



BUSINESS EMPLOYMENT DYNAMICS

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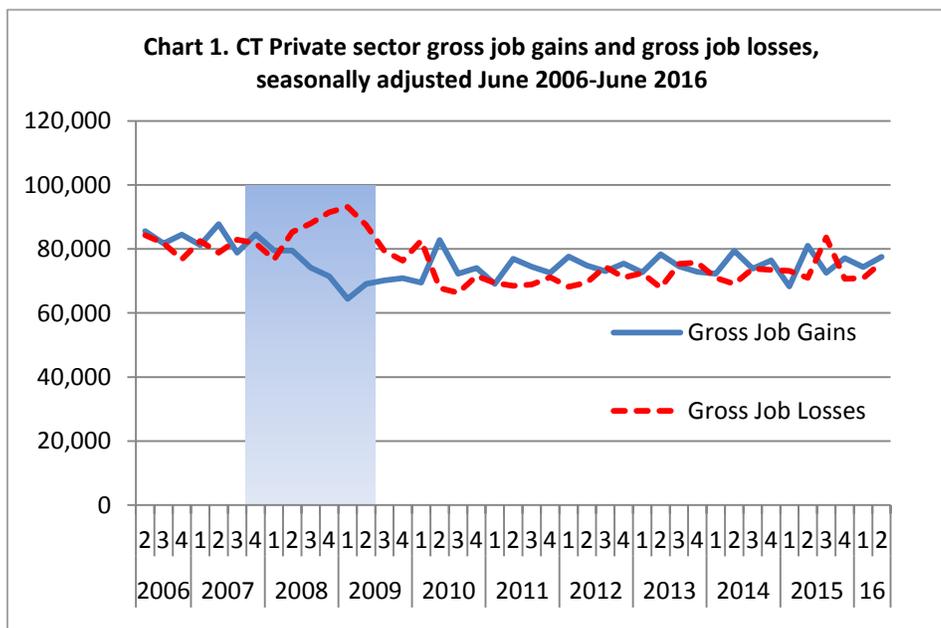
Second Quarter 2016

WETHERSFIELD, February 28th, 2017 - 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.¹

From April 2016 to June 2016, **gross job gains** from opening and expanding private sector establishments in Connecticut was 77,489, an increase of 3,150 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 75,829, an increase of 4,964 jobs from the previous quarter.

The difference between the number of gross job gains and the number of gross job losses yielded a **net employment gain** of 1,660 jobs in the private sector during the second quarter of 2016.

Since 2009, second quarter net change has exceeded first quarter net change every year, except 2012 and 2016.

