

# ECONOMIC DIGEST

Vol.18 No.5 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

**MAY 2013**

**IN THIS ISSUE...**

**Does Education Matter? ..... 1-2, 5**

**A Profile of Mansfield, Connecticut ..... 3-4**

**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 March...**

**Nonfarm Employment**  
 Connecticut ..... 1,643,000  
 Change over month ..... +0.16%  
 Change over year ..... +0.1%

**United States ..... 135,195,000**  
 Change over month ..... +0.07%  
 Change over year ..... +1.4%

**Unemployment Rate**  
 Connecticut ..... 8.0%  
 United States ..... 7.6%

**Consumer Price Index**  
 United States ..... 232.773  
 Change over year ..... +1.5%

## Does Education Matter?

*By Sarah York, CT DOL Economist*

**W**ith the varied reports on the state of the economy recently, many people are finding it difficult to tell which direction the economy is headed. The uncertainty leads many questioning their perceived notion on how to become successful in a chosen career. With increased attention on the costs of higher education coupled with the meek jobs reports, the decision to attend college may not seem worth it. However, an analysis of the most recent data available for Connecticut suggests that there is still a significant benefit to pursue higher education.

The Quarterly Workforce Indicators (QWI) are developed by the United States Census Bureau. QWI report valuable information on firm characteristics and worker characteristics. For the purpose of this article, the most recent data (2012Q1) on educational attainment will be used. Due to the dynamic nature of educational attainment for younger workers, the data are

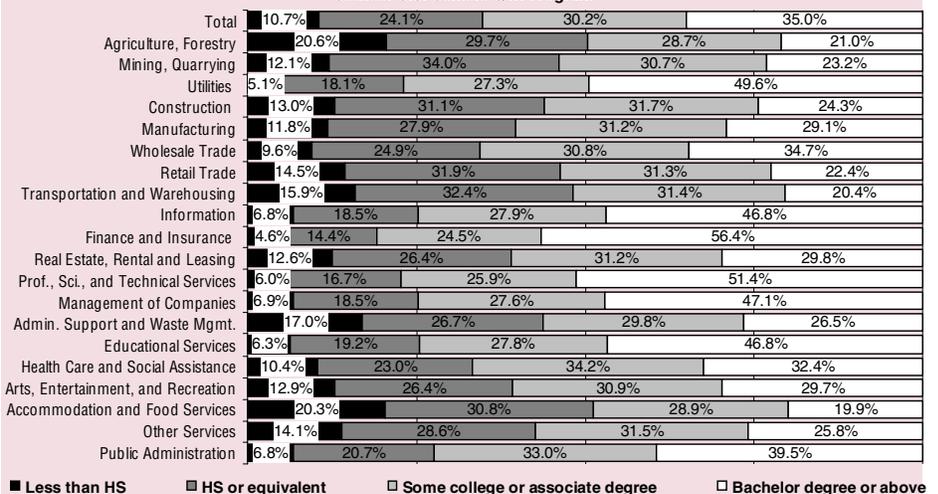
limited to workers aged 25 and older. The make-up of 14-24 year olds accounts for 12% of Connecticut's workforce and should not considerably vary the conclusions. Other notable limitations of the data are the exclusion of the self-employed and independent contractors.

**Educational Attainment**

Of the 1,375,045 workers that the QWI covers in Connecticut, approximately two-thirds (65.2%) have some college experience. The remaining workers have a high school diploma or less.

Finance and Insurance was the industry with the highest percent of its workforce having at least some college experience at 80.9%. In fact, nearly all industries in Connecticut have over half of its workers with some college experience; only Agriculture and Forestry (49.7%) and Accommodation and Food Services (48.9%) come in just below that threshold (Chart 1).

**Chart 1: Connecticut's Workforce, Educational Attainment by Industry, 2012Q1**  
 Source: U.S. Census QWI Program



# ECONOMIC DIGEST

*The Connecticut Economic Digest* is published monthly by the Connecticut Department of Labor, Office of Research, and the Connecticut Department of Economic and Community Development. Its purpose is to regularly provide users with a comprehensive source for the most current, up-to-date data available on the workforce and economy of the state, within perspectives of the region and nation.

The annual subscription is \$50. Send subscription requests to: *The Connecticut Economic Digest*, Connecticut Department of Labor, Office of Research, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114. Make checks payable to the Connecticut Department of Labor. Back issues are \$4 per copy. The Digest can be accessed free of charge from the DOL Web site. Articles from *The Connecticut Economic Digest* may be reprinted if the source is credited. Please send copies of the reprinted material to the Managing Editor. The views expressed by the authors are theirs alone and may not reflect those of the DOL or DECD.

