



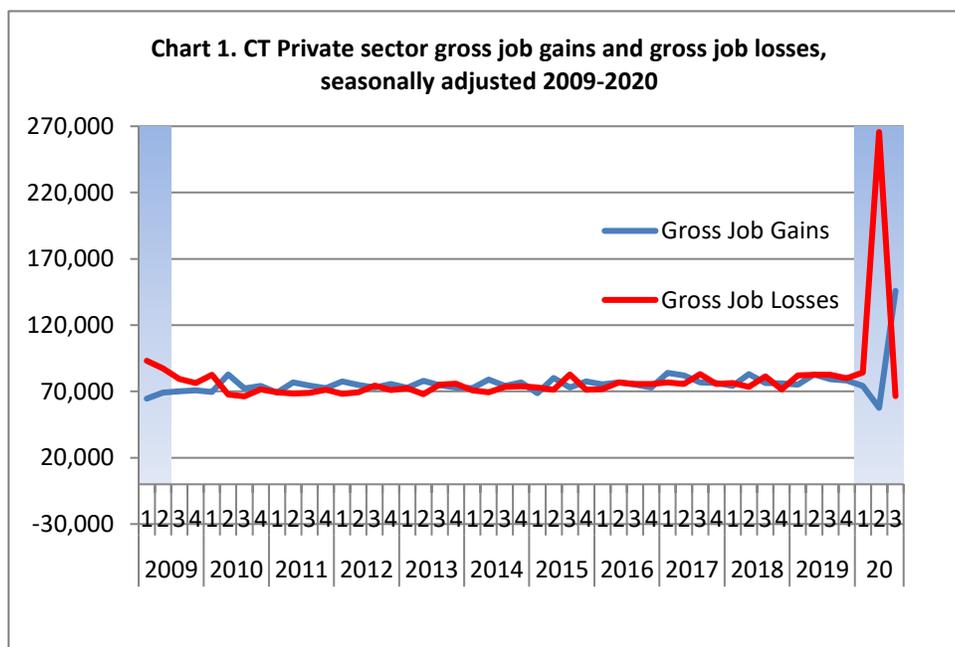
Third Quarter 2020

WETHERSFIELD, April 28th, 2020 - 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 sector level.

From July 2020 to September 2020, **gross job gains** from opening and expanding private sector establishments in Connecticut was 145,865, an increase of 88,245 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 66,466, a decrease of 199,227 jobs from the previous quarter.

During the third quarter of 2020, difference between gross job gains and gross job losses yielded a **net employment gain** of 79,399 jobs in the private sector. This net increase follows a 208,073 net decrease during the second quarter of 2020, when the pandemic began its impact on the economy.

Prior to the current recession, annual average net change was -2,939 in 2019 and positive from 2010-2018. During the last recession it fell precipitously to a low of -15,445 jobs in 2009. Before that from 2004-2007, annual average net change ranged between 1,534 and 4,190 jobs.

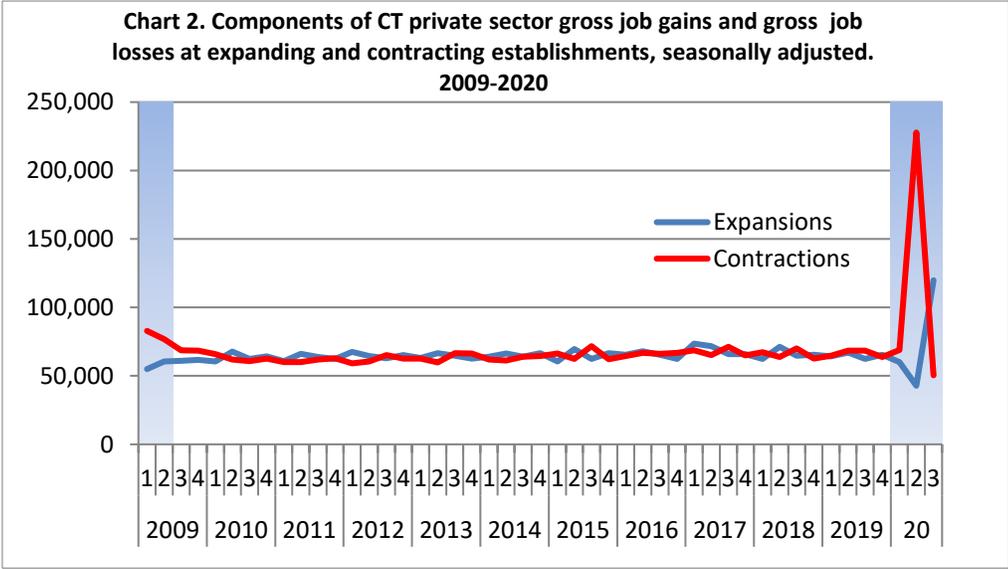


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 119,823 in the third quarter of 2020, an increase of 77,016 from the previous quarter.

