



BUSINESS EMPLOYMENT DYNAMICS

Office of Research
 Danté Bartolomeo, Commissioner
 Patrick Flaherty, Director of Research

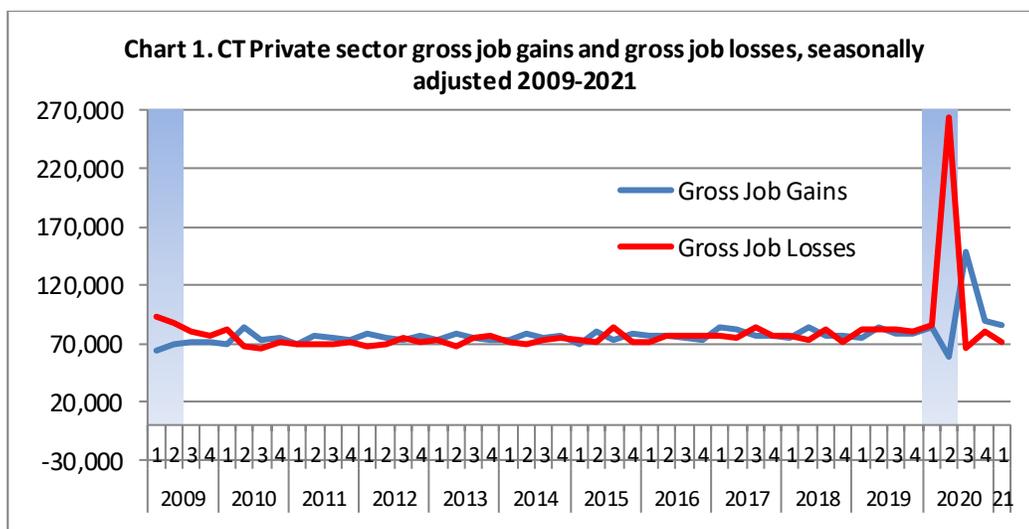
First Quarter 2021

WETHERSFIELD, October 27th, 2021 - 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 January 2021 to March 2021, **gross job gains** from opening and expanding private sector establishments in Connecticut was 85,542, a decrease of 3,088 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 71,646, a decrease of 7,871 jobs from the previous quarter.

During the first quarter of 2021, the difference between gross job gains and gross job losses yielded a **net employment gain** of 13,896 jobs in the private sector. This net increase follows a 9,113 net increase during the fourth quarter of 2020.

Net employment change reached a low of -205,121 during the second quarter of 2020. The combined net change for the three quarters of subsequent data through the first quarter of 2021 is 105,466 jobs.

