



# BUSINESS EMPLOYMENT DYNAMICS

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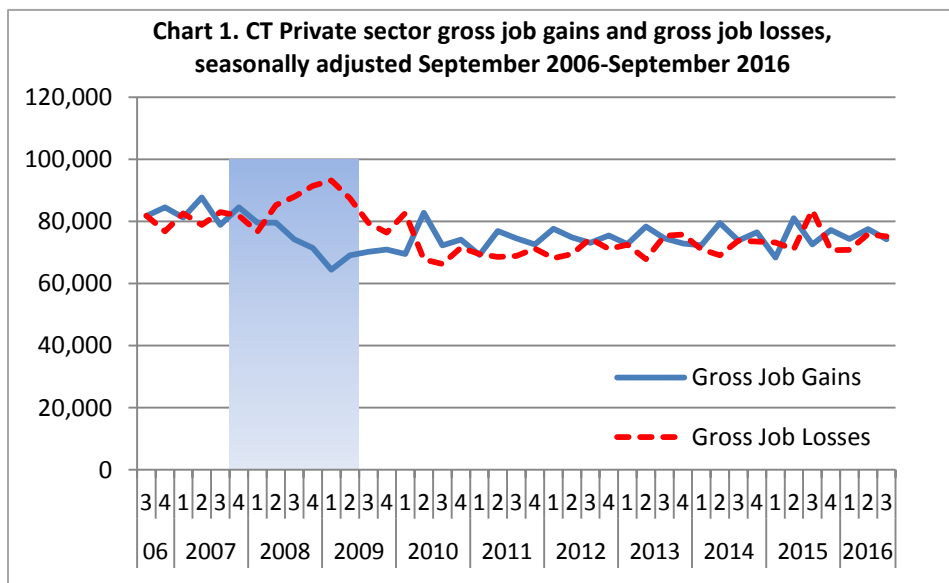
## Third Quarter 2016

WETHERSFIELD, April 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.<sup>1</sup>

From July 2016 to September 2016, **gross job gains** from opening and expanding private sector establishments in Connecticut was 74,208, a decrease of 3,281 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 75,109, a decrease of 720 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment loss** of 901 jobs in the private sector during the third quarter of 2016.

Since 2001, third quarter net change has been negative every year except for 2004, 2010, and 2011. The average third quarter net loss over those 16 years is 2,543 jobs. The largest third quarter net decline since 2001 occurred in 2015, at 10,999 jobs lost.



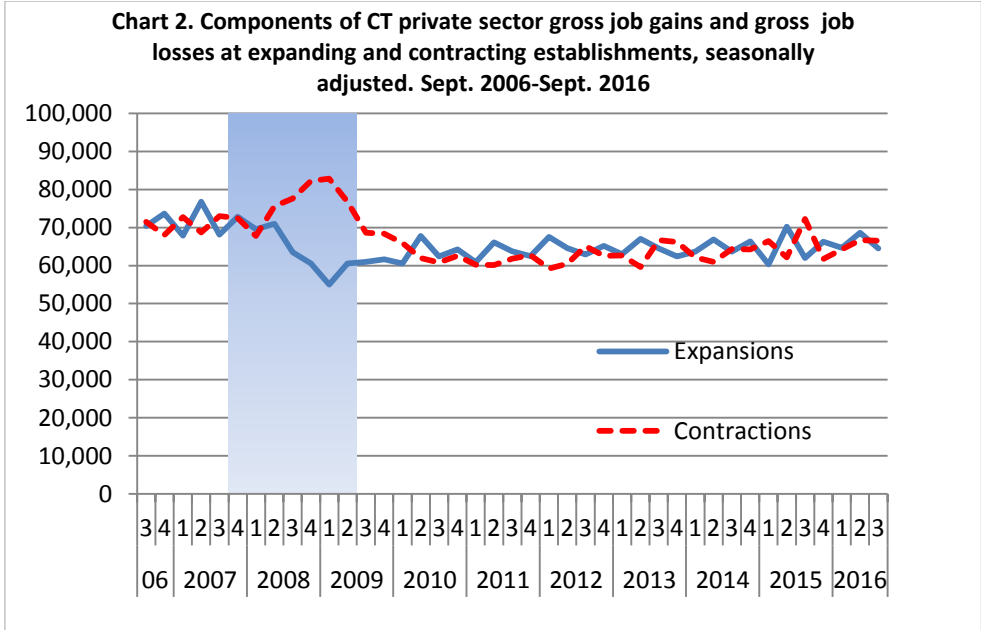
<sup>1</sup> For more information about BED data see: <http://www.bls.gov/bdm/bdmfaq.htm#1>

