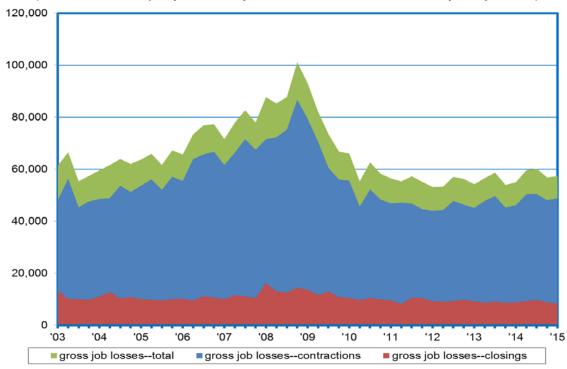


Job Losses From Contractions and Closings Dionny McDonnell, Economist

## Existing Private Sector Business Establishment Contractions Drive Job Losses

(Business Employment Dynamics Data; Seasonally Adjusted)



- Among other things, the Bureau of Labor Statistics' Business Employment Dynamics Program
  allows us to look at the components of job losses—from contractions at existing establishments
  and from business closings.
- In the first quarter of 2015, gross job losses at contracting private sector establishments totaled 48,800. Over the same period, gross job losses at closing establishments totaled 8,500.
- In fact, over time, the vast majority of gross job losses can be attributable to contractions, as
  opposed to closings. For instance, in the years leading up to the recession and through the
  downturn, job losses attributable to existing business contractions rose from less than 50,000 to
  well above 70,000. Since then, they have decreased to below 50,000, as the recovery has
  unfolded.
- Gross job losses from closings fluctuate in a much narrower range, around 10,000 per quarter.



Note: 2015:74

November 20, 2015