



BUSINESS EMPLOYMENT DYNAMICS

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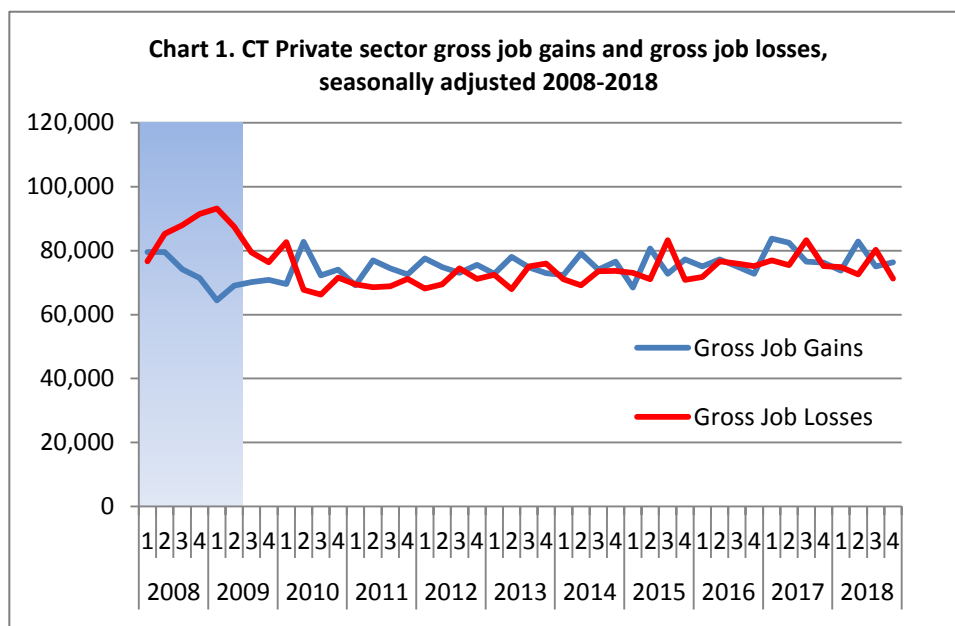
Fourth Quarter 2018

WETHERSFIELD, July 24th, 2019 - 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 October 2018 to December 2018, **gross job gains** from opening and expanding private sector establishments in Connecticut was 76,397, an increase of 1,318 jobs from the previous quarter. Over this period, **gross job losses** from closing and contracting private sector establishments was 71,220, a decrease of 9,093 jobs from the previous quarter.

During the fourth quarter of 2018, difference between gross job gains and gross job losses yielded a **net employment gain** of 5,177 jobs in the private sector. This fourth quarter net gain is 4,096 jobs more than the net gain a year before.

From 2004 to 2007, annual average net employment change was between 1,534 and 4,190 jobs. It fell precipitously to a series low of -15,445 jobs in 2009 and was up to 2,608 the following year. In 2018, annual average net change was 2,302 jobs.