**Managing Editor:** Jungmin Charles Joo

**Associate Editor:** Sarah C. York

We would like to acknowledge the contributions of many DOL Research and DECD staff and Rob Damroth to the publication of the Digest.

## Connecticut Department of Labor

Sharon Palmer, Commissioner  
Dennis Murphy, Deputy Commissioner

Andrew Condon, Ph.D., Director  
Office of Research  
200 Folly Brook Boulevard  
Wethersfield, CT 06109-1114  
Phone: (860) 263-6275  
Fax: (860) 263-6263  
E-Mail: dol.econdigest@ct.gov  
Website: <http://www.ctdol.state.ct.us/lmi>



## Connecticut Department of Economic and Community Development

Catherine Smith, Commissioner  
Ronald Angelo, Deputy Commissioner  
Christopher Bergstrom, Deputy Commissioner

505 Hudson Street  
Hartford, CT 06106-2502  
Phone: (860) 270-8000  
Fax: (860) 270-8200  
E-Mail: [decd@ct.gov](mailto:decd@ct.gov)  
Website: <http://www.decd.org>



**Table 1: Average Monthly Earnings in Connecticut by Industry by Educational Attainment, 2012Q1**

	Average Monthly Wages	Less than high school	High school or equivalent	Some college or associate degree	Bachelor's degree or above	Difference between Bachelor's Degree or above and H.S. diploma
Real Estate, Rental and Leasing	\$6,557	\$3,375	\$4,323	\$5,450	\$10,971	153.8%
Management of Companies	\$16,689	\$7,305	\$9,486	\$12,586	\$23,195	144.5%
Finance and Insurance	\$18,683	\$9,657	\$10,031	\$12,537	\$24,324	142.5%
Admin. Support and Waste Mgmt.	\$3,939	\$2,296	\$2,976	\$3,632	\$6,218	108.9%
Wholesale Trade	\$7,735	\$4,629	\$5,534	\$6,784	\$10,981	98.4%
Information	\$9,303	\$5,937	\$6,154	\$7,680	\$11,999	95.0%
Manufacturing	\$7,453	\$4,689	\$5,858	\$6,916	\$10,674	82.2%
Prof.,Sci.,and Technical Services	\$8,314	\$5,352	\$5,749	\$6,790	\$10,242	78.2%
Retail Trade	\$3,458	\$2,454	\$2,871	\$3,338	\$5,106	77.8%
Mining,Quarrying	\$4,086	\$3,092	\$3,882	\$3,852	\$5,944	75.8%
Health Care and Social Assistance	\$4,127	\$2,882	\$3,224	\$3,786	\$5,496	70.5%
Transportation and Warehousing	\$3,996	\$2,955	\$3,430	\$3,966	\$5,747	67.6%
Other Services	\$2,876	\$2,178	\$2,506	\$2,792	\$3,757	49.9%
Educational Services	\$4,654	\$3,571	\$3,691	\$4,196	\$5,460	47.9%
Arts,Entertainment,and Recreation	\$2,738	\$2,198	\$2,429	\$2,719	\$3,277	34.9%
Agriculture,Forestry	\$2,800	\$2,191	\$2,598	\$2,951	\$3,456	33.0%
Construction	\$4,937	\$3,924	\$4,550	\$4,924	\$5,946	30.7%
Utilities	\$8,422	\$6,963	\$7,234	\$7,777	\$9,365	29.5%
Public Administration	\$5,176	\$4,349	\$4,519	\$5,005	\$5,798	28.3%
Accommodation and Food Services	\$1,959	\$1,740	\$1,868	\$1,991	\$2,271	21.6%

Source: U.S. Census QWI Program

Other industries that had a high percentage of workers with at least some college experience were Professional, Scientific, and Technical Services (77.3%), Utilities (76.8%), Information (74.7%), and Management of Companies (74.7%).

The industries that had the lowest percentage of workers with a Bachelor's degree were Agriculture and Forestry (21.0%), Transportation and Warehousing (20.4%), and Accommodation and Food Services (19.9%). Mining (34.0%) and Transportation and Warehousing (32.4%) had the highest percentage of workers with a high school diploma or equivalent.

It is important to note that the composition of the workforce for the data used includes the underemployed. Workers with a Bachelor's degree may not be in their chosen field because they were unable to find work and may be working in a different industry in the meantime. This may be particularly true at this stage of recovery from a profound recession.

### Does Education Pay Off?

Across the twenty industries, the average monthly wages of workers in Connecticut increases as the level of education increases. The level of increase varies widely amongst industries. Thirteen of the twenty industries in the State pay at least 50% more for workers with a Bachelor's degree or higher than a high school diploma. This compensation difference is often a

strong determinant in the decision to pursue a Bachelor's degree.

