

BUSINESS EMPLOYMENT DYNAMICS

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

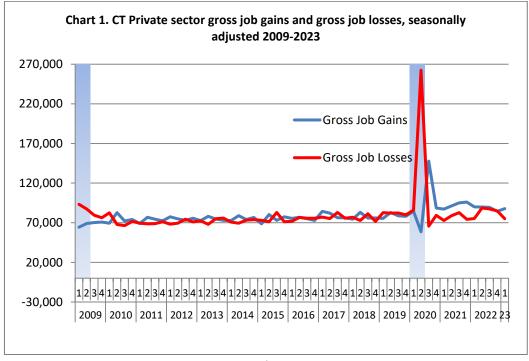
First Quarter 2023

WETHERSFIELD, October 25, 2023 - 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 2023 to March 2023, **gross job gains** from opening and expanding private sector establishments in Connecticut was 87,749, a 3,353 job increase from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 75,054, a decrease of 9,825 from the previous quarter.

During the first quarter of 2023, the difference between gross job gains and gross job losses yielded a **net employment increase** of 12,695 jobs in the private sector. This net increase follows a 483 net decrease during the fourth quarter of 2022.

Net employment change reached a low of -203,916 during the second quarter of 2020. The combined net change for the eleven quarters of subsequent data through the first quarter of 2023 is 182,408 jobs.

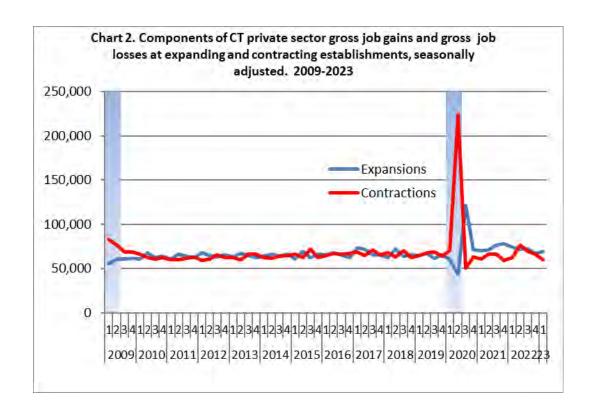


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third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

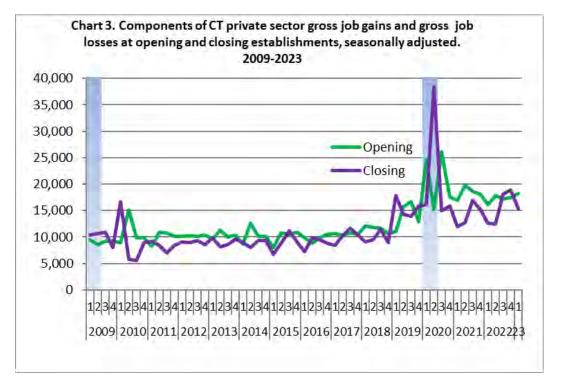
Gross job gains at **expanding** establishments totaled 69,509 in the first quarter of 2023, an increase of 2,604 from the previous quarter.

Opening establishments accounted for 18,240 jobs gained in the first quarter of 2023, an increase of 749 jobs from the previous quarter.



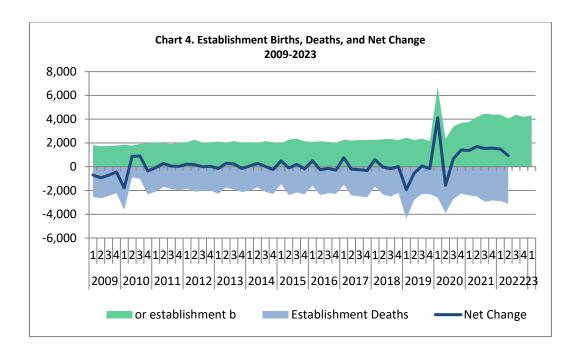
Contracting establishments lost 59,747 jobs in the first quarter of 2023, a decrease of 6,229 from the prior quarter.

