



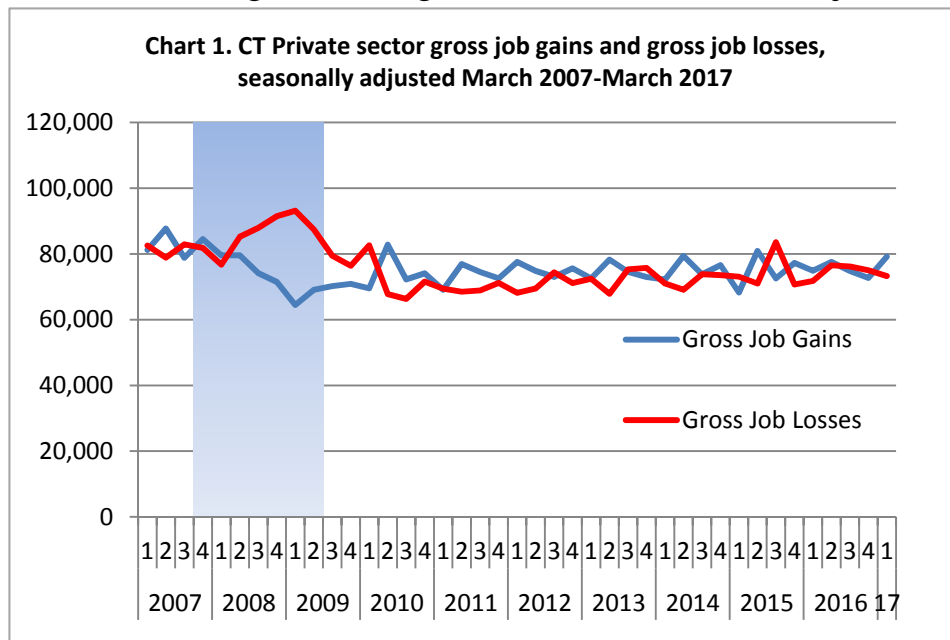
First Quarter 2017

WETHERSFIELD, November 8th, 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.

From December 2016 to March 2017, **gross job gains** from opening and expanding private sector establishments in Connecticut was 79,177, an increase of 6,458 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 73,288, a decrease of 1,745 jobs from the previous quarter.

The difference between gross job gains and gross job losses yielded a **net employment gain** of 5,889 jobs in the private sector during the first quarter of 2017. This net increase is 2,799 jobs above first 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.

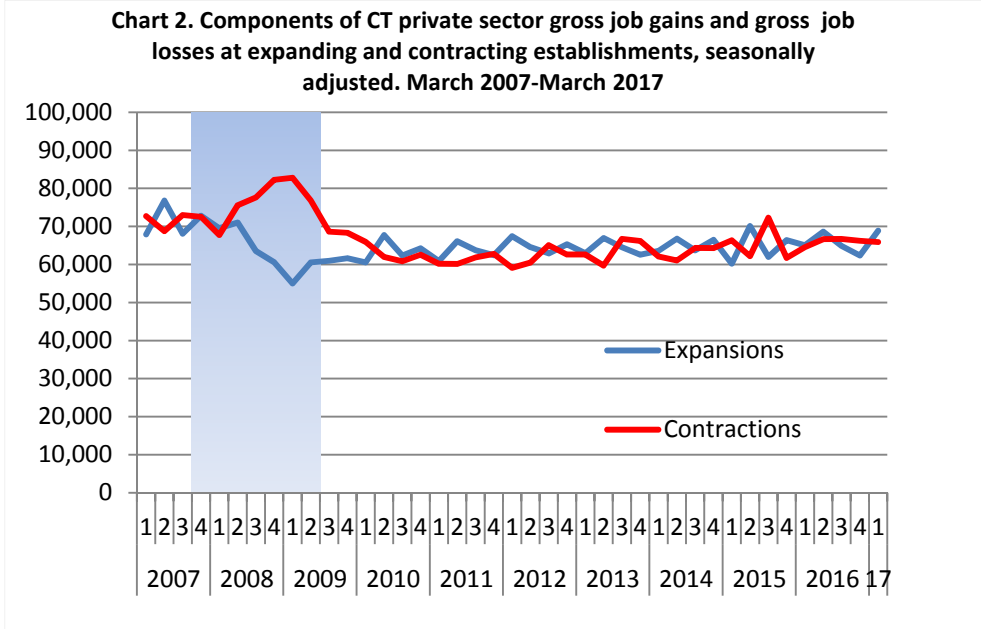


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 68,971 in the first quarter of 2017, an increase of 6,529 jobs from the previous quarter.

