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IN THIS ISSUE...

A look at Connecticut's Bio-science Industry Employment . 1-3

Update on Property Taxation .. 4-5

Economic Indicators

- on the Overall Economy 5
- Individual Data Items 6-8
- Comparative Regional Data 9
- Economic Indicator Trends 10-11
- Help Wanted OnLine 15
- Business and Employment Changes Announced in the News Media 19
- Labor Market Areas:
 - Nonfarm Employment 12-17
 - Sea. Adj. Nonfarm Employment 14
 - Labor Force 18
 - Hours and Earnings 19
- Cities and Towns:
 - Labor Force 20-21
 - Housing Permits 22
- Technical Notes 23
- At a Glance 24

In February...

Nonfarm Employment

Connecticut 1,574,800
 Change over month +0.19%
 Change over year -7.16%

United States 143,048,000
 Change over month +0.27%
 Change over year -6.21%

Unemployment Rate

Connecticut 8.5%
 United States 6.2%

Consumer Price Index

United States 263.014
 Change over year +1.7%

A look at Connecticut's Bio-science Industry Employment

By Matthew Krzyzek, Economist, Department of Labor

The events of the past year have highlighted the importance of Bioscience. The immediate need for pandemic mitigation resulted in a global mobilization that rapidly produced vaccines and increased medical equipment production. Bioscience doesn't fall within a specific North American Industrial Classification System (NAICS) industry code and contains a broad cross-section of service industries and goods producing industries such as pharmaceutical, chemical, and medical device manufacturing.¹ In February 2012, the Connecticut Economic Digest published an article on Bioscience which overviewed key industries that make up that sector in the state.² The table below uses the bioscience industry cluster defined in that article and shows that in 2019 (the last year of annual data),

the state had over a thousand Bioscience establishments that employed over 23,000 workers. This industry definition doesn't account for the total impact of Bioscience on overall employment given spillover effects on other sectors such as Education and Health Care, and it doesn't account for the total labor supply of available workers given that many employed in other forms of manufacturing or research & development have compatible occupational skills that would be relevant to an employer looking to expand in the state.

The pie chart illustrates that across all Bioscience industries, about half are in the service sector and half are in the goods producing sector. Among the 8 industries, the largest two industries, Research & Development in Sciences (32%) and Medical Equipment &

2019 Composition of Connecticut's Bioscience Industry

NAICS	All Employees	# Establishments	Total Wages (thousands)	Average Annual Pay	
3254	Pharma. & Medicine Mfg.	2,877	31	440,531	153,130
334510	Apparatus Mfg.	211	12	17,080	80,915
334516	Lab. Instr. Mfg.	844	20	83,665	99,188
334517	Irradiation Apparatus Mfg.	599	8	71,282	119,052
3391	Med Equip. & Supplies	6,528	125	511,935	78,424
54138	Testing Labs	1,795	165	144,231	80,370
54171	R&D in Sciences	7,450	421	1,351,491	181,400
6215	Med. & Diag. Labs	2,896	240	193,979	66,985
	Total	23,199	1,021	2,814,194	121,308

Source: CT DOL, QCEW

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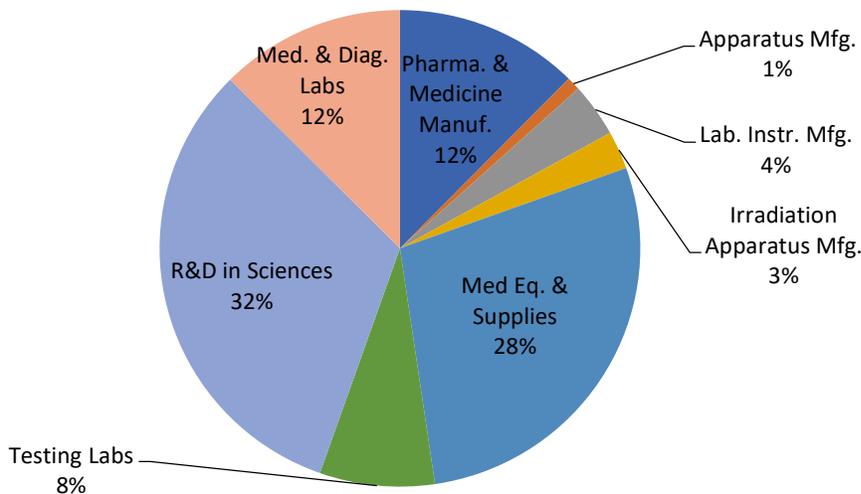
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Employment Composition of Connecticut's Bioscience Industry



Supplies Manufacturing (28%) account for about half of Bioscience employment in the state.

The table on page 3 shows annual average Bioscience employment from 2001-2019. Overall Bioscience employment fell from 2001-2017 driven by declines in its manufacturing component industries. The combined Bioscience cluster grew 2.5% and 4.4% in 2018 and 2019.

The graph on page 3 illustrates how overall Bioscience employment has increased in recent years after steady declines from the early 2000s through 2017. Bioscience employment is separated into its manufacturing and service providing components to show that the longer-term trend of decline is driven by manufacturing while the overall employment stabilization and growth in recent years is the result of gains within its service providing component. Since 2017, Bioscience manufacturing (and manufacturing overall) have arrested trends of long-term decline and added jobs from 2017-19. Both Bioscience components saw employment growth in 2018 and 2019. The long-term Bioscience manufacturing

change reflects shifts that have occurred within manufacturing overall. Connecticut manufacturing (NAICS 31-33) had declined from the early 1990s through mid-2016 and has since added jobs.³ Most of the overall manufacturing gains have occurred within Transportation Equipment Manufacturing, which is the largest component of manufacturing in the state. This manufacturing shift differentiates Connecticut from adjacent states, which have continued to decline.