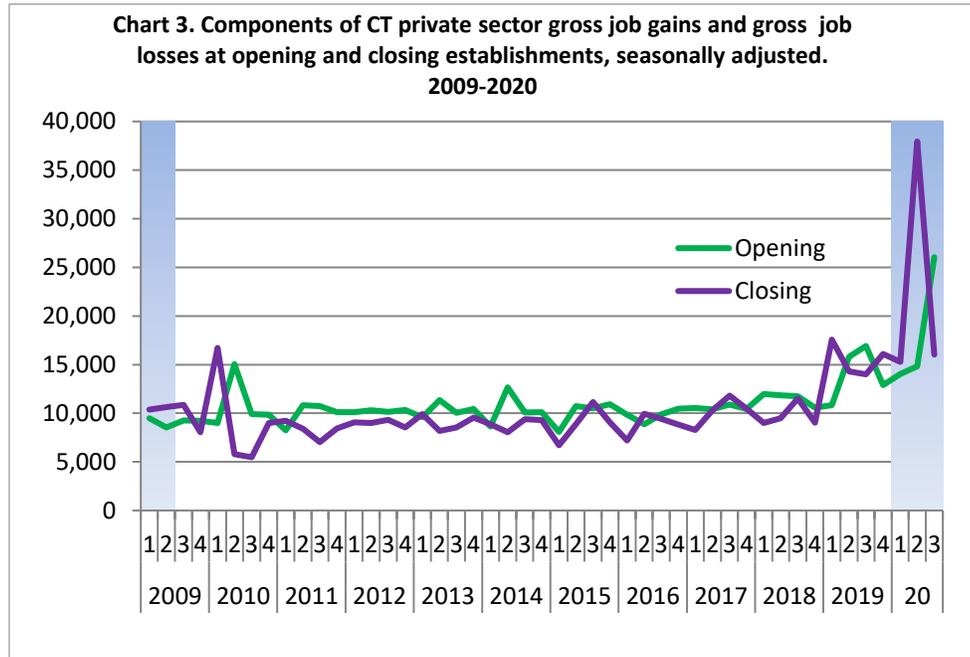
Opening establishments accounted for 26,042 jobs gained in the third quarter of 2020, an increase of 11,229 jobs from the previous quarter.



Contracting establishments lost 50,430 jobs in the third quarter of 2020, down 177,322 from the prior quarter and below pre-recession levels.

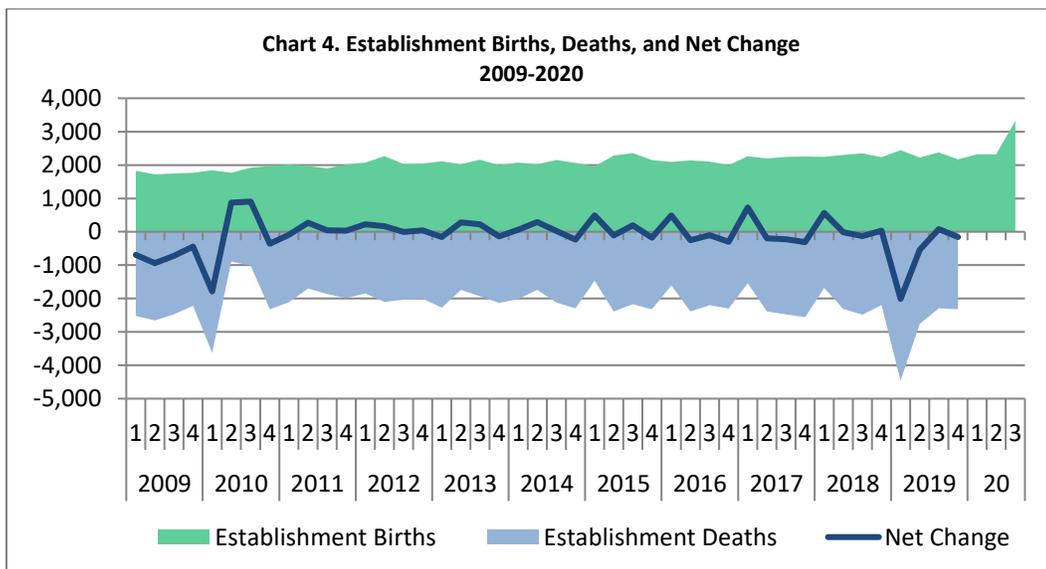
In the third quarter of 2020, **closing** establishments lost 16,036 jobs, a decrease of 21,905 from the previous quarter. Chart 3 shows the relationship between opening and closing-derived job