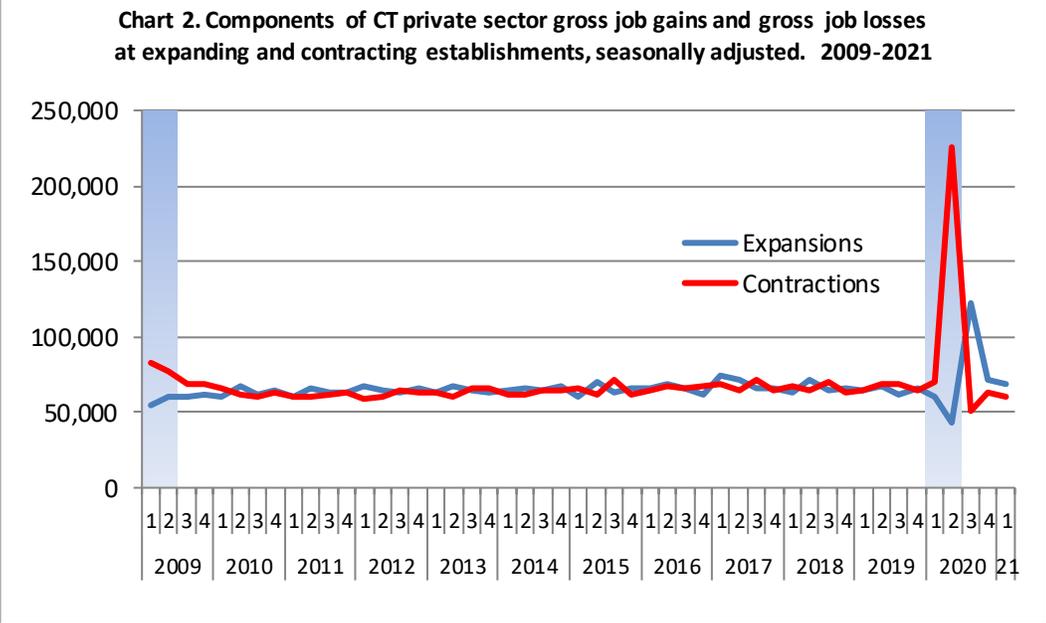


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third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

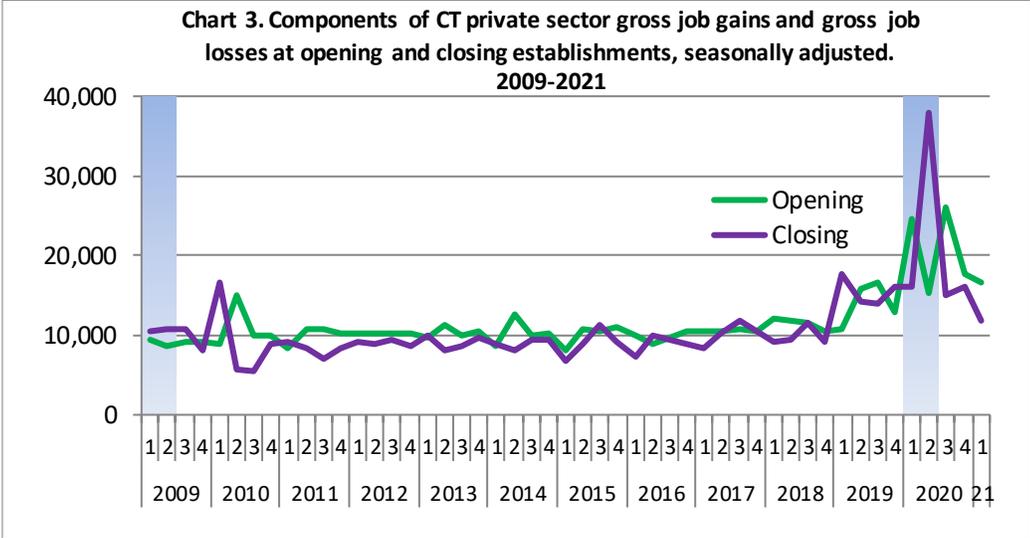
Gross job gains at **expanding** establishments totaled 68,812 in the first quarter of 2021, a decrease of 2,219 from the previous quarter.

Opening establishments accounted for 16,730 jobs gained in the first quarter of 2021, a decrease of 869 jobs from the previous quarter.



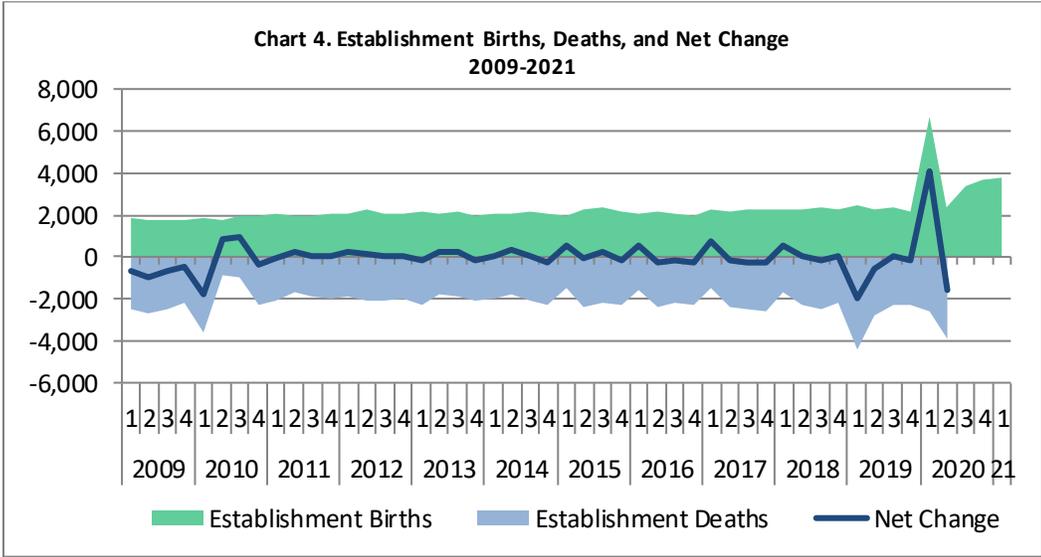
Contracting establishments lost 59,955 jobs in the first quarter of 2021, down 3,455 from the prior quarter.

