

## Bureau of Labor Statistics

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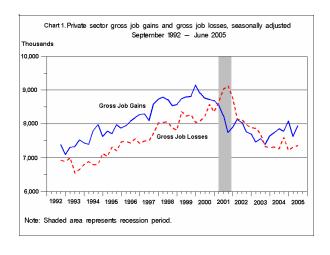
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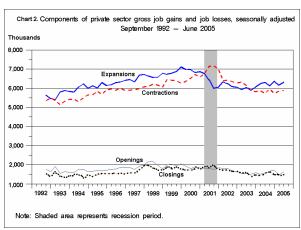
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### **BUSINESS EMPLOYMENT DYNAMICS: SECOND QUARTER 2005**

From March to June 2005, the number of job gains from opening and expanding private sector establishments was 7.9 million, and the number of job losses from closing and contracting establishments was 7.4 million, according to data released today by the Bureau of Labor Statistics of the U.S. Department of Labor. Gross job gains exceeded gross job losses in all industry sectors, except manufacturing, transportation, and utilities. (See charts 1 and 2 and table 3.) Firms with 20-49 employees accounted for 17.8 percent of the net gains in employment, representing the largest contribution to employment growth among all firm size classes. (See tables D and 4.)





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. 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

#### Addition of Data on Business Employment Dynamics by Firm Size

Beginning with this release, data on gross job gains and losses at the *firm level* by employer size class have been added to the regularly published data on gross job gains and losses at the establishment level by major industry sector. These new data show how large firms, small firms, or both are creating or losing jobs in the economy. These new firm size data were introduced on December 8, 2005, in the news release New Quarterly Data from BLS on Business Employment Dynamics by Size of Firm (USDL 05-2277), available on the Internet at http://www.bls.gov/bls/ newsrels.htm. For more information on the new firm size data, see that news release or the Technical Note of this release.

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

			3 months ended		
Category	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005
		L	evels (in thousan	ds)	
Gross job gains	7,857	7,789	8,081	7,635	7,932
At expanding establishments	6,292	6,123	6,365	6,171	6,311
At opening establishments	1,565	1,666	1,716	1,464	1,621
Gross job losses	7,263	7,598	7,212	7,310	7,358
At contracting establishments	5,726	5,953	5,727	5,852	5,873
At closing establishments	1,537	1,645	1,485	1,458	1,485
Net employment change 1	594	191	869	325	574
			Rates (percent)		
Gross job gains	7.2	7.2	7.4	6.9	7.2
At expanding establishments	5.8	5.7	5.8	5.6	5.7
At opening establishments	1.4	1.5	1.6	1.3	1.5
Gross job losses	6.7	7.0	6.7	6.6	6.6
At contracting establishments	5.3	5.5	5.3	5.3	5.3
At closing establishments	1.4	1.5	1.4	1.3	1.3
Net employment change 1	0.5	0.2	0.7	0.3	0.6

<sup>&</sup>lt;sup>1</sup> The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.

sum of increases in employment from expansions in employment at existing units and the addition of new jobs in 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 jobs gained and the number of gross jobs lost is the net change in employment. *Establishments* are used as the unit of analysis in the tabulation of the BED statistics by industry, whereas *firms* are used in the tabulation of the BED data by employer size class. (See the Technical Note for more information.)

#### Private Sector Establishment-Level Gross Job Gains and Losses

Opening and expanding private sector business establishments gained 7.9 million jobs in the second quarter of 2005, an increase of 297,000 from the previous quarter's total. Over the second quarter, expanding establishments added 6.3 million jobs, while opening establishments added 1.6 million jobs.

Gross job losses totaled 7.4 million, an increase of 48,000 from the previous quarter's job loss total. During the quarter, contracting establishments lost 5.9 million jobs, while closing establishments lost 1.5 million. (See tables A, 1, 3, and chart 2.)

From March to June 2005, gross job gains represented 7.2 percent of private sector employment, while gross job losses represented 6.6 percent of private sector employment. (See tables A and 2.) These gross job gain and loss statistics demonstrate that a sizable number of jobs appear and disappear in the relatively short time frame of one quarter.

### Major Industry Sector Establishment-Level Gross Job Gains and Losses

*Goods-producing*. Expanding and opening establishments in the goods-producing sector accounted for 1,713,000 jobs gained, 7,000 fewer jobs than in the prior quarter. In the second quarter of 2005, there

Table B. Three-month private sector gross job gains and losses by industry, seasonally adjusted (In thousands)

		Gr	oss job g	ains			Gros	ss job lo	sses	
Industry		3 n	nonths e	nded			3 m	onths en	ded	
	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005
Total private <sup>.1</sup>	7,857	7,789	8,081	7,365	7,932	7,263	7,598	7,212	7,310	7,358
Goods-producing	1,696	1,667	1,734	1,720	1,713	1,647	1,691	1,637	1,686	1,679
Natural resources and mining	283	271	296	307	288	282	290	275	284	285
Construction	809	799	848	844	859	779	789	747	806	786
Manufacturing	604	597	590	569	566	586	612	615	596	608
Service-providing.1	6,161	6,122	6,347	5,915	6,219	5,616	5,907	5,575	5,624	5,679
Wholesale trade	325	329	329	319	337	302	327	294	310	300
Retail trade	1,058	1,044	1,090	1,020	1,047	974	1,126	992	980	989
Transportation and warehousing	241	244	255	243	248	236	235	217	231	262
Utilities	13	14	11	15	15	14	16	15	15	18
Information	151	163	188	143	155	182	194	169	164	153
Financial activities	461	469	497	452	475	457	452	451	443	439
Professional and business services	1,509	1,416	1,512	1,370	1,456	1,321	1,366	1,300	1,304	1,332
Education and health services	753	757	802	741	800	696	704	647	704	701
Leisure and hospitality	1,164	1,169	1,204	1,138	1,212	1,090	1,135	1,134	1,131	1,135
Other services	301	297	299	302	309	304	308	310	297	300

<sup>&</sup>lt;sup>1</sup> Includes unclassified sector, not shown separately.

were 1,679,000 gross job losses, a decrease of 7,000 from the previous quarter. This decrease in gross job losses coupled with the decrease in gross job gains led to a net gain of 34,000 jobs in the goods-producing sector, the same net gain as in the previous quarter. (See tables B and 3.)

Construction. In construction, gross job gains increased to 859,000 during the quarter, while gross job losses decreased to 786,000, resulting in a net gain of 73,000 jobs. This is the eighth consecutive quarter of net job gains in construction.

*Manufacturing*. Gross job gains in the manufacturing sector totaled 566,000 jobs in the second quarter of 2005. The number of gross job gains in this sector has declined for five consecutive quarters. Gross job losses in manufacturing, 608,000, were slightly greater in the second quarter of 2005 than in the prior quarter. When combined with the fall in gross job gains, the increase in gross job losses resulted in a net job loss of 42,000 in manufacturing. The sector has only reported a positive net employment change in three quarters during the last 6 years.

