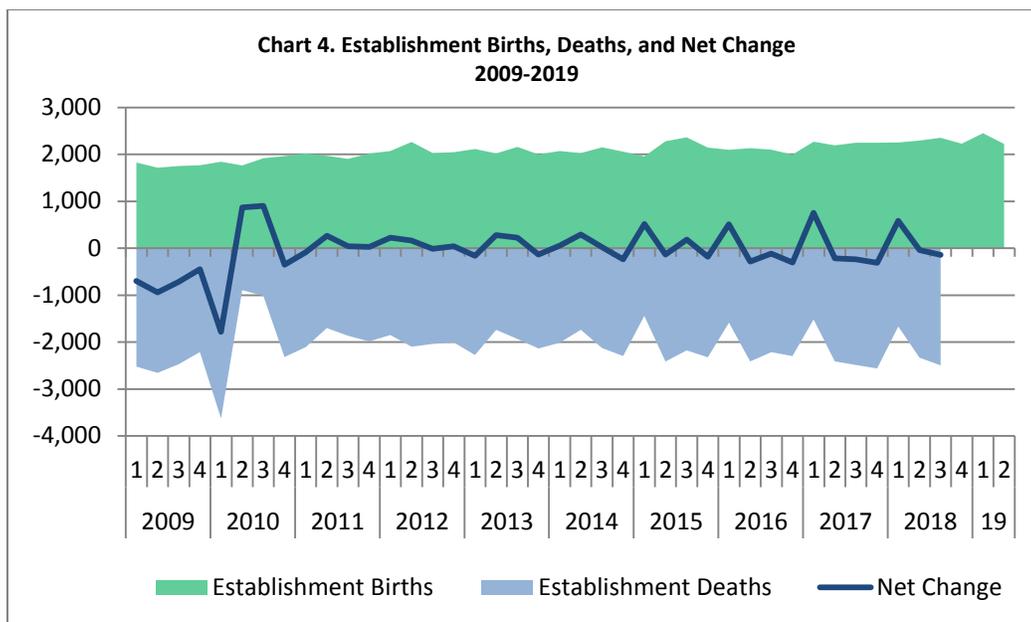
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see: www.bls.gov/bdm). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.8 percent of private sector employment in the second quarter of 2019, while **gross job losses** represented 5.9 percent of private sector employment.



In the second quarter of 2019, there were 2,224 **establishment births** (a subset of the openings data). These new establishments accounted for 7,448 jobs, 656 jobs more than the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the third quarter of 2018, where 8,178 jobs were lost at 2,496 establishment deaths. In the prior quarter, 6,635 jobs were lost at 2,332 establishment deaths.



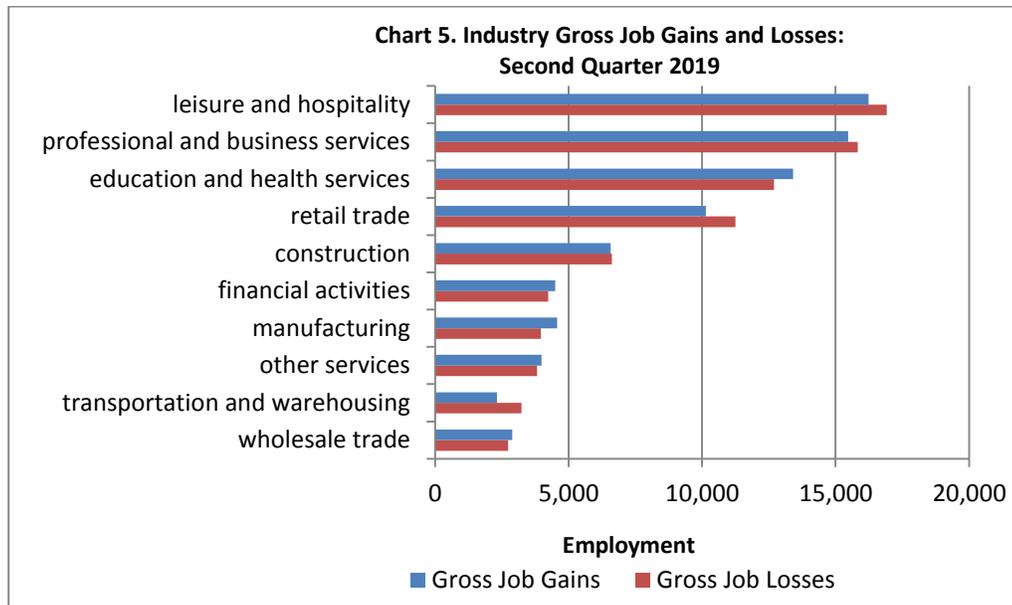
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 2018, birth/death net change has been positive in 18 of past 34 quarters of available data, with an averaging a net increase of 90 establishments per quarter during that period.