In the first quarter of 2021, **closing** establishments lost 11,691 jobs, a decrease of 4,416 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 first quarter of 2021, openings and closings have shifted back towards pre-recession levels.



In the first quarter of 2021, there were 3,756 **establishment births** (a subset of the openings data). These new establishments accounted for 8,541 jobs, 921 less than the previous quarter.

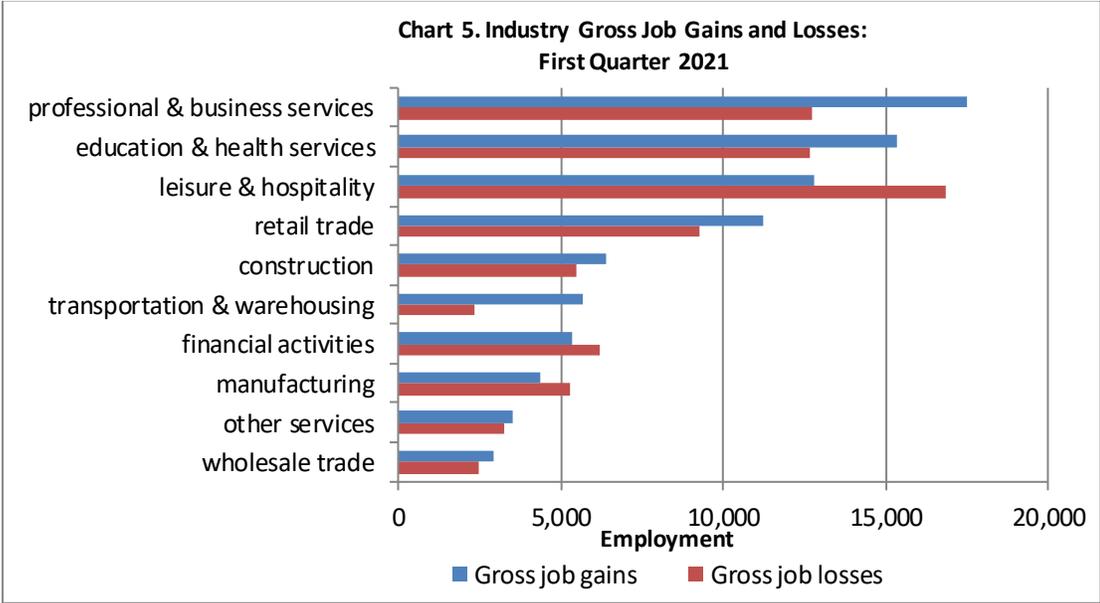
Data for **establishment deaths** (a subset of the closings data) are available through the second quarter of 2020, where 12,555 jobs were lost at 3,875 establishment deaths. In the prior quarter, 7,716 jobs were lost at 2,605 establishment deaths. This quarter represents the height of the 2020 recession.



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 2010Q2-2018Q4, 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 533 in the second. It recovered to an 54 establishment increase in the third quarter and fell by 144 in the fourth quarter of 2019. During the first quarter of 2020, net establishment births and deaths was up 4,079 and was down 1,546 during the second quarter of 2020 (the last quarter of available data). These net establishment changes are heavily impacted by the 2020 recession as is shown in Chart 4.

