



BUSINESS EMPLOYMENT DYNAMICS

Office of Research
 Scott D. Jackson, Commissioner
 Andrew Condon, Director of Research

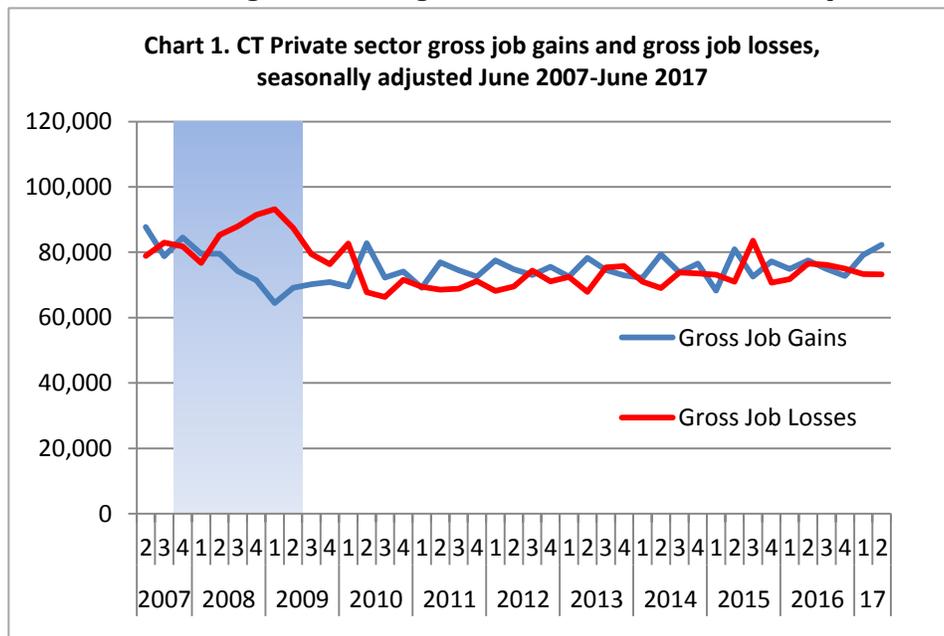
Second Quarter 2017

WETHERSFIELD, January 26th, 2018 - 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 March 2017 to June 2017, **gross job gains** from opening and expanding private sector establishments in Connecticut was 82,321, an increase of 3,144 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 73,239, a decrease of 49 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment gain** of 9,082 jobs in the private sector during the second quarter of 2017. This net increase is 8,051 jobs above second quarter 2016 levels.

From 2004 to 2007, annual average net change was between 1,534 and 4,190 jobs. It fell precipitously thereafter to a 2009 low of -15,445 jobs and was up to 2,608 the following year. In 2015 and 2016, annual average net change has remained below 200 jobs.