Service-providing. During the second quarter of 2005, the combined service-providing sector experienced higher gross job gains and higher gross job losses in comparison with the previous quarter. This led to a net gain of 540,000 jobs, substantially higher than the 291,000 net job gain in the first quarter of 2005.

*Information*. The information sector gained 155,000 jobs and lost 153,000 in the second quarter of 2005 for a net gain of 2,000. This sector has only recorded a net job gain in three quarters over the last 4 years.

Professional and business services. Establishments in the professional and business services sector reported gross job gains of 1,456,000, an increase of 86,000 from the first quarter of 2005. Gross job

Table C. Number of private sector establishments by direction of employment change, seasonally adjusted (In thousands)

Category			3 months ended		
Category	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005
Establishments gaining jobs	1,847	1,840	1,909	1,851	1,897
Expanding establishments		1,486	1,530	1,506	1,526
Opening establishments	343	354	379	345	371
Establishments losing jobs		1,814	1,787	1,851	1,836
Contracting establishments		1,469	1,467	1,504	1,496
Closing establishments	330	345	320	347	340
Net establishment change 1	13	9	59	-2	31

<sup>&</sup>lt;sup>1</sup> The net establishment change is the difference between the number of opening establishments and the number of closing establishments. See the Technical Note for further information.

losses slightly increased from 1,304,000 in the first quarter of 2005 to 1,332,000 in the second quarter. The net gain of 124,000 jobs was the eighth consecutive quarterly increase in employment for this industry.

#### Number of Establishments Gaining and Losing Employment

Another way to look at the dynamics of business activities is to monitor the number and proportion of business units that are growing and declining. In the second quarter of 2005, the number of expanding establishments marginally exceeded the number of contracting establishments. Out of 6.7 million active private sector establishments, a total of 1,897,000 establishments gained jobs from March 2005 to June 2005. (See table C.) Of these, 1,526,000 were expanding establishments and 371,000 were opening establishments. During the quarter, 1,496,000 establishments contracted and 340,000 establishments closed, resulting in 1,836,000 establishments losing jobs. Overall, the number of active private sector establishments increased by 31,000 during the quarter. This change is the difference between the number of opening establishments and the number of closing establishments.

#### Firm-level Gross Job Gains and Losses by Size Class

From March to June 2005, firms with 20–49 employees accounted for 17.8 percent of the total net change in employment, the largest share of any size class. This size class had a 14.5-percent share of gross job gains and a 14.2-percent share of gross job losses. Firms with 5–9 employees made up the smallest share of net gains, 5.8 percent. Firms with 1,000 or more employees represented 6.2 percent of the total net employment change, a drop from the 31.9-percent share in the previous quarter. This group, however, accounted for the largest shares of both gross job gains and gross job losses among all firm size classes, 16.5 and 17.4 percent, respectively. (See tables D and 4 and charts 3 and 4.)

In the second quarter of 2005, firms with fewer than 500 employees represented 85.7 percent of the total net change in employment, 78.6 percent of gross job gains, and 78.0 percent of gross job losses. This group's share of net employment growth rose from the previous quarter when these firms accounted for 60.7 percent of the total net change in employment. (See table D.) Historically, from September 1992 through June 2005, firms with fewer than 500 employees accounted, on average, for 65.9 percent of quarterly net employment growth. (See table E.)

Due to the high numbers of openings and closings in the 1-4 employee size class, firms of this size accounted for 54.9 percent of gross job gains at opening firms and 54.7 percent of gross job losses at closing firms in the second quarter of 2005. The share of gross job gains and losses drop sharply as the size class increases. (See table 4.)

Table D. Three-month private sector percentage share  $^{1}$  of net change, gross job gains, and gross job losses by firm size class, seasonally adjusted

(Percent)

		Share	of net	chang	ge	Sl	nare of	gross	job gai	ns	Sha	re of g	gross jo	ob loss	es
Firm size class		3 m	onths e	nded			3 m	onths	ended			3 mo	nths e	nded	
•	June	Sept.		Mar.	June	June	Sept.		Mar.	June	June	Sept.			June
	2004	2004	2004	2005	2005	2004	2004	2004	2005	2005	2004	2004	2004	2005	2005
1-4 employees	4.4	9.7	13.4	2.7	9.7	14.4	15.2	15.2	15.5	15.2	15.3	15.3	15.5	16.1	15.7
5-9 employees	3.0	6.3	5.8	2.3	5.8	11.5	11.9	11.7	12.1	11.9	12.3	12.1	12.6	12.6	12.5
10-19 employees	7.1	5.4	6.4	5.0	9.9	11.9	12.0	11.9	12.3	12.2	12.4	12.3	12.7	12.7	12.4
20-49 employees	14.5	12.7	8.5	11.1	17.8	14.3	14.2	14.0	14.4	14.5	14.3	14.3	14.8	14.5	14.2
50-99 employees	13.1	15.6	4.7	10.4	14.8	9.1	9.0	8.7	8.9	9.1	8.7	8.7	9.2	8.8	8.6
100-249 employees	13.8	25.4	7.1	17.1	16.8	9.6	9.8	9.3	9.5	9.8	9.2	9.2	9.6	9.1	9.2
250-499 employees	7.1	17.1	4.8	12.1	10.9	5.7	5.9	5.7	5.7	5.9	5.6	5.5	5.8	5.5	5.4
500-999 employees	7.3	5.8	5.3	7.4	8.1	4.8	4.7	4.7	4.6	4.9	4.5	4.7	4.6	4.5	4.6
1,000 or more employees.	29.7	2.0	44.0	31.9	6.2	18.7	17.3	18.8	17.0	16.5	17.7	17.9	15.2	16.2	17.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>&</sup>lt;sup>1</sup> Share measures the percent of the category represented by each firm size class.

Table E. Average percentage share  $^{\scriptscriptstyle 1}$  of gross job gains and gross job losses by firm size, third quarter 1992–second quarter 2005, seasonally adjusted

(Percent)

				Firm siz	e class (n	umber of	employees	s)		
Category	Total	1 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 - 499	500 - 999	1,000 or more
Gross job gains Expanding firms Opening firms	100.0	14.3 6.9 51.6	11.5 10.6 16.0	11.9 12.0 11.7	14.3 15.1 9.9	9.1 10.0 4.3	9.8 11.1 3.1	5.9 6.8 1.4	4.9 5.7 0.9	18.3 21.7 1.2
Gross job losses  Contracting firms  Closing firms	100.0	14.6 7.5 49.0	11.8 11.1 15.5	12.2 12.3 11.7	14.4 15.2 10.3	9.1 9.9 4.9	9.7 10.8 4.0	5.8 6.7 1.8	4.8 5.6 1.2	17.7 21.0 1.6
Net change  Cumulative share of net cha	100.0	9.8 9.8	6.7 16.4	8.3 24.8	12.4 37.2	9.5 46.7	11.8 58.5	7.4 65.9	5.9 71.8	28.2 100.0

<sup>&</sup>lt;sup>1</sup> Share measures the percent of the category represented by each firm size class.