In the first quarter of 2023, **closing** establishments lost 15,307 jobs, a decrease of 3,596 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. During 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 2023, employment change at openings and closings resulted in a 2,933 net employment increase during the first quarter of 2023. This follows a 1,412 net decrease during the fourth quarter of 2022.



In the first quarter of 2023, there were 4,331 **establishment births** (a subset of the openings data). These new establishments accounted for 10,415 jobs, 1,198 less than the previous quarter.

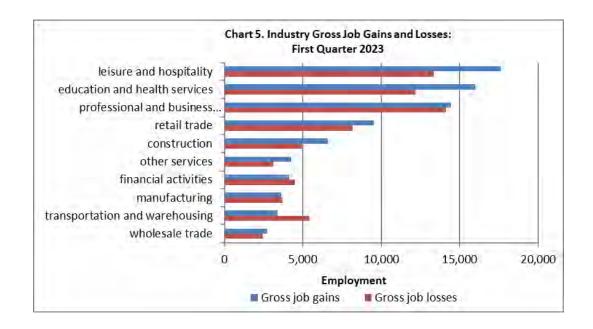
Data for **establishment deaths** (a subset of the closings data) are available through the second quarter of 2022, where 7,351 jobs were lost at 3,122 establishment deaths. In the prior quarter, 6,837 jobs were lost at 2,883 establishment deaths.



The **net change** of **establishment births and deaths** went consistently negative during the Great Recession in Connecticut from the first quarter of 2008 through the first quarter of 2010. During those 9 quarters of net decline, 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 1,945 establishments in the first quarter and 544 in the second. It recovered to a 57 establishment increase in the third quarter and fell by 153 in the fourth quarter of 2019. During the first quarter of 2020, net establishment births and deaths was up 4,111 and fell 1,565 during the second quarter of 2020. After the 2020 recession, net establishment change averaged a gain of 1,334 per quarter from the third quarter of 2020 through the first quarter of 2022. During the second quarter of 2022 (the most recent quarter available), net gains were 941.

During the first quarter of 2023, **gross job gains** exceeded **gross job losses** in 7 of 10 industries. The largest net increases occurred in Leisure & Hospitality (+4,246 jobs) and Educational & Health Services (+3,819 jobs). The three net decreasing industries were Transportation & Warehousing (-2,039 jobs), Financial Activities (-351 jobs), and Manufacturing (88 jobs).



