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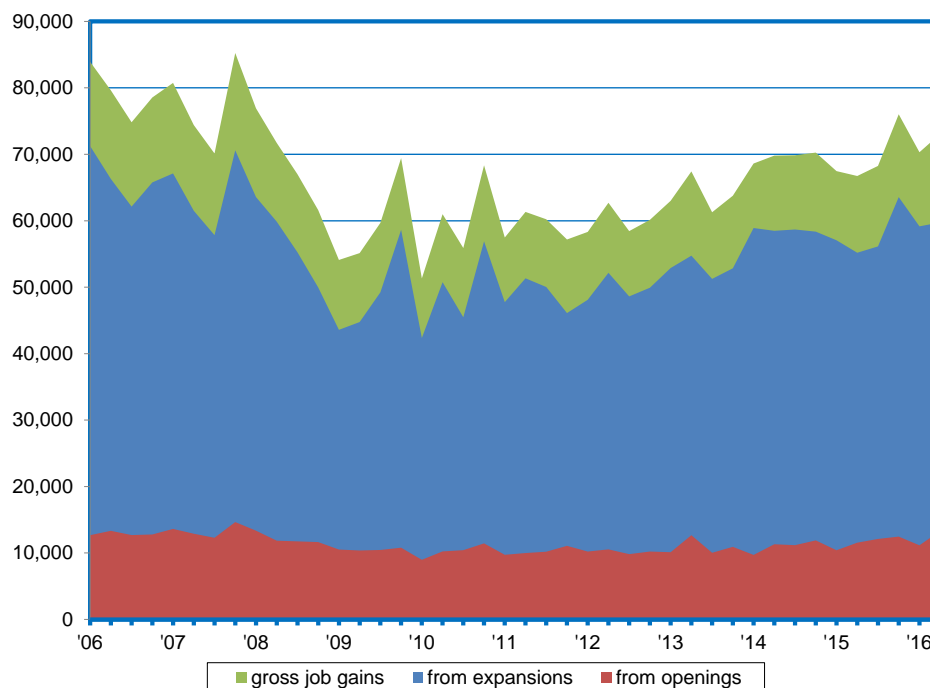
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Job Gains From Expansions and Openings
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Existing Private Sector Business Establishment Expansions Drive Gross Job Gains



- Among other things, the Bureau of Labor Statistics' Business Employment Dynamics Program allows us to look at the components of gross job gains—from expansions at existing establishments and from business openings.
- In the second quarter of 2016, gross job gains at expanding private sector establishments totaled 59,800. Over the same period, gross job gains at opening establishments totaled 13,300. (This translates into a total gain of over 73,000.) During the past three quarters, job growth due to expansions at existing establishments has been the strongest since early-2008.
- In fact, over time, the vast majority of gross job gains can be attributable to expansions, as opposed to openings. For instance, over a five-quarter period during the recession, gross job growth attributable to expansions fell by 27,000, bottoming out at 44,000. Since then, they have consistently risen to their current readings as the recovery has unfolded.
- Gross job gains from openings fluctuate in a much narrower range, between 10,000 and 15,000 per quarter. However, some upward pressure is evident in the recent past. In 2016:IIQ, gross new jobs related to business openings exceeded 13,000 for the first time in more than eight years.