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In February...

Nonfarm Employment

Connecticut 1,6
 Change over month +0.15%
 Change over year +0.46%

United States 152,
 Change over month +0.15%
 Change over year +1.37%

Unemployment Rate

Connecticut 3
 United States 3.6%

Consumer Price Index

United States 25
 Change over year +2.5%

Connecticut Exports Down in 2019 But Still Above 2017

By Laura Jaworski, Office of International and Domestic Business Development, DECD

To assess Connecticut’s export status, *The Connecticut Economic Digest* conducts an annual review of the state’s export performance. A review of the state’s 2019 export position follows.

National

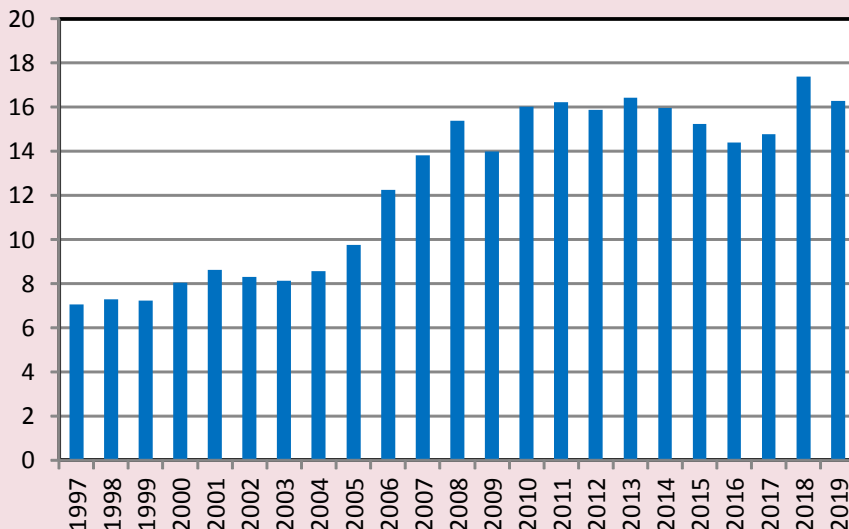
Two notable events impacted trade in 2019: the Boeing 737 Max production shutdown and tariffs. Boeing is the largest U.S. exporter, and commercial aircraft is the biggest U.S. commodity export. The 737 Max, which went from slowed production to complete suspension, continues to have ripple effects. Not only did the

biggest supplier to Boeing, Spirit AeroSystems, lay off 2,800 people, but the suspension will have likely ramifications on industrial production, trade, GDP, the aerospace supply chain and delivery of parts and inventory.

U.S.-China trade friction dominated the headlines for a good part of 2019. The back and forth imposition of tariffs clearly impacted certain sectors. After a long period of negotiation, Phase I of the Economic and Trade Agreement between the U.S. and China was signed in January 2020.

It should be noted that while news of the COVID-19 coronavirus began to circulate in

Connecticut Exports, 1997-2019 (\$ in billions)



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late 2019, its impact is expected to be reflected in 2020 data.

Connecticut

In 2019, Connecticut's commodity exports totaled \$16.28 billion, a 6.41% decrease from the \$17.40 billion registered in 2018. It is important to note, as significant as commodity exports are, they omit service exports, for which the collection of data is inexact and unavailable at the state level. All U.S. states face this data gap. This means that export figures for a state like Connecticut, with a large concentration of insurance, financial and other services, understate the true magnitude of its overall export value.¹

Data indicates that 4,944 companies exported from Connecticut in 2016. 89% of these companies were small and medium-sized enterprises (SMEs) with fewer than 500 employees. In 2016, 65,140 U.S. jobs were supported by goods exported from Connecticut.²

In 2019 Connecticut dropped one spot and ranked 28th in the U.S. in state-by-states exports. Texas, California, New York, Louisiana and Washington were the top five export states in 2019, ranked in terms of export commodity dollars. New Mexico led all states in percentage growth and experienced a 31.16% increase in 2019, largely driven by a surge in computers and computer parts.

U.S. Exports

U.S. commodity exports experienced continued growth in 2019 and totaled more than \$1.64 trillion in 2019, representing a 1.25% decrease over the \$1.66 trillion recorded in 2018. Due to geographic proximity, it should come as no surprise that Canada and Mexico were the top two destinations for U.S. exports in 2019 followed by China, Japan and the United Kingdom.

New England Exports

In New England in 2019, only Massachusetts' exports value ranked higher than Connecticut's. As a regional trading block, New England's commodity exports totaled more than \$56.64 billion in 2019, a 2.39% decrease from 2018. The top five export destinations for New England commodities were Canada, Germany, the United Kingdom, China and Mexico.

