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Economic News Release

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Business Employment Dynamics Summary

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BUSINESS EMPLOYMENT DYNAMICS: SECOND QUARTER 2013

From March 2013 to June 2013 gross job gains from opening and expanding private sector establishments were 7.1 million, the U.S. Bureau of Labor Statistics reported today. Over this period, gross job losses from closing and contracting private sector establishments were 6.5 million, an increase of 191,000 from the previous quarter. (See box note on page 3.)

The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 666,000 jobs in the private sector during the second quarter of 2013. (See table 1.)

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. (See the Technical Note for more information.)

----- Corrections to Business Employment Dynamics (BED) Data

Following normal processing procedures, annual revisions were published with the release of first quarter 2013 data. These annual revisions should have included updates to the BED establishment birth and death data series, but they were not updated due to a production error. For this reason, the BED birth and death data are revised with this release. These revisions cover all four quarters of 2012 for not seasonally adjusted data and the previous five years of seasonally adjusted data. Table 8 is updated with this release along with the birth and death data at the national industry level. These data are available at

| <http://www.bls.gov/bdm/bdmind.htm> and the state total private data are |
 | available at <http://www.bls.gov/bdm/bdmstate.htm>. |

 Gross job gains at expanding establishments totaled 5.8 million in second quarter 2013, an increase of 216,000 jobs from the previous quarter.

Opening establishments accounted for 1.3 million jobs gained in second quarter 2013. (See box note on page 3.)

Contracting establishments lost 5.3 million jobs in second quarter 2013. This is an increase of 131,000 jobs from the prior quarter.

In the second quarter of 2013, closing establishments lost 1.2 million jobs, an increase of 60,000 jobs from the previous quarter. (See tables 1 and 3.)

Gross job gains represented 6.4 percent of private sector employment in second quarter 2013, while gross job losses represented 5.8 percent of private sector employment. (See table 2.)

In second quarter 2013, the number of establishment births (a subset of the openings data, see the Technical Note for more information) was 226,000. These new establishments accounted for 777,000 jobs. (See box note on page 3 and table 8.)

Data for establishment deaths (a subset of the closings data) are available through third quarter 2012, when 684,000 jobs were lost at 185,000 establishments. These figures represent increases from the prior quarter when 666,000 jobs were lost at 184,000 establishments.

Gross job gains exceeded gross job losses in all three major firm size classes during second quarter 2013. Firms with less than 250 employees accounted for 56 percent of the net job growth. (See tables 4 and 5.)

In the second quarter of 2013, gross job gains exceeded gross job losses in 42 states and the District of Columbia. California had the largest net employment gain of 79,166 jobs, followed by Texas with 65,907 jobs. (See table 6.) Alaska had the largest rate of gross job gains as a percent of employment at 10.6 percent, above the U.S. rate of 6.4 percent. Connecticut had the lowest rate of gross job losses as a percent of employment at 4.8 percent, below the U.S. rate of 5.8 percent. (See table 7.)

Table A. Three-month private sector gross job gains and losses, seasonally adjusted

Category	3 months ended				
	June 2012	Sept. 2012	Dec. 2012	Mar. 2013	June 2013
	Levels (in thousands)				
Gross job gains.....	7,027	6,847	7,110	7,200	7,143
At expanding establishments...	5,738	5,552	5,769	5,623	5,839
At opening establishments.....	1,289	1,295	1,341	1,577	1,304
Gross job losses.....	6,414	6,614	6,401	6,286	6,477
At contracting establishments.	5,259	5,436	5,199	5,136	5,267

At closing establishments.....	1,155	1,178	1,202	1,150	1,210
Net employment change(1).....	613	233	709	914	666
	Rates (percent)				
Gross job gains.....	6.4	6.2	6.4	6.4	6.4
At expanding establishments...	5.2	5.0	5.2	5.0	5.2
At opening establishments.....	1.2	1.2	1.2	1.4	1.2
Gross job losses.....	5.9	6.0	5.8	5.6	5.8
At contracting establishments.	4.8	4.9	4.7	4.6	4.7
At closing establishments.....	1.1	1.1	1.1	1.0	1.1
Net employment change(1).....	.5	.2	.6	.8	.6

(1) The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.

More Information

Additional information on gross job gains and gross job losses are available online at www.bls.gov/bdm. This information includes data on the levels and rates of gross job gains and gross job losses by firm size, not seasonally adjusted data and other seasonally adjusted time series not presented in this release, charts of gross job gains and gross job losses by industry and firm size, and frequently asked questions on firm size data. Additional information about the Business Employment Dynamics data can be found in the Technical Note of this release or may be obtained by e-mailing BDMinfo@bls.gov.

The Business Employment Dynamics for Third Quarter 2013 are scheduled to be released on Tuesday, April 29, 2014 at 10:00 a.m. (EDT).

 Administrative Change Affecting Business Employment Dynamics (BED) Data

 First quarter 2013 data were affected by an administrative change to the count of establishments in the education and health services industry. A review of these data revealed that certain establishments that provide non-medical, home-based services for the elderly and persons with disabilities had been misclassified in the private households industry (NAICS 814110), which is out of scope for the BED. These establishments are now in scope and are classified in services for the elderly and persons with disabilities (NAICS 624120.) This non-economic industry code change artificially inflated the first quarter 2013 data for gross job gains, openings, births, and the net employment change for the following data series: national total private, state total private, the education and health services sector, firm size class, annual, and age and survival. As a result, data for first quarter 2013 are not comparable to data from other quarters.

- [Business Employment Dynamics Technical Note](#)
- [Table 1. Private sector gross job gains and losses, seasonally adjusted](#)
- [Table 2. Private sector gross job gains and losses as a percent of employment \(1\), seasonally adjusted](#)
- [Table 3. Private sector gross job gains and losses by industry, seasonally adjusted](#)

- [Table 4. Private sector gross job gains and losses by firm size, seasonally adjusted](#)
- [Table 5. Components of private sector gross job gains and losses by firm size, seasonally adjusted](#)
- [Table 6. Private sector gross job gains and losses by state, seasonally adjusted](#)
- [Table 7. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted](#)
- [Table 8. Private sector establishment births and deaths, seasonally adjusted](#)
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