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 jo	b gains and	losses by	industry, s	easonally	adjusted											
	Gross job gains and losses							Gross job gains and losses as a percent of employment								
Category	(3 months ending)							(3 months ending)								
	Sept. 2021	Dec. 2021	Mar. 2022	June 2022	Sept. 2022	Dec. 2022	Mar. 2023	Sept. 2021	Dec. 2021	Mar. 2022	June 2022	Sept. 2022	Dec. 2022	Mar. 2023		
Total Private	2021	2021	2022	2022	2022	2022	2023	2021	2021	2022	2022	2022	2022	2023		
Gross job gains	95,132	96,129	90,078	89,906	89,510	84,396	87,749	6.9	6.9	6.3	6.4	6.3	5.9	6.1		
at expanding establishments	76,530	78,024	73,936	72,012	72,324	66,905	69,509	5.6	5.6	5.2	5.1	5.1	4.7	4.8		
at opening establishments	18,602	18,105	16,142	17,894	17,186	17,491	18,240	1.3	1.3	1.1	1.3	1.2	1.2	1.3		
Gross job losses	82,819	74,341	75,266	88,645	87,391	84,879	75,054	6.0	5.3	5.3	6.3	6.2	5.9	5.3		
at contracting establishments	65,929	59,153	62,680	76,185	69,315	65,976	59,747	4.8	4.2	4.4	5.4	4.9	4.6	4.2		
at closing establishments	16,890	15,188	12,586	12,460	18,076	18,903	15,307	1.2	1.1	0.9	0.9	1.3	1.3	1.1		
Net employment change	12,313	21,788	14,812	1,261	2,119	-483	12,695	0.9	1.6	1.0	0.1	0.1	0.0	0.8		
Construction																
Gross job gains	6,294	6,126	6,893	5,458	5,206	5,322	6,603	10.6	10.3	11.2	8.9	8.7	8.9	10.7		
at expanding establishments	4,496	4,930	5,654	4,235	4,147	4,191	5,243	7.6	8.3	9.2	6.9	6.9	7.0	8.5		
at opening establishments	1,798	1,196	1,239	1,223	1,059	1,131	1,360	3.0	2.0	2.0	2.0	1.8	1.9	2.2		
Gross job losses	5,601	5,966	5,094	6,304	5,524	5,846	4,954	9.5	10.0	8.4	10.2	9.2	9.7	8.1		
at contracting establishments	4,408	4,454	3,958	5,386	4,445	4,232	3,871	7.5	7.5	6.5	8.7	7.4	7.0	6.3		
at closing establishments	1,193	1,512	1,136	918	1,079	1,614	1,083	2.0	2.5	1.9	1.5	1.8	2.7	1.8		
Net employment change	693	160	1,799	-846	-318	-524	1,649	1.1	0.3	2.8	-1.3	-0.5	-0.8	2.6		
Manufacturing																
Gross job gains	4,619	4,473	4,399	4,940	4,484	4,467	3,613	3.0	2.9	2.8	3.2	2.8	2.9	2.3		
at expanding establishments	4,196	4,042	4,101	4,540	3,978	3,884	3,205	2.7	2.6	2.6	2.9	2.5	2.5	2.0		
at opening establishments	423	431	298	400	506	583	408	0.3	0.3	0.2	0.3	0.3	0.4	0.3		
Gross job losses	4,102	3,218	3,401	3,636	4,022	4,146	3,701	2.7	2.1	2.2	2.3	2.6	2.6	2.4		
at contracting establishments	3,349	2,569	3,047	3,317	3,428	3,500	3,251	2.2	1.7	2.0	2.1	2.2	2.2	2.1		
at closing establishments	753	649	354	319	594	646	450	0.5	0.4	0.2	0.2	0.4	0.4	0.3		
Net employment change	517	1,255	998	1,304	462	321	-88	0.3	0.8	0.6	0.9	0.2	0.3	-0.1		
Wholesale Trade																
Gross job gains	3,625	3,455	3,262	3,514	3,307	2,920	2,720	6.4	5.9	5.6	5.9	5.4	4.8	4.5		
at expanding establishments	2,672	2,566	2,565	2,768	2,738	2,291	2,125	4.7	4.4	4.4	4.6	4.5	3.8	3.5		