Opening establishments accounted for 10,306 jobs gained in the first quarter of 2017, a decrease of 71 jobs from the previous quarter.

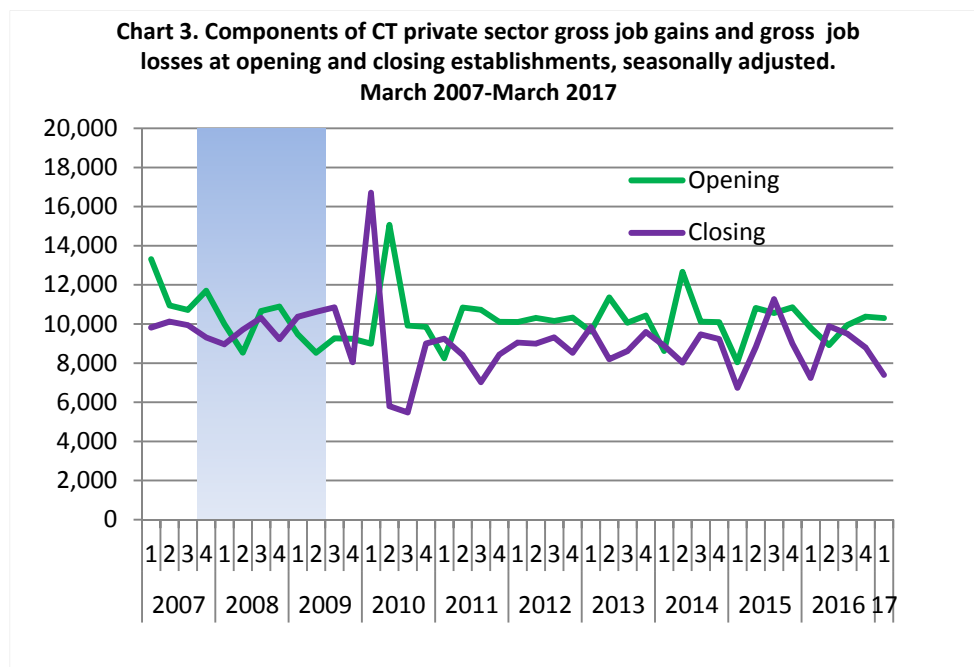


Contracting establishments lost 65,885 jobs in the first quarter of 2017. This was a decrease of 360 jobs from the prior quarter.

In the first quarter of 2017, **closing** establishments lost 7,403 jobs, a decrease of 1,385 jobs from the previous quarter.