During the first quarter of 2021, **gross job gains** exceeded **gross job losses** in seven of 10 industries. Strong net increases were had in Professional & Business Services, Transportation & Warehousing and Education & Health Services. The three net negative industries were Leisure & Hospitality, 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)						
	Sept. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020	Dec. 2020	Mar. 2021	Sept. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020	Dec. 2020	Mar. 2021
Total Private														
Gross job gains	78,880	78,217	84,446	58,417	148,355	88,630	85,542	5.5	5.5	5.9	4.3	11.4	6.6	6.3
at expanding establishments	62,199	65,309	59,958	43,104	122,305	71,031	68,812	4.3	4.6	4.2	3.2	9.4	5.3	5.1
at opening establishments	16,681	12,908	24,488	15,313	26,050	17,599	16,730	1.2	0.9	1.7	1.1	2.0	1.3	1.2
Gross job losses	82,574	80,006	85,604	263,538	65,898	79,517	71,646	5.8	5.6	6.0	19.5	5.1	5.9	5.3
at contracting establishments	68,564	63,939	69,508	225,614	50,836	63,410	59,955	4.8	4.5	4.9	16.7	3.9	4.7	4.4
at closing establishments	14,010	16,067	16,096	37,924	15,062	16,107	11,691	1.0	1.1	1.1	2.8	1.2	1.2	0.9
Net employment change	-3,694	-1,789	-1,158	-205,121	82,457	9,113	13,896	-0.3	-0.1	-0.1	-15.2	6.3	0.7	1.0
Construction														
Gross job gains	5,343	5,282	6,399	5,226	6,825	6,406	6,341	9.0	9.0	10.8	8.9	12.1	11.1	10.7
at expanding establishments	4,019	4,054	5,053	3,631	5,070	4,905	4,651	6.8	6.9	8.5	6.2	9.0	8.5	7.8
at opening establishments	1,324	1,228	1,346	1,595	1,755	1,501	1,690	2.2	2.1	2.3	2.7	3.1	2.6	2.9
Gross job losses	5,757	7,021	5,048	9,376	5,334	5,504	5,536	9.7	12.0	8.5	16.1	9.5	9.5	9.3
at contracting establishments	4,736	5,090	3,703	7,359	4,162	4,038	4,471	8.0	8.7	6.2	12.6	7.4	7.0	7.5
at closing establishments	1,021	1,931	1,345	2,017	1,172	1,466	1,065	1.7	3.3	2.3	3.5	2.1	2.5	1.8
Net employment change	-414	-1,739	1,351	-4,150	1,491	902	805	-0.7	-3.0	2.3	-7.2	2.6	1.6	1.4
Manufacturing														
Gross job gains	3,782	3,616	3,316	2,488	5,418	4,356	4,294	2.3	2.2	2.1	1.6	3.5	2.8	2.8
at expanding establishments	3,397	3,272	3,065	2,169	4,943	3,865	3,860	2.1	2.0	1.9	1.4	3.2	2.5	2.5
at opening establishments	385	344	251	319	475	491	434	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Gross job losses	4,986	4,376	4,066	10,925	5,364	5,322	3,224	3.1	2.7	2.5	7.0	3.5	3.5	2.1
at contracting establishments	4,502	3,870	3,825	10,027	4,878	4,641	2,945	2.8	2.4	2.4	6.4	3.2	3.1	1.9
at closing establishments	484	506	241	898	486	681	279	0.3	0.3	0.1	0.6	0.3	0.4	0.2
Net employment change	-1,204	-760	-750	-8,437	54	-966	1,070	-0.8	-0.5	-0.4	-5.4	0.0	-0.7	0.7
Wholesale Trade														
