THE CONNECTICUT
ECONOMIC DIGEST

Vol.9 No.2 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

FEBRUARY 2004

IN THIS ISSUE...

In December...

Nonfarm Employment

Connecticut 1,644,000
Change over month .... -0.07%
Change over year .... -1.0%

United States 130,124,000
Change over month 0.00%
Change over year .... -0.1%

Unemployment Rate

Connecticut 5.0%
United States 5.7%

Consumer Price Index

United States 184.3
Change over year 1.9%

A TALE OF SEVEN CITIES: clues to the Hartford region's economic future?

By Daniel W. Kennedy, Ph.D., Senior Economist, DOL

Dickens's tale was about the cities of London and Paris during some turbulent times. This article focuses on the story of Hartford and six other New England cities during more recent turbulent times. The period of analysis begins in 1990 and runs through 2002. For some of the seven New England cities and their regional economies, it clearly was the best of times—at least up until the downturn in manufacturing and the bursting of the stock market bubble in 2000. For some, especially Hartford, it was not the best of times.

Our story begins in the obvious place: the goods-producing segment of the economy—especially manufacturing. Regions with a substantial manufacturing export base have been hit particularly hard since the downturn in manufacturing activity beginning in the summer of 2000. Having a significant manufacturing sector, the Hartford region has been affected. Average annual manufacturing employment declined by 8,000 between 2000 and 2002. Based on the first 10 months of 2003, the decline is nearly 12,000 since 2000. At the beginning of the period, the Hartford region was severely impacted by the real estate bubble and 1989-92 recession, the end of the Cold War, and the restructuring of the insurance industry. How has the Hartford region done since then? And, what lies ahead?

Framework and context

What follows is a perspective that goes beyond the business-

GRAPH 1: Percent changes in nonfarm vs. service-providing employment, 1990-2002

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Contributing DOL Staff: Salvatore DiPillo, Lincoln S. Dyer, Arthur Famiglietti, Daniel W. Kennedy, Ph.D., David F. Post, Joseph Slepski and Mark Stankiewicz. **Managing Editor:** Jungmin Charles Joo. **Contributing DECD Staff:** Kolie Sun, Robert Damroth and Mark Prisloe. We would also like to thank our associates at the Connecticut Center for Economic Analysis, University of Connecticut, for their contributions to the Digest.

Connecticut Department of Labor

Shaun B. Cashman, Commissioner
Thomas E. Hutton, Deputy Commissioner

Roger F. Therrien, Director
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114
Phone: (860) 263-6275
Fax: (860) 263-6263
E-Mail: dol.econdigest@po.state.ct.us
Website: http://www.ctdol.state.ct.us/lmi

Connecticut Department of Economic and Community Development

James F. Abromaitis, Commissioner
Rita Zangari, Deputy Commissioner

Compliance Office and Planning/Program Support
505 Hudson Street
Hartford, CT 06106-2502
Phone: (860) 270-8000
Fax: (860) 270-8188
E-Mail: decd@po.state.ct.us
Website: http://www.decd.org

cycle horizon to capture some medium-term trends extending over a decade or more. This will be approached by getting an overview on how Hartford's regional economy has performed—particularly as it pertains to job creation—and what may lie ahead for the remainder of this century's first decade. The trends addressed in the following discussion are based on NAICS-based, annualized employment data, which was used to assess employment growth over the period covering 1990 to 2002. The Hartford regional economy is pretty much captured by the definition of the *Labor Market Area* (LMA). In order to compare Hartford's performance with similar regions, six other small-to-medium-sized LMAs in New England are analyzed. Due to space constraints, the focus here will be at a high level of aggregation, and thus, summary in nature. Nevertheless, what follows should provide some suggestions for further investigation.