change. Beginning in 2019, opening and closing-derived job change was above 2011-18 levels, by 2020Q2 the impact of the recession is illustrated by the large uptick in closing job losses and the large uptick in openings the following quarter.



In the third quarter of 2020, there were 3,323 **establishment births** (a subset of the openings data). These new establishments accounted for 8,405 jobs, 1,894 more than the previous quarter.

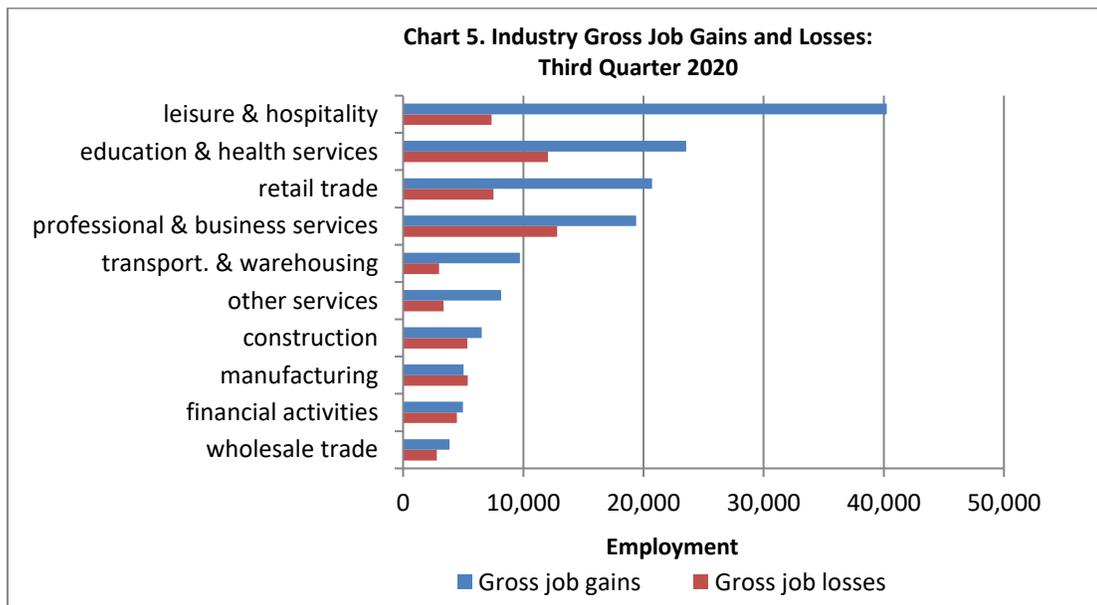
Data for **establishment deaths** (a subset of the closings data) are available through the fourth quarter of 2019, where 8,049 jobs were lost at 2,321 establishment deaths. In the prior quarter, 7,974 jobs were lost at 2,290 establishment deaths.



The **net change of establishment births and deaths** went consistently negative during the last recession from the first quarter of 2008 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. From 2010-2018, it ranged between -354 and +903 quarter to quarter change.

During the first half of 2019, net change fell by 2,011 establishments in the first quarter and 539 in the second. It recovered to an 84 establishment increase in the third quarter and fell by 157 in the fourth quarter of 2019 (the last quarter of available data). This net increase is the result of 2,164 establishment births and 2,321 establishment deaths.