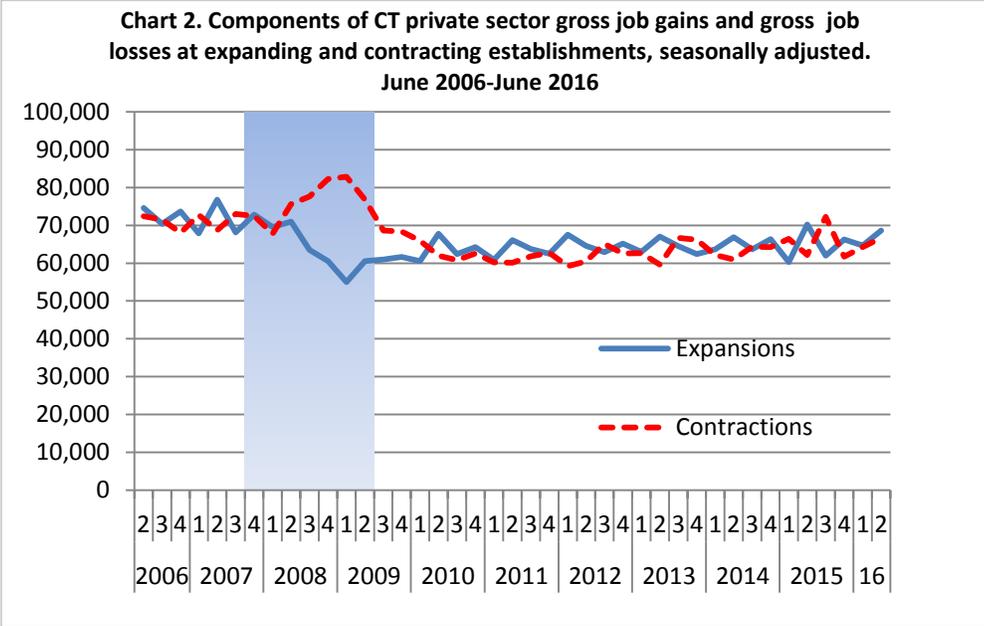


¹ For more information about BED data see: <http://www.bls.gov/bdm/bdmfaq.htm#1>

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 gross job gains and gross job losses at the firm level by employer size class.

Gross job gains at **expanding** establishments totaled 68,664 in the second quarter of 2016, an increase of 3,956 jobs from the previous quarter.



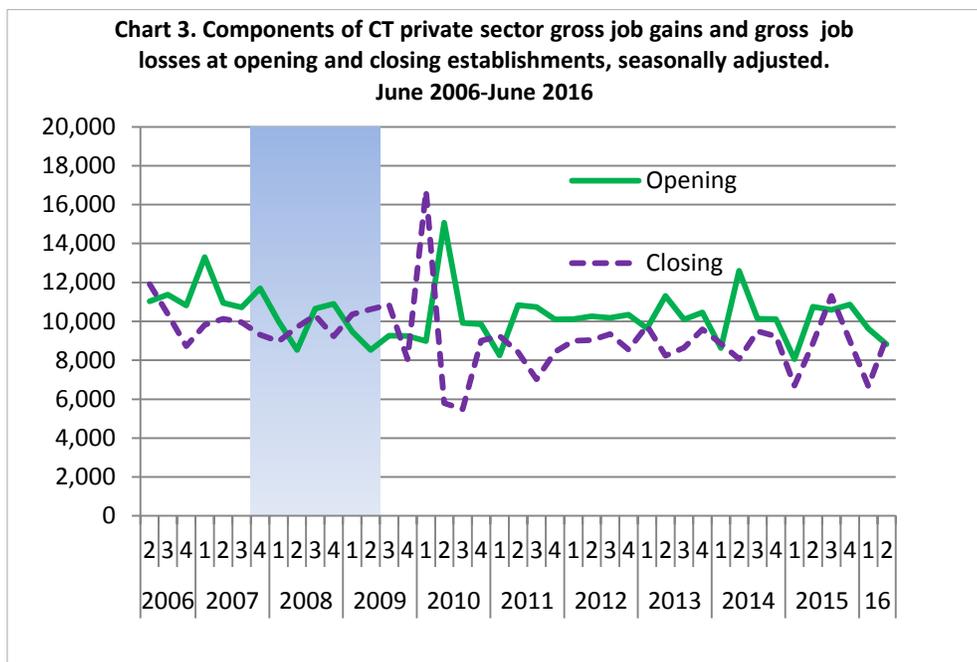
Opening establishments accounted for 8,825 jobs gained in the second quarter of 2016, a decrease of 806 jobs from the previous quarter.

Contracting establishments lost 66,671 jobs in the second quarter of 2016. This was an increase of 2,462 jobs from the prior quarter.

In the second quarter of 2016, **closing** establishments lost 9,158 jobs, an increase of 2,502 jobs from the previous quarter.