Gross job gains	2,518	2,801	2,683	2,177	3,883	2,936	2,857	4.3	4.7	4.6	3.8	7.1	5.3	5.1
at expanding establishments	1,883	2,146	2,117	1,495	2,840	2,171	2,237	3.2	3.6	3.6	2.6	5.2	3.9	4.0
at opening establishments	635	655	566	682	1,043	765	620	1.1	1.1	1.0	1.2	1.9	1.4	1.1
Gross job losses	3,129	2,710	2,935	6,778	2,805	2,480	2,239	5.2	4.5	5.0	12.0	5.1	4.4	4.0
at contracting establishments	2,268	2,161	1,993	5,893	1,894	1,785	1,646	3.8	3.6	3.4	10.4	3.4	3.2	2.9
at closing establishments	861	549	942	885	911	695	593	1.4	0.9	1.6	1.6	1.7	1.2	1.1
Net employment change	-611	91	-252	-4,601	1,078	456	618	-0.9	0.2	-0.4	-8.2	2.0	0.9	1.1
Retail Trade														
Gross job gains	9,409	10,871	10,693	7,687	20,878	11,252	10,524	5.3	6.3	6.1	4.7	13.1	6.8	6.3
at expanding establishments	8,319	9,371	9,300	6,487	19,114	9,712	9,563	4.7	5.4	5.3	4.0	12.0	5.9	5.7
at opening establishments	1,090	1,500	1,393	1,200	1,764	1,540	961	0.6	0.9	0.8	0.7	1.1	0.9	0.6
Gross job losses	11,520	10,550	11,338	35,989	7,550	9,258	9,400	6.5	6.0	6.5	21.9	4.8	5.7	5.6
at contracting establishments	9,888	9,253	9,599	33,144	6,335	7,826	8,049	5.6	5.3	5.5	20.2	4.0	4.8	4.8
at closing establishments	1,632	1,297	1,739	2,845	1,215	1,432	1,351	0.9	0.7	1.0	1.7	0.8	0.9	0.8
Net employment change	-2,111	321	-645	-28,302	13,328	1,994	1,124	-1.2	0.3	-0.4	-17.2	8.3	1.1	0.7
Transportation and Warehousing														
Gross job gains	6,620	5,798	2,690	7,325	10,041	5,666	3,271	12.8	10.3	4.7	13.5	18.0	9.4	5.3
at expanding establishments	3,721	5,521	2,456	6,894	8,923	4,663	2,654	7.2	9.8	4.3	12.7	16.0	7.7	4.3
at opening establishments	2,899	277	234	431	1,118	1,003	617	5.6	0.5	0.4	0.8	2.0	1.7	1.0
Gross job losses	2,339	2,604	4,651	14,180	3,433	2,340	5,089	4.5	4.7	8.2	26.1	6.1	3.9	8.4
at contracting establishments	2,098	2,223	4,316	12,233	3,083	1,940	4,748	4.0	4.0	7.6	22.5	5.5	3.2	7.8
at closing establishments	241	381	335	1,947	350	400	341	0.5	0.7	0.6	3.6	0.6	0.7	0.6
Net employment change	4,281	3,194	-1,961	-6,855	6,608	3,326	-1,818	8.3	5.6	-3.5	-12.6	11.9	5.5	-3.1
Financial Activities														
Gross job gains	4,429	3,682	4,019	2,846	5,041	5,338	3,755	3.6	3.0	3.4	2.4	4.3	4.6	3.2
at expanding establishments	3,221	3,049	3,338	2,106	3,937	4,308	2,817	2.6	2.5	2.8	1.8	3.4	3.7	2.4
at opening establishments	1,208	633	681	740	1,104	1,030	938	1.0	0.5	0.6	0.6	0.9	0.9	0.8
Gross job losses	4,699	4,454	4,438	6,640	4,490	6,213	3,778	3.9	3.6	3.7	5.6	3.8	5.3	3.3
at contracting establishments	3,877	3,446	3,576	5,500	3,402	5,150	3,120	3.2	2.8	3.0	4.6	2.9	4.4	2.7
at closing establishments	822	1,008	862	1,140	1,088	1,063	658	0.7	0.8	0.7	1.0	0.9	0.9	0.6
Net employment change	-270	-772	-419	-3,794	551	-875	-23	-0.3	-0.6	-0.3	-3.2	0.5	-0.7	-0.1