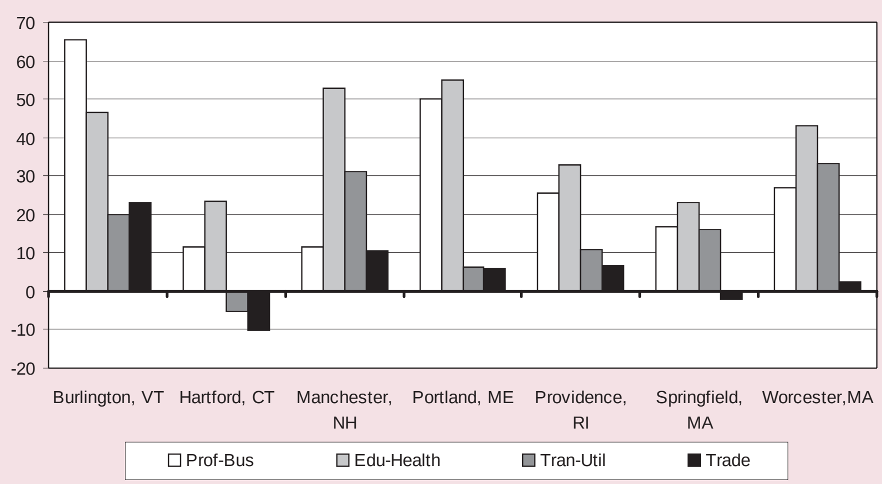
Table 1 on page 3 lists the seven small-to-medium-sized LMAs in New England, and the U.S., in the first column. There is at least one LMA for each New England state and both northern and southern New England are represented. The LMAs studied had a 2002 nonfarm employment level of at least 100,000, but less than 1 million. This, of course, excluded Boston. The smallest LMA is Burlington, which had a nonfarm employment level of 107,800 in 2002. The largest LMA is Hartford, which had a nonfarm employment level of 608,400 in 2002. The mean level of employment for the seven LMAs in 2002 was 285,786. The median was 231,200. Reflecting New England's population distribution, the northern New England LMAs are smaller than the southern New England LMAs (see Table 1). Table 1 also displays the employment levels of the goods-producing and service-providing sectors for the seven LMAs and the U.S. for 1990 and 2002. In addition, the change in employment between 1990 and 2002, and the percent change, are also provided.

The Hartford regional economy: recent history and prospects

Decline of the job base in the nineties

From Table 1, the result that stands out is that the Hartford region was the only region to suffer a net decline in nonfarm employment between 1990 and 2002. Hartford had a net loss of 31,500 jobs, representing just under a 5 percent decline. This contrasts with an average gain of 13,200 jobs for the seven LMAs, representing an average growth rate of just under 5 percent. It should be noted that, in general, and reflecting population growth and migration patterns, there is a stark

GRAPH 2: Emp. growth rate of service-providing sectors, 1990-2002



LMA	NONFARM EMPLOYMENT				GOODS-PRODUCING EMPLOYMENT				SERVICE-PROVIDING EMPLOYMENT			
	1990	2002	Change	% Chg	1990	2002	Change	% Chg	1990	2002	Change	% Chg
Burlington, VT	86,300	107,800	21,500	24.9	20,200	21,800	1,600	7.9	66,000	86,000	20,000	30.3
Hartford, CT	**639,900**	**608,400**	**-31,500**	**-4.9**	**134,400**	**100,900**	**-33,500**	**-24.9**	**505,400**	**507,500**	**2,100**	**0.4**
Manchester, NH	87,500	107,600	20,100	23.0	15,700	18,100	2,400	15.3	71,800	89,600	17,800	24.8
Portland, ME	130,100	156,100	26,000	20.0	20,200	19,100	-1,100	-5.4	109,900	137,000	27,100	24.7
Providence, RI	499,600	529,900	30,300	6.1	137,900	100,100	-37,800	-27.4	361,600	429,800	68,200	18.9
Springfield, MA	253,100	259,500	6,400	2.5	52,400	40,300	-12,100	-23.1	200,600	219,300	18,700	9.3
Worcester, MA	211,600	231,200	19,600	9.3	49,300	40,100	-9,200	-18.7	162,300	191,100	28,800	17.7
Average	272,586	285,786	13,200	4.8	61,443	48,629	-12,814	-20.9	211,086	237,186	26,100	12.4
SD	215,954	203,138	21,048	11.3	53,060	36,623	16,544	17.1	164,547	166,978	20,484	10.2
Median	211,600	231,200	20,100	9.3	49,300	40,100	-9,200	-18.7	162,300	191,100	20,000	18.9
U.S.	109,487,000	130,376,000	20,889,000	19.1	23,723,000	22,619,000	-1,104,000	-4.7	85,764,000	107,757,000	21,993,000	25.6
Northern N.E.	101,300	123,833	22,533	22.2	18,700	19,667	967	5.2	82,567	104,200	21,633	26.2
Southern N.E.	401,050	407,250	6,200	1.5	93,500	70,350	-23,150	-24.8	307,475	336,925	29,450	9.6