During the third quarter of 2020, **gross job gains** exceeded **gross job losses** in every industry except Manufacturing. This is a reversal of the second quarter, where every industry had a gross job net decline. The sectors with the largest net increases were Leisure & Hospitality, Education & Health Services, and Retail Trade. These Industries were most impacted by the pandemic-induced shutdown and had the largest second quarter losses. Industries with the smallest net gains include Wholesale Trade and Financial Activities. Manufacturing was down 335 jobs during the quarter.



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. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020
Total Private														
Gross job gains	75,200	82,854	79,268	78,282	74,079	57,620	145,865	5.3	5.8	5.5	5.5	5.2	4.3	11.2
at expanding establishments	64,363	67,038	62,339	65,388	60,050	42,807	119,823	4.5	4.7	4.3	4.6	4.2	3.2	9.2
at opening establishments	10,837	15,816	16,929	12,894	14,029	14,813	26,042	0.8	1.1	1.2	0.9	1.0	1.1	2.0
Gross job losses	82,197	82,692	82,472	79,999	84,157	265,693	66,466	5.7	5.8	5.8	5.6	5.9	19.7	5.1
at contracting establishments	64,628	68,380	68,484	63,888	68,881	227,752	50,430	4.5	4.8	4.8	4.5	4.8	16.9	3.9
at closing establishments	17,569	14,312	13,988	16,111	15,276	37,941	16,036	1.2	1.0	1.0	1.1	1.1	2.8	1.2
Net employment change	-6,997	162	-3,204	-1,717	-10,078	-208,073	79,399	-0.4	0.0	-0.3	-0.1	-0.7	-15.4	6.1
Construction														
Gross job gains	6,161	6,598	5,373	5,304	6,317	5,180	6,534	10.2	11.0	9.0	9.0	10.7	8.9	11.6
at expanding establishments	5,298	4,980	4,039	4,071	4,981	3,630	4,802	8.8	8.3	6.8	6.9	8.4	6.2	8.5
at opening establishments	863	1,618	1,334	1,233	1,336	1,550	1,732	1.4	2.7	2.2	2.1	2.3	2.7	3.1
Gross job losses	6,123	6,652	5,746	7,014	4,977	9,204	5,354	10.2	11.1	9.7	11.9	8.4	15.8	9.5
at contracting establishments	4,361	5,231	4,733	5,073	3,669	7,149	4,151	7.3	8.7	8.0	8.6	6.2	12.3	7.4
at closing establishments	1,762	1,421	1,013	1,941	1,308	2,055	1,203	2.9	2.4	1.7	3.3	2.2	3.5	2.1
Net employment change	38	-54	-373	-1,710	1,340	-4,024	1,180	0.0	-0.1	-0.7	-2.9	2.3	-6.9	2.1
Manufacturing														
Gross job gains	3,740	4,598	3,821	3,601	3,260	2,515	5,042	2.3	2.8	2.3	2.2	2.0	1.6	3.3
at expanding establishments	3,590	4,269	3,434	3,256	3,032	2,203	4,579	2.2	2.6	2.1	2.0	1.9	1.4	3.0
at opening establishments	150	329	387	345	228	312	463	0.1	0.2	0.2	0.2	0.1	0.2	0.3
Gross job losses	3,778	3,981	5,022	4,392	4,030	10,989	5,377	2.4	2.5	3.1	2.7	2.5	7.0	3.6
at contracting establishments	3,364	3,544	4,540	3,888	3,792	10,086	4,840	2.1	2.2	2.8	2.4	2.4	6.4	3.2
at closing establishments	414	437	482	504	238	903	537	0.3	0.3	0.3	0.3	0.1	0.6	0.4
Net employment change	-38	617	-1,201	-791	-770	-8,474	-335	-0.1	0.3	-0.8	-0.5	-0.5	-5.4	-0.3