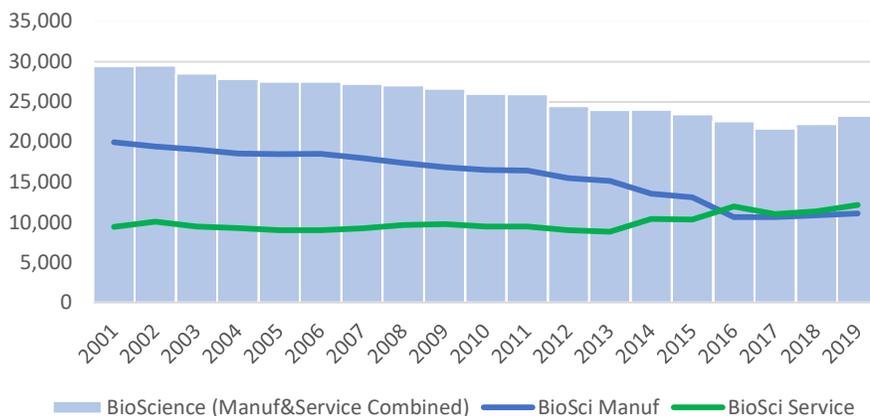
Bioscience During the Past Year

The preceding section utilized the most current annual average data to illustrate long term trends in Connecticut's Bioscience industry. Quarterly QCEW data available through 2020Q3 can help explain how Bioscience has been impacted by the pandemic. Overall, Bioscience is down -1.2% from 2019Q3, Bioscience Manufacturing is down -2.8% while Bioscience Service Providing is up 0.2%. These changes differ greatly from the three larger two-digit sectors from which the Bioscience

NAICS Bioscience Total	All Emp.	# of Estab- lishments	Total Wages (thousands)	Ann. Avg. Pay
2001	29,407	817	\$2,234,642	\$75,990
2002	29,403	847	\$2,140,450	\$72,797
2003	28,376	857	\$2,160,195	\$76,127
2004	27,809	868	\$2,218,894	\$79,792
2005	27,544	892	\$2,241,773	\$81,389
2006	27,468	898	\$2,364,978	\$86,098
2007	27,284	848	\$2,488,439	\$91,206
2008	27,114	872	\$2,507,413	\$92,476
2009	26,649	898	\$2,540,432	\$95,328
2010	25,893	914	\$2,506,033	\$96,785
2011	25,928	914	\$2,621,852	\$101,122
2012	24,476	903	\$2,552,305	\$104,280
2013	23,964	913	\$2,524,066	\$105,329
2014	23,970	916	\$2,582,458	\$107,739
2015	23,486	956	\$2,546,626	\$108,434
2016	22,616	985	\$2,502,946	\$110,671
2017	21,689	935	\$2,514,843	\$115,949
2018	22,228	983	\$2,648,254	\$119,140
2019	23,199	1,021	\$2,814,194	\$121,308

Source: CT DOL, QCEW

Bioscience Mfg. & Service Providing Employment



cluster is derived. Manufacturing (NAICS 31-33) is down -6.3%, Professional & Technical Services (NAICS 54) is down -4.7%, and Health Care & Social Assistance (NAICS 62) is down -3.9% during the year ending 2020Q3.⁴ As no industry has been immune from the impact of COVID-19 on the Connecticut economy, the comparatively slight employment

shifts for Bioscience cluster industries when compared to larger overall employment suggests that it could be poised for renewed growth as the economy improves.

Projections and Conclusions

The CT Department of Labor, along with agencies in all 50 states and US territories conduct annual short-term two-year

projections that the Connecticut Economic Digest will review in detail next month. These projections are done at 6-digit occupation and 4-digit industry level.⁵ Three of the eight Bioscience industries fall within that 4-digit industry threshold and provide indication of where Bioscience may be heading in the short term. From 2020Q2 to 2022Q2, Medical & Diagnostic Laboratories (+8.0%), Medical Equipment & Supplies Manuf. (+5.1%), and Pharmaceutical & Medical Manuf. (+0.1%) are all projected to maintain or increase employment. Overall, the Bioscience industry cluster in Connecticut has grown from 2017-2019, shown tempered employment declines during the pandemic, and is projected to add jobs in coming years. ■

1 Rappa, John. Connecticut's Bioscience Industry. OLR Research Report 2011-R-0365. 2011 <https://www.cga.ct.gov/2011/rpt/2011-R-0365.htm>

2 McMillen, Stan and Mark Prisloe. Connecticut's Bioscience Industry: An Update. CT Economic Digest 2012. <https://www1.ctdol.state.ct.us/lmi/digest/articles/feb2012.pdf>

3 For more info on CT manufacturing employment change, see page 23 of: <https://www1.ctdol.state.ct.us/lmi/pubs/ConditionsandOutlook2018to2020.pdf>

4 See the March 2021 CT Econ. Digest for a more in-depth review of the pandemic's impact: <https://www1.ctdol.state.ct.us/lmi/digest/pdfs/cedmar21.pdf>

5 Projections for all 50 states and US territories can be downloaded at: www.ProjectionsCentral.com