TABLE 1: Change in nonfarm, goods-producing, and service-providing employment, 1990-2002

contrast between the performance of the northern versus the southern LMAs. The average gain for the northern LMAs was 22,533 net new jobs, representing an average 22 percent growth rate. This exceeds the 19 percent growth rate in U.S. nonfarm employment over the 1990-2002 period. The southern New England medium-sized LMAs could only add, on average, 6,200 net new jobs, or an anemic 1.5 percent growth rate over the twelve-year period.

What is behind the decline in Hartford's job base?

The most obvious culprit is the loss in goods-producing jobs, especially those in manufacturing. The Hartford region lost 33,500 goods-producing jobs, or 25 percent of the base between 1990 and 2002. Burlington and Manchester both gained goods-producing jobs, and had net increases in their nonfarm job base between 1990 and 2002. Portland's decline in goods-producing jobs was slight, and it too, had a net increase in nonfarm jobs over the 1990-2002 period. However, on further investigation, it might not be quite that simple. 'Blaming' it all on the decline in goods-producing—and especially manufacturing—jobs may be missing something important. A case in point: the Providence region suffered a worse decline in goods-producing jobs than Hartford—both absolutely and relatively. The region lost 37,800 jobs, or 27 percent of its goods-producing job base. Nevertheless, Providence gained over 30,000 net new nonfarm jobs between 1990 and 2002. To some extent, being a satellite of Boston's economy allowed it to benefit from a 'coattail' effect, but that does not explain everything.

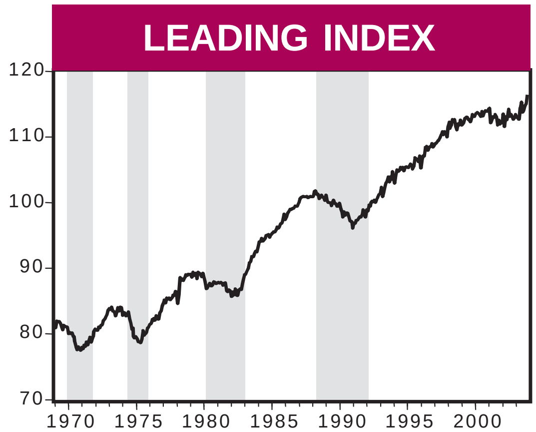
Springfield, like Hartford, is also too far from Boston to have benefited from its late-nineties boom. Yet, though Springfield's relative decline in goods-producing jobs was close to that of Hartford's, it still managed to eke out a net gain of 6,400 jobs over the twelve-year period. The last four columns in Table 1, under the heading 'Service-providing' may provide a clue to the erosion of Hartford's job base over the 1990-2002 period. Significantly, the Hartford region was the only economy of the seven studied to create virtually *no net, new service-providing jobs* between 1990 and 2002!

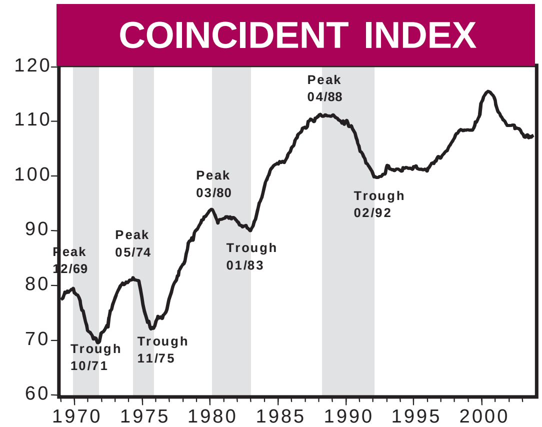
Service-providing jobs: key to the Hartford region's economic vitality?

