



# BUSINESS EMPLOYMENT DYNAMICS

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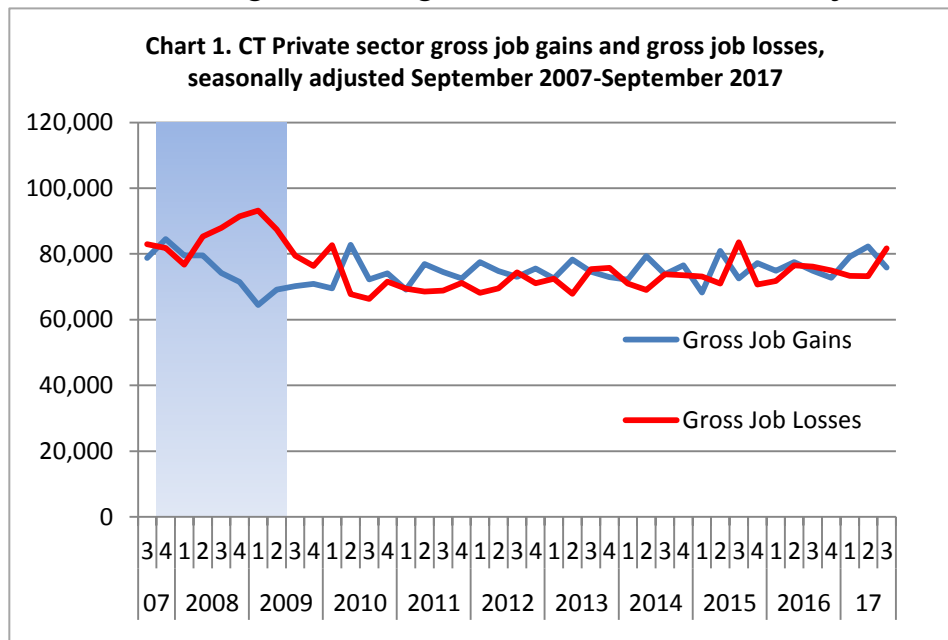
## Third Quarter 2017

WETHERSFIELD, April 25th, 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 July 2017 to September 2017, **gross job gains** from opening and expanding private sector establishments in Connecticut was 75,866 a decrease of 6,455 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 81,660, an increase of 8,421 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment loss** of 5,794 jobs in the private sector during the third quarter of 2017. This follows a second quarter net increase of 9,082 jobs.

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.

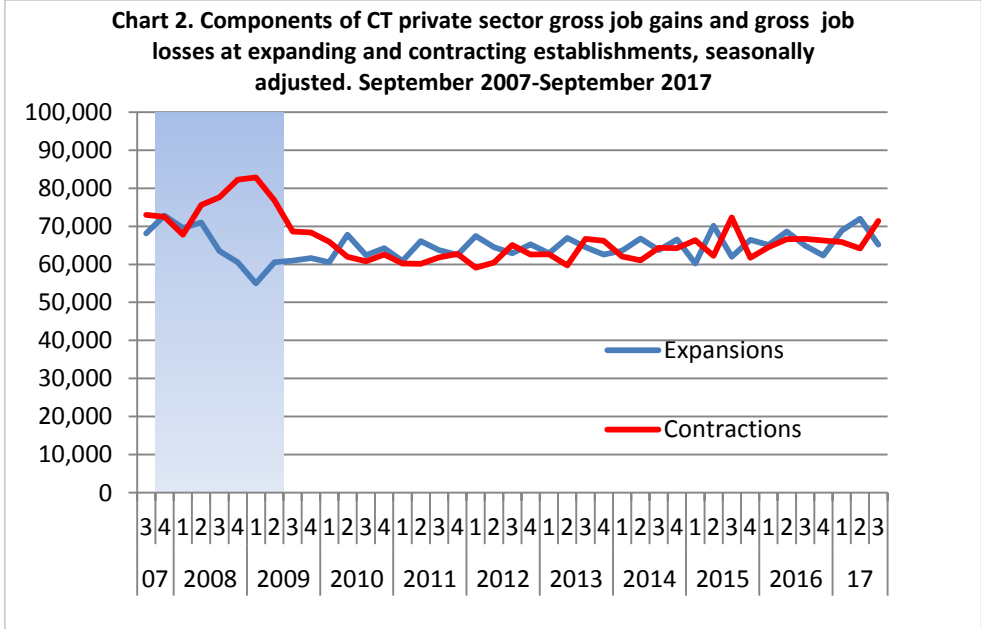


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 65,152 in the third quarter of 2017, a decrease of 6,809 jobs from the previous quarter.