Chart 3. Share of total quarterly gross job gains, gross job losses, and net employment change by firm size, March - June 2005, seasonally adjusted

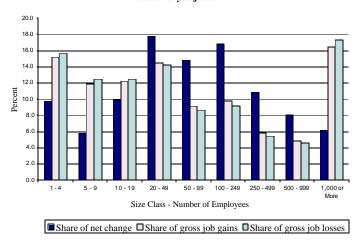
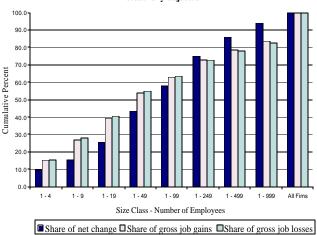


Chart 4. Cumulative share of total quarterly gross job gains, gross job losses, and net employment change by firm size, March - June 2005, seasonally adjusted



#### More Information

Additional information on gross job gains and gross job losses are available at the Business Employment Dynamics Web page on the BLS Web site at http://www.bls.gov/bdm/. This information includes data on the levels and rates of gross job gains and gross job losses by firm size class, the 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 size class, and frequently asked questions on size class 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.

# Comparing Business Employment Dynamics Data with Current Employment Statistics and Quarterly Census of Employment and Wages Data

The net change in employment from Business Employment Dynamics (BED) data series will not match the net change in employment from the monthly Current Employment Statistics (CES) survey. The CES estimates are based on monthly surveys from a sample of establishments, while gross job gains and gross job losses are based on a quarterly census of administrative records. In addition, the CES has a different coverage, excluding the agriculture sector but including establishments not covered by the unemployment insurance program. The net over-the-quarter changes derived by aggregating component series in the BED data may be different from the net employment change estimated from the CES seasonally adjusted total 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 CES data.

BED data have a more limited scope than the Quarterly Census of Employment and Wages (QCEW) data. The data in this release, in contrast to the QCEW data, exclude government employees, private households (NAICS 814110), and establishments with zero employment. See the Technical Note for further information.

## **Technical Note**

The Business Employment Dynamics (BED) data are a product of a federal-state cooperative program known as Quarterly Census of Employment and Wages (QCEW), or the ES-202 program. The BED data are compiled by the U.S. Bureau of Labor Statistics (BLS) from existing quarterly state unemployment insurance (UI) records. Most employers in the U.S. are required to file quarterly reports on the employment and wages of workers covered by UI laws, and to pay quarterly UI taxes. The quarterly UI reports are sent by the State Workforce Agencies (SWAs) to BLS and form the basis of the Bureau's establishment universe sampling frame. These reports also are used to produce the quarterly QCEW data on total employment and wages and the longitudinal BED data on gross job gains and losses. Other important BLS uses of the UI reports are in the Current Employment Statistics (CES)

program. (See table below for differences between QCEW, CES, and BED.)

In the BED program, the quarterly UI records are linked across quarters to provide a longitudinal history for each establishment. The linkage process allows the tracking of net employment changes at the establishment level, which in turn allows the estimation of jobs gained at opening and expanding establishments and jobs lost at closing and contracting establishments.

## Differences between QCEW, BED, and CES employment measures

The BLS publishes three different establishment-based employment measures for any given quarter. Each of these measures—QCEW, BED, and CES—makes use of the quarterly

#### Summary of Major Differences between QCEW, BED, and CES Employment Measures

	QCEW	BED	CES
Source	Count of UI administrative records submitted by 8.6 million establish- ments	Count of longitudinally-linked UI administrative records submitted by 6.7 million private sector employers	• Sample survey: 400,000 establishments
Coverage	• UI and UCFE coverage, including all employers subject to state and federal UI laws	UI coverage, excluding government, private households, and establishments with zero employment	Nonfarm wage and salary jobs:  • UI coverage, excluding agriculture, private households, and self-employed workers  • Other employment, including railroads, religious organizations, and other non-UI-covered jobs
Publication frequency	Quarterly     7 months after the end of each quarter	• Quarterly - 8 months after the end of each quarter	Monthly     Usually first Friday of following month
Use of UI file	Directly summarizes and publishes each new quarter of UI data	Links each new UI quarter to longitudinal database and directly summarizes gross job gains and losses	• Uses UI file as a sampling frame and annually realigns (benchmarks) sample estimates to first quarter UI levels
Principal products	• Provides a quarterly and annual universe count of establishments, employment, and wages at the county, MSA, state, and national levels by detailed industry	Provides quarterly employer dynamics data on establishment openings, closings, expansions, and contractions at the national level by NAICS supersectors and by size of firm  Future expansions will include data at the county, MSA, and state level	Provides current monthly estimates of employment, hours, and earnings at the MSA, state, and national level by industry
Principal uses	Major uses include:     Detailed locality data     Periodic universe counts for benchmarking sample survey estimates     Sample frame for BLS establishment surveys	Major uses include:     Business cycle analysis     Analysis of employer dynamics underlying economic expansions and contractions     An analysis of employment expansion and contractions by size of firm	Major uses include:     Principal national economic indicator     Official time series for employment change measures     Input into other major economic indicators
Program Web sites	• www.bls.gov/cew/	• www.bls.gov/bdm/	• www.bls.gov/ces/

UI employment reports in producing data; however, each measure has a somewhat different universe coverage, estimation procedure, and publication product.

Differences in coverage and estimation methods can result in somewhat different measures of over-the-quarter employment change. It is important to understand program differences and the intended uses of the program products. (See table on previous page.) Additional information on each program can be obtained from the program Web sites shown in the table.

#### Coverage

Employment and wage data for workers covered by state UI and Unemployment Compensation for Federal Employees (UCFE) laws are compiled from quarterly contribution reports submitted to the SWAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location of their establishments. These reports are based on place of employment rather than place of residence. UI and UCFE coverage is broad and basically comparable from state to state.