at opening establishments	953	889	697	746	569	629	595	1.7	1.5	1.2	1.3	0.9	1.0	1.0		
Gross job losses	2,784	2,546	2,227	2,912	2,909	3,212	2,464	4.9	4.4	3.7	4.9	4.8	5.3	4.1		
at contracting establishments	1,933	1,876	1,612	2,304	2,067	2,124	1,869	3.4	3.2	2.7	3.9	3.4	3.5	3.1		
at closing establishments	851	670	615	608	842	1,088	595	1.5	1.2	1.0	1.0	1.4	1.8	1.0		
Net employment change	841	909	1,035	602	398	-292	256	1.5	1.5	1.9	1.0	0.6	-0.5	0.4		
Retail Trade																
Gross job gains	10,058	9,941	10,581	9,555	10,547	9,313	9,554	6.0	6.0	6.4	5.6	6.3	5.6	5.8		
at expanding establishments	8,567	8,852	9,627	8,514	9,076	7,546	8,269	5.1	5.3	5.8	5.0	5.4	4.5	5.0		
at opening establishments	1,491	1,089	954	1,041	1,471	1,767	1,285	0.9	0.7	0.6	0.6	0.9	1.1	0.8		
Gross job losses	12,327	9,227	8,432	11,092	11,007	10,704	8,163	7.3	5.6	5.0	6.6	6.5	6.5	4.9		
at contracting establishments	10,586	7,949	7,424	10,147	9,457	9,572	7,202	6.3	4.8	4.4	6.0	5.6	5.8	4.3		
at closing establishments	1,741 -2,269	1,278 714	1,008 2,149	945 -1,537	1,550 -460	1,132 -1,391	961 1,391	1.0 -1.3	0.8 0.4	0.6 1.4	0.6 -1.0	0.9 -0.2	0.7 -0.9	0.6 0.9		
Net employment change	-2,209	/14	2,149	-1,53/	-40U	-1,331	1,331	-1.3	0.4	1.4	-1.0	-0.2	-0.9	0.9		
Transportation and Warehousing																
Gross job gains	6,036	5,856	3,986	3,694	3,041	5,886	3,394	10.0	9.2	6.0	5.6	4.7	9.0	5.2		
at expanding establishments	5,610	5,193	3,637	3,365	2,689	5,565	2,919	9.3	8.2	5.5	5.1	4.2	8.5	4.5		
at opening establishments	426	663	349	329	352	321	475	0.7	1.0	0.5	0.5	0.5	0.5	0.7		
Gross job losses	3,338	2,721 2,327	3,447	5,611	5,017	3,060	5,433 5,150	5.5 5.0	4.3 3.7	5.2 4.8	8.6 8.2	7.9 7.4	4.7 4.1	8.3 7.9		
at contracting establishments at closing establishments	3,034 304	394	3,168 279	5,367 244	4,724 293	2,665 395	5,150 283	0.5	0.6	4.8 0.4	0.4	7.4 0.5	0.6	0.4		
Net employment change	2,698	3,135	539	-1,917	-1,976	2,826	-2,039	0.5 4.5	4.9	0.4	-3.0	-3.2	4.3	-3.1		
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Financial Activities																
Gross job gains	5,228	6,920	5,154	5,523	5,813	5,488	4,129	4.5	6.0	4.4	4.7	5.0	4.7	3.5		
at expanding establishments	4,150	5,570	4,398	4,333	4,543	4,303	3,177	3.6	4.8	3.8	3.7	3.9	3.7	2.7		
at opening establishments	1,078	1,350	756	1,190	1,270	1,185	952	0.9	1.2	0.6	1.0	1.1	1.0	0.8		
Gross job losses	6,155	5,410	4,764	6,407	5,921	5,958	4,480	5.4	4.6	4.1	5.5	5.1	5.1	3.8		
at contracting establishments	4,803	4,331	3,935	5,444	4,543	4,511	3,497	4.2	3.7	3.4	4.7	3.9	3.9	3.0		
at closing establishments	1,352 -927	1,079 1,510	829 390	963 -884	1,378 -108	1,447 -470	983 -351	1.2 -0.9	0.9 1.4	0.7 0.3	0.8 -0.8	1.2 -0.1	1.2 -0.4	0.8 -0.3		
Net employment change	-32/	1,310	330	-004	-109	-4/0	-221	-0.9	1.4	0.3	-0.8	-0.1	-0.4	-0.3		