**Opening** establishments accounted for 10,714 jobs gained in the third quarter of 2017, an increase of 354 jobs from the previous quarter.

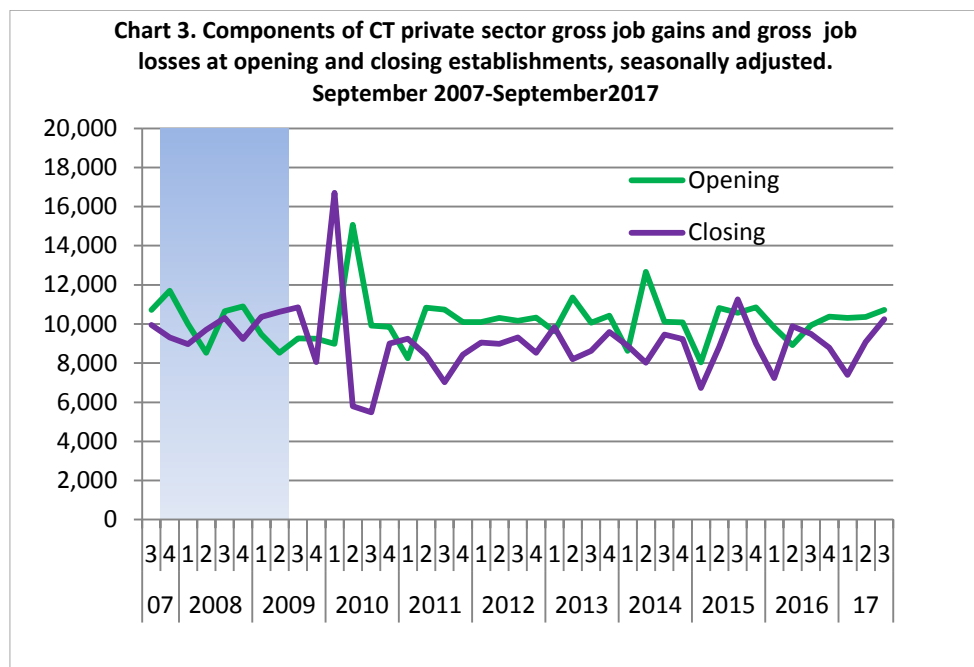


**Contracting** establishments lost 71,421 jobs in the third quarter of 2017. This was an increase of 7,264 jobs from the prior quarter.

In the third quarter of 2017, **closing** establishments lost 10,239 jobs, an increase of 1,157 jobs from the previous quarter.

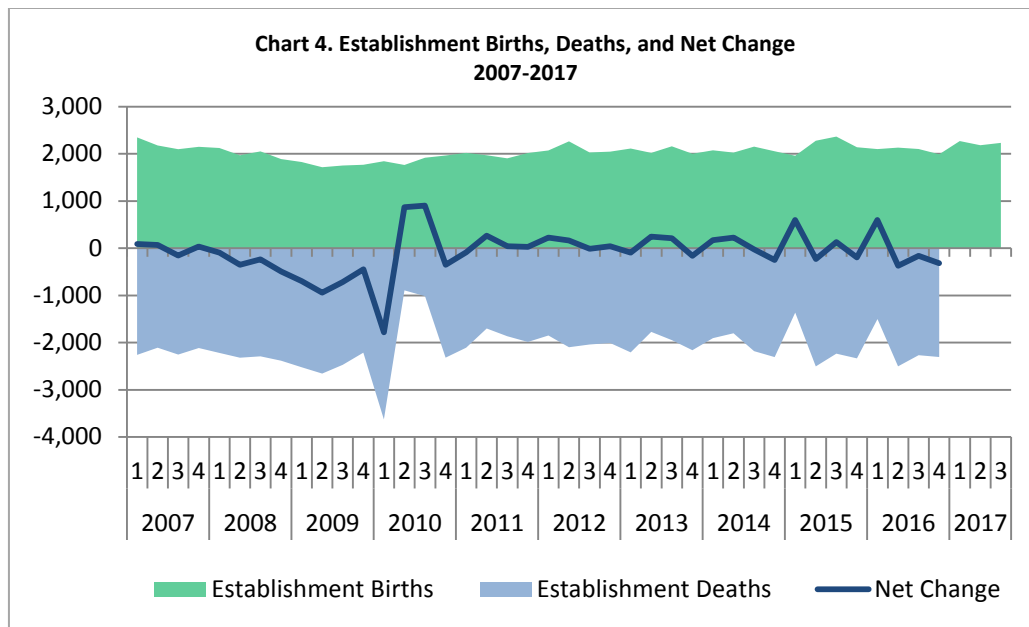
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