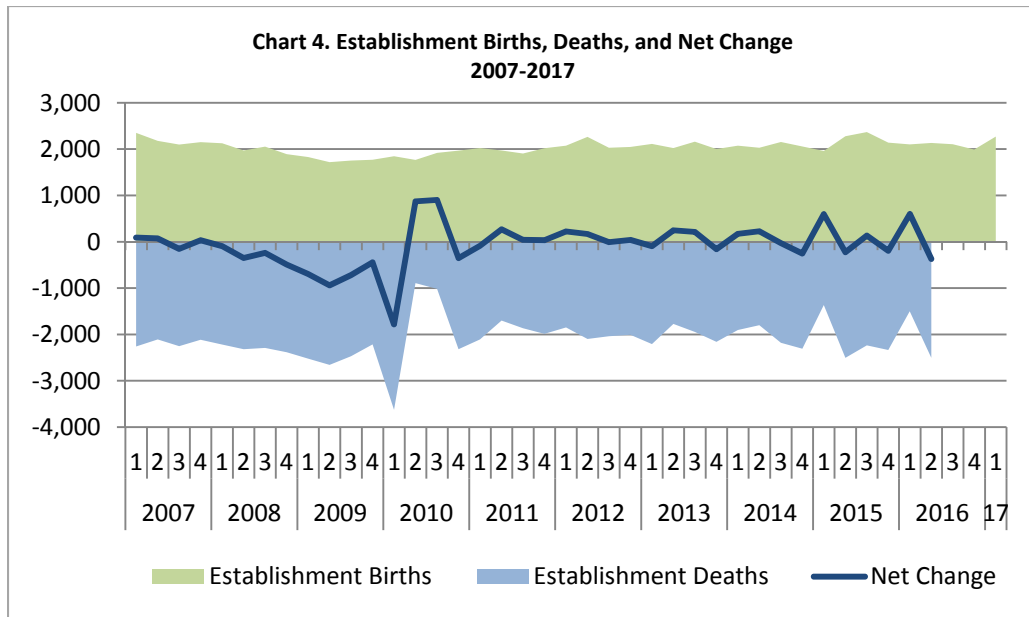
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see USDL-15-0755). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.5 percent of private sector employment in the first quarter of 2017, while **gross job losses** represented 5.1 percent of private sector employment.



In the first quarter of 2017, there were 2,271 **establishment births** (a subset of the openings data). These new establishments accounted for 7,386 jobs, an increase of 107 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the second quarter of 2016, where 6,563 jobs were lost at 2,503 establishment deaths. In the prior quarter, 4,904 jobs were lost at 1,501 establishments.



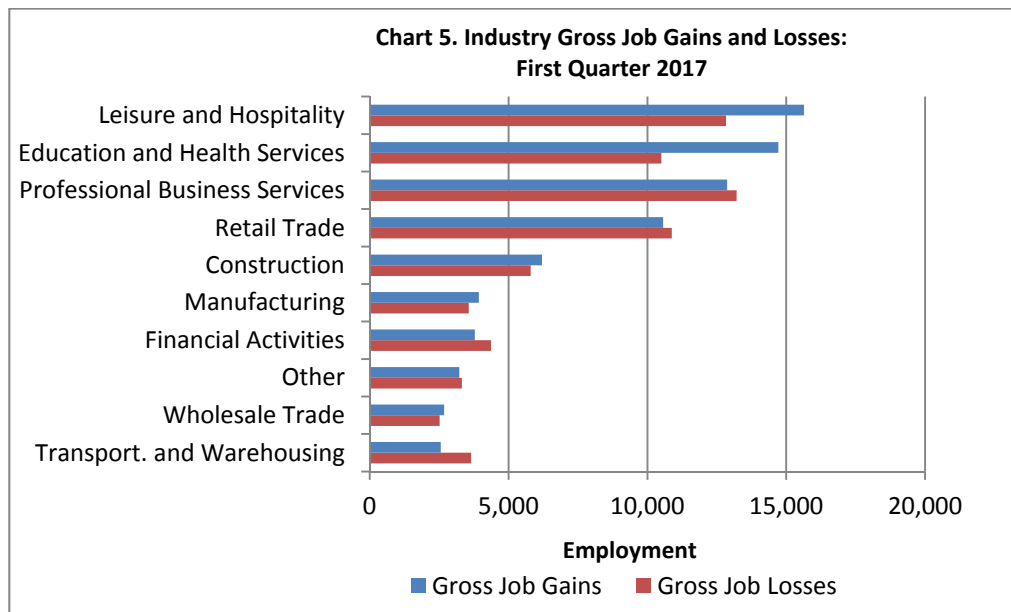
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 second quarter of 2016, birth/death net change has been positive in 15 of past 25 quarters of available data, with an averaging a net increase of 118 establishments per quarter during that period.

Post-recession second quarter net change has been positive in five of the past seven years, but it has been negative in 2015 and 2016.

In the second quarter of 2016 (the most recent quarter of establishment death data), there were 2,132 establishment births and 2,503 establishment deaths, resulting in a net change of -371 establishments. This follows a first quarter 2016 net change of 600 establishments.