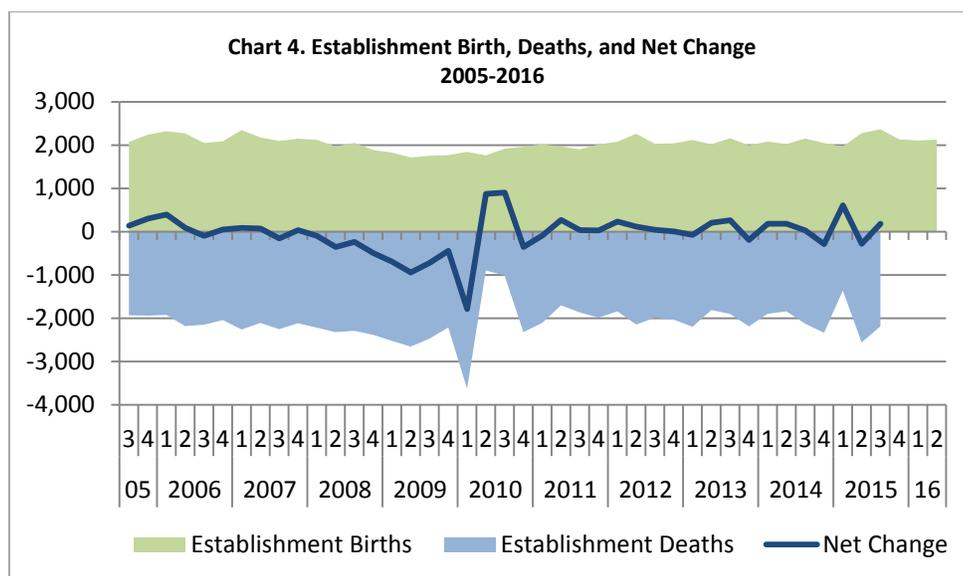
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.4 percent of private sector employment in the second quarter of 2016, while **gross job losses** represented 5.3 percent of private sector employment.



In the second quarter of 2016, the number of **establishment births** (a subset of the openings data) increased by 2,128 establishments. These new establishments accounted for 6,728 jobs, a increase of 346 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the third quarter of 2015, where 7,429 jobs were lost at 2,186 establishment deaths. In the prior quarter, 6,555 jobs were lost at 2,559 establishments.



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.

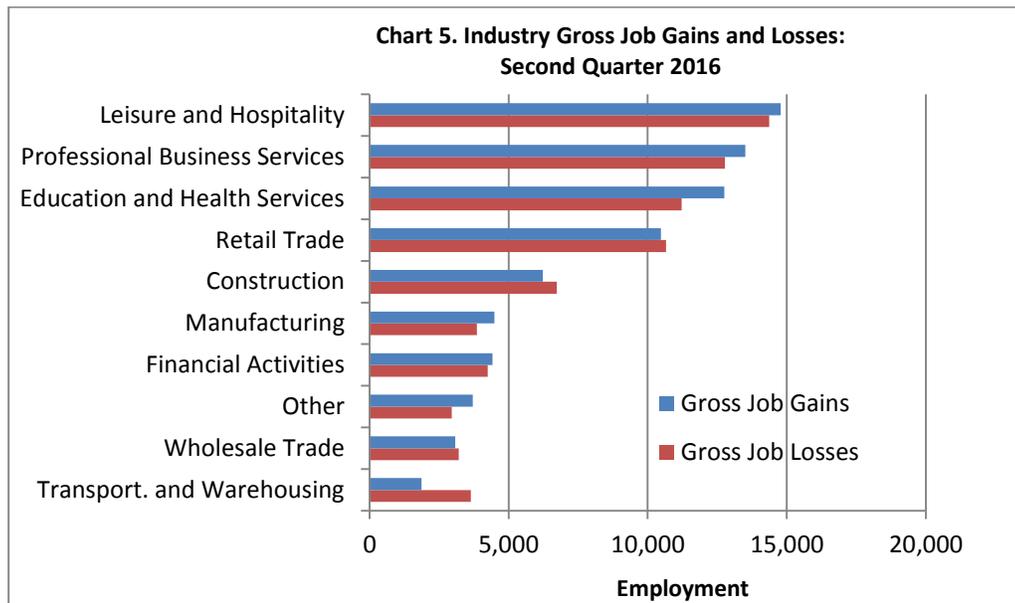
Since that early 2010 trough through the third quarter of 2015, net change has been positive in 16 of past 22 quarters of available data, with an averaging a net increase of 132 establishments per quarter during that period.

This post-recession average exceeds prerecession levels, which averaged 36 establishments per quarter from the third quarter of 2002 to the fourth quarter of 2007 (22 quarters), of which 13 quarters were net-positive.

In the third quarter of 2015 (the most recent quarter of establishment death data), there were 2,366 establishment births and 2,186 establishment deaths, resulting in a net change of 180 establishments. This follows a second quarter 2015 net change of -282.