**Gross job gains** represented 5.2 percent of private sector employment in the third quarter of 2017, while **gross job losses** represented 5.7 percent of private sector employment.



In the third quarter of 2017, there were 2,233 **establishment births** (a subset of the openings data). These new establishments accounted for 8,190 jobs, an increase of 20 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the fourth quarter of 2016, where 5,847 jobs were lost at 2,305 establishment deaths. In the prior quarter, 6,847 jobs were lost at 2,267 establishments.



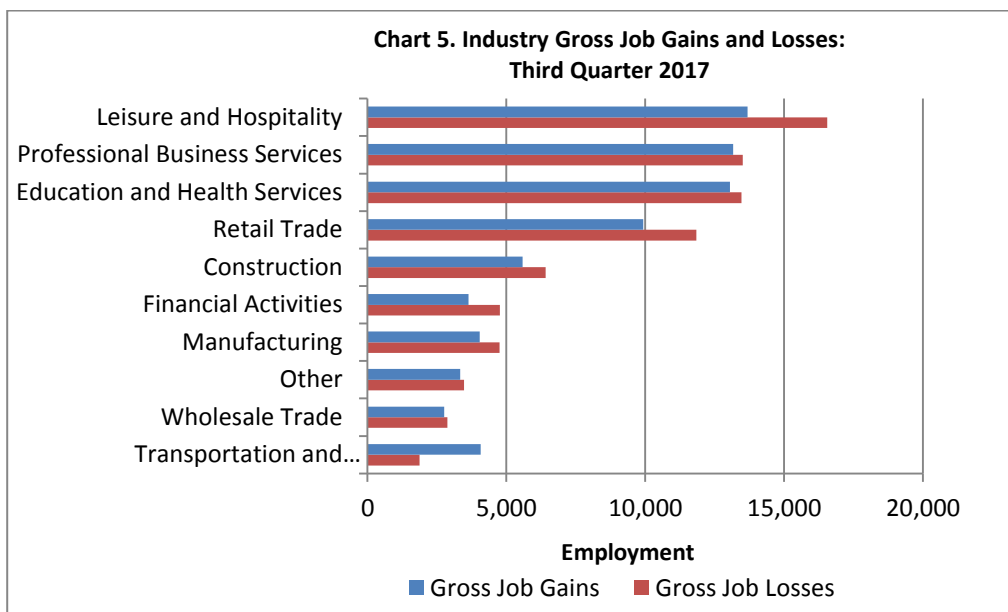
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 2016, birth/death net change has been positive in 15 of past 27 quarters of available data, with an averaging a net increase of 92 establishments per quarter during that period.

Post-recession fourth quarter net change has been negative in five of the past seven years, it was positive in 2011 and 2012.

In the fourth quarter of 2016 (the most recent quarter of establishment death data), there were 1,991 establishment births and 2,305 establishment deaths, resulting in a net change of -314 establishments. This follows a third quarter 2016 net change of -164 establishments.