During the first quarter of 2017, **gross job gains** exceeded **gross job losses** in 5 of the 10 available **industry sectors**, except for Transportation and Warehousing, Other Services, Retail Trade, Financial Activities, and Professional Business Services.



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)						
	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017	Sept. 2015	Dec. 2015	Mar. 2016	June 2016	Sept. 2016	Dec. 2016	Mar. 2017
	Total Private													
Gross job gains	72,563	77,260	74,868	77,561	74,841	72,719	79,177	5.1	5.5	5.3	5.4	5.2	5.1	5.5
at expanding establishments	61,996	66,406	65,053	68,640	64,900	62,342	68,871	4.4	4.7	4.6	4.8	4.5	4.4	4.8
at opening establishments	10,567	10,854	9,815	8,921	9,941	10,377	10,306	0.7	0.8	0.7	0.6	0.7	0.7	0.7
Gross job losses	83,562	70,714	71,778	76,530	76,198	75,033	73,288	5.9	5.0	5.0	5.4	5.4	5.2	5.1
at contracting establishments	72,296	61,716	64,538	66,641	66,697	66,245	65,885	5.1	4.4	4.5	4.7	4.7	4.6	4.6
at closing establishments	11,266	8,998	7,240	9,889	9,501	8,788	7,403	0.8	0.6	0.5	0.7	0.7	0.6	0.5
Net employment change	-10,999	6,546	3,090	1,031	-1,357	-2,314	5,889	-0.8	0.5	0.3	0.0	-0.2	-0.1	0.4
Construction														
Gross job gains	6,437	6,679	6,774	6,216	5,125	5,291	6,204	11.1	11.4	11.3	10.4	8.7	9.1	10.7
at expanding establishments	5,471	5,848	5,743	5,549	4,421	4,488	5,405	9.4	10.0	9.6	9.3	7.5	7.7	9.3
at opening establishments	966	831	1,031	667	704	803	799	1.7	1.4	1.7	1.1	1.2	1.4	1.4
Gross job losses	7,085	5,482	6,097	6,772	6,033	6,607	5,798	12.2	9.4	10.2	11.3	10.2	11.4	10.0
at contracting establishments	6,192	4,669	5,524	6,061	5,243	5,805	5,170	10.7	8.0	9.2	10.1	8.9	10.0	8.9
at closing establishments	893	813	573	711	790	802	628	1.5	1.4	1.0	1.2	1.3	1.4	1.1
Net employment change	-648	1,197	677	-556	-908	-1,316	406	-1.1	2.0	1.1	-0.9	-1.5	-2.3	0.7
Manufacturing														
Gross job gains	3,854	3,568	3,458	4,499	3,684	4,261	3,931	2.4	2.3	2.2	2.9	2.4	2.7	2.5
at expanding establishments	3,694	3,299	3,294	4,335	3,591	4,032	3,727	2.3	2.1	2.1	2.8	2.3	2.6	2.4
at opening establishments	160	269	164	164	93	229	204	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Gross job losses	4,529	4,350	3,580	3,763	3,964	3,528	3,570	2.8	2.8	2.3	2.4	2.5	2.2	2.2
at contracting establishments	4,204	4,070	3,424	3,444	3,759	3,331	3,345	2.6	2.6	2.2	2.2	2.4	2.1	2.1
at closing establishments	325	280	156	319	205	197	225	0.2	0.2	0.1	0.2	0.1	0.1	0.1
Net employment change	-675	-782	-122	736	-280	733	361	-0.4	-0.5	-0.1	0.5	-0.1	0.5	0.3
Wholesale Trade														
Gross job gains	2,785	2,839	2,735	2,955	2,872	2,531	2,681	4.4	4.5	4.4	4.7	4.6	4.1	4.3