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 64,538 in the third quarter of 2016, a decrease of 4,126 jobs from the previous quarter.

**Opening** establishments accounted for 9,670 jobs gained in the third quarter of 2016, an increase of 845 jobs from the previous quarter.

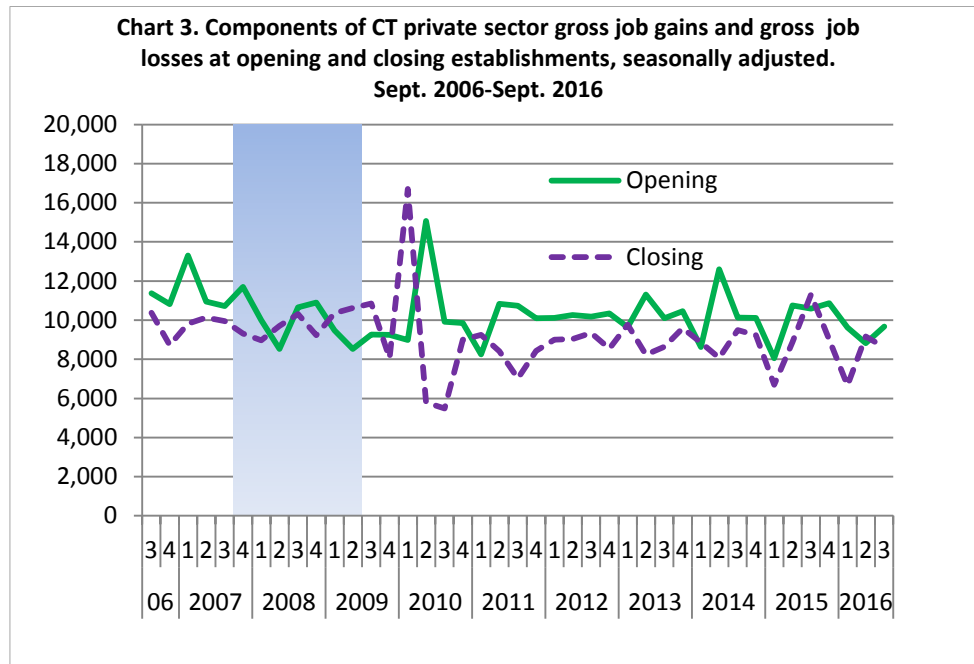


**Contracting** establishments lost 66,500 jobs in the third quarter of 2016. This was a decrease of 171 jobs from the prior quarter.

In the third quarter of 2016, **closing** establishments lost 8,609 jobs, a decrease of 549 jobs from the previous quarter.