During the third quarter of 2017, **gross job losses** exceeded **gross job gains** 9 of 10 available **industry sectors**. The sole net positive sector was Transportation and Warehousing. The sectors with the largest net losses were Leisure and Hospitality 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)						
	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017	June 2017	Sept. 2017
<b>Total Private</b>														
Gross job gains	74,868	77,561	74,841	72,719	79,177	82,321	75,866	5.3	5.4	5.2	5.1	5.5	5.7	5.2
at expanding establishments	65,053	68,640	64,900	62,342	68,871	71,961	65,152	4.6	4.8	4.5	4.4	4.8	5.0	4.5
at opening establishments	9,815	8,921	9,941	10,377	10,306	10,360	10,714	0.7	0.6	0.7	0.7	0.7	0.7	0.7
Gross job losses	71,778	76,530	76,198	75,033	73,288	73,239	81,660	5.0	5.4	5.4	5.2	5.1	5.1	5.7
at contracting establishments	64,538	66,641	66,697	66,245	65,885	64,157	71,421	4.5	4.7	4.7	4.6	4.6	4.5	5.0
at closing establishments	7,240	9,889	9,501	8,788	7,403	9,082	10,239	0.5	0.7	0.7	0.6	0.5	0.6	0.7
Net employment change	3,090	1,031	-1,357	-2,314	5,889	9,082	-5,794	0.3	0.0	-0.2	-0.1	0.4	0.6	-0.5
<b>Construction</b>														
Gross job gains	6,774	6,216	5,125	5,291	6,204	6,892	5,589	11.3	10.4	8.7	9.1	10.7	11.7	9.6
at expanding establishments	5,743	5,549	4,421	4,488	5,405	6,089	4,739	9.6	9.3	7.5	7.7	9.3	10.3	8.1
at opening establishments	1,031	667	704	803	799	803	850	1.7	1.1	1.2	1.4	1.4	1.4	1.5
Gross job losses	6,097	6,772	6,033	6,607	5,798	6,420	6,415	10.2	11.3	10.2	11.4	10.0	10.9	11.0
at contracting establishments	5,524	6,061	5,243	5,805	5,170	5,245	5,496	9.2	10.1	8.9	10.0	8.9	8.9	9.4
at closing establishments	573	711	790	802	628	1,175	919	1.0	1.2	1.3	1.4	1.1	2.0	1.6
Net employment change	677	-556	-908	-1,316	406	472	-826	1.1	-0.9	-1.5	-2.3	0.7	0.8	-1.4
<b>Manufacturing</b>														
Gross job gains	3,458	4,499	3,684	4,261	3,931	5,144	4,036	2.2	2.9	2.4	2.7	2.5	3.2	2.5
at expanding establishments	3,294	4,335	3,591	4,032	3,727	4,816	3,719	2.1	2.8	2.3	2.6	2.4	3.0	2.3
at opening establishments	164	164	93	229	204	328	317	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Gross job losses	3,580	3,763	3,964	3,528	3,570	3,278	4,752	2.3	2.4	2.5	2.2	2.2	2.0	3.0
at contracting establishments	3,424	3,444	3,759	3,331	3,345	2,937	4,105	2.2	2.2	2.4	2.1	2.1	1.8	2.6
at closing establishments	156	319	205	197	225	341	647	0.1	0.2	0.1	0.1	0.1	0.2	0.4
Net employment change	-122	736	-280	733	361	1,866	-716	-0.1	0.5	-0.1	0.5	0.3	1.2	-0.5
<b>Wholesale Trade</b>														
Gross job gains	2,735	2,955	2,872	2,531	2,681	2,951	2,761	4.4	4.7	4.6	4.1	4.3	4.7	4.4