at expanding establishments	2,224	2,271	2,241	2,454	2,380	1,991	2,166	3.5	3.6	3.6	3.9	3.8	3.2	3.5
at opening establishments	561	568	494	501	492	540	515	0.9	0.9	0.8	0.8	0.8	0.9	0.8
Gross job losses	3,261	3,047	2,465	3,257	2,709	2,916	2,517	5.2	4.9	4.0	5.2	4.3	4.6	4.0
at contracting establishments	2,615	2,303	1,974	2,753	2,188	2,217	2,085	4.2	3.7	3.2	4.4	3.5	3.5	3.3
at closing establishments	646	744	491	504	521	699	432	1.0	1.2	0.8	0.8	0.8	1.1	0.7
Net employment change	-476	-208	270	-302	163	-385	164	-0.8	-0.4	0.4	-0.5	0.3	-0.5	0.3
Retail Trade														
Gross job gains	9,648	11,673	10,849	10,485	10,279	10,112	10,568	5.2	6.3	5.9	5.6	5.5	5.5	5.8
at expanding establishments	8,537	10,195	9,976	9,476	8,933	9,305	8,977	4.6	5.5	5.4	5.1	4.8	5.1	4.9
at opening establishments	1,111	1,478	873	1,009	1,346	807	1,591	0.6	0.8	0.5	0.5	0.7	0.4	0.9
Gross job losses	12,655	10,291	10,573	10,741	11,824	10,406	10,877	6.9	5.5	5.7	5.7	6.4	5.6	5.9
at contracting establishments	11,257	9,287	9,778	9,604	10,735	9,582	10,057	6.1	5.0	5.3	5.1	5.8	5.2	5.5
at closing establishments	1,398	1,004	795	1,137	1,089	824	820	0.8	0.5	0.4	0.6	0.6	0.4	0.4
Net employment change	-3,007	1,382	276	-256	-1,545	-294	-309	-1.7	0.8	0.2	-0.1	-0.9	-0.1	-0.1
Transportation and Warehousing														
Gross job gains	2,542	3,648	2,303	1,907	3,018	4,095	2,559	5.7	8.0	5.0	4.2	6.7	8.8	5.5
at expanding establishments	2,346	3,477	1,794	1,804	2,591	3,531	2,479	5.3	7.6	3.9	4.0	5.8	7.6	5.3
at opening establishments	196	171	509	103	427	564	80	0.4	0.4	1.1	0.2	0.9	1.2	0.2
Gross job losses	2,045	1,808	3,097	3,703	1,823	2,002	3,655	4.6	4.0	6.7	8.2	4.1	4.3	7.8
at contracting establishments	1,792	1,598	2,957	3,576	1,431	1,862	3,249	4.0	3.5	6.4	7.9	3.2	4.0	6.9
at closing establishments	253	210	140	127	392	140	406	0.6	0.5	0.3	0.3	0.9	0.3	0.9
Net employment change	497	1,840	-794	-1,796	1,195	2,093	-1,096	1.1	4.0	-1.7	-4.0	2.6	4.5	-2.3
Financial Activities														
Gross job gains	3,870	4,020	3,921	4,509	3,755	3,803	3,787	3.0	3.2	3.1	3.5	3.0	3.0	3.0
at expanding establishments	3,262	3,388	3,463	3,947	3,149	3,312	3,205	2.5	2.7	2.7	3.1	2.5	2.6	2.5
at opening establishments	608	632	458	562	606	491	582	0.5	0.5	0.4	0.4	0.5	0.4	0.5
Gross job losses	4,896	4,358	4,014	4,369	5,055	4,773	4,370	3.8	3.4	3.1	3.4	4.0	3.8	3.5
at contracting establishments	4,253	3,792	3,486	3,670	4,316	4,017	3,927	3.3	3.0	2.7	2.9	3.4	3.2	3.1
at closing establishments	643	566	528	699	739	756	443	0.5	0.4	0.4	0.5	0.6	0.6	0.4
Net employment change	-1,026	-338	-93	140	-1,300	-970	-583	-0.8	-0.2	0.0	0.1	-1.0	-0.8	-0.5