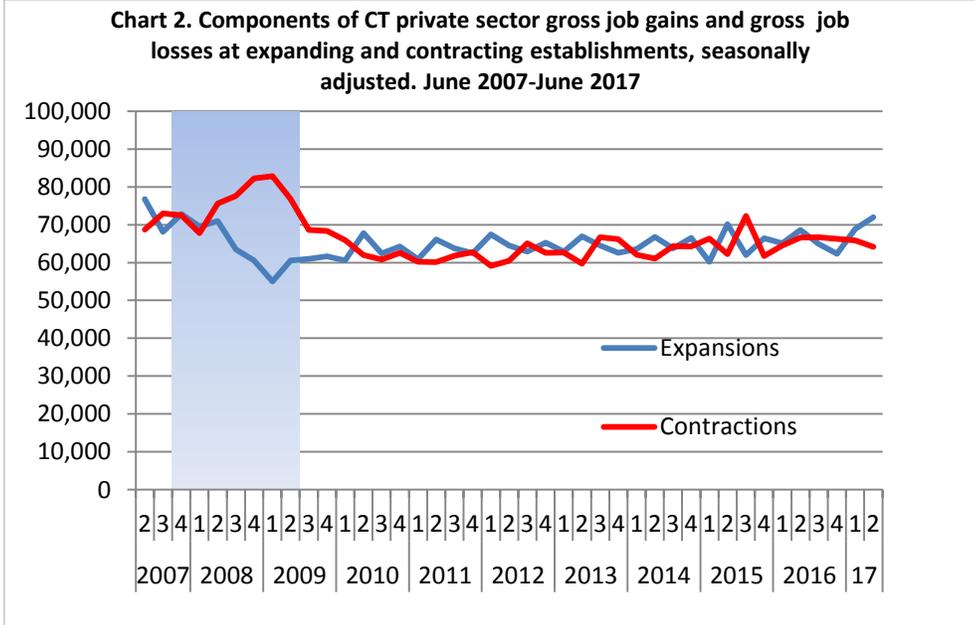


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 71,961 in the second quarter of 2017, an increase of 3,090 jobs from the previous quarter.

Opening establishments accounted for 10,360 jobs gained in the second quarter of 2017, an increase of 54 jobs from the previous quarter.

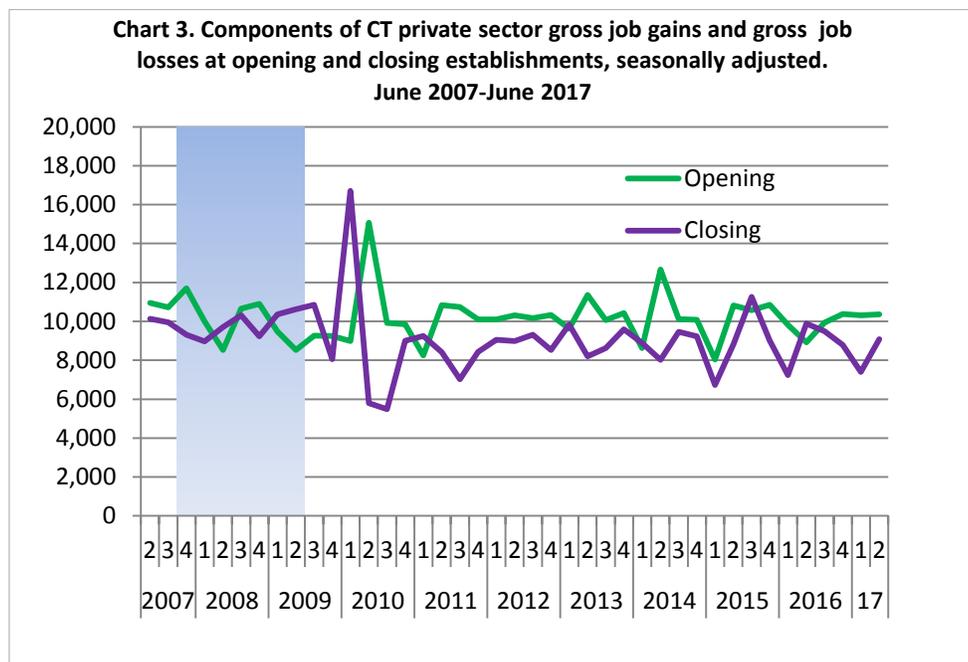


Contracting establishments lost 64,157 jobs in the Second quarter of 2017. This was a decrease of 1,728 jobs from the prior quarter.

In the second quarter of 2017, **closing** establishments lost 9,082 jobs, an increase of 1,679 jobs from the previous quarter.