at expanding establishments	2,241	2,454	2,380	1,991	2,166	2,584	2,352	3.6	3.9	3.8	3.2	3.5	4.1	3.7
at opening establishments	494	501	492	540	515	367	409	0.8	0.8	0.8	0.9	0.8	0.6	0.7
Gross job losses	2,465	3,257	2,709	2,916	2,517	2,638	2,875	4.0	5.2	4.3	4.6	4.0	4.2	4.6
at contracting establishments	1,974	2,753	2,188	2,217	2,085	2,096	2,270	3.2	4.4	3.5	3.5	3.3	3.3	3.6
at closing establishments	491	504	521	699	432	542	605	0.8	0.8	0.8	1.1	0.7	0.9	1.0
Net employment change	270	-302	163	-385	164	313	-114	0.4	-0.5	0.3	-0.5	0.3	0.5	-0.2
<b>Retail Trade</b>														
Gross job gains	10,849	10,485	10,279	10,112	10,568	11,536	9,929	5.9	5.6	5.5	5.5	5.8	6.2	5.4
at expanding establishments	9,976	9,476	8,933	9,305	8,977	10,165	8,909	5.4	5.1	4.8	5.1	4.9	5.5	4.8
at opening establishments	873	1,009	1,346	807	1,591	1,371	1,020	0.5	0.5	0.7	0.4	0.9	0.7	0.6
Gross job losses	10,573	10,741	11,824	10,406	10,877	9,978	11,844	5.7	5.7	6.4	5.6	5.9	5.4	6.4
at contracting establishments	9,778	9,604	10,735	9,582	10,057	8,967	10,650	5.3	5.1	5.8	5.2	5.5	4.9	5.8
at closing establishments	795	1,137	1,089	824	820	1,011	1,194	0.4	0.6	0.6	0.4	0.4	0.5	0.6
Net employment change	276	-256	-1,545	-294	-309	1,558	-1,915	0.2	-0.1	-0.9	-0.1	-0.1	0.8	-1.0
<b>Transportation and Warehousing</b>														
Gross job gains	2,303	1,907	3,018	4,095	2,559	2,167	4,070	5.0	4.2	6.7	8.8	5.5	4.7	8.6
at expanding establishments	1,794	1,804	2,591	3,531	2,479	2,045	3,729	3.9	4.0	5.8	7.6	5.3	4.4	7.9
at opening establishments	509	103	427	564	80	122	341	1.1	0.2	0.9	1.2	0.2	0.3	0.7
Gross job losses	3,097	3,703	1,823	2,002	3,655	2,012	1,873	6.7	8.2	4.1	4.3	7.8	4.4	4.0
at contracting establishments	2,957	3,576	1,431	1,862	3,249	1,833	1,672	6.4	7.9	3.2	4.0	6.9	4.0	3.6
at closing establishments	140	127	392	140	406	179	201	0.3	0.3	0.9	0.3	0.9	0.4	0.4
Net employment change	-794	-1,796	1,195	2,093	-1,096	155	2,197	-1.7	-4.0	2.6	4.5	-2.3	0.3	4.6
<b>Financial Activities</b>														
Gross job gains	3,921	4,509	3,755	3,803	3,787	4,667	3,641	3.1	3.5	3.0	3.0	3.0	3.7	2.9
at expanding establishments	3,463	3,947	3,149	3,312	3,205	3,953	2,946	2.7	3.1	2.5	2.6	2.5	3.1	2.3
at opening establishments	458	562	606	491	582	714	695	0.4	0.4	0.5	0.4	0.5	0.6	0.6
Gross job losses	4,014	4,369	5,055	4,773	4,370	4,107	4,765	3.1	3.4	4.0	3.8	3.5	3.2	3.8
at contracting establishments	3,486	3,670	4,316	4,017	3,927	3,348	4,186	2.7	2.9	3.4	3.2	3.1	2.6	3.3
at closing establishments	528	699	739	756	443	759	579	0.4	0.5	0.6	0.6	0.4	0.6	0.5
Net employment change	-93	140	-1,300	-970	-583	560	-1,124	0.0	0.1	-1.0	-0.8	-0.5	0.5	-0.9