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Professional Business Services														
Gross job gains	12,861	13,623	12,023	13,548	13,318	12,896	12,870	6.0	6.3	5.5	6.2	6.0	5.9	5.9
at expanding establishments	10,327	11,198	10,457	11,805	11,691	10,679	11,189	4.8	5.2	4.8	5.4	5.3	4.9	5.1
at opening establishments	2,534	2,425	1,566	1,743	1,627	2,217	1,681	1.2	1.1	0.7	0.8	0.7	1.0	0.8
Gross job losses	15,402	12,140	12,726	12,935	13,690	13,381	13,209	7.1	5.6	5.8	5.9	6.2	6.1	6.0
at contracting establishments	12,563	10,176	11,154	10,567	11,420	11,389	11,612	5.8	4.7	5.1	4.8	5.2	5.2	5.3
at closing establishments	2,839	1,964	1,572	2,368	2,270	1,992	1,597	1.3	0.9	0.7	1.1	1.0	0.9	0.7
Net employment change	-2,541	1,483	-703	613	-372	-485	-339	-1.1	0.7	-0.3	0.3	-0.2	-0.2	-0.1
Education and Health Services														
Gross job gains	10,841	10,976	11,878	12,811	12,609	10,675	14,716	3.4	3.4	3.7	4.0	3.9	3.3	4.6
at expanding establishments	10,108	10,180	10,572	11,785	11,384	9,516	13,221	3.2	3.2	3.3	3.7	3.5	2.9	4.1
at opening establishments	733	796	1,306	1,026	1,225	1,159	1,495	0.2	0.2	0.4	0.3	0.4	0.4	0.5
Gross job losses	12,126	10,125	11,301	11,317	9,981	11,682	10,505	3.8	3.2	3.5	3.5	3.1	3.7	3.3
at contracting establishments	10,978	9,171	10,343	10,053	8,723	10,871	9,266	3.4	2.9	3.2	3.1	2.7	3.4	2.9
at closing establishments	1,148	954	958	1,264	1,258	811	1,239	0.4	0.3	0.3	0.4	0.4	0.3	0.4
Net employment change	-1,285	851	577	1,494	2,628	-1,007	4,211	-0.4	0.2	0.2	0.5	0.8	-0.4	1.3
Leisure and Hospitality														
Gross job gains	13,204	14,604	15,068	14,810	14,221	13,754	15,637	8.8	9.7	9.9	9.6	9.2	9.0	10.0
at expanding establishments	10,817	11,807	12,505	12,538	12,051	11,049	13,562	7.2	7.8	8.2	8.1	7.8	7.2	8.7
at opening establishments	2,387	2,797	2,563	2,272	2,170	2,705	2,075	1.6	1.9	1.7	1.5	1.4	1.8	1.3
Gross job losses	15,605	13,271	12,374	14,532	15,427	13,639	12,829	10.3	8.7	8.1	9.4	10.0	8.9	8.2
at contracting establishments	13,413	11,692	11,024	12,464	14,015	11,853	11,729	8.9	7.7	7.2	8.1	9.1	7.7	7.5
at closing establishments	2,192	1,579	1,350	2,068	1,412	1,786	1,100	1.4	1.0	0.9	1.3	0.9	1.2	0.7
Net employment change	-2,401	1,333	2,694	278	-1,206	115	2,808	-1.5	1.0	1.8	0.2	-0.8	0.1	1.8
Other														
Gross job gains	4,229	3,101	3,419	3,691	3,185	3,091	3,230	8.5	6.2	6.9	7.3	6.3	6.2	6.5
at expanding establishments	3,235	2,583	2,837	3,095	2,560	2,646	2,651	6.5	5.2	5.7	6.1	5.1	5.3	5.3
at opening establishments	994	518	582	596	625	445	579	2.0	1.0	1.2	1.2	1.2	0.9	1.2
Gross job losses	3,568	3,367	2,921	2,988	3,523	3,382	3,318	7.2	6.8	5.9	5.9	6.9	6.7	6.6
at contracting establishments	3,011	2,836	2,587	2,524	2,993	2,861	2,962	6.1	5.7	5.2	5.0	5.9	5.7	5.9
at closing establishments	557	531	334	464	530	521	356	1.1	1.1	0.7	0.9	1.0	1.0	0.7
Net employment change	661	-266	498	703	-338	-291	-88	1.3	-0.6	1.0	1.4	-0.6	-0.5	-0.1

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.