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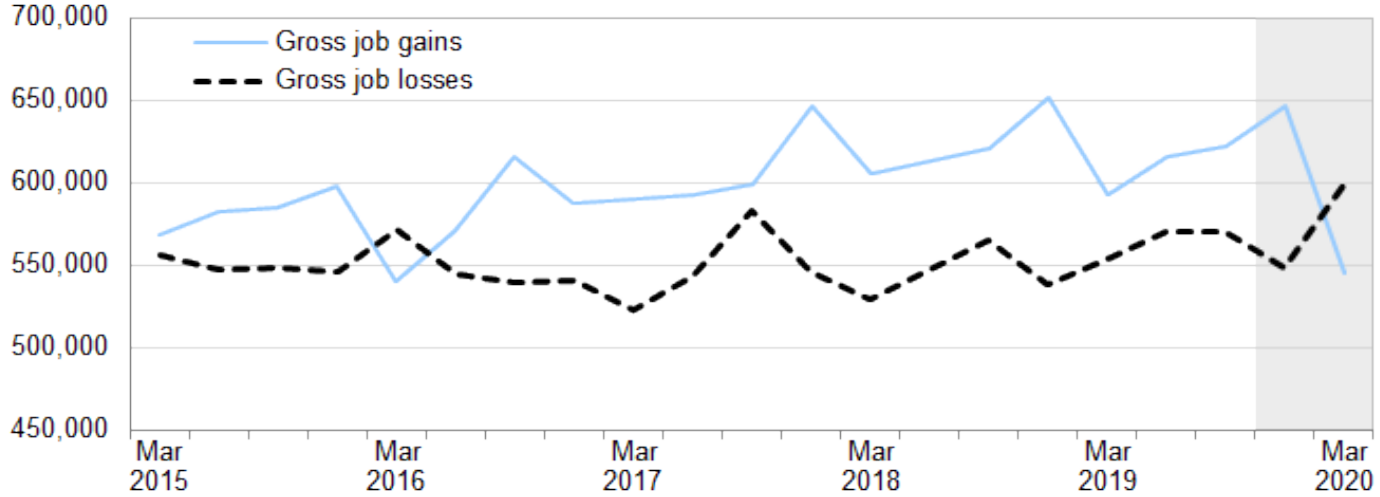
Business Employment Dynamics in Texas – First Quarter 2020

From December 2019 to March 2020, **gross job gains** from opening and expanding private-sector establishments in Texas totaled 544,673, while **gross job losses** from closing and contracting private-sector establishments numbered 598,020, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Michael Hirniak noted that the 598,020 gross job losses were the largest quarterly gross job loss in the state since the first quarter of 2009. During the first quarter of 2020, the difference between the number of gross job gains and the number of gross job losses yielded a **net employment loss** of 53,347 jobs in the private sector. During the previous quarter, gross job gains exceeded gross job losses by 97,951. (See chart 1.)

Chart 1. Private sector gross job gains and losses in Texas, March 2015–March 2020 by quarter, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.
Note: Shaded area represents NBER defined recession period.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all private businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private-sector establishments from the third month of one quarter to the third month of the next. The difference between the number of gross job gains and the number of gross job losses is the net change in employment. (See Technical Note.)