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	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
	2016	2016	2016	2016	2017	2017	2017	2016	2016	2016	2016	2017	2017	2017
<b>Professional Business Services</b>														
Gross job gains	12,023	13,548	13,318	12,896	12,870	14,055	13,171	5.5	6.2	6.0	5.9	5.9	6.4	6.0
at expanding establishments	10,457	11,805	11,691	10,679	11,189	12,084	11,194	4.8	5.4	5.3	4.9	5.1	5.5	5.1
at opening establishments	1,566	1,743	1,627	2,217	1,681	1,971	1,977	0.7	0.8	0.7	1.0	0.8	0.9	0.9
Gross job losses	12,726	12,935	13,690	13,381	13,209	13,457	13,513	5.8	5.9	6.2	6.1	6.0	6.2	6.1
at contracting establishments	11,154	10,567	11,420	11,389	11,612	11,537	11,264	5.1	4.8	5.2	5.2	5.3	5.3	5.1
at closing establishments	1,572	2,368	2,270	1,992	1,597	1,920	2,249	0.7	1.1	1.0	0.9	0.7	0.9	1.0
Net employment change	-703	613	-372	-485	-339	598	-342	-0.3	0.3	-0.2	-0.2	-0.1	0.2	-0.1
<b>Education and Health Services</b>														
Gross job gains	11,878	12,811	12,609	10,675	14,716	13,215	13,047	3.7	4.0	3.9	3.3	4.6	4.0	4.0
at expanding establishments	10,572	11,785	11,384	9,516	13,221	11,892	11,466	3.3	3.7	3.5	2.9	4.1	3.6	3.5
at opening establishments	1,306	1,026	1,225	1,159	1,495	1,323	1,581	0.4	0.3	0.4	0.4	0.5	0.4	0.5
Gross job losses	11,301	11,317	9,981	11,682	10,505	10,575	13,460	3.5	3.5	3.1	3.7	3.3	3.2	4.1
at contracting establishments	10,343	10,053	8,723	10,871	9,266	9,600	12,313	3.2	3.1	2.7	3.4	2.9	2.9	3.8
at closing establishments	958	1,264	1,258	811	1,239	975	1,147	0.3	0.4	0.4	0.3	0.4	0.3	0.3
Net employment change	577	1,494	2,628	-1,007	4,211	2,640	-413	0.2	0.5	0.8	-0.4	1.3	0.8	-0.1
<b>Leisure and Hospitality</b>														
Gross job gains	15,068	14,810	14,221	13,754	15,637	15,646	13,680	9.9	9.6	9.2	9.0	10.0	9.9	8.7
at expanding establishments	12,505	12,538	12,051	11,049	13,562	13,241	11,135	8.2	8.1	7.8	7.2	8.7	8.4	7.1
at opening establishments	2,563	2,272	2,170	2,705	2,075	2,405	2,545	1.7	1.5	1.4	1.8	1.3	1.5	1.6
Gross job losses	12,374	14,532	15,427	13,639	12,829	14,707	16,552	8.1	9.4	10.0	8.9	8.2	9.3	10.6
at contracting establishments	11,024	12,464	14,015	11,853	11,729	13,298	14,724	7.2	8.1	9.1	7.7	7.5	8.4	9.4
at closing establishments	1,350	2,068	1,412	1,786	1,100	1,409	1,828	0.9	1.3	0.9	1.2	0.7	0.9	1.2
Net employment change	2,694	278	-1,206	115	2,808	939	-2,872	1.8	0.2	-0.8	0.1	1.8	0.6	-1.9
<b>Other</b>														
Gross job gains	3,419	3,691	3,185	3,091	3,230	3,867	3,333	6.9	7.3	6.3	6.2	6.5	7.6	6.5
at expanding establishments	2,837	3,095	2,560	2,646	2,651	3,246	2,756	5.7	6.1	5.1	5.3	5.3	6.4	5.4
at opening establishments	582	596	625	445	579	621	577	1.2	1.2	1.2	0.9	1.2	1.2	1.1
Gross job losses	2,921	2,988	3,523	3,382	3,318	3,055	3,471	5.9	5.9	6.9	6.7	6.6	6.0	6.8
at contracting establishments	2,587	2,524	2,993	2,861	2,962	2,535	2,879	5.2	5.0	5.9	5.7	5.9	5.0	5.6
at closing establishments	334	464	530	521	356	520	592	0.7	0.9	1.0	1.0	0.7	1.0	1.2
Net employment change	498	703	-338	-291	-88	812	-138	1.0	1.4	-0.6	-0.5	-0.1	1.6	-0.3

**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](mailto:Matthew.Krzyzek@ct.gov).