Clearly, the perception of service jobs as low paying with little, if anything, in the way of benefits or longevity is a legitimate concern in many, though not all, of the service industries. Nevertheless, for the most part, it is the most likely segment of the economy to generate new jobs. Graph 1 on the front page depicts a scatter-plot with the percent change in nonfarm employment on the vertical scale, and the percent change in service-providing jobs on the horizontal scale. (It should be noted that the scatter plot is strictly descriptive, and no statistical inference is implied.) There appears to be a strong, positive linear pattern, which suggests that the stronger the growth in service-providing jobs, the stronger the growth in nonfarm employment. As can be seen, the point representing Hartford in Graph 1 is the only point not in the first quadrant. The significance of this is that the point represents flat growth in service-providing jobs and a net decline in nonfarm employment. To be sure, there is also a discernible pattern to a scatter-plot of the change in nonfarm employment versus the change in goods-producing employment. However, it does not suggest the strong linear pattern observed in Graph 1. Scratching a bit below the service-providing 'surface' may provide some clues as to where Hartford's job growth was deficient. Graph 2 on page 2 shows the percent growth in four major, private-sector supersectors of the service-providing segment of the seven regional economies over the 1990-2002 period.

What stands out is that Hartford's region was the only one to suffer declines in two of the service-providing sectors. Hartford's region lost almost 10,000 jobs in the trade sector (a 10 percent decline), the worst performance of the seven regions. Springfield, with the next poorest performance, had a two percent decline. The Hartford region also had a decline in transportation and

--Continued on page 5--





The distance from peak to trough, indicated by the shaded areas, measures the duration of an employment cycle recession. The vertical scale in both charts is an index with 1992=100.

A glow of light in an otherwise cold Connecticut winter

As I sat down in my kitchen one recent Sunday to start writing this piece, my television was tuned to one of the Sunday morning talk shows. A presidential candidate was on the show talking about the economy. After listening for about ten minutes, I got a sense that the economy is in its worst shape since the Great Depression! Of course, this is not true. Nevertheless, interestingly, everything spoken on the show was true. And this brings me to my point. Not that we need any reminding, but this is a presidential election year. Economic news will be subject to scrutiny, and to different interpretations. One political party will see the glass as half empty; the other party will see it as half full. We will be bombarded with all sorts of interpretations of the economy, and it can become overwhelming to the point that we lose sight of the true state of the economy. This should be an interesting year. That said, I expect the U.S. economy to continue its growth in 2004. The question that is really on everybody's mind is how rapid can we expect job growth to be. While I cannot give a quantitative answer, I do expect the unemployment rate to continue to decline, however, and employment to expand. Our blistering rate of labor productivity growth cannot continue indefinitely. Sooner or later, employers must hire more workers in order to keep up with increasing output.

In Connecticut, we have some encouraging signs from our indicators for November 2003. The revised CCEA-ECRI Connecticut coincident employment index fell on a year-to-year basis from 108.7 in November 2002 to 107.5 in November 2003. All four components are negative contributors to the index, with a higher insured unemployment rate, a higher total unemployment rate, lower total nonfarm employment, and lower total employment. On a sequential month-to-month basis, the CCEA-ECRI Connecticut coincident employment index rose slightly from 107.4 in October 2003 to 107.5 in November 2003. Only one component is a negative contributor, with a higher total unemployment rate, while the remaining three components are positive contributors to the index.

The revised CCEA-ECRI Connecticut leading employment index rose from 112.6 in November 2002 to 116.4 in November 2003. All six components of this index are positive contributors, with a lower Moody's Baa corporate bond yield, higher total housing permits, lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, a higher Hartford help-wanted advertising index, and higher average weekly hours worked in manufacturing and construction. On a sequential month-to-month basis, the CCEA-ECRI Connecticut leading employment index also rose from 115.0 in October to 116.4 in November. Five components of this index are positive contributors, with a lower Moody's Baa corporate bond yield, a lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, a higher help wanted index, and higher average weekly hours worked in manufacturing and construction. The sole negative contributor is lower total housing permits, which fell rather dramatically to half the level of the month before.

We have our own political issues in Connecticut. Other than creating some uncertainties, I don't expect the situation with the Governor to have a major impact on Connecticut's economy. I hope all my readers have had a happy and restful New Year; I look forward to reporting to you more and more encouraging news about the Connecticut economy in the coming months. ■

PLEASE LET US KNOW HOW YOU USE THE INDICATORS. RESPOND TO THE SURVEY AT OUR WEBSITE: HTTP://CCEA.UCONN.EDU. THANK YOU!