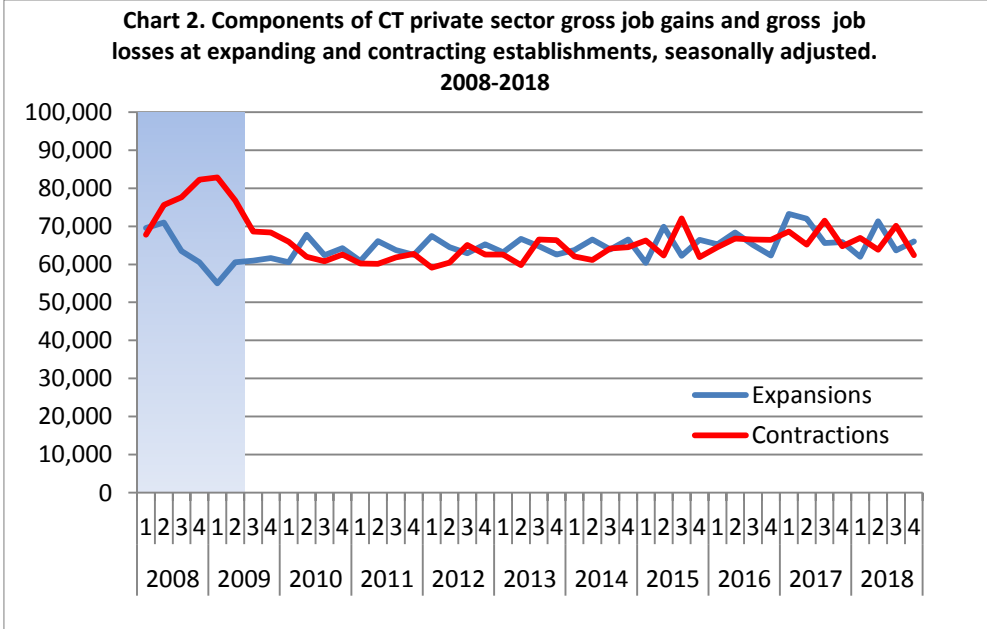


The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business units from the third month of one quarter to the third 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 66,042 in the fourth quarter of 2018, an increase of 2,417 jobs from the previous quarter.

Opening establishments accounted for 10,355 jobs gained in the fourth quarter of 2018, a decrease of 1,099 jobs from the previous quarter.

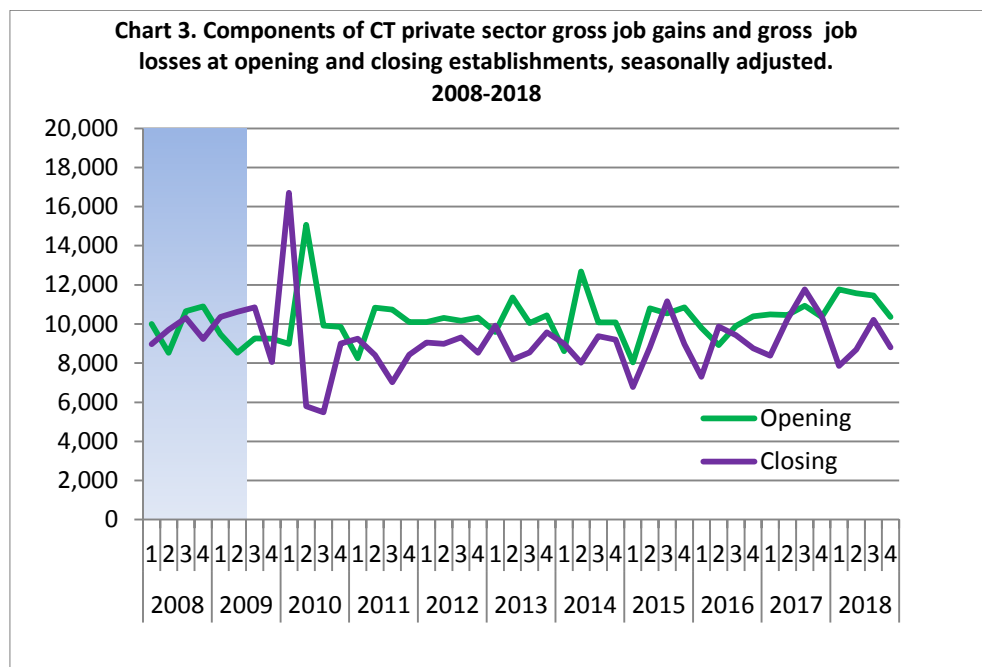


Contracting establishments lost 62,418 jobs in the fourth quarter of 2018. This was a decrease of 7,685 jobs from the prior quarter.

In the fourth quarter of 2018, **closing** establishments lost 8,802 jobs, a decrease of 1,408 jobs from the previous quarter.