Since 2010, the third quarter net change of establishment births and deaths has been positive for every year through 2015.

During the second quarter of 2016, **gross job gains** exceeded **gross job losses** in 6 of the 10 available **industry sectors**, except for Retail Trade, Construction, Wholesale Trade, 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)							
	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
	2014	2015	2015	2015	2015	2016	2016	2014	2015	2015	2015	2015	2016	2016
Total Private														
Gross job gains	76,461	68,321	80,963	72,563	77,156	74,339	77,489	5.4	4.9	5.7	5.1	5.5	5.2	5.4
at expanding establishments	66,354	60,269	70,212	61,971	66,285	64,708	68,664	4.7	4.3	4.9	4.4	4.7	4.5	4.8
at opening establishments	10,107	8,052	10,751	10,592	10,871	9,631	8,825	0.7	0.6	0.8	0.7	0.8	0.7	0.6
Gross job losses	73,506	73,135	71,007	83,562	70,694	70,865	75,829	5.2	5.2	5.0	5.9	4.9	5.0	5.3
at contracting establishments	64,271	66,441	62,140	72,253	61,690	64,209	66,671	4.5	4.7	4.4	5.1	4.3	4.5	4.7
at closing establishments	9,235	6,694	8,867	11,309	9,004	6,656	9,158	0.7	0.5	0.6	0.8	0.6	0.5	0.6
Net employment change	2,955	-4,814	9,956	-10,999	6,462	3,474	1,660	0.2	-0.3	0.7	-0.8	0.6	0.2	0.1
Construction														
Gross job gains	6,077	5,618	7,256	6,398	6,658	6,767	6,233	10.8	9.8	12.6	11.1	11.4	11.3	10.4
at expanding establishments	5,194	4,868	6,200	5,432	5,820	5,760	5,510	9.2	8.5	10.8	9.4	10.0	9.6	9.2
at opening establishments	883	750	1,056	966	838	1,007	723	1.6	1.3	1.8	1.7	1.4	1.7	1.2
Gross job losses	6,222	6,334	5,847	7,069	5,500	6,161	6,736	10.9	11.1	10.1	12.3	9.4	10.3	11.3
at contracting establishments	5,349	5,763	4,854	6,169	4,681	5,517	6,041	9.4	10.1	8.4	10.7	8.0	9.2	10.1
at closing establishments	873	571	993	900	819	644	695	1.5	1.0	1.7	1.6	1.4	1.1	1.2
Net employment change	-145	-716	1,409	-671	1,158	606	-503	-0.1	-1.3	2.5	-1.2	2.0	1.0	-0.9
Manufacturing														
Gross job gains	4,108	3,675	4,249	3,845	3,583	3,414	4,493	2.6	2.3	2.7	2.4	2.3	2.2	2.9
at expanding establishments	3,760	3,544	4,119	3,687	3,309	3,266	4,332	2.4	2.2	2.6	2.3	2.1	2.1	2.8
at opening establishments	348	131	130	158	274	148	161	0.2	0.1	0.1	0.1	0.2	0.1	0.1
Gross job losses	4,171	3,696	3,359	4,542	4,336	3,590	3,863	2.6	2.3	2.1	2.8	2.8	2.3	2.5
at contracting establishments	3,959	3,505	3,151	4,217	4,059	3,442	3,592	2.5	2.2	2.0	2.6	2.6	2.2	2.3
at closing establishments	212	191	208	325	277	148	271	0.1	0.1	0.1	0.2	0.2	0.1	0.2
Net employment change	-63	-21	890	-697	-753	-176	630	0.0	0.0	0.6	-0.4	-0.5	-0.1	0.4
Wholesale Trade														