Francis W. Ahking, Department of Economics, University of Connecticut, Storrs, CT 06269. Phone: (860) 486-3026. Stan McMillen [(860) 486-0485, Storrs Campus], Connecticut Center for Economic Analysis, University of Connecticut, provided research support.
Leading and coincident employment indexes were developed by Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute. Components of the indexes are described in the Technical Notes on page 23.

--Continued from page 3--

utilities employment, while the other six regions added jobs in this sector between 1990 and 2002. And, though Hartford's employment in professional and business services and education and health care grew over the twelve-year period, its growth rate ranked it in sixth place in both sectors among the seven regions considered. Slow growth, in conjunction with losses in trade and transportation and utilities, resulted in the Hartford region's creating virtually no jobs in the service-providing segment of the economy between 1990 and 2002.

It could be argued that the Hartford region's 1990 nonfarm employment was still at artificially inflated levels due to the real estate and construction bubble, and that comparing that level to the 2002 level is presenting a misleading picture of greater Hartford's job-creation performance over that twelve-year period. However, some of that distortion was reflected in the construction sector. Manufacturing, with the end of the Cold War, also could not sustain its 1990 employment levels. Both construction and manufacturing are part of the goods-producing segment of the economy. In fact, between 1990 and 1992, on an annualized basis, 52 percent of the decline in the Hartford region's nonfarm employment was in goods-producing jobs. Thus, it comes back to what the above discussion suggests: that is, even more critical than the loss of goods-producing jobs has been the inability of greater Hartford's economy to generate new jobs in the service-providing segment. With no offsetting growth in service-providing jobs, the Hartford region's losses in goods-producing jobs were more readily translated directly into a net decline in nonfarm employment over the 1990-2002 period. This suggests that the future health of the greater Hartford region lies in its ability to create jobs in the service-providing segment of its economy.■

HOUSING UPDATE

2003 total permits: highest since 1999

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development (DECD) announced that Connecticut communities authorized 829 new housing units in December 2003, a 37.0 percent increase compared to December of 2002 when 605 units were authorized.

The Department further indicated that the 829 units permitted in December 2003 represent an 8.2 percent increase from the 766 units permitted in November 2003. The year-to-date permits are up 3.9 percent, from 9,607 through December 2002, to 9,985 through December 2003.

"The 9,985 permits issued in 2003 represent the highest permit total since 1999 and the third highest since 1989," said Commissioner Abromaitis. "Connecticut's housing market continues to be a solid performer, and a major economic driver for the state."

From a county perspective, New London, Hartford and New Haven counties had year-to-date gains of 22.9 percent, 11.3 percent and 8.0 percent respectively. New London led all municipalities with 48 new units, followed by Milford with 37 and Danbury with 34.

See data tables on pages 19 and 22.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	3Q 2003	3Q 2002	CHANGE NO.	CHANGE %	2Q 2003
Employment Indexes (1992=100)*					
Leading	114.1	113.3	0.8	0.7	114.0
Coincident	107.1	108.8	-1.6	-1.5	107.4
General Drift Indicator (1986=100)*					
Leading	101.0	100.0	1.0	1.0	101.6
Coincident	97.5	102.2	-4.7	-4.6	100.0
Business Barometer (1992=100)**	116.7	117.9	-1.2	-1.0	117.2

*Sources: *The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*
***People's Bank*

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 **People's 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 index is calculated by DataCore Partners, Inc for People's Bank.

Total nonfarm employment decreased by 16,200 over the year, largely the result of manufacturing job losses.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM	1,644.0	1,660.2	-16.2	-1.0	1,645.1
Construction	59.8	62.1	-2.3	-3.7	60.4
Manufacturing	200.2	209.3	-9.1	-4.3	200.7
Trade, Transportation, and Utilities	291.3	292.2	-0.9	-0.3	292.7
Information	39.2	40.0	-0.8	-2.0	39.3
Financial Activities	142.8	142.6	0.2	0.1	142.9
Professional and Business Services	196.1	198.8	-2.7	-1.4	197.6
Education and Health Services	267.0	263.8	3.2	1.2	267.4
Government*	241.2	246.4	-5.2	-2.1	241.6