Post-recession third quarter net change has been positive for 5 years from 2010-18. It was negative in 2012 and from 2016-2018, with a three year average third quarter net loss of 165.

In the third quarter of 2018 (the most recent quarter of establishment death data), there were 2,354 establishment births and 2,496 establishment deaths, resulting in a -142 establishment net change. This follows a 2018 second quarter net change of -37 establishments.

During the second quarter of 2019, **gross job losses** exceeded **gross job gains** in 5 of 10 available sectors. The sectors with the largest net losses were retail trade, transportation & warehousing, leisure & hospitality. The largest net gaining sectors were the education & health services, manufacturing, and financial activities.



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)						
	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018	Mar. 2019	June 2019	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018	Mar. 2019	June 2019
Total Private														
Gross job gains	76,370	74,217	83,110	76,246	76,068	74,499	82,537	5.3	5.1	5.8	5.3	5.3	5.2	5.8
at expanding establishments	65,979	62,274	71,208	64,502	65,540	64,177	66,908	4.6	4.3	5.0	4.5	4.6	4.5	4.7
at opening establishments	10,391	11,943	11,902	11,744	10,528	10,322	15,629	0.7	0.8	0.8	0.8	0.7	0.7	1.1
Gross job losses	75,375	76,379	73,433	81,586	71,454	81,433	83,620	5.2	5.3	5.1	5.7	4.9	5.7	5.9
at contracting establishments	64,873	67,352	63,951	70,085	62,411	64,281	69,717	4.5	4.7	4.4	4.9	4.3	4.5	4.9
at closing establishments	10,502	9,027	9,482	11,501	9,043	17,152	13,903	0.7	0.6	0.7	0.8	0.6	1.2	1.0
Net employment change	995	-2,162	9,677	-5,340	4,614	-6,934	-1,083	0.1	-0.2	0.7	-0.4	0.4	-0.5	-0.1
Construction														
Gross job gains	5,328	6,083	6,481	5,771	5,987	6,158	6,580	9.3	10.5	11.0	9.8	10.1	10.2	11.0
at expanding establishments	4,430	4,959	5,532	4,958	5,166	5,311	4,979	7.7	8.6	9.4	8.4	8.7	8.8	8.3
at opening establishments	898	1,124	949	813	821	847	1,601	1.6	1.9	1.6	1.4	1.4	1.4	2.7
Gross job losses	6,675	5,554	5,239	5,966	5,410	6,082	6,625	11.5	9.6	8.9	10.1	9.1	10.2	11.0
at contracting establishments	5,677	4,795	4,421	4,900	4,802	4,361	5,230	9.8	8.3	7.5	8.3	8.1	7.3	8.7
at closing establishments	998	759	818	1,066	608	1,721	1,395	1.7	1.3	1.4	1.8	1.0	2.9	2.3
Net employment change	-1,347	529	1,242	-195	577	76	-45	-2.2	0.9	2.1	-0.3	1.0	0.0	0.0
Manufacturing														
Gross job gains	4,820	3,930	4,865	3,698	4,607	3,647	4,571	3.1	2.5	3.1	2.3	2.9	2.3	2.8
at expanding establishments	4,230	3,680	4,593	3,228	4,360	3,513	4,268	2.7	2.3	2.9	2.0	2.7	2.2	2.6
at opening establishments	590	250	272	470	247	134	303	0.4	0.2	0.2	0.3	0.2	0.1	0.2
Gross job losses	3,605	3,747	3,393	4,386	3,408	3,687	3,963	2.2	2.4	2.1	2.7	2.1	2.3	2.4
at contracting establishments	3,261	3,466	3,169	4,187	3,106	3,336	3,569	2.0	2.2	2.0	2.6	1.9	2.1	2.2