Gross job gains	2,686	2,736	2,968	2,791	2,826	2,641	3,080	4.2	4.3	4.7	4.5	4.5	4.3	4.9
at expanding establishments	2,165	2,287	2,467	2,231	2,257	2,152	2,531	3.4	3.6	3.9	3.6	3.6	3.5	4.0
at opening establishments	521	449	501	560	569	489	549	0.8	0.7	0.8	0.9	0.9	0.8	0.9
Gross job losses	2,710	2,685	2,758	3,254	3,056	2,433	3,209	4.3	4.3	4.4	5.2	4.9	3.9	5.1
at contracting establishments	2,127	2,244	2,207	2,607	2,301	2,011	2,764	3.4	3.6	3.5	4.2	3.7	3.2	4.4
at closing establishments	583	441	551	647	755	422	445	0.9	0.7	0.9	1.0	1.2	0.7	0.7
Net employment change	-24	51	210	-463	-230	208	-129	-0.1	0.0	0.3	-0.7	-0.4	0.4	-0.2
Retail Trade														
Gross job gains	10,996	9,810	12,322	9,684	11,646	10,627	10,481	6.0	5.3	6.6	5.2	6.3	5.8	5.6
at expanding establishments	10,115	9,139	10,398	8,554	10,186	9,772	9,493	5.5	4.9	5.6	4.6	5.5	5.3	5.1
at opening establishments	881	671	1,924	1,130	1,460	855	988	0.5	0.4	1.0	0.6	0.8	0.5	0.5
Gross job losses	11,140	10,491	10,649	12,692	10,258	10,456	10,658	6.0	5.7	5.7	6.9	5.5	5.6	5.7
at contracting establishments	10,237	9,770	9,638	11,281	9,263	9,713	9,580	5.5	5.3	5.2	6.1	5.0	5.2	5.1
at closing establishments	903	721	1,011	1,411	995	743	1,078	0.5	0.4	0.5	0.8	0.5	0.4	0.6
Net employment change	-144	-681	1,673	-3,008	1,388	171	-177	0.0	-0.4	0.9	-1.7	0.8	0.2	-0.1
Transportation and Warehousing														
Gross job gains	3,018	1,546	2,438	2,549	3,711	2,271	1,866	6.8	3.5	5.5	5.7	8.1	4.8	4.1
at expanding establishments	2,871	1,414	2,289	2,351	3,535	1,785	1,777	6.5	3.2	5.2	5.3	7.7	3.8	3.9
at opening establishments	147	132	149	198	176	486	89	0.3	0.3	0.3	0.4	0.4	1.0	0.2
Gross job losses	1,752	2,782	1,393	2,011	1,782	3,132	3,644	4.0	6.3	3.2	4.5	3.8	6.7	8.0
at contracting establishments	1,640	2,633	1,265	1,750	1,577	3,027	3,534	3.7	6.0	2.9	3.9	3.4	6.5	7.8
at closing establishments	112	149	128	261	205	105	110	0.3	0.3	0.3	0.6	0.4	0.2	0.2
Net employment change	1,266	-1,236	1,045	538	1,929	-861	-1,778	2.8	-2.8	2.3	1.2	4.3	-1.9	-3.9
Financial Activities														
Gross job gains	4,291	3,560	4,542	3,864	4,013	3,940	4,427	3.3	2.8	3.5	3.0	3.2	3.1	3.4
at expanding establishments	3,598	3,102	4,025	3,248	3,385	3,487	4,002	2.8	2.4	3.1	2.5	2.7	2.7	3.1
at opening establishments	693	458	517	616	628	453	425	0.5	0.4	0.4	0.5	0.5	0.4	0.3
Gross job losses	3,998	3,587	3,701	4,921	4,361	4,022	4,245	3.1	2.8	2.9	3.8	3.4	3.2	3.4
at contracting establishments	3,319	3,170	3,247	4,277	3,792	3,537	3,665	2.6	2.5	2.5	3.3	3.0	2.8	2.9
at closing establishments	679	417	454	644	569	485	580	0.5	0.3	0.4	0.5	0.4	0.4	0.5
Net employment change	293	-27	841	-1,057	-348	-82	182	0.2	0.0	0.6	-0.8	-0.2	-0.1	0.0