Source: Connecticut Department of Labor (see page 12 for other industries, not seasonally adjusted)
** Includes Native American tribal government employment*

The unemployment rate rose while initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
Unemployment Rate, resident (%)	5.0	4.7	0.3	---	5.0
Labor Force, resident (000s)	1,783.4	1,783.3	0.1	0.0	1,783.6
Employed (000s)	1,694.3	1,699.3	-5.0	-0.3	1,694.5
Unemployed (000s)	89.2	84.0	5.2	6.2	89.2
Average Weekly Initial Claims	5,183	5,678	-495	-8.7	4,517
Help Wanted Index -- Htfd. (1987=100)	14	11	3	27.3	13
Avg. Insured Unemp. Rate (%)	3.28	3.40	-0.12	---	3.16

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings and output increased over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003	OCT 2003
Average Weekly Hours	42.6	41.9	0.7	1.7	42.3	--
Average Hourly Earnings	18.02	17.68	0.34	1.9	17.86	--
Average Weekly Earnings	767.65	740.79	26.86	3.6	755.48	--
CT Mfg. Production Index (1986=100)*	104.9	101.9	3.0	2.9	107.8	107.9
Production Worker Hours (000s)	5,133	5,328	-195	-3.7	5,107	--
Industrial Electricity Sales (mil kWh)**	417	399	18.0	4.5	435	464

Sources: Connecticut Department of Labor; U.S. Department of Energy
**Seasonally adjusted.*
***Latest two months are forecasted.*

Personal income for second quarter 2004 is forecasted to increase 3.5 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	2Q* 2004	2Q 2003	CHANGE NO.	CHANGE %	1Q* 2004
Personal Income	$156,476	$151,227	$5,249	3.5	$155,357
UI Covered Wages	$81,161	$78,253	$2,907	3.7	$81,259

Source: Bureau of Economic Analysis: January 2004 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
New Housing Permits	DEC 2003	829	37.0	9,985	9,607	3.9
Electricity Sales (mil kWh)	SEP 2003	2,912	17.0	24,236	23,245	4.3
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	DEC 2003	289.4	6.3	---	---	---
New Auto Registrations	DEC 2003	22,430	57.7	253,176	229,935	10.1
Air Cargo Tons	DEC 2003	13,382	36.7	142,293	143,073	-0.5
Exports (Bil. $)	3Q 2003	1.91	-9.0	6.01	6.21	-3.2

Sources: Connecticut Department of Economic and Community Development; U.S. Department of Energy, Energy Information Administration; Connecticut Department of Revenue Services; F.W. Dodge; Connecticut Department of Motor Vehicles; Connecticut Department of Transportation, Bureau of Aviation and Ports

Year-to-date electricity sales were up 4.3 percent from a year ago.

BUSINESS STARTS AND TERMINATIONS

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
STARTS						
Secretary of the State	DEC 2003	2,068	-2.3	26,067	25,934	0.5
Department of Labor*	2Q 2003	2,155	-3.8	4,690	4,998	-6.2
TERMINATIONS						
Secretary of the State	DEC 2003	1,917	99.7	10,580	6,149	72.1
Department of Labor*	2Q 2003	1,199	-39.4	2,585	3,778	-31.6

Sources: Connecticut Secretary of the State; Connecticut Department of Labor
** Revised methodology applied back to 1996; 3-months total*

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was down 21.7 percent to 15,487 from the same period last year.

STATE REVENUES

(Millions of dollars)	DEC 2003	DEC 2002	% CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
TOTAL ALL REVENUES*	901.3	847.9	6.3	8,938	9,210	-3.0
Corporate Tax	62.0	70.6	-12.2	409	442	-7.5
Personal Income Tax	442.8	411.0	7.7	4,119	4,164	-1.1
Real Estate Conv. Tax	12.7	11.4	11.4	127	132	-4.4
Sales & Use Tax	252.1	231.0	9.1	2,796	3,098	-9.7
Indian Gaming Payments**	30.2	29.1	3.7	397.6	380.0	4.6

Sources: Connecticut Department of Revenue Services; Division of Special Revenue
**Includes all sources of revenue; Only selected sources are displayed; Most July receipts are credited to the prior fiscal year and are not shown. **See page 23 for explanation.*