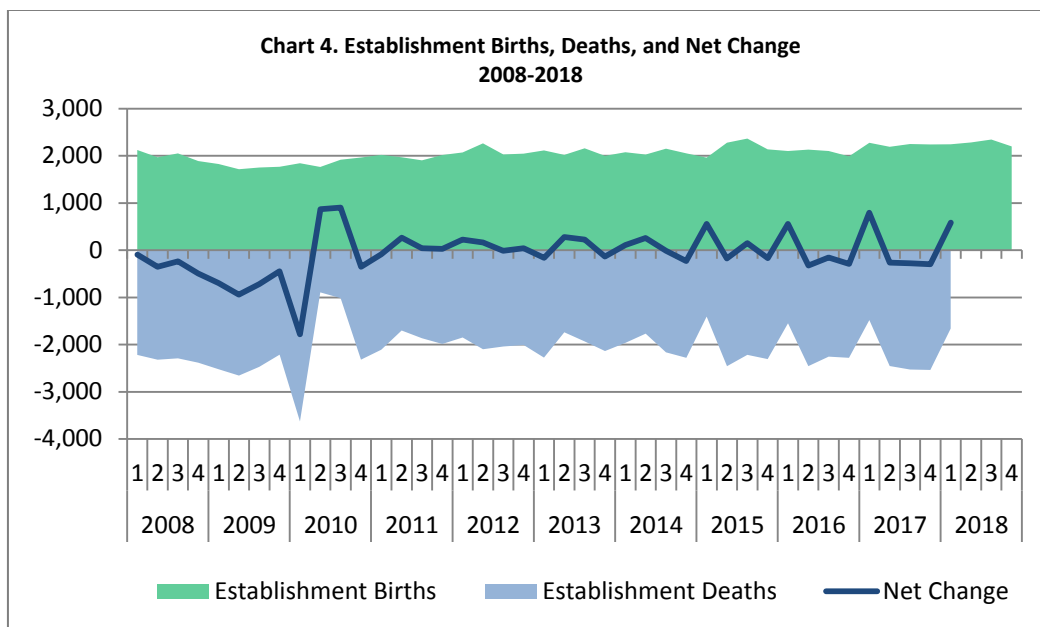
The relationship between gross job gains and losses in Connecticut since the 2007-09 recession has been closer than has been experienced by the US economy overall (see: www.bls.gov/bdm). Gross job gains exceeding losses indicates employment expansion.

Gross job gains represented 5.3 percent of private sector employment in the fourth quarter of 2018, while **gross job losses** represented 4.9 percent of private sector employment.



In the fourth quarter of 2018, there were 2,200 **establishment births** (a subset of the openings data). These new establishments accounted for 7,554 jobs, a decrease 977 jobs from the previous quarter.

Data for **establishment deaths** (a subset of the closings data) are available through the first quarter of 2018, where 5,646 jobs were lost at 1,660 establishment deaths. In the prior quarter, 7,151 jobs were lost at 2,537 establishment deaths.



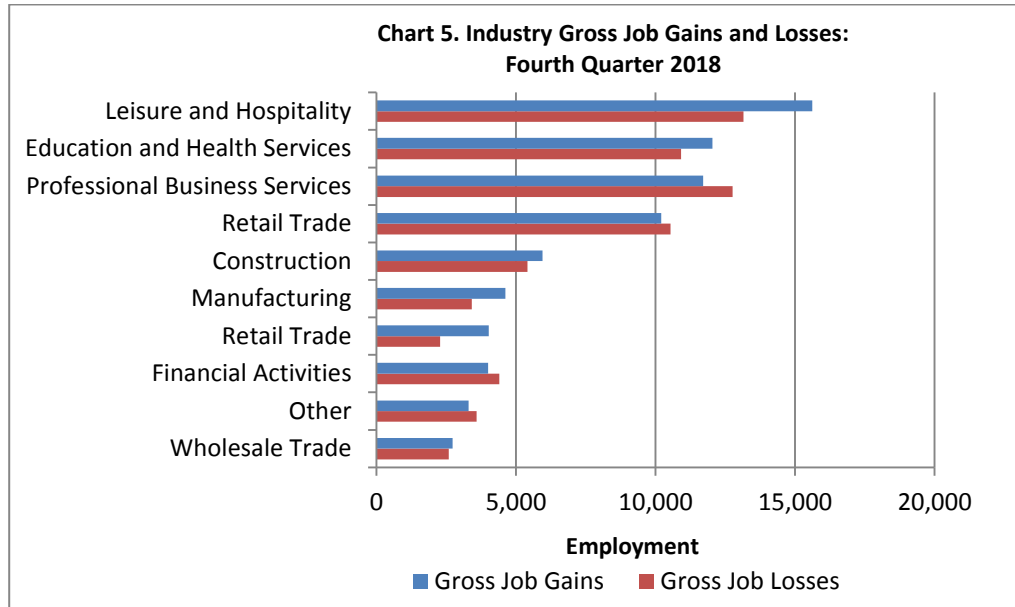
The **net change of establishment births and deaths** went consistently negative during the recession from the first quarter of 2008 and through the first quarter of 2010. During those 9 quarters of recession, Connecticut averaged a net decrease of 640 establishments per quarter, with the largest net 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 first quarter of 2017, birth/death net change has been positive in 17 of past 32 quarters of available data, with an averaging a net increase of 98 establishments per quarter during that period.