Connecticut Export Composition

Connecticut's top export commodities mirror the state's advanced manufacturing strengths and there is a demonstrated consistency among the state's top exports. 2019 was no exception. Last year at the two-digit Harmonized System (HS) commodity code level, Connecticut's top five export commodities were (1) aircraft, spacecraft and parts thereof; (2) industrial machinery, including computers; (3) optic, photo, medical or surgical instruments; (4) electric machinery, sound equipment, TV equipment, parts and (5) special classification provisions, Nesoi. The bulk of special classification provisions were composed of exports of repaired imports. Please refer to the associated charts for greater detail on the state's export strengths and composition.

Drilling down an additional layer into the HS commodity codes for greater export insight reveals the transportation sector's dominance of Connecticut exports in the aerospace and defense industry. At the four-digit HS level, the state's top exports included civilian aircraft, engines, parts; exports of repaired imports; and turbojets, turbopropellers.

To put these figures into national and regional context, the U.S. and New England states' top export commodities were

Connecticut Exports by Commodity				
Rank	Description	ANNUAL 2018	ANNUAL 2019	%2018-2019
	TOTAL ALL COMMODITIES	17,403,393,376	16,287,680,867	-6.41
1	Aircraft, Spacecraft, And Parts Thereof	7,182,444,255	6,259,830,483	-12.85
2	Industrial Machinery, Including Computers	3,011,649,401	3,119,065,328	3.57
3	Optic, Photo Etc, Medic Or Surgical Instrmnts Etc	1,396,698,715	1,247,439,458	-10.69
4	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	1,075,155,223	1,212,155,205	12.74
5	Special Classification Provisions, Nesoi	935,491,498	774,431,435	-17.22
6	Plastics And Articles Thereof	439,187,280	503,955,956	14.75
7	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	151,631,600	229,873,198	51.6
8	Miscellaneous Chemical Products	198,110,868	197,423,615	-0.35
9	Inorg Chem; Prec & Rare-Earth Met & Radioact Compd	223,559,597	188,659,105	-15.61
10	Pharmaceutical Products	271,732,561	188,377,599	-30.68

Connecticut Exports by Partner Country				
Rank	Description	ANNUAL 2018	ANNUAL 2019	%2018-2019
	TOTAL ALL PARTNER COUNTRIES	17,403,393,376	16,287,680,867	-6.41
1	Germany	2,332,302,205	2,541,687,149	8.98
2	Canada	1,962,588,643	1,947,660,627	-0.76
3	France	3,177,759,374	1,859,659,019	-41.48
4	United Kingdom	1,484,427,095	1,449,662,498	-2.34
5	China	942,490,646	1,261,603,358	33.86
6	Mexico	947,651,591	831,941,757	-12.21
7	Netherlands	769,522,148	774,375,493	0.63
8	Singapore	623,285,029	552,529,785	-11.35
9	Korea, Republic Of	422,575,825	475,107,248	12.43
10	Japan	627,522,413	433,614,602	-30.9

similar to Connecticut's. In 2019, the top five U.S. export commodities were (1) industrial machinery, including computers; (2) mineral fuel, oil, bitumin substances, mineral wax; (3) electric machinery, sound equipment, TV equipment, parts; (4) aircraft, spacecraft and parts thereof and (5) vehicles, except railway or tramway, and parts. In 2019, the New England region's top five export commodities were (1) industrial machinery, including computers; (2) electric machinery, sound equipment, TV equipment, parts; (3) aircraft, spacecraft, and parts thereof; (4) optic, photo, medical or surgical instruments and (5) natural or cultured pearls, precious stones, precious metal clad materials, imitation jewelry and coins.

State Export Partners

The state's top ten commodity export destinations were Germany, Canada, France, the United Kingdom, China, Mexico, the Netherlands, Singapore, Korea and Japan. Connecticut exported over \$1 billion to each of its top five trade partners in 2019, with over \$2.54 billion directed to Germany. Among the state's top ten partners, only Germany, China, the Netherlands and Korea experienced export increases, the most significant percentage increases belonging to China (33.86%) and Korea (12.43%).

State Trade Expansion Promotion (STEP) Grant

The state and federal government continue to partner to help Connecticut companies take advantage of export opportunities. DECD administers a State Trade Expansion Promotion (STEP) grant award from the U.S. Small Business Administration (SBA). The program's goals are to increase the number of small business exporters and increase export sales. In conjunction with organizations such as the local U.S. Department of Commerce Export Assistance Center (USEAC), the Small Business Development Center (SBDC) and others, DECD directs STEP funds towards small businesses for export development and training opportunities, company participation in foreign and domestic trade shows and trade missions, website translation, as well as other export initiatives and events. ■

For more information about DECD's international programs and services, including STEP grant activities, eligibility standards, program guidelines and application procedures, please contact Laura Jaworski at 860-500-2368 or laura.jaworski@ct.gov.