Major exclusions from UI coverage are self-employed workers, religious organizations, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Gross job gains and gross job losses in this release are derived from longitudinal histories of over 6.7 million private sector employer reports out of 8.6 million total reports of employment and wages submitted by states to BLS in the second quarter of 2005. Gross job gains and gross job losses data in this release do not report estimates for government employees or private households (NAICS 814110), and do not include establishments with zero employment over three quarters. Data from Puerto Rico and the Virgin Islands also are excluded from the national data. As an illustration, the table below shows, in millions of establishments, the number of establishments excluded from the gross job gains and gross job losses data in the second quarter of 2005:

## Number of active establishments included in Business Employment Dynamics data

		Millions
Total establish	nments QCEW program	8.6
Excluded:	Public sector	0.3
	Private households	0.5
	Zero employment	1.0
	Establishments in Puerto Rico	
	and the Virgin Islands	0.1
Total establish	nments included in Business	
Employmen	t Dynamics data	6.7

#### Unit of analysis

Establishments are used in the tabulation of the BED statistics by industry and firms are used in the tabulation of the BED size class statistics. An establishment is defined as an economic unit that produces goods or services, usually at a single physical location, and engages in one or predominantly one activity. A firm is a legal business, either corporate or otherwise, and may consist of several establishments. Firmlevel data are compiled based on an aggregation of establishments under common ownership by a corporate parent using employer tax identification numbers. The firmlevel aggregation, which is consistent with the role of corporations as the economic decision makers, is used for the measurement of the BED data elements by size class.

Because of the difference in the unit of analysis, total gross job gains and gross job losses by size class are lower than total gross job gains and gross job losses by industry, as some establishment gains and losses within a firm are offset during the aggregation process. However, the total net changes in employment are the same for not seasonally adjusted data and are similar for seasonally adjusted data.

#### Concepts and methodology

The Business Employment Dynamics data measure the net change in employment at the establishment or firm level. These changes come about in one of four ways. A net increase in employment can come from either *opening units* or *expanding units*. A net decrease in employment can come from either *closing units or contracting units*. Gross job gains include the sum of all jobs added at either opening or expanding units. Gross job losses include the sum of all jobs lost in either closing or contracting units. The net change in employment is the difference between gross job gains and gross job losses.

The formal definitions of employment changes are as follows:

Openings. These are either units with positive third-month employment for the first time in the current quarter, with no links to the prior quarter, or with positive third-month employment in the current quarter following zero employment in the previous quarter.

*Expansions*. These are units with positive employment in the third month in both the previous and current quarters, with a net increase in employment over this period.

*Closings*. These are units with positive third-month employment in the previous quarter, with no employment or zero employment reported in the current quarter.

*Contractions*. These are units with positive employment in the third month in both the previous and current quarters, with a net decrease in employment over this period.

All establishment-level employment changes are measured from the third month of each quarter. Not all establishments and firms change their employment levels. Units with no change in employment count towards estimates of total employment, but not for levels of gross job gains and gross job losses.

Gross job gains and gross job losses are expressed as rates by dividing their levels by the average of employment in the current and previous quarters. This provides a symmetric growth rate. The rates are calculated for the components of gross job gains and gross job losses and then summed to form their respective totals. These rates can be added and subtracted just as their levels can. For instance, the difference between the gross job gains rate and the gross job losses rate is the net growth rate.

#### Linkage methodology

Prior to the measurement of gross job gains and gross job losses, QCEW records are linked across two quarters. The linkage process matches establishments' unique SESA identification numbers (SESA-ID). Between 95 to 97 percent of establishments identified as continuous from quarter to quarter are matched by SESA-ID. The rest are linked in one of three ways. The first method uses predecessor and successor information, identified by the states, which relates records with different SESA-IDs across quarters. Predecessor and successor relations can come about for a variety of reasons, including a change in ownership, a firm restructuring, or a UI account restructuring. If a match cannot be attained in this manner, a probability-based match is used. This match attempts to identify two establishments with different SESA-IDs as continuous. The match is based upon comparisons such as the same name, address, and phone number. Third, an analyst examines unmatched records individually and makes a possible match.

In order to ensure the highest possible quality of data, SWAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting also are introduced in the first quarter.

#### Sizing methodology

The method of dynamic sizing is used in calculations for the BED size-class data series. Dynamic sizing allocates each firm's employment gain or loss during a quarter to each respective size class in which the change occurred. For example, if a firm grew from 2 employees in quarter 1 to 38 employees in quarter 2, then, of the 36-employee increase, 2 would be allocated to the first size class, 5 to the size class 5 to 9, 10 to size class 10 to 19, and 19 to size class 20 to 49.

Dynamic sizing provides symmetrical firm-size estimates and eliminates any systematic effects which may be caused by the transitory and reverting changes in firms' sizes over time. Additionally, it allocates each job gain or loss to the actual size class where it occurred.

#### Seasonal adjustment

Over the course of a year, the levels of employment and the associated job flows undergo sharp fluctuations due to such seasonal events as changes in the weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large.

Because these seasonal events follow a more or less regular pattern each year, their influence can be eliminated by adjusting these statistics from quarter to quarter. These adjustments make nonseasonal developments, such as declines in economic activity, easier to recognize. For example, the large number of youths taking summer jobs is likely to obscure other changes that have taken place in June relative to March, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figures provide a more useful tool with which to analyze changes in economic activity.

The employment data series for opening, expanding, closing, and contracting units are independently seasonally adjusted; net changes are calculated based on the difference between gross job gains and gross job losses. Similarly, for industry data, the establishment counts data series for opening, expanding, closing, and contracting establishments are independently adjusted, and the net changes are calculated based on the difference between the number of opening and closing establishments. Additionally, establishment and employment levels are independently seasonally adjusted to calculate the seasonally adjusted rates. Concurrent seasonal adjustment is run using X-12 ARIMA. Seasonally adjusted data series for the total private sector are calculated by summing the seasonally adjusted data for all sectors, including the unclassified sector, which is not published separately.

The net over-the-quarter change derived by summing the BED component series will differ from the net employment change estimated from the seasonally adjusted total private employment series from the CES program. The intended use of BED statistics is to show the dynamic labor market changes that underlie the net employment change statistic. As such, data users interested particularly in the net employment change and not in the gross job flows underlying this change should refer to CES data for over-the-quarter net employment changes.

#### Reliability of the data

Since the data series on Business Employment Dynamics are based on administrative rather than sample data, there are no issues related to sampling error. Nonsampling error, however, still exists. Nonsampling errors can occur for many

reasons, such as the employer submitting corrected employment data after the end of the quarter or typographical errors made by businesses when providing information. Such errors, however, are likely to be distributed randomly throughout the dataset.

Changes in administrative data sometimes create complications for the linkage process. This can result in overstating openings and closings while understating expansions and contractions. The BLS continues to refine methods for improving the linkage process to alleviate the effects of these complications.

The BED data series are subject to periodic minor changes based on corrections in QCEW records, updates on predecessors and successors information, and seasonal adjustment revisions.

#### Additional statistics and other information

Several other programs within BLS produce closely related information. The QCEW program, also known as the ES-202

program, provides both quarterly and annual estimates of employment by state, county, and detailed industry. News releases on quarterly county employment and wages are available upon request from the Division of Administrative Statistics and Labor Turnover, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212; telephone 202-691-6567; (http://www.bls.gov/cew/); (e-mail: QCEWInfo@bls.gov).