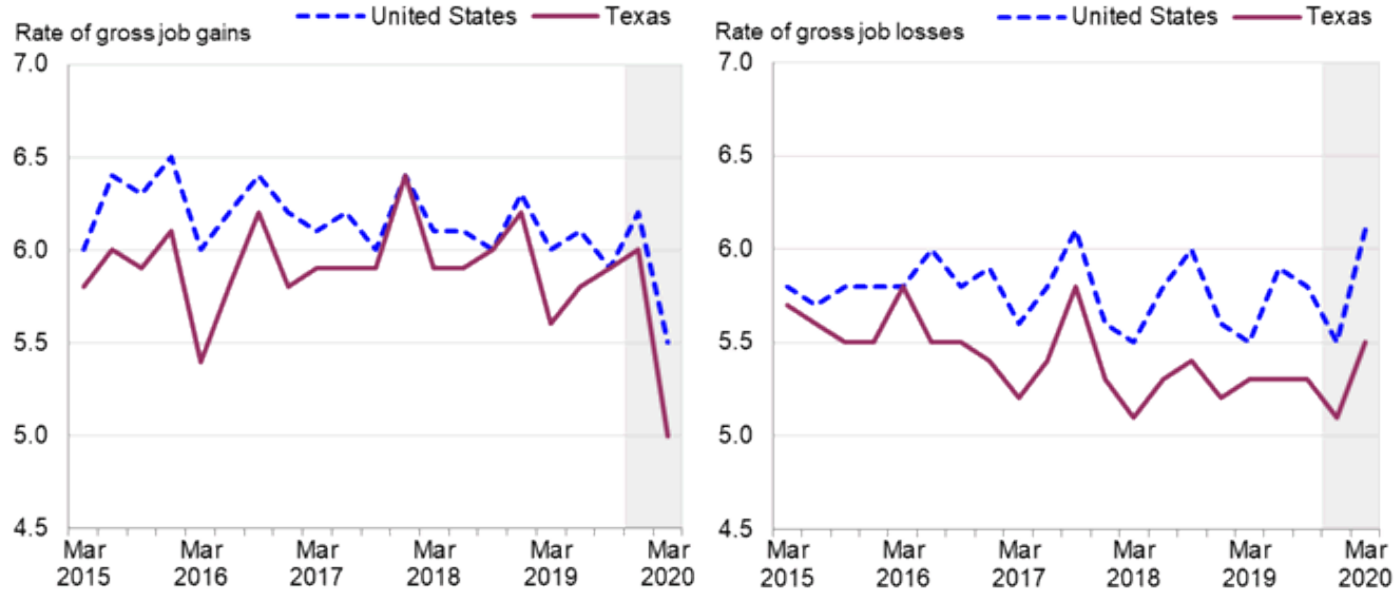
Gross job gains

In the first quarter of 2020, gross job gains represented 5.0 percent of private-sector employment in Texas; nationally, gross job gains accounted for 5.5 percent of private-sector employment. (See chart 2.) Gross job gains are the sum of increases in employment due to expansions at existing establishments and the addition of new jobs at opening establishments. In Texas, gross job gains at **expanding** establishments totaled 445,176 in the first quarter of 2020, a decrease of 80,248 jobs compared to the previous quarter. (See table 1.) **Opening** establishments accounted for 99,497 jobs gained in the first quarter of 2020, a decrease of 21,180 jobs from the previous quarter.

Gross job losses

In the first quarter of 2020, gross job losses represented 5.5 percent of private-sector employment in Texas. Nationally, gross job losses accounted for 6.1 percent of private-sector employment. (See chart 2.) Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. In Texas, **contracting** establishments lost 507,104 jobs in the first quarter of 2020, an increase of 57,251 jobs from the prior quarter. **Closing** establishments lost 90,916 jobs, a decrease of 7,381 jobs from the previous quarter.

Chart 2. Private sector gross job gains and losses as a percent of employment, United States and Texas, March 2015–March 2020, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.
Note: Shaded area represents NBER defined recession period.

Industries

During the first quarter of 2020, gross job losses exceeded gross job gains in 7 of the 11 industry sectors in Texas. Leisure and hospitality had the largest over-the-quarter net job decrease, with a loss of 39,734 jobs. This was the result of 118,134 gross job losses and 78,400 gross job gains. The transportation and warehousing sector had a net loss of 13,346 jobs. Education and health services saw a net gain of 2,732 jobs, the largest of any sector in the state. Texas's financial activities sector had a net gain of 1,845 jobs.

For more information

The BED data series include gross job gains and gross job losses by industry subsector, for the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, as well as gross job gains and gross job losses at the firm level by employer size class. BED data for the states have been included in table 2 of this release. Additional information is available online at www.bls.gov/bdm/.

The Business Employment Dynamics release for Second Quarter 2020 is scheduled to be released on Wednesday, January 27, 2021.

Coronavirus (COVID-19) Effect on First Quarter 2020 Business Employment Dynamics

Data collection and processing methods have been impacted because of the COVID-19 pandemic. More detail can be found at www.bls.gov/covid19/effects-of-covid-19-pandemic-on-business-employment-dynamics.htm.

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). The BED data are compiled by the U.S. Bureau of Labor Statistics (BLS) from existing QCEW records. Most employers in the U.S. are required to file quarterly reports on the employment and wages of workers covered by unemployment insurance (UI) laws, and to pay quarterly UI taxes. The QCEW is based largely on quarterly UI reports which are sent by businesses to the State Workforce Agencies (SWAs). These UI reports are supplemented by two additional BLS data collections to render administrative data into economic statistics. Together these data comprise the QCEW and form the basis of the Bureau's establishment universe sampling frame.