at closing establishments	344	281	224	199	302	351	394	0.2	0.2	0.1	0.1	0.2	0.2	0.2
Net employment change	1,215	183	1,472	-688	1,199	-40	608	0.9	0.1	1.0	-0.4	0.8	0.0	0.4
Wholesale Trade														
Gross job gains	2,697	2,500	2,944	2,734	2,746	2,611	2,888	4.3	4.1	4.7	4.4	4.5	4.4	4.8
at expanding establishments	2,202	2,017	2,301	2,120	2,186	2,210	2,220	3.5	3.3	3.7	3.4	3.6	3.7	3.7
at opening establishments	495	483	643	614	560	401	668	0.8	0.8	1.0	1.0	0.9	0.7	1.1
Gross job losses	2,620	2,705	2,828	2,934	2,609	2,983	2,734	4.2	4.4	4.6	4.8	4.2	4.9	4.6
at contracting establishments	1,951	2,205	2,075	2,194	2,168	2,068	2,031	3.1	3.6	3.4	3.6	3.5	3.4	3.4
at closing establishments	669	500	753	740	441	915	703	1.1	0.8	1.2	1.2	0.7	1.5	1.2
Net employment change	77	-205	116	-200	137	-372	154	0.1	-0.3	0.1	-0.4	0.3	-0.5	0.2
Retail Trade														
Gross job gains	10,332	9,622	10,736	10,290	10,217	9,267	10,146	5.7	5.3	5.8	5.7	5.7	5.2	5.7
at expanding establishments	9,616	8,610	9,740	8,992	9,313	8,556	8,893	5.3	4.7	5.3	5.0	5.2	4.8	5.0
at opening establishments	716	1,012	996	1,298	904	711	1,253	0.4	0.6	0.5	0.7	0.5	0.4	0.7
Gross job losses	10,463	10,840	10,256	12,527	10,642	11,539	11,255	5.7	5.9	5.6	6.9	5.9	6.5	6.4
at contracting establishments	9,565	10,023	9,381	10,937	9,743	9,907	9,653	5.2	5.5	5.1	6.0	5.4	5.6	5.5
at closing establishments	898	817	875	1,590	899	1,632	1,602	0.5	0.4	0.5	0.9	0.5	0.9	0.9
Net employment change	-131	-1,218	480	-2,237	-425	-2,272	-1,109	0.0	-0.6	0.2	-1.2	-0.2	-1.3	-0.7
Transportation and Warehousing														
Gross job gains	3,908	2,376	3,139	2,939	4,032	3,150	2,318	8.0	4.8	6.4	5.9	7.9	6.2	4.6
at expanding establishments	3,769	2,180	2,868	2,612	3,623	2,959	2,046	7.7	4.4	5.8	5.2	7.1	5.8	4.1
at opening establishments	139	196	271	327	409	191	272	0.3	0.4	0.6	0.7	0.8	0.4	0.5
Gross job losses	1,846	3,460	1,979	2,592	2,338	4,191	3,241	3.7	7.0	4.0	5.2	4.6	8.2	6.5
at contracting establishments	1,683	3,321	1,774	2,384	2,085	3,707	2,934	3.4	6.7	3.6	4.8	4.1	7.3	5.9
at closing establishments	163	139	205	208	253	484	307	0.3	0.3	0.4	0.4	0.5	0.9	0.6
Net employment change	2,062	-1,084	1,160	347	1,694	-1,041	-923	4.3	-2.2	2.4	0.7	3.3	-2.0	-1.9
Financial Activities														
Gross job gains	4,151	3,765	4,443	3,654	4,022	3,784	4,501	3.3	3.0	3.6	3.0	3.3	3.1	3.7
at expanding establishments	3,540	3,147	3,754	3,164	3,187	3,149	3,532	2.8	2.5	3.0	2.6	2.6	2.6	2.9
at opening establishments	611	618	689	490	835	635	969	0.5	0.5	0.6	0.4	0.7	0.5	0.8
Gross job losses	4,995	4,333	4,396	4,811	4,371	4,397	4,237	4.0	3.5	3.5	3.9	3.6	3.6	3.5
at contracting establishments	4,272	3,830	3,644	4,121	3,753	3,476	3,387	3.4	3.1	2.9	3.3	3.1	2.8	2.8
at closing establishments	723	503	752	690	618	921	850	0.6	0.4	0.6	0.6	0.5	0.8	0.7
Net employment change	-844	-568	47	-1,157	-349	-613	264	-0.7	-0.5	0.1	-0.9	-0.3	-0.5	0.2