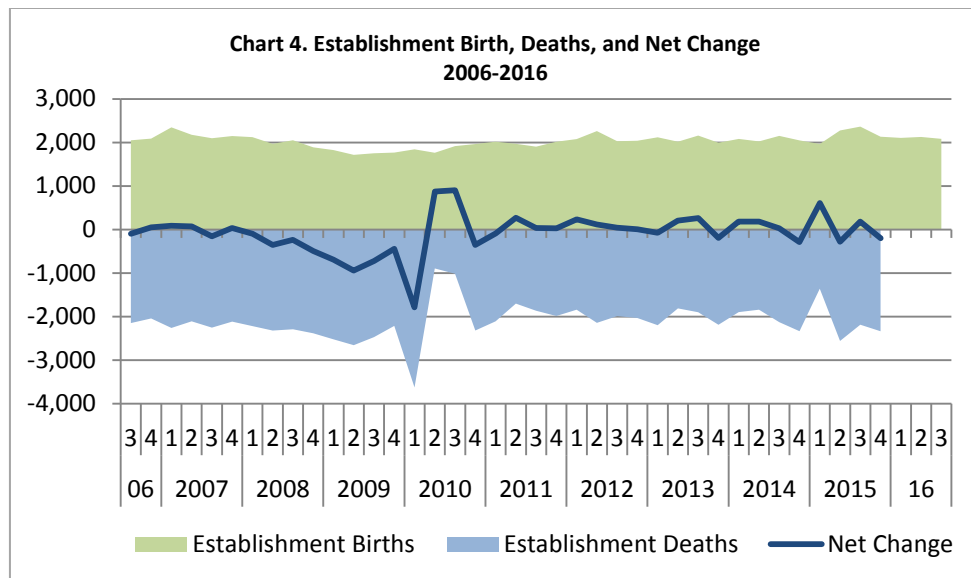
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

**Gross job gains** represented 5.2 percent of private sector employment in the third quarter of 2016, while **gross job losses** represented 5.3 percent of private sector employment.



In the third quarter of 2016, there were 2,085 **establishment births** (a subset of the openings data). These new establishments accounted for 7,166 jobs, an increase of 438 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the fourth quarter of 2015, where 6,387 jobs were lost at 2,336 establishment deaths. In the prior quarter, 7,429 jobs were lost at 2,186 establishments.



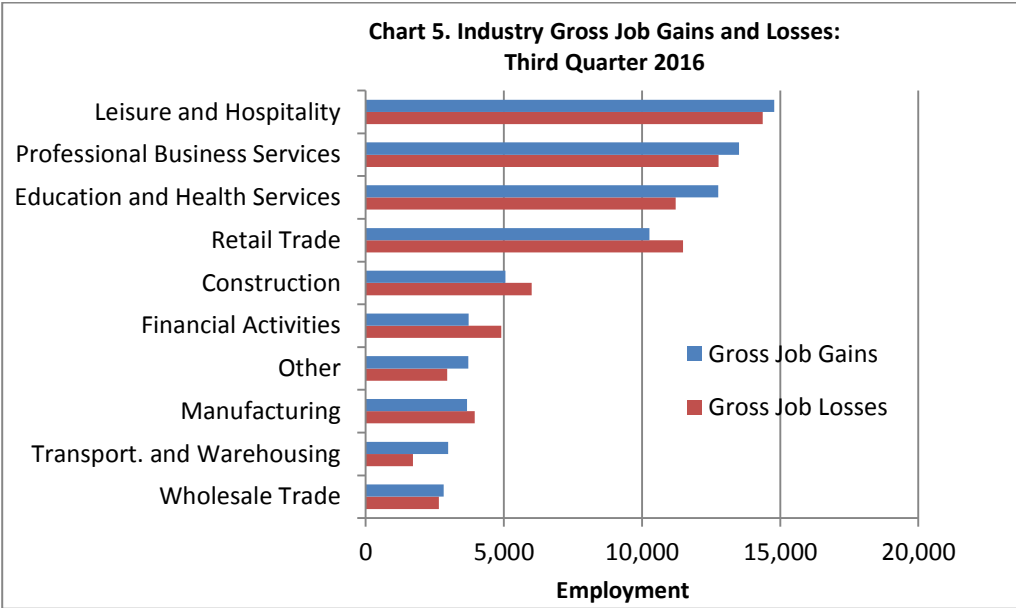
The **net change** of establishment births and deaths went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 fourth quarter of 2015, net change has been positive in 16 of past 23 quarters of available data, with an averaging a net increase of 117 establishments per quarter during that period.

Post-recession fourth quarter net change has typically been negative, down an average of 165 establishments. During that 2010-2015 period it was positive in 2011 and 2012, with respective gains of 32 and 9 establishments.

In the fourth quarter of 2015 (the most recent quarter of establishment death data), there were 2,134 establishment births and 2,336 establishment deaths, resulting in a net change of -202 establishments. This follows a third quarter 2015 net change of 180 establishments.