Post-recession first quarter net change has been positive every year since 2014 with an average gain of 521.

In the first quarter of 2018 (the most recent quarter of establishment death data), there were 2,284 establishment births and 1,660 establishment deaths, resulting in a net change 585 establishments. This follows a 2017 fourth quarter net change of -295 establishments.

During the fourth quarter of 2018, **gross job losses** exceeded **gross job gains** in 6 of 10 available sectors. The sectors with the largest net gains were Leisure and Hospitality, Retail Trade, and Manufacturing. The largest net losses were in the Professional and Business Service and Financial Activities sectors.



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)						
	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018	June 2017	Sept. 2017	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018
Total Private														
Gross job gains	82,431	76,526	76,225	73,726	82,914	75,079	76,397	5.7	5.4	5.3	5.1	5.8	5.2	5.3
at expanding establishments	71,974	65,596	65,865	61,961	71,346	63,625	66,042	5.0	4.6	4.6	4.3	5.0	4.4	4.6
at opening establishments	10,457	10,930	10,360	11,765	11,568	11,454	10,355	0.7	0.8	0.7	0.8	0.8	0.8	0.7
Gross job losses	75,429	83,269	75,144	74,835	72,541	80,313	71,220	5.2	5.8	5.2	5.2	5.0	5.6	4.9
at contracting establishments	65,185	71,499	64,749	66,980	63,857	70,103	62,418	4.5	5.0	4.5	4.7	4.4	4.9	4.3
at closing establishments	10,244	11,770	10,395	7,855	8,684	10,210	8,802	0.7	0.8	0.7	0.5	0.6	0.7	0.6
Net employment change	7,002	-6,743	1,081	-1,109	10,373	-5,234	5,177	0.5	-0.4	0.1	-0.1	0.8	-0.4	0.4
Construction														
Gross job gains	6,918	5,693	5,321	6,186	6,401	5,769	5,953	11.7	9.7	9.3	10.6	10.9	9.8	10.1
at expanding establishments	6,073	4,789	4,425	5,120	5,449	5,014	5,147	10.3	8.2	7.7	8.8	9.3	8.5	8.7
at opening establishments	845	904	896	1,066	952	755	806	1.4	1.5	1.6	1.8	1.6	1.3	1.4
Gross job losses	6,495	6,448	6,689	5,510	5,287	5,980	5,414	11.0	11.0	11.6	9.5	9.0	10.2	9.1
at contracting establishments	5,246	5,489	5,691	4,797	4,510	4,939	4,802	8.9	9.4	9.9	8.3	7.7	8.4	8.1
at closing establishments	1,249	959	998	713	777	1,041	612	2.1	1.6	1.7	1.2	1.3	1.8	1.0
Net employment change	423	-755	-1,368	676	1,114	-211	539	0.7	-1.3	-2.3	1.1	1.9	-0.4	1.0
Manufacturing														
Gross job gains	5,124	4,063	4,839	3,876	4,809	3,659	4,622	3.2	2.5	3.1	2.4	3.0	2.3	2.9
at expanding establishments	4,789	3,734	4,248	3,663	4,561	3,210	4,364	3.0	2.3	2.7	2.3	2.8	2.0	2.7
at opening establishments	335	329	591	213	248	449	258	0.2	0.2	0.4	0.1	0.2	0.3	0.2
Gross job losses	3,426	4,779	3,591	3,739	3,275	4,608	3,415	2.1	3.0	2.2	2.4	2.1	2.9	2.1
at contracting establishments	3,041	4,088	3,243	3,467	3,167	4,180	3,120	1.9	2.6	2.0	2.2	2.0	2.6	1.9