In the BED program, the QCEW 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 units and jobs lost at closing and contracting units.

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 establishments 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 establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross jobs gained and the number of gross jobs lost is the net change in employment.

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. 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.

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 either 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.

The full Technical Note for the Business Employment Dynamics program, which includes information on coverage, concepts, and methodology, can be found in the current quarterly news release online at www.bls.gov/news.release/cewbd.htm.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Private sector gross job gains and losses by industry, Texas, seasonally adjusted

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020
Total private [1]										
Gross job gains	593,214	616,107	621,816	646,101	544,673	5.6	5.8	5.9	6.0	5.0
At expanding establishments	487,757	509,768	517,558	525,424	445,176	4.6	4.8	4.9	4.9	4.1
At opening establishments	105,457	106,339	104,258	120,677	99,497	1.0	1.0	1.0	1.1	0.9
Gross job losses	553,074	570,355	569,866	548,150	598,020	5.3	5.3	5.3	5.1	5.5
At contracting establishments	471,808	470,569	470,153	449,853	507,104	4.5	4.4	4.4	4.2	4.7
At closing establishments	81,266	99,786	99,713	98,297	90,916	0.8	0.9	0.9	0.9	0.8
Net employment change [2]	40,140	45,752	51,950	97,951	-53,347	0.3	0.5	0.6	0.9	-0.5
Construction										
Gross job gains	61,180	60,607	60,317	60,295	56,353	8.0	7.9	7.8	7.7	7.2
At expanding establishments	52,775	52,717	53,230	52,237	48,500	6.9	6.9	6.9	6.7	6.2
At opening establishments	8,405	7,890	7,087	8,058	7,853	1.1	1.0	0.9	1.0	1.0
Gross job losses	51,126	54,868	52,481	56,811	60,446	6.7	7.2	6.8	7.2	7.8
At contracting establishments	44,214	47,329	45,496	49,565	53,574	5.8	6.2	5.9	6.3	6.9
At closing establishments	6,912	7,539	6,985	7,246	6,872	0.9	1.0	0.9	0.9	0.9
Net employment change [2]	10,054	5,739	7,836	3,484	-4,093	1.3	0.7	1.0	0.5	-0.6
Manufacturing										
Gross job gains	31,525	32,893	29,669	30,970	28,321	3.5	3.6	3.3	3.5	3.1
At expanding establishments	28,500	29,788	26,477	27,684	24,414	3.2	3.3	2.9	3.1	2.7
At opening establishments	3,025	3,105	3,192	3,286	3,907	0.3	0.3	0.4	0.4	0.4
Gross job losses	28,087	28,477	31,023	28,966	30,754	3.1	3.1	3.5	3.2	3.4
At contracting establishments	25,191	24,871	26,848	25,219	27,330	2.8	2.7	3.0	2.8	3.0
At closing establishments	2,896	3,606	4,175	3,747	3,424	0.3	0.4	0.5	0.4	0.4
Net employment change [2]	3,438	4,416	-1,354	2,004	-2,433	0.4	0.5	-0.2	0.3	-0.3
Wholesale trade										
Gross job gains	26,123	26,648	25,830	26,484	23,344	4.3	4.4	4.3	4.3	3.8
At expanding establishments	21,170	22,673	21,163	21,622	19,448	3.5	3.7	3.5	3.5	3.2
At opening establishments	4,953	3,975	4,667	4,862	3,896	0.8	0.7	0.8	0.8	0.6
Gross job losses	22,259	24,243	25,586	22,958	23,209	3.7	4.0	4.2	3.8	3.8
At contracting establishments	17,912	18,915	20,038	18,170	18,703	3.0	3.1	3.3	3.0	3.1
At closing establishments	4,347	5,328	5,548	4,788	4,506	0.7	0.9	0.9	0.8	0.7
Net employment change [2]	3,864	2,405	244	3,526	135	0.6	0.4	0.1	0.5	0.0
Retail trade										
Gross job gains	69,204	69,458	72,974	72,599	67,226	5.2	5.2	5.5	5.5	5.1
At expanding establishments	60,866	59,967	63,349	64,131	60,608	4.6	4.5	4.8	4.9	4.6
At opening establishments	8,338	9,491	9,625	8,468	6,618	0.6	0.7	0.7	0.6	0.5
Gross job losses	71,276	74,422	71,793	66,798	67,860	5.4	5.7	5.5	5.1	5.1
At contracting establishments	63,319	64,386	61,755	57,920	60,755	4.8	4.9	4.7	4.4	4.6
At closing establishments	7,957	10,036	10,038	8,878	7,105	0.6	0.8	0.8	0.7	0.5
Net employment change [2]	-2,072	-4,964	1,181	5,801	-634	-0.2	-0.5	0.0	0.4	0.0
Transportation and warehousing										
Gross job gains	27,262	27,856	30,323	48,785	22,894	5.4	5.5	5.9	9.3	4.3
At expanding establishments	23,603	23,787	25,150	37,713	19,932	4.7	4.7	4.9	7.2	3.7
At opening establishments	3,659	4,069	5,173	11,072	2,962	0.7	0.8	1.0	2.1	0.6
Gross job losses	31,468	22,829	22,866	23,356	36,240	6.3	4.5	4.5	4.5	6.8
At contracting establishments	28,950	19,122	19,584	19,804	32,908	5.8	3.8	3.9	3.8	6.2
At closing establishments	2,518	3,707	3,282	3,552	3,332	0.5	0.7	0.6	0.7	0.6
Net employment change [2]	-4,206	5,027	7,457	25,429	-13,346	-0.9	1.0	1.4	4.8	-2.5
Information										
Gross job gains	9,905	11,344	9,776	10,338	9,451	4.8	5.4	4.7	5.0	4.4
At expanding establishments	8,618	9,915	8,127	8,673	7,884	4.2	4.7	3.9	4.2	3.7
At opening establishments	1,287	1,429	1,649	1,665	1,567	0.6	0.7	0.8	0.8	0.7
Gross job losses	8,020	9,385	11,102	9,492	11,364	3.9	4.5	5.3	4.5	5.3