December State revenues were up 6.3 percent from a year ago.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
Info Center Visitors	DEC 2003	22,555	-18.5	523,230	647,611	-19.2
Major Attraction Visitors	DEC 2003	88,982	11.0	1,848,459	2,011,352	-8.1
Air Passenger Count	DEC 2003	528,386	-1.3	6,261,807	6,525,215	-4.0
Indian Gaming Slots (Mil.$)*	DEC 2003	1,489	2.4	19,429	18,832	3.2
Travel and Tourism Index**	3Q 2003	---	-1.1	---	---	---

Sources: Connecticut Department of Transportation, Bureau of Aviation and Ports; Connecticut Department of Economic and Community Development; Connecticut Lodging & Attractions Association; Division of Special Revenue
**See page 23 for explanation*
***The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*

December air passenger traffic was down 1.3 percent from December a year ago.

Compensation costs for the nation rose 4.0 percent, while the Northeast's increased 4.1 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers	Seasonally Adjusted			Not Seasonally Adjusted		
(June 1989=100)	DEC 2003	SEP 2003	3-Mo % Chg	DEC 2003	DEC 2002	12-Mo % Chg
UNITED STATES TOTAL	169.2	168.0	0.7	168.8	162.3	4.0
Wages and Salaries	162.5	161.7	0.5	162.3	157.5	3.0
Benefit Costs	186.0	183.8	1.2	185.8	174.6	6.4
NORTHEAST TOTAL	---	---	---	167.9	161.3	4.1
Wages and Salaries	---	---	---	160.9	155.7	3.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

The December U.S. inflation rate was 1.9 percent. New England consumer confidence increased 47.9 percent from December a year ago, while U.S. consumer confidence rose 13.1 percent.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
Connecticut**	3Q 2003	---	1.9	---
CPI-U (1982-84=100)				
U.S. City Average	DEC 2003	184.3	1.9	-0.1
Purchasing Power of $ (1982-84=$1.00)	DEC 2003	$0.543	-1.8	0.1
Northeast Region	DEC 2003	194.9	2.8	-0.1
NY-Northern NJ-Long Island	DEC 2003	199.3	3.2	-0.1
Boston-Brockton-Nashua***	NOV 2003	206.5	3.0	-0.1
CPI-W (1982-84=100)				
U.S. City Average	DEC 2003	179.9	1.6	-0.2
CONSUMER CONFIDENCE (1985=100)				
Connecticut**	3Q 2003	92.8	3.7	16.3
New England	DEC 2003	92.0	47.9	-11.7
U.S.	DEC 2003	91.3	13.1	-1.3

Sources: U.S. Department of Labor, Bureau of Labor Statistics; The Conference Board
**Change over prior monthly or quarterly period*
***The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*
****The Boston CPI can be used as a proxy for New England and is measured every other month.*

Almost all interest rates remained lower than a year ago, including the 30-year conventional mortgage rate at 5.88 percent.

INTEREST RATES

(Percent)	DEC 2003	NOV 2003	DEC 2002
Prime	4.00	4.00	4.25
Federal Funds	0.98	1.00	1.24
3 Month Treasury Bill	0.90	0.93	1.21
6 Month Treasury Bill	0.99	1.02	1.27
1 Year Treasury Bill	1.31	1.52	1.57
3 Year Treasury Note	1.91	2.84	2.73
5 Year Treasury Note	3.27	3.67	3.47
7 Year Treasury Note	3.79	4.19	3.99
10 Year Treasury Note	4.27	4.68	4.48
30 Year Treasury Bond	5.38	5.42	5.31
Conventional Mortgage	5.88	5.93	6.05

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

Five out of the nine states in the region added jobs over the year.

(Seasonally adjusted; 000s)	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
Connecticut	1,644.0	1,660.2	-16.2	-1.0	1,645.1
Maine	604.8	604.2	0.6	0.1	603.6
Massachusetts	3,178.3	3,220.9	-42.6	-1.3	3,185.4
New Hampshire	619.7	616.7	3.0	0.5	617.6
New Jersey	4,021.7	3,984.6	37.1	0.9	4,024.3
New York	8,405.0	8,412.9	-7.9	-0.1	8,408.1
Pennsylvania	5,631.7	5,643.0	-11.3	-0.2	5,635.3
Rhode Island	481.3	480.5	0.8	0.2	480.7
Vermont	302.0	299.9	2.1	0.7	301.9
United States	130,124.0	130,198.0	-74.0	-0.1	130,123.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

LABOR FORCE

Six of nine states posted increases in the labor force from last year.