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. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020	Dec. 2020	Mar. 2021	Sept. 2019	Dec. 2019	Mar. 2020	June 2020	Sept. 2020	Dec. 2020	Mar. 2021
Professional Business Services														
Gross job gains	13,951	13,432	14,563	10,978	19,721	17,506	14,677	6.3	6.2	6.7	5.3	9.8	8.4	7.1
at expanding establishments	10,648	10,599	11,601	7,305	15,708	14,211	11,631	4.8	4.9	5.3	3.5	7.8	6.8	5.6
at opening establishments	3,303	2,833	2,962	3,673	4,013	3,295	3,046	1.5	1.3	1.4	1.8	2.0	1.6	1.5
Gross job losses	14,292	16,190	14,220	33,657	12,519	12,755	13,717	6.5	7.4	6.5	16.2	6.2	6.2	6.6
at contracting establishments	11,456	11,979	11,329	29,714	9,524	9,487	10,993	5.2	5.5	5.2	14.3	4.7	4.6	5.3
at closing establishments	2,836	4,211	2,891	3,943	2,995	3,268	2,724	1.3	1.9	1.3	1.9	1.5	1.6	1.3
Net employment change	-341	-2,758	343	-22,679	7,202	4,751	960	-0.2	-1.2	0.2	-10.9	3.6	2.2	0.5
Education and Health Services														
Gross job gains	13,079	11,926	21,354	8,705	23,664	15,354	13,929	4.0	3.6	6.4	2.6	7.5	4.8	4.3
at expanding establishments	11,470	10,307	9,646	6,299	20,118	12,876	11,435	3.5	3.1	2.9	1.9	6.4	4.0	3.5
at opening establishments	1,609	1,619	11,708	2,406	3,546	2,478	2,494	0.5	0.5	3.5	0.7	1.1	0.8	0.8
Gross job losses	12,336	11,791	12,331	43,892	11,625	12,680	12,525	3.7	3.5	3.7	13.6	3.7	4.0	3.9
at contracting establishments	10,421	10,020	10,440	38,843	8,864	10,535	10,342	3.1	3.0	3.1	12.0	2.8	3.3	3.2
at closing establishments	1,915	1,771	1,891	5,049	2,761	2,145	2,183	0.6	0.5	0.6	1.6	0.9	0.7	0.7
Net employment change	743	135	9,023	-35,187	12,039	2,674	1,404	0.3	0.1	2.7	-11.0	3.8	0.8	0.4
Leisure and Hospitality														
Gross job gains	13,664	14,546	12,931	7,069	41,253	12,793	18,779	8.6	9.3	8.4	5.7	38.0	10.8	15.7
at expanding establishments	10,910	12,205	9,197	4,184	34,087	9,252	15,333	6.9	7.8	6.0	3.4	31.4	7.8	12.8
at opening establishments	2,754	2,341	3,734	2,885	7,166	3,541	3,446	1.7	1.5	2.4	2.3	6.6	3.0	2.9
Gross job losses	17,299	13,988	19,455	81,715	7,086	16,847	10,404	10.9	9.0	12.7	66.3	6.6	14.1	8.7
at contracting establishments	14,553	10,886	15,221	68,666	4,531	13,504	8,935	9.2	7.0	9.9	55.7	4.2	11.3	7.5
at closing establishments	2,746	3,102	4,234	13,049	2,555	3,343	1,469	1.7	2.0	2.8	10.6	2.4	2.8	1.2
Net employment change	-3,635	558	-6,524	-74,646	34,167	-4,054	8,375	-2.3	0.3	-4.3	-60.6	31.4	-3.3	7.0
Other														
Gross job gains	3,551	3,860	3,200	2,207	8,128	3,498	3,382	6.8	7.4	6.2	4.8	19.5	8.0	7.6
at expanding establishments	2,646	2,922	2,319	1,466	4,924	2,608	2,660	5.1	5.6	4.5	3.2	11.8	6.0	6.0
at opening establishments	905	938	881	741	3,204	890	722	1.7	1.8	1.7	1.6	7.7	2.0	1.6
Gross job losses	4,089	3,617	4,456	15,311	3,340	3,292	3,142	7.8	6.9	8.6	33.6	8.0	7.5	7.1
at contracting establishments	3,090	2,792	3,321	10,246	2,439	2,547	2,549	5.9	5.3	6.4	22.5	5.8	5.8	5.8
at closing establishments	999	825	1,135	5,065	901	745	593	1.9	1.6	2.2	11.1	2.2	1.7	1.3
Net employment change	-538	243	-1,256	-13,104	4,788	206	240	-1.0	0.5	-2.4	-28.8	11.5	0.5	0.5

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.