Note: See footnotes at end of table.

Table 1. Private sector gross job gains and losses by industry, Texas, seasonally adjusted - Continued

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020
At contracting establishments	6,966	7,735	9,780	7,993	8,950	3.4	3.7	4.7	3.8	4.2
At closing establishments	1,054	1,650	1,322	1,499	2,414	0.5	0.8	0.6	0.7	1.1
Net employment change (2)	1,885	1,959	-1,326	846	-1,913	0.9	0.9	-0.6	0.5	-0.9
Financial activities										
Gross job gains	35,401	38,973	38,164	36,561	32,905	4.6	5.1	4.9	4.7	4.2
At expanding establishments	27,562	30,789	28,975	27,951	26,663	3.6	4.0	3.7	3.6	3.4
At opening establishments	7,839	8,184	9,189	8,610	6,242	1.0	1.1	1.2	1.1	0.8
Gross job losses	31,659	32,480	31,288	31,752	31,060	4.1	4.2	4.1	4.1	3.9
At contracting establishments	24,778	24,090	23,093	24,017	24,733	3.2	3.1	3.0	3.1	3.1
At closing establishments	6,881	8,390	8,195	7,735	6,327	0.9	1.1	1.1	1.0	0.8
Net employment change (2)	3,742	6,493	6,876	4,809	1,845	0.5	0.9	0.8	0.6	0.3
Professional and business services										
Gross job gains	114,519	125,398	126,706	123,958	107,530	6.5	7.1	7.0	6.9	6.0
At expanding establishments	92,905	104,074	104,615	100,903	88,308	5.3	5.9	5.8	5.6	4.9
At opening establishments	21,614	21,324	22,091	23,055	19,222	1.2	1.2	1.2	1.3	1.1
Gross job losses	110,716	109,509	110,808	108,229	106,341	6.3	6.1	6.2	6.0	5.8
At contracting establishments	92,638	85,701	88,333	86,077	87,340	5.3	4.8	4.9	4.8	4.8
At closing establishments	18,078	23,808	22,475	22,152	19,001	1.0	1.3	1.3	1.2	1.0
Net employment change (2)	3,803	15,889	15,898	15,729	1,189	0.2	1.0	0.8	0.9	0.2
Education and health services										
Gross job gains	73,745	77,066	79,191	82,466	69,662	4.5	4.6	4.7	4.9	4.1
At expanding establishments	61,178	64,356	66,717	69,251	57,384	3.7	3.8	4.0	4.1	3.4
At opening establishments	12,567	12,710	12,474	13,215	12,278	0.8	0.8	0.7	0.8	0.7
Gross job losses	65,952	69,482	72,411	67,503	66,930	4.0	4.2	4.3	4.0	3.9
At contracting establishments	54,670	56,824	58,360	51,702	55,023	3.3	3.4	3.5	3.1	3.2
At closing establishments	11,282	12,658	14,051	15,801	11,907	0.7	0.8	0.8	0.9	0.7
Net employment change (2)	7,793	7,584	6,780	14,963	2,732	0.5	0.4	0.4	0.9	0.2
Leisure and hospitality										
Gross job gains	97,190	97,805	104,778	104,519	78,400	7.0	7.0	7.5	7.4	5.6
At expanding establishments	75,540	76,479	84,657	80,817	60,190	5.4	5.5	6.1	5.7	4.3
At opening establishments	21,650	21,326	20,121	23,702	18,210	1.6	1.5	1.4	1.7	1.3
Gross job losses	89,495	99,519	94,381	83,183	118,134	6.4	7.2	6.8	5.9	8.4
At contracting establishments	78,182	84,318	79,042	69,732	100,976	5.6	6.1	5.7	4.9	7.2
At closing establishments	11,313	15,201	15,339	13,451	17,158	0.8	1.1	1.1	1.0	1.2
Net employment change (2)	7,695	-1,714	10,397	21,336	-39,734	0.6	-0.2	0.7	1.5	-2.8
Other services (3)										
Gross job gains	22,481	22,047	24,545	23,919	20,275	7.1	6.9	7.7	7.5	6.3
At expanding establishments	17,017	17,206	19,456	19,229	15,891	5.4	5.4	6.1	6.0	4.9
At opening establishments	5,464	4,841	5,089	4,690	4,384	1.7	1.5	1.6	1.5	1.4
Gross job losses	20,621	21,014	21,095	20,854	24,679	6.5	6.7	6.6	6.5	7.7
At contracting establishments	16,584	16,350	16,370	16,058	19,268	5.2	5.2	5.1	5.0	6.0
At closing establishments	4,037	4,664	4,725	4,796	5,411	1.3	1.5	1.5	1.5	1.7
Net employment change (2)	1,860	1,033	3,450	3,065	-4,404	0.6	0.2	1.1	1.0	-1.4