The CES program produces monthly estimates of employment, its net change, and earnings by detailed industry. These estimates are part of the Employment Situation report put out monthly by BLS.

The Job Openings and Labor Turnover Survey (JOLTS) program provides monthly measures of job openings, as well as employee hires and separations.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral number: 1-800-877-8339.

Table 1. Private sector gross job gains and job losses, seasonally adjusted (In thousands)

(In thousan	us)			Gross job gains			Gross job losses	
Year	3 months ended	Net change 1	Total	Expanding establishments	Opening establishments	Total	Contracting establishments	Closing establishments
1992	September	455	7,377	5,632	1,745	6,922	5,351	1,571
1002	December	216	7,101	5,465	1,636	6,885	5,487	1,398
1993	March	313	7,309	5,410	1,899	6,996	5,354	1,642
	June	786	7,330	5,794	1,536	6,544	5,136	1,408
	September	874	7,523	5,881	1,642	6,649	5,316	1,333
	December	641	7,436	5,840	1,596	6,795	5,420	1,375
1994	March	517	7,400	5,807	1,593	6,883	5,435	1,448
	June	1,021	7,807	6,060	1,747	6,786	5,295	1,491
	September	1,175	7,972	6,227	1,745	6,797	5,493	1,304
	December	507	7,630	5,998	1,632	7,123	5,647	1,476
1995	March	746	7,782	6,129	1,653	7,036	5,660	1,376
	June	402	7,714	6,017	1,697	7,312	5,839	1,473
	September	771	7,970	6,291	1,679	7,199	5,680	1,519
	December	407	7,877	6,153	1,724	7,470	5,934	1,536
1996	March	460	7,943	6,190	1,753	7,483	5,957	1,526
	June	642	8,080	6,302	1,778	7,438	5,894	1,544
	September	632	8,189	6,326	1,863	7,557	5,998	1,559
	December	861	8,278	6,409	1,869	7,417	5,889	1,528
1997	March	799	8,292	6,448	1,844	7,493	5,900	1,593
	June	594	8,098	6,342	1,756	7,504	5,925	1,579
	September	854	8,593	6,680	1,913	7,739	5,981	1,758
	December	702	8,731	6,727	2,004	8,029	6,068	1,961
1998	March	747	8,788	6,633	2,155	8,041	6,107	1,934
	June	666	8,722	6,569	2,153	8,056	6,218	1,838
	September	659	8,539	6,574	1,965	7,880	6,161	1,719
	December	759	8,576	6,778	1,798	7,817	6,060	1,757
1999	March	380	8,744	6,733	2,011	8,364	6,466	1,898
	June	569	8,800	6,788	2,012	8,231	6,419	1,812
	September	548	8,817	6,871	1,946	8,269	6,397	1,872
	December	1,105	9,144	7,112	2,032	8,039	6,264	1,775
2000	March	818	8,906	6,988	1,918	8,088	6,361	1,727
	June	541	8,764	6,975	1,789	8,223	6,509	1,714
	September	146	8,724	6,834	1,890	8,578	6,719	1,859
	December	336	8,690	6,862	1,828	8,354	6,582	1,772
2001	March	-101	8,555	6,768	1,787	8,656	6,756	1,900
	June	-771	8,254	6,439	1,815	9,025	7,149	1,876
	September	-1,380	7,749	5,990	1,759	9,129	7,174	1,955
	December	-871	7,893	6,055	1,838	8,764	6,995	1,769
2002	March	-1	8,128	6,324	1,804	8,129	6,400	1,729
	June	-80	8,050	6,246	1,804	8,130	6,411	1,719
	September	-211	7,763	6,083	1,680	7,974	6,345	1,629
	December	-175	7,702	6,059	1,643	7,877	6,267	1,610
2003	March	-404	7,472	5,932	1,540	7,876	6,321	1,555
	June	-142	7,560	6,033	1,527	7,702	6,138	1,564
	September	72	7,396	5,897	1,499	7,324	5,893	1,431
	December	344	7,646	6,063	1,583	7,302	5,816	1,486
2004	March	435	7,745	6,231	1,514	7,310	5,871	1,439
	June	594	7,857	6,292	1,565	7,263	5,726	1,537
	September	191	7,789	6,123	1,666	7,598	5,953	1,645
	December	869	8,081	6,365	1,716	7,212	5,727	1,485
2005	March	325	7,635	6,171	1,464	7,310	5,852	1,458
	June	574	7,932	6,311	1,621	7,358	5,873	1,485

 $<sup>^{\</sup>rm 1}\,$  Net change is the difference between total gross job gains and total gross job losses.

Table 2. Private sector gross job gains and losses, as a percent of employment<sup>1</sup>, seasonally adjusted (Percent)