at closing establishments	385	691	348	272	108	428	295	0.2	0.4	0.2	0.2	0.1	0.3	0.2
Net employment change	1,698	-716	1,248	137	1,534	-949	1,207	1.1	-0.5	0.9	0.0	0.9	-0.6	0.8
Wholesale Trade														
Gross job gains	2,889	2,686	2,692	2,496	2,965	2,686	2,735	4.6	4.3	4.3	4.1	4.8	4.3	4.4
at expanding establishments	2,501	2,236	2,199	2,033	2,339	2,116	2,179	4.0	3.6	3.5	3.3	3.8	3.4	3.5
at opening establishments	388	450	493	463	626	570	556	0.6	0.7	0.8	0.8	1.0	0.9	0.9
Gross job losses	2,686	2,964	2,620	2,550	2,764	2,780	2,594	4.3	4.7	4.2	4.1	4.4	4.6	4.2
at contracting establishments	2,086	2,262	1,953	2,161	2,060	2,191	2,146	3.3	3.6	3.1	3.5	3.3	3.6	3.5
at closing establishments	600	702	667	389	704	589	448	1.0	1.1	1.1	0.6	1.1	1.0	0.7
Net employment change	203	-278	72	-54	201	-94	141	0.3	-0.4	0.1	0.0	0.4	-0.3	0.2
Retail Trade														
Gross job gains	11,550	10,058	10,329	9,471	10,911	10,456	10,211	6.2	5.5	5.7	5.2	5.9	5.7	5.7
at expanding establishments	10,186	8,955	9,616	8,499	9,920	8,930	9,309	5.5	4.9	5.3	4.7	5.4	4.9	5.2
at opening establishments	1,364	1,103	713	972	991	1,526	902	0.7	0.6	0.4	0.5	0.5	0.8	0.5
Gross job losses	10,201	11,957	10,445	10,734	10,367	12,366	10,545	5.5	6.5	5.7	5.9	5.7	6.8	5.8
at contracting establishments	9,009	10,615	9,553	9,958	9,330	10,903	9,745	4.9	5.8	5.2	5.5	5.1	6.0	5.4
at closing establishments	1,192	1,342	892	776	1,037	1,463	800	0.6	0.7	0.5	0.4	0.6	0.8	0.4
Net employment change	1,349	-1,899	-116	-1,263	544	-1,910	-334	0.7	-1.0	0.0	-0.7	0.2	-1.1	-0.1
Transportation and Warehousing														
Gross job gains	2,221	4,076	3,929	2,357	3,124	2,890	4,028	4.8	8.7	8.0	4.8	6.3	5.8	7.8
at expanding establishments	2,097	3,756	3,786	2,170	2,858	2,564	3,650	4.5	8.0	7.7	4.4	5.8	5.1	7.1
at opening establishments	124	320	143	187	266	326	378	0.3	0.7	0.3	0.4	0.5	0.7	0.7
Gross job losses	2,076	1,930	1,821	3,516	1,921	2,590	2,284	4.5	4.1	3.7	7.1	3.9	5.1	4.5
at contracting establishments	1,897	1,723	1,660	3,381	1,727	2,368	2,037	4.1	3.7	3.4	6.8	3.5	4.7	4.0
at closing establishments	179	207	161	135	194	222	247	0.4	0.4	0.3	0.3	0.4	0.4	0.5
Net employment change	145	2,146	2,108	-1,159	1,203	300	1,744	0.3	4.6	4.3	-2.3	2.4	0.7	3.3
Financial Activities														
Gross job gains	4,576	3,657	4,157	3,740	4,540	3,685	3,999	3.6	2.9	3.3	3.0	3.6	3.0	3.3
at expanding establishments	3,843	2,965	3,539	3,143	3,857	3,190	3,181	3.0	2.4	2.8	2.5	3.1	2.6	2.6
at opening establishments	733	692	618	597	683	495	818	0.6	0.5	0.5	0.5	0.5	0.4	0.7
Gross job losses	4,327	4,842	4,990	4,358	4,231	4,709	4,409	3.5	3.8	4.0	3.5	3.4	3.8	3.6
at contracting establishments	3,361	4,179	4,274	3,907	3,631	4,125	3,813	2.7	3.3	3.4	3.1	2.9	3.3	3.1
at closing establishments	966	663	716	451	600	584	596	0.8	0.5	0.6	0.4	0.5	0.5	0.5
Net employment change	249	-1,185	-833	-618	309	-1,024	-410	0.1	-0.9	-0.7	-0.5	0.2	-0.8	-0.3