During the third quarter of 2016, **gross job gains** exceeded **gross job losses** in 6 of the 10 available **industry sectors**, except for Retail Trade, Construction, Financial Activities, and Manufacturing.



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. 2015	June 2015	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Mar. 2015	June 2015	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016
<b>Total Private</b>														
Gross job gains	68,321	80,963	72,563	77,156	74,339	77,489	74,208	4.9	5.7	5.1	5.5	5.2	5.4	5.2
at expanding establishments	60,269	70,212	61,971	66,285	64,708	68,664	64,538	4.3	4.9	4.4	4.7	4.5	4.8	4.5
at opening establishments	8,052	10,751	10,592	10,871	9,631	8,825	9,670	0.6	0.8	0.7	0.8	0.7	0.6	0.7
Gross job losses	73,135	71,007	83,562	70,694	70,865	75,829	75,109	5.2	5.0	5.9	4.9	5.0	5.3	5.3
at contracting establishments	66,441	62,140	72,253	61,690	64,209	66,671	66,500	4.7	4.4	5.1	4.3	4.5	4.7	4.7
at closing establishments	6,694	8,867	11,309	9,004	6,656	9,158	8,609	0.5	0.6	0.8	0.6	0.5	0.6	0.6
Net employment change	-4,814	9,956	-10,999	6,462	3,474	1,660	-901	-0.3	0.7	-0.8	0.6	0.2	0.1	-0.1
<b>Construction</b>														
Gross job gains	5,618	7,256	6,398	6,658	6,767	6,233	5,053	9.8	12.6	11.1	11.4	11.3	10.4	8.6
at expanding establishments	4868	6200	5,432	5,820	5,760	5,510	4,374	8.5	10.8	9.4	10.0	9.6	9.2	7.4
at opening establishments	750	1,056	966	838	1,007	723	679	1.3	1.8	1.7	1.4	1.7	1.2	1.2
Gross job losses	6,334	5,847	7,069	5,500	6,161	6,736	6,004	11.1	10.1	12.3	9.4	10.3	11.3	10.2
at contracting establishments	5,763	4,854	6,169	4,681	5,517	6,041	5,245	10.1	8.4	10.7	8.0	9.2	10.1	8.9
at closing establishments	571	993	900	819	644	695	759	1.0	1.7	1.6	1.4	1.1	1.2	1.3
Net employment change	-716	1,409	-671	1,158	606	-503	-951	-1.3	2.5	-1.2	2.0	1.0	-0.9	-1.6
<b>Manufacturing</b>														
Gross job gains	3,675	4,249	3,845	3,583	3,414	4,493	3,671	2.3	2.7	2.4	2.3	2.2	2.9	2.4
at expanding establishments	3,544	4,119	3,687	3,309	3,266	4,332	3,578	2.2	2.6	2.3	2.1	2.1	2.8	2.3
at opening establishments	131	130	158	274	148	161	93	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Gross job losses	3,696	3,359	4,542	4,336	3,590	3,863	3,946	2.3	2.1	2.8	2.8	2.3	2.5	2.5
at contracting establishments	3,505	3,151	4,217	4,059	3,442	3,592	3,780	2.2	2.0	2.6	2.6	2.2	2.3	2.4
at closing establishments	191	208	325	277	148	271	166	0.1	0.1	0.2	0.2	0.1	0.2	0.1
Net employment change	-21	890	-697	-753	-176	630	-275	0.0	0.6	-0.4	-0.5	-0.1	0.4	-0.1
<b>Wholesale Trade</b>														
Gross job gains	2,736	2,968	2,791	2,826	2,641	3,080	2,827	4.3	4.7	4.5	4.5	4.3	4.9	4.5