(Percent)	1	1	ĺ	Gross job gains			Gross job losses	
Year	3 months ended	Net change 2	Total	Expanding	Opening	Total	Contracting	Closing
			Total	establishments	establishments	TOTAL	establishments	establishments
1992	September	0.5	8.3	6.3	2.0	7.8	6.0	1.8
	December	0.2	7.9	6.1	1.8	7.7	6.1	1.6
4000	Manah	0.0	0.4	0.0	0.4	7.0	0.0	4.0
1993	March June	0.3 0.8	8.1 8.1	6.0 6.4	2.1 1.7	7.8 7.3	6.0 5.7	1.8 1.6
	September	0.9	8.2	6.4	1.8	7.3	5.8	1.5
	December	0.6	8.0	6.3	1.7	7.4	5.9	1.5
1994	March	0.5	8.0	6.3	1.7	7.5	5.9	1.6
	June	1.1	8.4	6.5	1.9	7.3	5.7	1.6
	September	1.2	8.4	6.6	1.8	7.2	5.8	1.4
	December	0.6	8.0	6.3	1.7	7.4	5.9	1.5
1995	March	0.8	8.1	6.4	1.7	7.3	5.9	1.4
	June	0.5	8.0	6.2	1.8	7.5	6.0	1.5
	September	0.8	8.2	6.5	1.7	7.4	5.8	1.6
	December	0.4	8.1	6.3	1.8	7.7	6.1	1.6
1996	March	0.4	8.1	6.3	1.8	7.7	6.1	1.6
	June	0.6	8.2	6.4	1.8	7.6	6.0	1.6
	September	0.7	8.3	6.4	1.9	7.6	6.0	1.6
	December	0.9	8.3	6.4	1.9	7.4	5.9	1.5
1997	March	0.7	8.2	6.4	1.8	7.5	5.9	1.6
	June	0.5	7.9	6.2	1.7	7.4	5.8	1.6
	September	0.8	8.4	6.5	1.9	7.6	5.9	1.7
	December	0.6	8.4	6.5	1.9	7.8	5.9	1.9
1998	March	0.7	8.5	6.4	2.1	7.8	5.9	1.9
	June	0.6	8.4	6.3	2.1	7.8	6.0	1.8
	September December	0.7 0.7	8.2 8.1	6.3 6.4	1.9 1.7	7.5 7.4	5.9 5.7	1.6 1.7
1999	March	0.3	8.2	6.3	1.9	7.9	6.1	1.8
	June	0.6	8.3	6.4	1.9	7.7	6.0	1.7
	September December	0.5 1.1	8.2 8.5	6.4 6.6	1.8 1.9	7.7 7.4	6.0 5.8	1.7 1.6
2000	March	0.8	8.2	6.4	1.8	7.4	5.8	1.6
	June	0.4	7.9	6.3	1.6	7.5	5.9	1.6
	September December	0.1 0.3	7.9 7.9	6.2 6.2	1.7 1.7	7.8 7.6	6.1 6.0	1.7 1.6
2001	March June	-0.1	7.7 7.4	6.1	1.6	7.8	6.1	1.7 1.7
	September	-0.8 -1.3	7.4	5.8 5.5	1.6 1.6	8.2 8.4	6.5 6.6	1.7
	December	-0.8	7.3	5.6	1.7	8.1	6.5	1.6
2002	March	0.1	7.6	5.9	1.7	7.5	5.9	1.6
	June	-0.1	7.5	5.8	1.7	7.6	6.0	1.6
	September	-0.1	7.3	5.7	1.6	7.4	5.9	1.5
	December	-0.2	7.1	5.6	1.5	7.3	5.8	1.5
2003	March	-0.5	6.9	5.5	1.4	7.4	5.9	1.5
	June	-0.2	7.0	5.6	1.4	7.2	5.7	1.5
	September	0.1	6.9	5.5	1.4	6.8	5.5	1.3
	December	0.4	7.2	5.7	1.5	6.8	5.4	1.4
2004	March	0.4	7.2	5.8	1.4	6.8	5.5	1.3
	June	0.5	7.2	5.8	1.4	6.7	5.3	1.4
	September December	0.2 0.7	7.2 7.4	5.7 5.8	1.5 1.6	7.0 6.7	5.5 5.3	1.5 1.4
	December	0.7	7.4	5.0	1.0	0.7	5.5	1.4
2005	March	0.3	6.9	5.6 5.7	1.3	6.6	5.3	1.3
	June	0.6	7.2	5.7	1.5	6.6	5.3	1.3

<sup>&</sup>lt;sup>1</sup> The rates measure gross job gains and gross job losses as a percentage of the average of the previous and current employment.

<sup>&</sup>lt;sup>2</sup> See footnote 1, table 1.

Table 3. Private sector gross job gains and losses by industry, seasonally adjusted

	Gros	ross job gains and job losses (in thousands)  Gross job gains and losses as a percent of employment								
Category			3 months en	ded		-		3 months end	led	
	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005
Total private 1	7.057	7.700	0.001	7.625	7.022	7.0	7.0	7.4		7.0
Gross job gains	7,857	7,789 6,123	8,081 6,365	7,635 6,171	7,932 6,311	7.2	7.2 5.7	7.4 5.8	6.9	7.2 5.7
At expanding establishments At opening establishments	6,292 1,565	1,666	1,716	1,464	1,621	5.8 1.4	1.5	1.6	5.6 1.3	1.5
Gross job losses	7,263	7,598	7,212	7,310	7,358	6.7	7.0	6.7	6.6	6.6
At contracting establishments	5,726	5,953	5,727	5,852	5,873	5.3	5.5	5.3	5.3	5.3
At closing establishments	1,537	1,645	1,485	1,458	1,485	1.4	1.5	1.4	1.3	1.3
Net employment change	594	191	869	325	574	0.5	0.2	0.7	0.3	0.6
Goods-producing										
Gross job gains	1,696	1,667	1,734	1,720	1,713	7.4	7.3	7.6	7.5	7.4
At expanding establishments	1,444	1,403	1,440	1,454	1,445	6.3	6.1	6.3	6.3	6.2
At opening establishments	252	264	294	266	268	1.1	1.2	1.3	1.2	1.2
Gross job losses	1,647	1,691	1,637	1,686	1,679	7.2	7.4	7.1	7.3	7.3
At contracting establishments	1,334	1,366	1,340	1,371	1,381	5.8	6.0	5.8	5.9	6.0
At closing establishments	313 49	325 -24	297 97	315 34	298 34	0.2	1.4 -0.1	1.3 0.5	1.4 0.2	1.3 0.1
Net employment change  Natural resources and mining	49	-24	91	34	34	0.2	-0.1	0.5	0.2	0.1
Gross job gains	283	271	296	307	288	16.8	16.3	17.6	17.8	16.7
At expanding establishments	243	230	244	258	247	14.4	13.8	14.5	15.0	14.3
At opening establishments	40	41	52	49	41	2.4	2.5	3.1	2.8	2.4
Gross job losses	282	290	275	284	285	16.7	17.4	16.4	16.5	16.5
At contracting establishments	235	243	233	233	243	13.9	14.6	13.9	13.5	14.1
At closing establishments	47	47	42	51	42	2.8	2.8	2.5	3.0	2.4
Net employment change	1	-19	21	23	3	0.1	-1.1	1.2	1.3	0.2
Construction										
Gross job gains	809	799	848	844	859	11.7	11.6	12.2	11.8	11.9
At expanding establishments	655	643	676	678	692	9.5	9.3	9.7	9.5	9.6
At opening establishments	154 779	156 789	172 747	166	167 786	2.2	2.3 11.4	2.5 10.7	2.3 11.3	2.3 10.9
Gross job losses At contracting establishments	609	616	592	806 642	786 617	11.3 8.8	8.9	8.5	9.0	8.6
At closing establishments	170	173	155	164	169	2.5	2.5	2.2	2.3	2.3
Net employment change	30	10	101	38	73	0.4	0.2	1.5	0.5	1.0
Manufacturing								- 1.0		
Gross job gains	604	597	590	569	566	4.2	4.2	4.1	4.0	4.0
At expanding establishments	546	530	520	518	506	3.8	3.7	3.6	3.6	3.6
At opening establishments	58	67	70	51	60	0.4	0.5	0.5	0.4	0.4
Gross job losses	586	612	615	596	608	4.1	4.2	4.3	4.2	4.3
At contracting establishments	490	507	515	496	521	3.4	3.5	3.6	3.5	3.7
At closing establishments	96	105	100	100	87	0.7	0.7	0.7	0.7	0.6
Net employment change	18	-15	-25	-27	-42	0.1	0.0	-0.2	-0.2	-0.3
Service-providing <sup>1</sup>										
Gross job gains	6,161	6,122	6,347	5,915	6,219	7.2	7.1	7.4	6.9	7.2
At expanding establishments	4,848	4,720	4,925	4,717	4,866	5.7	5.5	5.7	5.5 1.4	5.6
At opening establishments Gross job losses	1,313 5,616	1,402 5,907	1,422 5,575	1,198 5,624	1,353 5,679	1.5 6.6	1.6 6.9	1.7 6.5	6.5	1.6 6.6
At contracting establishments	4,392	4,587	4,387	4,481	4,492	5.2	5.4	5.1	5.2	5.2
At closing establishments	1,224	1,320	1,188	1,143	1,187	1.4	1.5	1.4	1.3	1.4
Net employment change	545	215	772	291	540	0.6	0.2	0.9	0.4	0.6
Wholesale trade										
Gross job gains	325	329	329	319	337	5.7	5.8	5.7	5.6	5.9
At expanding establishments	266	267	264	259	271	4.7	4.7	4.6	4.5	4.7
At opening establishments	59	62	65	60	66	1.0	1.1	1.1	1.1	1.2
Gross job losses	302	327	294	310	300	5.3	5.8	5.2	5.5	5.3
At contracting establishments	226	243	226	238	228	4.0	4.3	4.0	4.2	4.0
At closing establishments Net employment change	76 23	84	68	72	72 37	1.3	1.5 0.0	1.2	1.3	1.3
Retail trade	23		35	9	3/	0.4	0.0	0.5	0.1	0.6
Gross job gains	1,058	1,044	1,090	1,020	1,047	6.9	6.9	7.2	6.7	6.8
At expanding establishments	885	845	899	865	876	5.8	5.6	5.9	5.7	5.7
At expanding establishments  At opening establishments	173	199	191	155	171	1.1	1.3	1.3	1.0	1.1
			992	980	989	6.4	7.5	6.5	6.4	6.5
Gross job losses	974	1,126	222	700						
	974 820	920	834	836	841	5.4	6.1	5.5	5.5	5.5
Gross job losses										