1 Source: WISER database, <http://www.wisertrade.org>.

2 Source: "Connecticut Exports, Jobs, & Foreign Investment," U.S. Department of Commerce International Trade Administration, <https://www.trade.gov/mas/ian/statereports/states/ct.pdf>, February 2018.

Disability and Employment

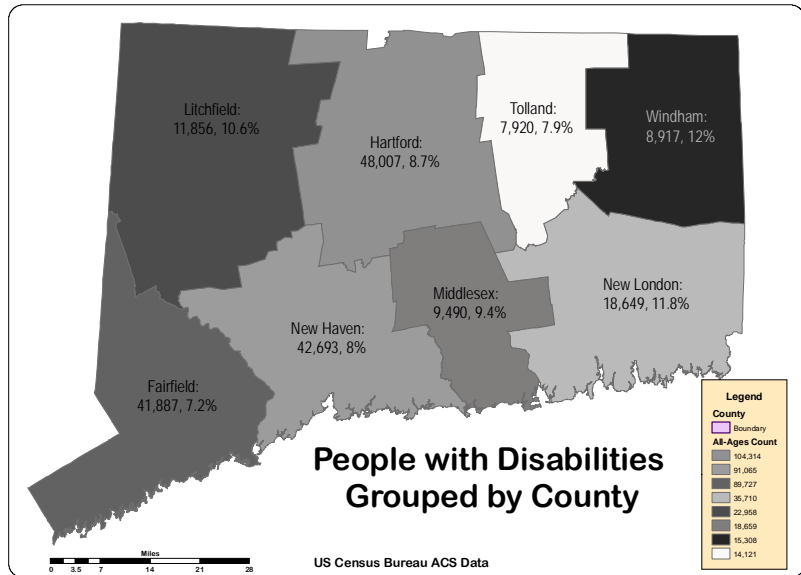
By Al Sylvestre, Research Analyst, Department of Labor

As the private-sector labor market has recovered more jobs than it lost in the 2008-2010 recession, people with disabilities, who comprise five percent of the state workforce, continue integrating with the labor market. This article takes a brief look at the economic geography of people with disabilities showing where they live, the economic sectors in which they work, and how their earnings compare with those of their non-disabled peers. Programs and services that provide opportunities for people with disabilities to attach to the labor force and retain employment are briefly discussed as well.

Population and Geography

The US Census Bureau's American Community Survey (ACS) 2017 five-year average statistics show that 3.43% of working people with disabilities have one or more disabilities. This includes 0.71% of the employed work force with a vision impairment or legal blindness. About 86% of people with disabilities have a physical impairment including hearing loss or an ambulatory disability. People with one or more disabilities have self-care difficulties (6.5% of disabled workers), independent living difficulty (16.7%), or cognitive difficulty (33.1%).

ACS data show that 26.2% of Connecticut residents with disabilities call Hartford County home while 22.9% reside in Fairfield County, and 23.2% live in New Haven County. The distribution of these residents is shown on the map (above) with the working age population ratio they represent. About three-fourths (72.3%) of this population lives in counties with robust public transit close to vocational rehabilitation (VR) services. Though it is home to a pair of cities—New London and Norwich—New London County's access to public benefits is compromised by inadequate public transportation for the 9.11% of state residents with disabilities living there. Reaching out to the 5.9%, 3.6%, and 3.9% of disabled persons



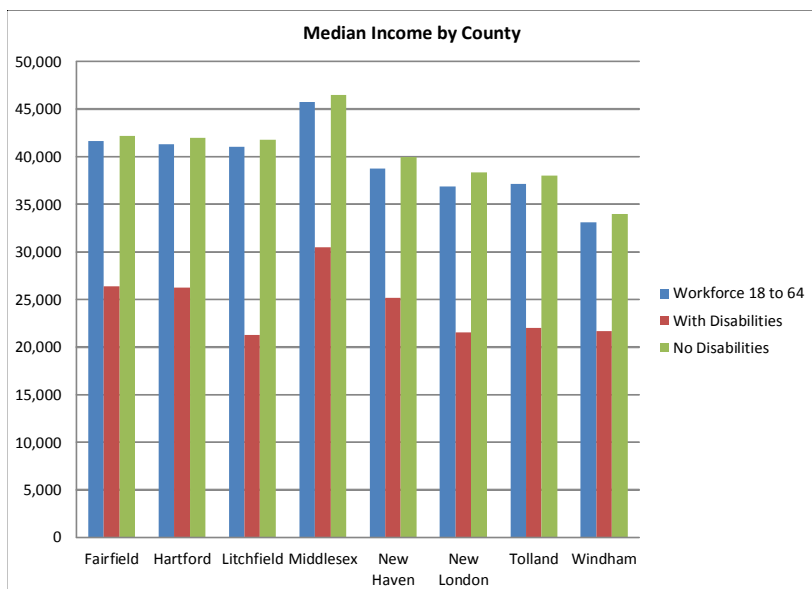
in rural Litchfield, Tolland, and Windham Counties is a challenge given those counties' paucity of public transit. The transit-supply challenge in suburban Middlesex County with 4.8% people with disabilities is less one of supply than distance.