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Professional Business Services														
Gross job gains	14,146	11,836	14,702	13,676	11,736	12,854	15,477	6.5	5.4	6.7	6.2	5.3	5.9	7.1
at expanding establishments	11,826	10,100	12,121	11,667	9,605	10,940	11,890	5.4	4.6	5.5	5.3	4.3	5.0	5.5
at opening establishments	2,320	1,736	2,581	2,009	2,131	1,914	3,587	1.1	0.8	1.2	0.9	1.0	0.9	1.6
Gross job losses	14,122	13,264	13,511	13,361	12,773	15,654	15,835	6.5	6.0	6.2	6.0	5.7	7.2	7.3
at contracting establishments	11,735	11,318	11,378	10,929	10,743	11,075	13,038	5.4	5.1	5.2	4.9	4.8	5.1	6.0
at closing establishments	2,387	1,946	2,133	2,432	2,030	4,579	2,797	1.1	0.9	1.0	1.1	0.9	2.1	1.3
Net employment change	24	-1,428	1,191	315	-1,037	-2,800	-358	0.0	-0.6	0.5	0.2	-0.4	-1.3	-0.2
Education and Health Services														
Gross job gains	11,145	12,244	13,186	12,643	11,440	12,816	13,409	3.4	3.7	4.0	3.8	3.5	3.9	4.0
at expanding establishments	9,907	10,584	11,798	11,011	10,247	10,969	11,984	3.0	3.2	3.6	3.3	3.1	3.3	3.6
at opening establishments	1,238	1,660	1,388	1,632	1,193	1,847	1,425	0.4	0.5	0.4	0.5	0.4	0.6	0.4
Gross job losses	11,727	11,568	11,521	12,422	10,964	11,336	12,695	3.6	3.5	3.6	3.8	3.4	3.4	3.8
at contracting establishments	10,047	10,178	10,337	10,844	9,437	9,546	10,895	3.1	3.1	3.2	3.3	2.9	2.9	3.3
at closing establishments	1,680	1,390	1,184	1,578	1,527	1,790	1,800	0.5	0.4	0.4	0.5	0.5	0.5	0.5
Net employment change	-582	676	1,665	221	476	1,480	714	-0.2	0.2	0.4	0.0	0.1	0.5	0.2
Leisure and Hospitality														
Gross job gains	14,491	13,998	15,902	14,415	15,635	14,307	16,237	9.3	8.9	10.1	9.1	9.9	8.9	10.2
at expanding establishments	12,062	11,838	13,271	11,674	13,133	11,713	12,201	7.7	7.5	8.4	7.4	8.3	7.3	7.7
at opening establishments	2,429	2,160	2,631	2,741	2,502	2,594	4,036	1.6	1.4	1.7	1.7	1.6	1.6	2.5
Gross job losses	13,597	14,486	14,556	16,486	13,218	15,262	16,916	8.7	9.2	9.2	10.4	8.3	9.6	10.7
at contracting establishments	11,780	12,753	12,809	14,513	11,723	11,986	14,419	7.5	8.1	8.1	9.2	7.4	7.5	9.1
at closing establishments	1,817	1,733	1,747	1,973	1,495	3,276	2,497	1.2	1.1	1.1	1.2	0.9	2.1	1.6
Net employment change	894	-488	1,346	-2,071	2,417	-955	-679	0.6	-0.3	0.9	-1.3	1.6	-0.7	-0.5
Other														
Gross job gains	3,174	5,114	4,213	3,938	3,508	3,818	3,986	6.3	10.0	8.0	7.5	6.7	7.3	7.6
at expanding establishments	2,638	3,067	3,356	2,958	2,946	3,159	3,128	5.2	6.0	6.4	5.6	5.6	6.0	6.0
at opening establishments	536	2,047	857	980	562	659	858	1.1	4.0	1.6	1.9	1.1	1.3	1.6
Gross job losses	3,547	3,699	3,151	4,141	3,591	3,826	3,821	7.0	7.2	6.1	7.8	6.9	7.3	7.3
at contracting establishments	2,978	3,216	2,704	3,436	2,922	2,829	2,765	5.9	6.3	5.2	6.5	5.6	5.4	5.3
at closing establishments	569	483	447	705	669	997	1,056	1.1	0.9	0.9	1.3	1.3	1.9	2.0
Net employment change	-373	1,415	1,062	-203	-83	-8	165	-0.7	2.8	1.9	-0.3	-0.2	0.0	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.