See footnote at end of table.

Table 3. Private sector gross job gains and losses by industry, seasonally adjusted--Continued

	Gross	s job gains ar	-		s)	Gross job	-	sses as a perc		yment
Category	June 2004		3 months end Dec. 2004		June 2005	Juna 2004	Sept. 2004	3 months end Dec. 2004	ded Mar. 2005	June 2005
Transportation and warehousing	Julie 2004	Зерг. 2004	Dec. 2004	Mai. 2003	Julie 2003	Julie 2004	Зерг. 2004	Dec. 2004	Mai. 2003	Julie 2003
Gross job gains	241	244	255	243	248	6.0	6.0	6.3	5.9	6.0
At expanding establishments	202	203	211	205	203	5.0	5.0	5.2	5.0	4.9
At opening establishments	39	41	44	38	45	1.0	1.0	1.1	0.9	1.1
Gross job losses	236	235	217	231	262	5.9	5.8	5.3	5.6	6.4
At contracting establishments	192	190	171	180	212	4.8	4.7	4.2	4.4	5.2
At closing establishments	44	45	46	51	50	1.1	1.1	1.1	1.2	1.2
Net employment change	5	9	38	12	-14	0.1	0.2	1.0	0.3	-0.4
Utilities	12	1.4	1.1	1.5	1.5	2.2	2.5	2.0	2.7	2.0
Gross job gains	13 11	14 13	11 10	15 13	15 13	2.3 1.9	2.5 2.3	2.0 1.8	2.7 2.3	2.8 2.4
At expanding establishments  At opening establishments	2	13	10	2	2	0.4	0.2	0.2	0.4	0.4
Gross job losses	14	16	15	15	18	2.5	2.8	2.7	2.7	3.2
At contracting establishments	12	13	13	13	15	2.1	2.3	2.3	2.3	2.7
At closing establishments	2	3	2	2	3	0.4	0.5	0.4	0.4	0.5
Net employment change	-1	-2	-4	0	-3	-0.2	-0.3	-0.7	0.0	-0.4
Information										
Gross job gains	151	163	188	143	155	4.8	5.3	6.1	4.6	5.1
At expanding establishments	125	135	152	120	126	4.0	4.4	4.9	3.9	4.1
At opening establishments	26	28	36	23	29	0.8	0.9	1.2	0.7	1.0
Gross job losses	182	194	169	164	153	5.9	6.3	5.5	5.3	5.0
At contracting establishments	146	148	124	123	119	4.7	4.8	4.0	4.0	3.9
At closing establishments	36	46	45	41	34	1.2	1.5	1.5	1.3	1.1
Net employment change	-31	-31	19	-21	2	-1.1	-1.0	0.6	-0.7	0.1
Financial activities	4.51	4.60	407	450	45.5		<b>.</b>			
Gross job gains	461	469	497	452	475	5.9	5.9	6.3	5.6	5.9
At expanding establishments	362 99	364	373 124	354 98	369	4.6	4.6	4.7	4.4	4.6
At opening establishments Gross job losses	457	105 452	451	443	106 439	1.3 5.8	1.3 5.7	1.6 5.7	1.2 5.6	1.3 5.5
At contracting establishments	324	334	338	331	320	4.1	4.2	4.3	4.2	4.0
At closing establishments	133	118	113	112	119	1.7	1.5	1.4	1.4	1.5
Net employment change	4	17	46	9	36	0.1	0.2	0.6	0.0	0.4
Professional and business services				-						
Gross job gains	1,509	1,416	1,512	1,370	1,456	9.3	8.7	9.2	8.2	8.7
At expanding establishments	1,214	1,124	1,198	1,137	1,178	7.5	6.9	7.3	6.8	7.0
At opening establishments	295	292	314	233	278	1.8	1.8	1.9	1.4	1.7
Gross job losses	1,321	1,366	1,300	1,304	1,332	8.2	8.3	7.9	7.8	7.9
At contracting establishments	988	1,035	1,001	1,034	1,028	6.1	6.3	6.1	6.2	6.1
At closing establishments	333	331	299	270	304	2.1	2.0	1.8	1.6	1.8
Net employment change	188	50	212	66	124	1.1	0.4	1.3	0.4	0.8
Education and health services	7.50	252	000	7.11	000		4.5		4.5	4.0
Gross job gains	753	757	802	741	800	4.7	4.7	5.0	4.5	4.9
At expanding establishments At opening establishments	635 118	626 131	658 144	623 118	651 149	4.0 0.7	3.9 0.8	4.1 0.9	3.8 0.7	4.0 0.9
Gross job losses	696	704	647	704	701	4.3	4.4	4.0	4.3	4.3
At contracting establishments	560	562	521	570	567	3.5	3.5	3.2	3.5	3.5
At closing establishments	136	142	126	134	134	0.8	0.9	0.8	0.8	0.8
Net employment change	57	53	155	37	99	0.4	0.3	1.0	0.2	0.6
Leisure and hospitality										
Gross job gains	1,164	1,169	1,204	1,138	1,212	9.3	9.4	9.5	9.0	9.5
At expanding establishments	889	883	900	877	918	7.1	7.1	7.1	6.9	7.2
At opening establishments	275	286	304	261	294	2.2	2.3	2.4	2.1	2.3
Gross job losses	1,090	1,135	1,134	1,131	1,135	8.7	9.1	9.0	8.9	8.9
At contracting establishments	873	888	900	910	907	7.0	7.1	7.1	7.2	7.1
At closing establishments	217	247	234	221	228	1.7	2.0	1.9	1.7	1.8
Net employment change	74	34	70	7	77	0.6	0.3	0.5	0.1	0.6
Other services			***		200					0.1
Gross job gains	301	297	299	302	309	7.9	7.8	7.9	7.9	8.1
At expanding establishments	236	235	235	241	239	6.2	6.2	6.2	6.3	6.3
At opening establishments	65 304	62 308	64 310	61 297	70 300	1.7 8.0	1.6 8.2	1.7 8.2	1.6 7.8	1.8 7.8
Gross job losses At contracting establishments	235	237	241	297	234	6.2	6.3	8.2 6.4	7.8 6.1	6.1
At closing establishments	69	71	69	66	66	1.8	1.9	1.8	1.7	1.7
Net employment change	-3	-11	-11	5	9	-0.1	-0.4	-0.3	0.1	0.3
1.c. employment entinge	-5	-11	-11			-0.1	-0.7	-0.5	0.1	0.5