Table A: Connecticut Private Sector gross job gains and losses by industry, seasonally adjusted

6	1	Gross job gains and losses Gross job gains and losses								Gross job gains and losses as a percent of employment							
Category	(3 months ending)								(3 months ending)								
eatego. y	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.			
	2021	2021	2022	2022	2022	2022	2023	2021	2021	2022	2022	2022	2022	2023			
Professional Business Services																	
Gross job gains	16,230	17,777	16,353	15,620	15,619	14,711	14,459	7.6	8.2	7.4	7.0	7.0	6.7	6.5			
at expanding establishments	12,651	13,850	13,224	11,574	12,048	11,228	11,143	5.9	6.4	6.0	5.2	5.4	5.1	5.0			
at opening establishments	3,579	3,927	3,129	4,046	3,571	3,483	3,316	1.7	1.8	1.4	1.8	1.6	1.6	1.5			
Gross job losses	15,541	13,344	13,202	16,562	16,378	16,075	14,115	7.3	6.2	6.0	7.5	7.4	7.3	6.4			
at contracting establishments	11,796	9,559	9,956	14,156	12,271	11,469	10,660	5.5	4.4	4.5	6.4	5.5	5.2	4.8			
at closing establishments	3,745	3,785	3,246	2,406	4,107	4,606	3,455	1.8	1.8	1.5	1.1	1.9	2.1	1.6			
Net employment change	689	4,433	3,151	-942	-759	-1,364	344	0.3	2.0	1.4	-0.5	-0.4	-0.6	0.1			
Education and Health Services																	
Gross job gains	14,858	16,187	13,459	15,217	17,000	13,672	16,011	4.5	4.9	4.1	4.6	5.1	4.0	4.7			
at expanding establishments	12,444	13,248	11,429	12,785	14,262	11,268	13,311	3.8	4.0	3.5	3.9	4.3	3.3	3.9			
at opening establishments	2,414	2,939	2,030	2,432	2,738	2,404	2,700	0.7	0.9	0.6	0.7	0.8	0.7	0.8			
Gross job losses	13,505	12,115	14,636	14,222	12,613	13,296	12,192	4.1	3.7	4.5	4.3	3.8	4.0	3.6			
at contracting establishments	10,523	10,306	12,429	11,844	9,954	10,675	9,226	3.2	3.1	3.8	3.6	3.0	3.2	2.7			
at closing establishments	2,982	1,809	2,207	2,378	2,659	2,621	2,966	0.9	0.6	0.7	0.7	0.8	0.8	0.9			
Net employment change	1,353	4,072	-1,177	995	4,387	376	3,819	0.4	1.2	-0.4	0.3	1.3	0.0	1.1			
Leisure and Hospitality																	
Gross job gains	19,815	16,888	16,245	17,263	15,932	14,964	17,603	14.2	11.8	11.3	11.7	10.6	10.0	11.7			
at expanding establishments	16,011	13,863	13,571	13,775	13,061	11,714	14,465	11.5	9.7	9.4	9.3	8.7	7.8	9.6			
at opening establishments	3,804	3,025	2,674	3,488	2,871	3,250	3,138	2.7	2.1	1.9	2.4	1.9	2.2	2.1			
Gross job losses	13,382	13,998	13,332	14,399	16,993	14,995	13,357	9.7	9.8	9.2	9.7	11.4	10.0	8.9			
at contracting establishments	11,450	11,422	11,597	12,467	13,899	12,022	10,550	8.3	8.0	8.0	8.4	9.3	8.0	7.0			
at closing establishments	1,932	2,576	1,735	1,932	3,094	2,973	2,807	1.4	1.8	1.2	1.3	2.1	2.0	1.9			
Net employment change	6,433	2,890	2,913	2,864	-1,061	-31	4,246	4.5	2.0	2.1	2.0	-0.8	0.0	2.8			
Other																	
Gross job gains	4,526	3,984	3,921	4,033	3,986	3,547	4,257	9.8	8.5	8.2	8.3	8.1	7.3	8.6			
at expanding establishments	3,454	2,948	3,185	3,247	3,130	2,574	3,061	7.5	6.3	6.7	6.7	6.4	5.3	6.2			
at opening establishments	1,072	1,036	736	786	856	973	1,196	2.3	2.2	1.5	1.6	1.7	2.0	2.4			
Gross job losses	3,504	3,220	3,310	3,340	3,766	4,054	3,132	7.6	6.8	7.0	6.9	7.7	8.2	6.4			
at contracting establishments	2,408	2,548	2,657	2,532	2,633	2,912	2,259	5.2	5.4	5.6	5.2	5.4	5.9	4.6			
at closing establishments	1,096	672	653	808	1,133	1,142	873	2.4	1.4	1.4	1.7	2.3	2.3	1.8			
Net employment change	1,022	764	611	693	220	-507	1,125	2.2	1.7	1.2	1.4	0.4	-0.9	2.2			

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.