Wholesale Trade														
Gross job gains	2,542	2,981	2,534	2,798	2,668	2,019	3,856	4.2	5.0	4.3	4.7	4.5	3.5	7.0
at expanding establishments	2,132	2,224	1,890	2,142	2,117	1,429	2,832	3.5	3.7	3.2	3.6	3.6	2.5	5.1
at opening establishments	410	757	644	656	551	590	1,024	0.7	1.3	1.1	1.1	0.9	1.0	1.9
Gross job losses	3,129	2,732	3,137	2,710	2,944	6,907	2,800	5.2	4.6	5.3	4.5	5.0	12.2	5.0
at contracting establishments	2,161	2,032	2,270	2,161	2,002	6,032	1,898	3.6	3.4	3.8	3.6	3.4	10.7	3.4
at closing establishments	968	700	867	549	942	875	902	1.6	1.2	1.5	0.9	1.6	1.5	1.6
Net employment change	-587	249	-603	88	-276	-4,888	1,056	-1.0	0.4	-1.0	0.2	-0.5	-8.7	2.0
Retail Trade														
Gross job gains	9,158	10,200	9,392	10,894	10,667	8,144	20,709	5.1	5.7	5.3	6.3	6.1	4.9	13.0
at expanding establishments	8,404	8,928	8,292	9,379	9,312	6,984	18,970	4.7	5.0	4.7	5.4	5.3	4.2	11.9
at opening establishments	754	1,272	1,100	1,515	1,355	1,160	1,739	0.4	0.7	0.6	0.9	0.8	0.7	1.1
Gross job losses	11,650	11,240	11,497	10,553	11,025	36,055	7,508	6.5	6.3	6.5	6.0	6.4	21.9	4.7
at contracting establishments	10,022	9,631	9,862	9,275	9,533	33,261	6,240	5.6	5.4	5.6	5.3	5.5	20.2	3.9
at closing establishments	1,628	1,609	1,635	1,278	1,492	2,794	1,268	0.9	0.9	0.9	0.7	0.9	1.7	0.8
Net employment change	-2,492	-1,040	-2,105	341	-358	-27,911	13,201	-1.4	-0.6	-1.2	0.3	-0.3	-17.0	8.3
Transportation and Warehousing														
Gross job gains	3,297	2,379	6,761	5,876	2,654	6,954	9,721	6.4	4.7	13.1	10.4	4.7	12.9	17.5
at expanding establishments	3,089	2,108	3,715	5,596	2,435	6,552	8,882	6.0	4.2	7.2	9.9	4.3	12.2	16.0
at opening establishments	208	271	3,046	280	219	402	839	0.4	0.5	5.9	0.5	0.4	0.7	1.5
Gross job losses	4,201	2,931	2,333	2,542	4,687	15,180	2,978	8.3	5.9	4.5	4.5	8.2	28.2	5.3
at contracting establishments	3,662	2,587	2,090	2,157	4,364	13,917	2,691	7.2	5.2	4.0	3.8	7.6	25.9	4.8
at closing establishments	539	344	243	385	323	1,263	287	1.1	0.7	0.5	0.7	0.6	2.3	0.5
Net employment change	-904	-552	4,428	3,334	-2,033	-8,226	6,743	-1.9	-1.2	8.6	5.9	-3.5	-15.3	12.2
Financial Activities														
Gross job gains	3,782	4,515	4,449	3,701	4,039	2,707	4,977	3.1	3.7	3.6	3.0	3.4	2.3	4.2
at expanding establishments	3,135	3,542	3,232	3,067	3,349	1,998	3,874	2.6	2.9	2.6	2.5	2.8	1.7	3.3
at opening establishments	647	973	1,217	634	690	709	1,103	0.5	0.8	1.0	0.5	0.6	0.6	0.9
Gross job losses	4,475	4,320	4,697	4,459	4,346	6,692	4,484	3.7	3.6	3.9	3.6	3.6	5.6	3.8
at contracting establishments	3,504	3,398	3,870	3,447	3,580	5,574	3,398	2.9	2.8	3.2	2.8	3.0	4.7	2.9
at closing establishments	971	922	827	1,012	766	1,118	1,086	0.8	0.8	0.7	0.8	0.6	0.9	0.9
Net employment change	-693	195	-248	-758	-307	-3,985	493	-0.6	0.1	-0.3	-0.6	-0.2	-3.3	0.4