<sup>&</sup>lt;sup>1</sup> Includes unclassified sector, not shown separately.

Table 4. Private sector percentage share  $^1\!$  of gross job gains and gross job losses by firm size class, seasonally adjusted

Firm size class	<u> </u>		hares (percer		
Firm size class	June 2004	Sept. 2004	Dec. 2004	Mar. 2005	June 2005
Total private firms	June 2004	2004	200. 2004	2003	June 2003
Gross job gains	100.0	100.0	100.0	100.0	100.0
Expanding firms	100.0 100.0	100.0 100.0	100.0 100.0	100.0 100.0	100.0
Opening firms Gross job losses	100.0	100.0	100.0	100.0	100.0
Contracting firms	100.0	100.0	100.0	100.0	100.0
Closing firms	100.0	100.0	100.0	100.0	100.0
Net employment change	100.0	100.0	100.0	100.0	100.0
Size class 1–4 employees Gross job gains	14.4	15.2	15.2	15.5	15.2
Expanding firms	6.9	7.1	7.0	7.2	7.1
Opening firms	53.2	54.3	55.3	55.5	54.9
Gross job losses Contracting firms	15.3 7.6	15.3 7.4	15.5 7.9	16.1 8.0	15.7 7.8
Closing firms	53.4	52.9	51.7	55.1	54.7
Net employment change	4.4	9.8	13.4	2.7	9.7
Size class 5–9 employees					
Gross job gains	11.5 10.6	11.9 10.9	11.7 10.7	12.1 11.1	11.9 10.9
Expanding firms Opening firms	16.1	16.6	16.6	17.2	16.9
Gross job losses	12.3	12.1	12.6	12.6	12.5
Contracting firms	11.5	11.2	11.8	11.8	11.6
Closing firms	16.5	16.3	16.1	16.4	16.5
Net employment change Size class 10–19 employees	3.0	6.3	5.8	2.3	5.8
Gross job gains	11.9	12.0	11.9	12.3	12.2
Expanding firms	12.0	12.1	12.0	12.4	12.3
Opening firms	11.5	11.7	11.5	11.7	11.8
Gross job losses Contracting firms	12.4 12.6	12.3 12.5	12.7 13.0	12.7 13.0	12.4 12.7
Closing firms	11.6	11.4	11.5	11.1	11.3
Net employment change	7.1	5.4	6.4	5.0	9.9
Size class 20–49 employees	14.2	14.2	140	14.4	14.5
Gross job gains Expanding firms	14.3 15.2	14.2 15.2	14.0 15.1	14.4 15.5	14.5 15.6
Opening firms	9.3	9.5	8.9	8.9	9.2
Gross job losses	14.3	14.3	14.8	14.5	14.2
Contracting firms	15.2	15.3	16.0	15.8	15.3
Closing firms Net employment change	9.5 14.5	9.2 12.7	9.2 8.5	8.7 11.1	8.8 17.8
Size class 50–99 employees	15	12.7	0.5		17.0
Gross job gains	9.1	9.0	8.6	8.9	9.2
Expanding firms	10.1	10.0	9.7	10.0	10.3
Opening firms Gross job losses	3.7 8.7	3.8 8.7	3.6 9.2	3.4 8.8	3.5 8.7
Contracting firms	9.6	9.8	10.4	9.9	9.7
Closing firms	4.1	4.0	3.8	3.6	3.6
Net employment change	13.1	15.6	4.7	10.4	14.8
Size class 100–249 employees Gross job gains	9.6	9.8	9.3	9.5	9.8
Expanding firms	11.0	11.2	10.7	11.1	11.3
Opening firms	2.3	2.6	2.3	2.1	2.3
Gross job losses	9.2	9.2	9.6	9.1	9.2
Contracting firms Closing firms	10.5 2.9	10.5 3.2	11.0 2.8	10.5 2.8	10.5 2.6
Net employment change	13.8	25.4	7.1	17.1	16.9
Size class 250–499 employees					
Gross job gains	5.7	5.9	5.6	5.7	5.9
Expanding firms Opening firms	6.6 0.9	6.9 0.9	6.6 0.9	6.8 0.7	6.9 0.8
Gross job losses	5.6	5.5	5.8	5.4	5.4
Contracting firms	6.5	6.4	6.7	6.3	6.3
Closing firms	1.1	1.5	1.4	1.2	1.0
Net employment change Size class 500–999 employees	7.1	17.1	4.8	12.1	10.9
Gross job gains	4.8	4.7	4.7	4.6	4.9
Expanding firms	5.6	5.6	5.6	5.5	5.8
Opening firms	0.6	0.5	0.5	0.4	0.3
Gross job losses Contracting firms	4.5 5.4	4.7 5.5	4.6 5.4	4.4 5.2	4.6 5.4
Closing firms	0.5	0.8	1.0	0.7	0.7
Net employment change	7.3	5.9	5.3	7.4	8.1
Size class 1,000 or more employees					
Gross job gains	18.7	17.4	18.8	17.0	16.5
Expanding firms Opening firms	21.8 2.5	20.9 0.1	22.6 0.4	20.5 0.2	19.8 0.2
Gross job losses	17.7	17.9	15.2	16.2	17.4
Contracting firms	21.1	21.5	17.8	19.5	20.7
Closing firms	0.6	0.6	2.5	0.4	0.8
Net employment change	29.7	2.0	44.0	31.9	6.2

 $<sup>^{\</sup>rm 1}$  Share measures the percent of gross job gains, gross job losses, and net employment change represented by each firm size class.