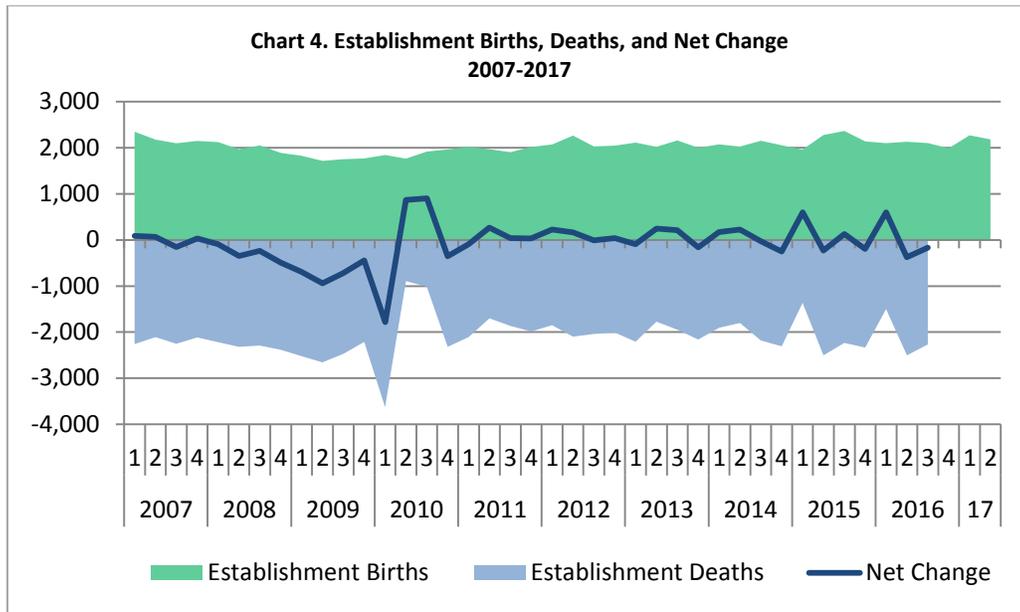
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.7 percent of private sector employment in the second quarter of 2017, while **gross job losses** represented 5.1 percent of private sector employment.



In the second quarter of 2017, there were 2,183 **establishment births** (a subset of the openings data). These new establishments accounted for 8,170 jobs, an increase of 784 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the third quarter of 2016, where 6,847 jobs were lost at 2,267 establishment deaths. In the prior quarter, 6,563 jobs were lost at 2,503 establishments.



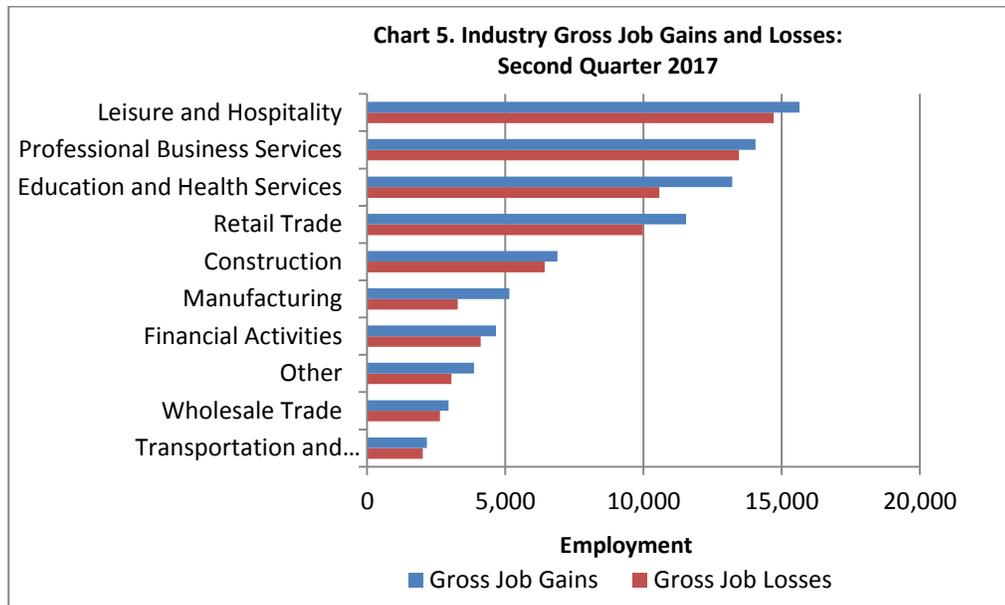
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 2016, birth/death net change has been positive in 15 of past 26 quarters of available data, with an averaging a net increase of 107 establishments per quarter during that period.

Post-recession third quarter net change has been positive in four of the past seven years, but it has been negative in 2012, 2014 and 2016.

In the third quarter of 2016 (the most recent quarter of establishment death data), there were 2,103 establishment births and 2,267 establishment deaths, resulting in a net change of -164 establishments. This follows a second quarter 2016 net change of -371 establishments.