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Professional Business Services														
Gross job gains	13,965	13,490	14,014	11,702	14,655	12,946	11,710	6.3	6.2	6.4	5.3	6.6	5.9	5.3
at expanding establishments	12,121	11,399	11,706	10,089	12,136	11,044	9,589	5.5	5.2	5.3	4.6	5.5	5.0	4.3
at opening establishments	1,844	2,091	2,308	1,613	2,519	1,902	2,121	0.8	1.0	1.1	0.7	1.1	0.9	1.0
Gross job losses	13,914	13,701	14,073	13,076	13,202	12,983	12,770	6.3	6.2	6.5	6.0	6.0	5.9	5.8
at contracting establishments	11,863	11,260	11,726	11,332	11,323	10,965	10,851	5.4	5.1	5.4	5.2	5.1	5.0	4.9
at closing establishments	2,051	2,441	2,347	1,744	1,879	2,018	1,919	0.9	1.1	1.1	0.8	0.9	0.9	0.9
Net employment change	51	-211	-59	-1,374	1,453	-37	-1,060	0.0	0.0	-0.1	-0.7	0.6	0.0	-0.5
Education and Health Services														
Gross job gains	13,439	13,154	11,105	12,036	12,894	12,228	12,042	4.1	4.0	3.4	3.7	4.0	3.7	3.6
at expanding establishments	12,072	11,586	9,875	10,464	11,720	10,861	10,899	3.7	3.5	3.0	3.2	3.6	3.3	3.3
at opening establishments	1,367	1,568	1,230	1,572	1,174	1,367	1,143	0.4	0.5	0.4	0.5	0.4	0.4	0.3
Gross job losses	11,232	13,944	11,685	11,154	11,353	12,145	10,920	3.4	4.3	3.6	3.4	3.4	3.7	3.3
at contracting establishments	10,085	12,425	10,018	10,216	10,300	10,702	9,309	3.1	3.8	3.1	3.1	3.1	3.3	2.8
at closing establishments	1,147	1,519	1,667	938	1,053	1,443	1,611	0.3	0.5	0.5	0.3	0.3	0.4	0.5
Net employment change	2,207	-790	-580	882	1,541	83	1,122	0.7	-0.3	-0.2	0.3	0.6	0.0	0.3
Leisure and Hospitality														
Gross job gains	15,663	13,830	14,508	13,867	15,881	14,299	15,621	10.0	8.8	9.2	8.8	10.0	9.1	9.8
at expanding establishments	13,223	11,271	12,088	11,701	13,288	11,636	13,187	8.4	7.2	7.7	7.4	8.4	7.4	8.3
at opening establishments	2,440	2,559	2,420	2,166	2,593	2,663	2,434	1.6	1.6	1.5	1.4	1.6	1.7	1.5
Gross job losses	14,928	16,960	13,518	13,935	14,416	16,139	13,158	9.5	10.8	8.6	8.8	9.1	10.2	8.3
at contracting establishments	13,318	14,712	11,734	12,340	12,840	14,639	11,752	8.5	9.4	7.5	7.8	8.1	9.3	7.4
at closing establishments	1,610	2,248	1,784	1,595	1,576	1,500	1,406	1.0	1.4	1.1	1.0	1.0	0.9	0.9
Net employment change	735	-3,130	990	-68	1,465	-1,840	2,463	0.5	-2.0	0.6	0.0	0.9	-1.1	1.5
Other														
Gross job gains	3,921	3,381	3,156	5,139	4,171	3,910	3,308	7.8	6.6	6.2	10.0	7.9	7.4	6.3
at expanding establishments	3,231	2,771	2,628	3,025	3,337	2,931	2,769	6.4	5.4	5.2	5.9	6.3	5.5	5.3
at opening establishments	690	610	528	2,114	834	979	539	1.4	1.2	1.0	4.1	1.6	1.9	1.0
Gross job losses	3,115	3,497	3,538	3,580	3,173	4,068	3,592	6.1	6.9	6.9	7.0	6.0	7.7	6.8
at contracting establishments	2,538	2,890	2,972	3,186	2,699	3,442	2,912	5.0	5.7	5.8	6.2	5.1	6.5	5.5
at closing establishments	577	607	566	394	474	626	680	1.1	1.2	1.1	0.8	0.9	1.2	1.3
Net employment change	806	-116	-382	1,559	998	-158	-284	1.7	-0.3	-0.7	3.0	1.9	-0.3	-0.5

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.