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	2014	2015	2015	2015	2015	2016	2016	2014	2015	2015	2015	2015	2016	2016
Professional Business Services														
Gross job gains	15,111	13,065	14,703	12,881	13,597	11,905	13,515	7.1	6.0	6.8	6.0	6.2	5.4	6.2
at expanding establishments	13,057	11,267	12,582	10,356	11,149	10,373	11,801	6.1	5.2	5.8	4.8	5.1	4.7	5.4
at opening establishments	2,054	1,798	2,121	2,525	2,448	1,532	1,714	1.0	0.8	1.0	1.2	1.1	0.7	0.8
Gross job losses	12,794	13,012	13,120	15,415	12,154	12,584	12,773	6.0	6.0	6.1	7.1	5.6	5.7	5.8
at contracting establishments	10,543	11,617	10,811	12,565	10,193	11,205	10,521	4.9	5.4	5.0	5.8	4.7	5.1	4.8
at closing establishments	2,251	1,395	2,309	2,850	1,961	1,379	2,252	1.1	0.6	1.1	1.3	0.9	0.6	1.0
Net employment change	2,317	53	1,583	-2,534	1,443	-679	742	1.1	0.0	0.7	-1.1	0.6	-0.3	0.4
Education and Health Services														
Gross job gains	10,408	10,549	11,399	10,853	10,918	11,848	12,757	3.2	3.3	3.6	3.4	3.4	3.7	4.0
at expanding establishments	9,423	9,631	10,506	10,117	10,125	10,600	11,754	2.9	3.0	3.3	3.2	3.2	3.3	3.7
at opening establishments	985	918	893	736	793	1,248	1,003	0.3	0.3	0.3	0.2	0.2	0.4	0.3
Gross job losses	11,606	10,940	9,153	12,045	10,142	10,919	11,217	3.6	3.4	2.9	3.8	3.2	3.5	3.5
at contracting establishments	10,552	10,154	8,567	10,889	9,203	10,095	10,058	3.3	3.2	2.7	3.4	2.9	3.2	3.1
at closing establishments	1,054	786	586	1,156	939	824	1,159	0.3	0.2	0.2	0.4	0.3	0.3	0.4
Net employment change	-1,198	-391	2,246	-1,192	776	929	1,540	-0.4	-0.1	0.7	-0.4	0.2	0.2	0.5
Leisure and Hospitality														
Gross job gains	14,136	12,434	14,999	13,169	14,585	15,159	14,781	9.4	8.2	9.9	8.7	9.7	9.8	9.6
at expanding establishments	11,484	10,493	12,472	10,791	11,772	12,643	12,513	7.6	6.9	8.2	7.1	7.8	8.2	8.1
at opening establishments	2,652	1,941	2,527	2,378	2,813	2,516	2,268	1.8	1.3	1.7	1.6	1.9	1.6	1.5
Gross job losses	13,175	13,130	15,363	15,655	13,252	12,152	14,373	8.7	8.6	10.1	10.3	8.8	7.9	9.3
at contracting establishments	11,462	11,725	13,521	13,479	11,661	10,871	12,461	7.6	7.7	8.9	8.9	7.7	7.1	8.1
at closing establishments	1,713	1,405	1,842	2,176	1,591	1,281	1,912	1.1	0.9	1.2	1.4	1.1	0.8	1.2
Net employment change	961	-696	-364	-2,486	1,333	3,007	408	0.7	-0.4	-0.2	-1.6	0.9	1.9	0.3
Other														
Gross job gains	3,076	3,200	3,559	4,210	3,087	3,383	3,712	6.3	6.5	7.2	8.5	6.2	6.8	7.4
at expanding establishments	2,509	2,692	3,016	3,208	2,579	2,802	3,111	5.1	5.5	6.1	6.5	5.2	5.6	6.2
at opening establishments	567	508	543	1,002	508	581	601	1.2	1.0	1.1	2.0	1.0	1.2	1.2
Gross job losses	3,314	3,067	3,213	3,582	3,365	2,898	2,954	6.7	6.2	6.5	7.2	6.8	5.8	5.9
at contracting establishments	2,755	2,704	2,769	3,021	2,830	2,585	2,517	5.6	5.5	5.6	6.1	5.7	5.2	5.0
at closing establishments	559	363	444	561	535	313	437	1.1	0.7	0.9	1.1	1.1	0.6	0.9
Net employment change	-238	133	346	628	-278	485	758	-0.4	0.3	0.7	1.3	-0.6	1.0	1.5

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.