During the second quarter of 2017, **gross job gains** exceeded **gross job losses** every available **industry sector**. The last time every industry had net gains was the second quarter of 2013. The sectors with the largest net gains were Education and Health Services, Manufacturing, and Retail Trade.



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
	2015	2016	2016	2016	2016	2017	2017	2015	2016	2016	2016	2016	2017	2017
Total Private														
Gross job gains	77,260	74,868	77,561	74,841	72,719	79,177	82,321	5.5	5.3	5.4	5.2	5.1	5.5	5.7
at expanding establishments	66,406	65,053	68,640	64,900	62,342	68,871	71,961	4.7	4.6	4.8	4.5	4.4	4.8	5.0
at opening establishments	10,854	9,815	8,921	9,941	10,377	10,306	10,360	0.8	0.7	0.6	0.7	0.7	0.7	0.7
Gross job losses	70,714	71,778	76,530	76,198	75,033	73,288	73,239	5.0	5.0	5.4	5.4	5.2	5.1	5.1
at contracting establishments	61,716	64,538	66,641	66,697	66,245	65,885	64,157	4.4	4.5	4.7	4.7	4.6	4.6	4.5
at closing establishments	8,998	7,240	9,889	9,501	8,788	7,403	9,082	0.6	0.5	0.7	0.7	0.6	0.5	0.6
Net employment change	6,546	3,090	1,031	-1,357	-2,314	5,889	9,082	0.5	0.3	0.0	-0.2	-0.1	0.4	0.6
Construction														
Gross job gains	6,679	6,774	6,216	5,125	5,291	6,204	6,892	11.4	11.3	10.4	8.7	9.1	10.7	11.7
at expanding establishments	5,848	5,743	5,549	4,421	4,488	5,405	6,089	10.0	9.6	9.3	7.5	7.7	9.3	10.3
at opening establishments	831	1,031	667	704	803	799	803	1.4	1.7	1.1	1.2	1.4	1.4	1.4
Gross job losses	5,482	6,097	6,772	6,033	6,607	5,798	6,420	9.4	10.2	11.3	10.2	11.4	10.0	10.9
at contracting establishments	4,669	5,524	6,061	5,243	5,805	5,170	5,245	8.0	9.2	10.1	8.9	10.0	8.9	8.9
at closing establishments	813	573	711	790	802	628	1,175	1.4	1.0	1.2	1.3	1.4	1.1	2.0
Net employment change	1,197	677	-556	-908	-1,316	406	472	2.0	1.1	-0.9	-1.5	-2.3	0.7	0.8
Manufacturing														
Gross job gains	3,568	3,458	4,499	3,684	4,261	3,931	5,144	2.3	2.2	2.9	2.4	2.7	2.5	3.2
at expanding establishments	3,299	3,294	4,335	3,591	4,032	3,727	4,816	2.1	2.1	2.8	2.3	2.6	2.4	3.0
at opening establishments	269	164	164	93	229	204	328	0.2	0.1	0.1	0.1	0.1	0.1	0.2
Gross job losses	4,350	3,580	3,763	3,964	3,528	3,570	3,278	2.8	2.3	2.4	2.5	2.2	2.2	2.0
at contracting establishments	4,070	3,424	3,444	3,759	3,331	3,345	2,937	2.6	2.2	2.2	2.4	2.1	2.1	1.8
at closing establishments	280	156	319	205	197	225	341	0.2	0.1	0.2	0.1	0.1	0.1	0.2
Net employment change	-782	-122	736	-280	733	361	1,866	-0.5	-0.1	0.5	-0.1	0.5	0.3	1.2
Wholesale Trade														
Gross job gains	2,839	2,735	2,955	2,872	2,531	2,681	2,951	4.5	4.4	4.7	4.6	4.1	4.3	4.7