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	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
	2019	2019	2019	2019	2020	2020	2020	2019	2019	2019	2019	2020	2020	2020
Professional Business Services														
Gross job gains	13,201	15,640	14,024	13,421	14,074	10,828	19,386	6.0	7.2	6.4	6.2	6.5	5.2	9.6
at expanding establishments	10,967	11,951	10,704	10,604	11,547	7,267	15,467	5.0	5.5	4.9	4.9	5.3	3.5	7.7
at opening establishments	2,234	3,689	3,320	2,817	2,527	3,561	3,919	1.0	1.7	1.5	1.3	1.2	1.7	1.9
Gross job losses	15,565	14,542	14,256	16,192	14,135	33,332	12,809	7.1	6.7	6.5	7.4	6.5	16.0	6.4
at contracting establishments	10,945	11,760	11,434	11,954	11,302	29,349	9,630	5.0	5.4	5.2	5.5	5.2	14.1	4.8
at closing establishments	4,620	2,782	2,822	4,238	2,833	3,983	3,179	2.1	1.3	1.3	1.9	1.3	1.9	1.6
Net employment change	-2,364	1,098	-232	-2,771	-61	-22,504	6,577	-1.1	0.5	-0.1	-1.2	0.0	-10.8	3.2
Education and Health Services														
Gross job gains	13,081	13,383	13,143	11,905	11,584	8,402	23,561	4.0	4.1	4.0	3.6	3.5	2.6	7.5
at expanding establishments	11,067	11,888	11,501	10,323	9,744	6,156	20,155	3.4	3.6	3.5	3.1	2.9	1.9	6.4
at opening establishments	2,014	1,495	1,642	1,582	1,840	2,246	3,406	0.6	0.5	0.5	0.5	0.6	0.7	1.1
Gross job losses	11,468	12,771	12,254	11,748	11,879	44,224	12,040	3.4	3.9	3.7	3.5	3.6	13.6	3.8
at contracting establishments	9,699	10,930	10,342	10,007	10,183	38,936	8,853	2.9	3.3	3.1	3.0	3.1	12.0	2.8
at closing establishments	1,769	1,841	1,912	1,741	1,696	5,288	3,187	0.5	0.6	0.6	0.5	0.5	1.6	1.0
Net employment change	1,613	612	889	157	-295	-35,822	11,521	0.6	0.2	0.3	0.1	-0.1	-11.0	3.7
Leisure and Hospitality														
Gross job gains	14,367	16,213	13,662	14,495	13,007	7,064	40,247	9.0	10.2	8.7	9.3	8.5	5.7	37.3
at expanding establishments	11,816	12,210	10,904	12,152	9,341	4,172	32,693	7.4	7.7	6.9	7.8	6.1	3.4	30.3
at opening establishments	2,551	4,003	2,758	2,343	3,666	2,892	7,554	1.6	2.5	1.8	1.5	2.4	2.3	7.0
Gross job losses	15,443	17,244	17,318	14,034	19,142	82,373	7,364	9.7	10.9	11.0	9.0	12.4	66.9	6.9
at contracting establishments	12,051	14,589	14,591	10,897	14,989	68,914	4,590	7.6	9.2	9.3	7.0	9.7	56.0	4.3
at closing establishments	3,392	2,655	2,727	3,137	4,153	13,459	2,774	2.1	1.7	1.7	2.0	2.7	10.9	2.6
Net employment change	-1,076	-1,031	-3,656	461	-6,135	-75,309	32,883	-0.7	-0.7	-2.3	0.3	-3.9	-61.2	30.4
Other														
Gross job gains	3,819	3,994	3,557	3,855	3,146	2,116	8,150	7.3	7.6	6.8	7.4	6.0	4.7	19.6
at expanding establishments	3,118	3,116	2,647	2,911	2,297	1,395	4,986	6.0	5.9	5.1	5.6	4.4	3.1	12.0
at opening establishments	701	878	910	944	849	721	3,164	1.3	1.7	1.7	1.8	1.6	1.6	7.6
Gross job losses	3,919	3,887	4,086	3,631	4,383	15,463	3,348	7.5	7.4	7.8	7.0	8.5	34.1	8.1
at contracting establishments	2,896	2,813	3,079	2,803	3,282	10,437	2,445	5.5	5.4	5.9	5.4	6.4	23.0	5.9
at closing establishments	1,023	1,074	1,007	828	1,101	5,026	903	2.0	2.0	1.9	1.6	2.1	11.1	2.2
Net employment change	-100	107	-529	224	-1,237	-13,347	4,802	-0.2	0.2	-1.0	0.4	-2.5	-29.4	11.5

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.