(1) Includes unclassified sector not shown separately.
(2) The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.
(3) Except public administration.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted

State	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020
United States [1]	6.0	6.1	5.9	6.2	5.5	5.5	5.9	5.8	5.5	6.1
Alabama	6.1	5.9	5.8	6.2	5.5	5.6	5.9	5.9	5.5	5.9
Alaska	10.1	10.7	9.6	10.3	9.2	9.0	10.1	10.1	10.2	9.5
Arizona	5.7	5.7	6.3	6.4	5.6	5.5	5.6	4.9	5.2	5.9
Arkansas	5.3	5.0	5.6	6.5	5.1	5.1	5.7	5.8	4.9	5.5
California	6.4	6.6	6.3	6.8	6.1	6.1	6.4	6.0	6.0	6.7
Colorado	6.6	7.0	6.6	6.7	6.3	6.3	6.2	6.4	6.2	7.0
Connecticut	5.3	5.8	5.5	5.5	5.2	5.7	5.8	5.8	5.6	5.9
Delaware	6.5	6.0	6.2	6.7	6.2	5.6	6.6	6.3	6.2	6.6
District of Columbia	5.5	5.4	5.5	5.4	5.2	5.0	5.5	5.3	4.7	5.3
Florida	6.2	6.5	6.6	6.6	5.4	5.6	6.3	5.8	5.9	6.2
Georgia	6.7	6.1	6.2	6.5	5.6	5.7	6.5	6.0	5.5	5.9
Hawaii	5.5	4.8	5.6	5.7	5.2	5.9	5.8	5.2	5.2	5.8
Idaho	7.5	7.1	7.0	7.7	7.6	6.1	6.7	6.8	6.3	6.1
Illinois	5.2	5.6	5.0	5.6	5.0	5.2	5.3	5.6	5.2	6.0
Indiana	5.8	5.1	5.4	6.0	4.9	4.8	5.9	5.6	5.1	6.0
Iowa	5.1	5.8	5.3	5.8	5.2	5.6	5.8	5.7	5.5	5.9
Kansas	5.6	5.7	5.6	6.3	5.4	5.7	5.8	5.7	5.7	6.0
Kentucky	5.8	5.8	5.9	6.2	5.3	5.5	6.0	5.7	5.6	6.1
Louisiana	6.1	6.2	5.9	5.9	5.3	6.1	6.5	6.1	5.7	6.3
Maine	7.5	7.4	6.5	7.3	6.4	6.7	7.4	7.3	6.9	7.0
Maryland	6.4	6.4	6.2	6.4	5.7	5.7	6.5	6.3	5.9	6.7
Massachusetts	6.1	6.0	5.3	5.8	5.2	5.2	5.6	5.9	5.6	6.0
Michigan	5.2	5.5	5.1	5.8	5.0	4.6	5.7	5.9	5.3	5.7
Minnesota	5.2	5.8	5.4	5.8	5.0	5.2	5.5	5.8	5.6	5.6
Mississippi	5.7	5.8	5.7	6.2	5.6	6.2	6.1	5.7	5.6	6.2
Missouri	5.4	5.7	5.8	6.2	5.2	5.3	5.8	5.8	5.3	5.7
Montana	7.6	8.1	7.4	8.6	7.7	8.1	7.7	7.7	7.2	7.7