at expanding establishments	2,271	2,241	2,454	2,380	1,991	2,166	2,584	3.6	3.6	3.9	3.8	3.2	3.5	4.1
at opening establishments	568	494	501	492	540	515	367	0.9	0.8	0.8	0.8	0.9	0.8	0.6
Gross job losses	3,047	2,465	3,257	2,709	2,916	2,517	2,638	4.9	4.0	5.2	4.3	4.6	4.0	4.2
at contracting establishments	2,303	1,974	2,753	2,188	2,217	2,085	2,096	3.7	3.2	4.4	3.5	3.5	3.3	3.3
at closing establishments	744	491	504	521	699	432	542	1.2	0.8	0.8	0.8	1.1	0.7	0.9
Net employment change	-208	270	-302	163	-385	164	313	-0.4	0.4	-0.5	0.3	-0.5	0.3	0.5
Retail Trade														
Gross job gains	11,673	10,849	10,485	10,279	10,112	10,568	11,536	6.3	5.9	5.6	5.5	5.5	5.8	6.2
at expanding establishments	10,195	9,976	9,476	8,933	9,305	8,977	10,165	5.5	5.4	5.1	4.8	5.1	4.9	5.5
at opening establishments	1,478	873	1,009	1,346	807	1,591	1,371	0.8	0.5	0.5	0.7	0.4	0.9	0.7
Gross job losses	10,291	10,573	10,741	11,824	10,406	10,877	9,978	5.5	5.7	5.7	6.4	5.6	5.9	5.4
at contracting establishments	9,287	9,778	9,604	10,735	9,582	10,057	8,967	5.0	5.3	5.1	5.8	5.2	5.5	4.9
at closing establishments	1,004	795	1,137	1,089	824	820	1,011	0.5	0.4	0.6	0.6	0.4	0.4	0.5
Net employment change	1,382	276	-256	-1,545	-294	-309	1,558	0.8	0.2	-0.1	-0.9	-0.1	-0.1	0.8
Transportation and Warehousing														
Gross job gains	3,648	2,303	1,907	3,018	4,095	2,559	2,167	8.0	5.0	4.2	6.7	8.8	5.5	4.7
at expanding establishments	3,477	1,794	1,804	2,591	3,531	2,479	2,045	7.6	3.9	4.0	5.8	7.6	5.3	4.4
at opening establishments	171	509	103	427	564	80	122	0.4	1.1	0.2	0.9	1.2	0.2	0.3
Gross job losses	1,808	3,097	3,703	1,823	2,002	3,655	2,012	4.0	6.7	8.2	4.1	4.3	7.8	4.4
at contracting establishments	1,598	2,957	3,576	1,431	1,862	3,249	1,833	3.5	6.4	7.9	3.2	4.0	6.9	4.0
at closing establishments	210	140	127	392	140	406	179	0.5	0.3	0.3	0.9	0.3	0.9	0.4
Net employment change	1,840	-794	-1,796	1,195	2,093	-1,096	155	4.0	-1.7	-4.0	2.6	4.5	-2.3	0.3
Financial Activities														
Gross job gains	4,020	3,921	4,509	3,755	3,803	3,787	4,667	3.2	3.1	3.5	3.0	3.0	3.0	3.7
at expanding establishments	3,388	3,463	3,947	3,149	3,312	3,205	3,953	2.7	2.7	3.1	2.5	2.6	2.5	3.1
at opening establishments	632	458	562	606	491	582	714	0.5	0.4	0.4	0.5	0.4	0.5	0.6
Gross job losses	4,358	4,014	4,369	5,055	4,773	4,370	4,107	3.4	3.1	3.4	4.0	3.8	3.5	3.2
at contracting establishments	3,792	3,486	3,670	4,316	4,017	3,927	3,348	3.0	2.7	2.9	3.4	3.2	3.1	2.6
at closing establishments	566	528	699	739	756	443	759	0.4	0.4	0.5	0.6	0.6	0.4	0.6
Net employment change	-338	-93	140	-1,300	-970	-583	560	-0.2	0.0	0.1	-1.0	-0.8	-0.5	0.5