Workers in the Real Estate, Rental and Leasing industry with a Bachelor's degree or higher receive the largest compensation difference; earning on average 154% (\$10,971 v. \$4,323) more in monthly wages than a worker with a high school diploma (Table 1). The two highest paying industries in the State also have significant wage differences between the education levels.

Workers in the Management of Companies industry can expect to receive 145% higher wages (\$23,195 vs. \$9,486) on average with a Bachelor's degree over a high school diploma. Likewise, workers in the Finance and Insurance industry receive an average of 142% higher wages (\$24,324 vs. \$9,486) if they have their Bachelor's degree over workers with a high school diploma.

Not all industries have such a large difference in pay between education levels. Workers with a Bachelor's degree in Construction, Utilities, Public Administration, and Accommodation and Food Services receive less than a third more than workers with a high school diploma.

### Increased Demand for Educated Workers

Another factor to consider when making an education choice is the amount of jobs created in an industry. Job creation is the estimated number of jobs gained at firms throughout the quarter. Our

-continued on page 5-

**Table 2: Number of Jobs Created in Connecticut by Industry, 2012Q1**

	High School or Equivalent and lower	Some college or associate degree and higher
Accommodation and Food Services	2,576	2,617
Admin. Support and Waste Mgmt.	2,250	2,991
Agriculture, Forestry	231	211
Arts, Entertainment, and Recreation	342	612
Construction	1,524	1,626
Educational Services	1,748	4,860
Finance and Insurance	616	1,883
Health Care and Social Assistance	2,516	3,948
Information	281	760
Management of Companies	278	770
Manufacturing	1,331	1,629
Mining, Quarrying	8	9
Other Services	1,517	1,874
Prof., Sci., and Tech. Services	1,389	3,182
Public Administration	255	468
Real Estate and Rental and Leasing	293	413
Retail Trade	1,894	2,392
Transportation and Warehousing	659	730
Utilities	51	82
Wholesale Trade	880	1,655

Source: U.S. Census QWI Program

-continued from page 2-

dataset reveals that all but one industry in Connecticut (Agriculture) has higher job creation for candidates with some college experience or a Bachelor's degree than candidates with a high school diploma or lower.

The findings are most prevalent in the Finance and Insurance

industry. For 2012Q1 data, there were 1,883 jobs created for positions with some college experience or higher and 616 jobs created for positions for a high school graduate or lower, a difference of 205.7% (Table 2).

Other industries that had a higher demand for college experience were Educational Services,

Management of Companies, Information, and Professional, Scientific and Technical Services.

The top two industries in the State with the highest employment had a more balanced demand for workers in regards to education. The Health Care industry created 2,516 jobs for workers with a high school diploma or less and 3,948 jobs for workers with at least some college experience. Manufacturing created 1,331 jobs for workers with a high school diploma or less and 1,629 jobs for workers with at least some college experience.

### The Education Choice

Connecticut data show that even in the current economic environment, the decision to pursue a higher education will in most instances be beneficial. For a majority of industries, college experience pays off not only in an increase in wages but also in the likelihood to find a job.

The extent to which college experience is an advantage varies across industries. Some industries offer considerable wage differences and hiring preferences, while in other industries the benefit is negligible.

When considering the choice to attend college, the QWI data can be useful to examine factors that may be important to one's future. ■

## GENERAL ECONOMIC INDICATORS

	4Q	4Q	CHANGE		3Q
	2012	2011	NO.	%	2012
<i>(Seasonally adjusted)</i>					
<b>General Drift Indicator (1986=100)*</b>					
<b>Leading</b>	106.4	101.3	5.1	5.0	107.1
<b>Coincident</b>	107.1	107.3	-0.2	-0.2	107.5
<b>Farmington Bank Business Barometer (1992=100)**</b>	124.4	123.6	0.8	0.6	123.9
<b>Philadelphia Fed's Coincident Index (July 1992=100)***</b>	<b>MAR</b>	<b>MAR</b>			<b>FEB</b>
<i>(Seasonally adjusted)</i>	<b>2013</b>	<b>2012</b>			<b>2013</b>
<b>Connecticut</b>	156.30	152.91	3.39	2.2	155.89
<b>United States</b>	154.15	149.97	4.18	2.8	153.74

Sources: \*The Connecticut Economy, University of Connecticut \*\*Farmington Bank \*\*\*Federal Reserve Bank of Philadelphia

The Connecticut Economy's **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 four leading (housing permits, manufacturing average weekly hours, Hartford help-wanted advertising, and initial unemployment claims) economic variables, and are indexed so 1986 = 100.

The **Farmington 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).