at expanding establishments	2,287	2,467	2,231	2,257	2,152	2,531	2,336	3.6	3.9	3.6	3.6	3.5	4.0	3.7
at opening establishments	449	501	560	569	489	549	491	0.7	0.8	0.9	0.9	0.8	0.9	0.8
Gross job losses	2,685	2,758	3,254	3,056	2,433	3,209	2,649	4.3	4.4	5.2	4.9	3.9	5.1	4.2
at contracting establishments	2,244	2,207	2,607	2,301	2,011	2,764	2,192	3.6	3.5	4.2	3.7	3.2	4.4	3.5
at closing establishments	441	551	647	755	422	445	457	0.7	0.9	1.0	1.2	0.7	0.7	0.7
Net employment change	51	210	-463	-230	208	-129	178	0.0	0.3	-0.7	-0.4	0.4	-0.2	0.3
<b>Retail Trade</b>														
Gross job gains	9810	12322	9,684	11,646	10,627	10,481	10,266	5.3	6.6	5.2	6.3	5.8	5.6	5.5
at expanding establishments	9,139	10,398	8,554	10,186	9,772	9,493	8,920	4.9	5.6	4.6	5.5	5.3	5.1	4.8
at opening establishments	671	1,924	1,130	1,460	855	988	1,346	0.4	1.0	0.6	0.8	0.5	0.5	0.7
Gross job losses	10,491	10,649	12,692	10,258	10,456	10,658	11,481	5.7	5.7	6.9	5.5	5.6	5.7	6.2
at contracting establishments	9,770	9,638	11,281	9,263	9,713	9,580	10,408	5.3	5.2	6.1	5.0	5.2	5.1	5.6
at closing establishments	721	1,011	1,411	995	743	1,078	1,073	0.4	0.5	0.8	0.5	0.4	0.6	0.6
Net employment change	-681	1,673	-3,008	1,388	171	-177	-1,215	-0.4	0.9	-1.7	0.8	0.2	-0.1	-0.7
<b>Transportation and Warehousing</b>														
Gross job gains	1,546	2,438	2,549	3,711	2,271	1,866	2,989	3.5	5.5	5.7	8.1	4.8	4.1	6.6
at expanding establishments	1,414	2,289	2,351	3,535	1,785	1,777	2,565	3.2	5.2	5.3	7.7	3.8	3.9	5.7
at opening establishments	132	149	198	176	486	89	424	0.3	0.3	0.4	0.4	1.0	0.2	0.9
Gross job losses	2,782	1,393	2,011	1,782	3,132	3,644	1,707	6.3	3.2	4.5	3.8	6.7	8.0	3.8
at contracting establishments	2,633	1,265	1,750	1,577	3,027	3,534	1,430	6.0	2.9	3.9	3.4	6.5	7.8	3.2
at closing establishments	149	128	261	205	105	110	277	0.3	0.3	0.6	0.4	0.2	0.2	0.6
Net employment change	-1,236	1,045	538	1,929	-861	-1,778	1,282	-2.8	2.3	1.2	4.3	-1.9	-3.9	2.8
<b>Financial Activities</b>														
Gross job gains	3,560	4,542	3,864	4,013	3,940	4,427	3,721	2.8	3.5	3.0	3.2	3.1	3.4	2.9
at expanding establishments	3,102	4,025	3,248	3,385	3,487	4,002	3,151	2.4	3.1	2.5	2.7	2.7	3.1	2.5
at opening establishments	458	517	616	628	453	425	570	0.4	0.4	0.5	0.5	0.4	0.3	0.4
Gross job losses	3,587	3,701	4,921	4,361	4,022	4,245	4,908	2.8	2.9	3.8	3.4	3.2	3.4	3.9
at contracting establishments	3,170	3,247	4,277	3,792	3,537	3,665	4,321	2.5	2.5	3.3	3.0	2.8	2.9	3.4
at closing establishments	417	454	644	569	485	580	587	0.3	0.4	0.5	0.4	0.4	0.5	0.5
Net employment change	-27	841	-1,057	-348	-82	182	-1,187	0.0	0.6	-0.8	-0.2	-0.1	0.0	-1.0