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	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017	June 2017
Professional Business Services														
Gross job gains	13,623	12,023	13,548	13,318	12,896	12,870	14,055	6.3	5.5	6.2	6.0	5.9	5.9	6.4
at expanding establishments	11,198	10,457	11,805	11,691	10,679	11,189	12,084	5.2	4.8	5.4	5.3	4.9	5.1	5.5
at opening establishments	2,425	1,566	1,743	1,627	2,217	1,681	1,971	1.1	0.7	0.8	0.7	1.0	0.8	0.9
Gross job losses	12,140	12,726	12,935	13,690	13,381	13,209	13,457	5.6	5.8	5.9	6.2	6.1	6.0	6.2
at contracting establishments	10,176	11,154	10,567	11,420	11,389	11,612	11,537	4.7	5.1	4.8	5.2	5.2	5.3	5.3
at closing establishments	1,964	1,572	2,368	2,270	1,992	1,597	1,920	0.9	0.7	1.1	1.0	0.9	0.7	0.9
Net employment change	1,483	-703	613	-372	-485	-339	598	0.7	-0.3	0.3	-0.2	-0.2	-0.1	0.2
Education and Health Services														
Gross job gains	10,976	11,878	12,811	12,609	10,675	14,716	13,215	3.4	3.7	4.0	3.9	3.3	4.6	4.0
at expanding establishments	10,180	10,572	11,785	11,384	9,516	13,221	11,892	3.2	3.3	3.7	3.5	2.9	4.1	3.6
at opening establishments	796	1,306	1,026	1,225	1,159	1,495	1,323	0.2	0.4	0.3	0.4	0.4	0.5	0.4
Gross job losses	10,125	11,301	11,317	9,981	11,682	10,505	10,575	3.2	3.5	3.5	3.1	3.7	3.3	3.2
at contracting establishments	9,171	10,343	10,053	8,723	10,871	9,266	9,600	2.9	3.2	3.1	2.7	3.4	2.9	2.9
at closing establishments	954	958	1,264	1,258	811	1,239	975	0.3	0.3	0.4	0.4	0.3	0.4	0.3
Net employment change	851	577	1,494	2,628	-1,007	4,211	2,640	0.2	0.2	0.5	0.8	-0.4	1.3	0.8
Leisure and Hospitality														
Gross job gains	14,604	15,068	14,810	14,221	13,754	15,637	15,646	9.7	9.9	9.6	9.2	9.0	10.0	9.9
at expanding establishments	11,807	12,505	12,538	12,051	11,049	13,562	13,241	7.8	8.2	8.1	7.8	7.2	8.7	8.4
at opening establishments	2,797	2,563	2,272	2,170	2,705	2,075	2,405	1.9	1.7	1.5	1.4	1.8	1.3	1.5
Gross job losses	13,271	12,374	14,532	15,427	13,639	12,829	14,707	8.7	8.1	9.4	10.0	8.9	8.2	9.3
at contracting establishments	11,692	11,024	12,464	14,015	11,853	11,729	13,298	7.7	7.2	8.1	9.1	7.7	7.5	8.4
at closing establishments	1,579	1,350	2,068	1,412	1,786	1,100	1,409	1.0	0.9	1.3	0.9	1.2	0.7	0.9
Net employment change	1,333	2,694	278	-1,206	115	2,808	939	1.0	1.8	0.2	-0.8	0.1	1.8	0.6
Other														
Gross job gains	3,101	3,419	3,691	3,185	3,091	3,230	3,867	6.2	6.9	7.3	6.3	6.2	6.5	7.6
at expanding establishments	2,583	2,837	3,095	2,560	2,646	2,651	3,246	5.2	5.7	6.1	5.1	5.3	5.3	6.4
at opening establishments	518	582	596	625	445	579	621	1.0	1.2	1.2	1.2	0.9	1.2	1.2
Gross job losses	3,367	2,921	2,988	3,523	3,382	3,318	3,055	6.8	5.9	5.9	6.9	6.7	6.6	6.0
at contracting establishments	2,836	2,587	2,524	2,993	2,861	2,962	2,535	5.7	5.2	5.0	5.9	5.7	5.9	5.0
at closing establishments	531	334	464	530	521	356	520	1.1	0.7	0.9	1.0	1.0	0.7	1.0
Net employment change	-266	498	703	-338	-291	-88	812	-0.6	1.0	1.4	-0.6	-0.5	-0.1	1.6

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.