Economic Characteristics

ACS data show that people with disabilities are disproportionately represented in Connecticut's service-sector economy—except in Windham County where the ratios are 20.6% to 19.7%. A higher proportion of the non-disability workforce is engaged in

management positions than its peers with disabilities: from a 12.7 percentage-point differential in Hartford County to a low of 5.7 points in Windham County. Employment sectors that include low-skills occupations are near parity between employees with and without disabilities.

Regarding journeys to work, higher percentages of people with disabilities commute by ride sharing or mass transit. People with disabilities are 10.5% less likely to drive to work alone. They are 9.6% more likely to work at home, 47.7% more likely to take a cab, motorcycle, or lift-equipped van, and



18.7% more likely to take the bus or train compared with their non-disabled peers.

ACS data in the accompanying table show that highest per capita earners with disabilities live in Middlesex County with \$30,474 in median annual income earning sixty-three cents for every dollar earned by people reporting no disability. While median income for people in the state workforce ranges from Windham County's \$33,078 to \$45,732 in Middlesex County, people with disabilities earn between 51.8 and 66.6 cents for every per-capita dollar earned by the rest of the workforce. Compared to non-disabled persons, people with disabilities earn between 50.9 and 63.7 cents on the dollar. Median income for people with disabilities is closest to workforce median for public-transit-rich Fairfield, Hartford, and New Haven counties. Though Middlesex County has lower transit availability for people who work outside traditional business

hours, its median earnings for people with disabilities compared to the entire workforce is 5%, 4.8% and 1.4% closer to the median than Fairfield, Hartford, and New Haven counties.

Programs and Services

Overcoming employment barriers and economic disparities between people with and without disabilities requires public VR and post-secondary education opportunities that include apprenticeship. Geographic isolation exacerbated by inequitable transportation access is the most significant barrier people with disabilities must overcome. Consistent access to transportation modes is provided through the Department of Aging and Disability Services (ADS), workforce-development boards, commissions, and non-profit agencies. They help fill transportation gaps to benefit

persons with disabilities and low-income earners. The Advisory Board for Persons Who are Blind or Visually Impaired and the Connecticut Bicycle and Pedestrian Advisory Board find better access to transportation systems by enabling the development of non-motorized transportation to supplement public transportation systems of buses, trains, and ride-sharing services.

Conclusion

Opportunities for people with disabilities to participate in Connecticut's economy and improve their standards of living continue to expand as VR programs with the help of workforce boards and improved employer understanding of the benefits of hiring and retaining workers with disabilities combine to improve the employment outlook for this segment of Connecticut's workforce. ■

GENERAL ECONOMIC INDICATORS

	4Q		YoY CHG		3Q		QoQ CHG	
	2019	2018	NO.	%	2019	NO.	%	
<i>(Seasonally adjusted)</i>								
General Drift Indicator (1996=100)*								
Leading	119.4	117.7	1.7	1.5	119.2	0.2	0.2	
Coincident	117.5	116.9	0.6	0.6	117.2	0.4	0.3	
Liberty Bank Business Barometer (1992=100)**	142.2	142.0	0.3	0.2	141.7	0.5	0.4	
Real Gross Domestic Product***								
(2012 Chained \$, SAAR)								
Connecticut (\$ in millions)	249,471.6	246,431.1	3,040.5	1.2	248,173.3	1,298.3	0.5	
United States (\$ in millions)	19,121,112	18,732,720	388,392	2.1	19,021,860	99,252	0.5	
New England (\$ in millions)	991,703.7	971,721.2	19,982.5	2.1	986,526.9	5,176.8	0.5	
Per Capita Personal Income***								
(Current \$, SAAR)								
Connecticut	79,560	77,146	2,414	3.1	79,047	513	0.6	
United States	56,832	54,721	2,111	3.9	56,398	434	0.8	
New England	70,823	68,267	2,556	3.7	70,381	442	0.6	
Philadelphia Fed's Coincident Index (2007=100)****								
	Jan	Jan			Dec			
	2020	2019			2019			
Connecticut			0.0	###		0.0	###	
United States			0.0	###		0.0	###	

Sources: *Dr. Steven P. Lanza, University of Connecticut **Liberty Bank ***U.S. Bureau of Economic Analysis ****Federal Reserve Bank of Philadelphia

General Drift Indicators are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and three leading (housing permits, manufacturing average weekly hours, and initial unemployment claims) economic variables, and are indexed so 1996 = 100.

The **Liberty Bank Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).