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	<b>Professional Business Services</b>													
Gross job gains	13,065	14,703	12,881	13,597	11,905	13,515	13,179	6.0	6.8	6.0	6.2	5.4	6.2	6.0
at expanding establishments	11,267	12,582	10,356	11,149	10,373	11,801	11,605	5.2	5.8	4.8	5.1	4.7	5.4	5.3
at opening establishments	1,798	2,121	2,525	2,448	1,532	1,714	1,574	0.8	1.0	1.2	1.1	0.7	0.8	0.7
Gross job losses	13,012	13,120	15,415	12,154	12,584	12,773	13,429	6.0	6.1	7.1	5.6	5.7	5.8	6.1
at contracting establishments	11,617	10,811	12,565	10,193	11,205	10,521	11,352	5.4	5.0	5.8	4.7	5.1	4.8	5.2
at closing establishments	1,395	2,309	2,850	1,961	1,379	2,252	2,077	0.6	1.1	1.3	0.9	0.6	1.0	0.9
Net employment change	53	1,583	-2,534	1,443	-679	742	-250	0.0	0.7	-1.1	0.6	-0.3	0.4	-0.1
<b>Education and Health Services</b>														
Gross job gains	10,549	11,399	10,853	10,918	11,848	12,757	12,459	3.3	3.6	3.4	3.4	3.7	4.0	3.9
at expanding establishments	9,631	10,506	10,117	10,125	10,600	11,754	11,289	3.0	3.3	3.2	3.2	3.3	3.7	3.5
at opening establishments	918	893	736	793	1,248	1,003	1,170	0.3	0.3	0.2	0.2	0.4	0.3	0.4
Gross job losses	10,940	9,153	12,045	10,142	10,919	11,217	10,022	3.4	2.9	3.8	3.2	3.5	3.5	3.1
at contracting establishments	10,154	8,567	10,889	9,203	10,095	10,058	8,859	3.2	2.7	3.4	2.9	3.2	3.1	2.7
at closing establishments	786	586	1,156	939	824	1,159	1,163	0.2	0.2	0.4	0.3	0.3	0.4	0.4
Net employment change	-391	2,246	-1,192	776	929	1,540	2,437	-0.1	0.7	-0.4	0.2	0.2	0.5	0.8
<b>Leisure and Hospitality</b>														
Gross job gains	12,434	14,999	13,169	14,585	15,159	14,781	14,230	8.2	9.9	8.7	9.7	9.8	9.6	9.2
at expanding establishments	10,493	12,472	10,791	11,772	12,643	12,513	12,039	6.9	8.2	7.1	7.8	8.2	8.1	7.8
at opening establishments	1,941	2,527	2,378	2,813	2,516	2,268	2,191	1.3	1.7	1.6	1.9	1.6	1.5	1.4
Gross job losses	13,130	15,363	15,655	13,252	12,152	14,373	15,359	8.6	10.1	10.3	8.8	7.9	9.3	10.0
at contracting establishments	11,725	13,521	13,479	11,661	10,871	12,461	14,042	7.7	8.9	8.9	7.7	7.1	8.1	9.1
at closing establishments	1,405	1,842	2,176	1,591	1,281	1,912	1,317	0.9	1.2	1.4	1.1	0.8	1.2	0.9
Net employment change	-696	-364	-2,486	1,333	3,007	408	-1,129	-0.4	-0.2	-1.6	0.9	1.9	0.3	-0.8
<b>Other</b>														
Gross job gains	3,200	3,559	4,210	3,087	3,383	3,712	3,179	6.5	7.2	8.5	6.2	6.8	7.4	6.3
at expanding establishments	2,692	3,016	3,208	2,579	2,802	3,111	2,559	5.5	6.1	6.5	5.2	5.6	6.2	5.1
at opening establishments	508	543	1,002	508	581	601	620	1.0	1.1	2.0	1.0	1.2	1.2	1.2
Gross job losses	3,067	3,213	3,582	3,365	2,898	2,954	3,516	6.2	6.5	7.2	6.8	5.8	5.9	7.0
at contracting establishments	2,704	2,769	3,021	2,830	2,585	2,517	3,017	5.5	5.6	6.1	5.7	5.2	5.0	6.0
at closing establishments	363	444	561	535	313	437	499	0.7	0.9	1.1	1.1	0.6	0.9	1.0
Net employment change	133	346	628	-278	485	758	-337	0.3	0.7	1.3	-0.6	1.0	1.5	-0.7

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.

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