Nebraska	5.7	5.7	5.7	6.2	5.8	5.7	5.7	5.5	5.8	6.1
Nevada	6.1	6.0	6.1	6.8	5.4	5.4	6.2	5.5	5.0	6.3
New Hampshire	6.4	6.4	5.8	6.6	6.0	5.7	6.3	6.6	6.0	6.4
New Jersey	5.7	6.2	6.0	6.5	5.7	5.7	5.9	6.2	5.8	6.3
New Mexico	6.7	6.3	6.8	7.0	6.1	5.8	6.5	6.1	6.3	6.5
New York	6.0	6.1	5.8	6.0	5.5	5.4	5.9	5.9	5.7	6.4
North Carolina	6.4	6.0	5.8	6.3	5.8	5.1	5.9	6.0	5.4	5.7
North Dakota	7.1	6.7	6.5	6.7	6.8	6.4	6.7	7.1	6.6	7.0
Ohio	5.6	5.7	5.3	5.7	5.1	5.2	5.7	5.9	5.3	5.6
Oklahoma	5.9	6.0	6.4	6.5	5.4	5.9	6.3	6.2	6.2	6.7
Oregon	6.4	6.3	6.2	6.7	6.2	5.8	6.1	6.2	5.8	6.5
Pennsylvania	5.2	5.3	5.2	5.4	4.9	4.8	5.4	5.1	4.9	5.6
Rhode Island	5.9	6.3	6.0	6.5	6.1	5.7	6.5	6.2	5.9	6.5
South Carolina	6.6	6.4	6.0	6.5	5.5	6.5	6.2	5.9	5.9	6.6
South Dakota	5.7	6.2	5.9	6.4	6.0	6.2	5.9	6.0	5.8	6.6
Tennessee	5.4	5.5	5.5	5.7	4.9	4.9	5.2	5.1	5.0	5.3
Texas	5.6	5.8	5.9	6.0	5.0	5.3	5.3	5.3	5.1	5.5
Utah	7.3	7.0	6.8	6.8	6.6	6.2	6.6	6.3	6.3	6.4
Vermont	6.9	7.1	6.3	6.9	5.8	6.3	7.1	7.6	6.4	7.6
Virginia	6.4	6.1	5.5	6.5	5.6	5.5	5.8	6.3	5.5	6.1
Washington	6.4	6.6	6.1	6.6	7.4	6.1	5.8	6.1	5.8	7.4
West Virginia	6.1	6.2	5.9	6.2	6.0	6.7	6.6	6.7	7.1	6.8
Wisconsin	5.2	5.5	4.8	5.4	5.0	4.9	5.3	5.9	5.0	5.3
Wyoming	9.0	8.5	8.6	9.4	8.6	7.8	9.5	8.9	8.7	9.3
Puerto Rico	7.2	6.4	5.9	5.4	5.0	5.2	5.8	5.5	4.9	5.2

Note: See footnotes at end of table.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted - Continued

State	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020	Mar. 2019	June 2019	Sept. 2019	Dec. 2019	Mar. 2020
Virgin Islands	12.9	8.9	12.0	10.3	7.2	7.6	6.9	6.4	7.3	8.3

(1) Totals for the United States do not include data for Puerto Rico or the Virgin Islands.