(Seasonally adjusted; 000s)	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
Connecticut	1,783.4	1,783.3	0.1	0.0	1,783.6
Maine	697.7	687.7	10.0	1.5	698.0
Massachusetts	3,460.2	3,505.7	-45.5	-1.3	3,454.4
New Hampshire	716.0	706.5	9.5	1.3	717.9
New Jersey	4,450.7	4,380.3	70.4	1.6	4,440.1
New York	9,388.6	9,455.3	-66.7	-0.7	9,417.2
Pennsylvania	6,205.7	6,320.1	-114.4	-1.8	6,208.0
Rhode Island	562.8	561.5	1.3	0.2	564.8
Vermont	352.6	351.9	0.7	0.2	354.0
United States	146,878.0	145,157.0	1,721.0	1.2	147,187.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

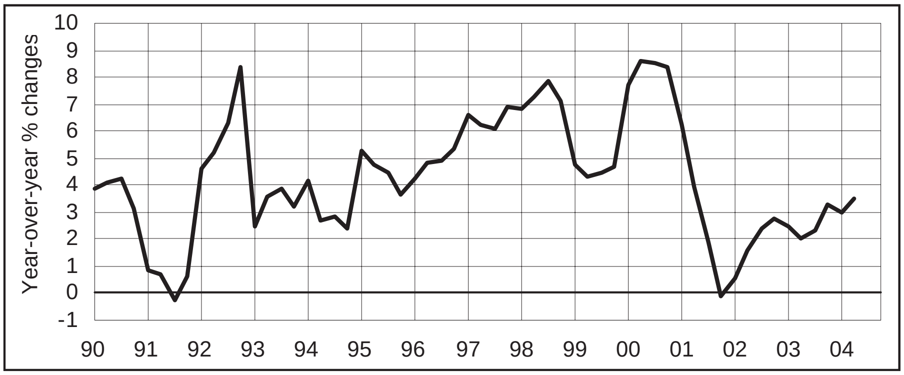
UNEMPLOYMENT RATES

Five of nine states showed a decrease in its unemployment rate over the year.

(Seasonally adjusted)	DEC 2003	DEC 2002	CHANGE	NOV 2003
Connecticut	5.0	4.7	0.3	5.0
Maine	5.0	4.8	0.2	4.9
Massachusetts	5.7	5.5	0.2	5.5
New Hampshire	4.1	5.0	-0.9	4.3
New Jersey	5.3	6.0	-0.7	5.5
New York	6.2	6.4	-0.2	6.1
Pennsylvania	5.1	6.1	-1.0	5.2
Rhode Island	5.0	5.5	-0.5	4.9
Vermont	4.0	3.7	0.3	3.9
United States	5.7	6.0	-0.3	5.9

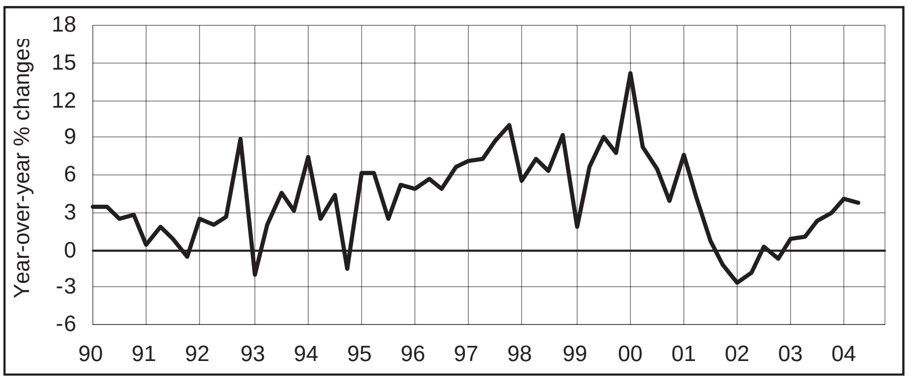
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



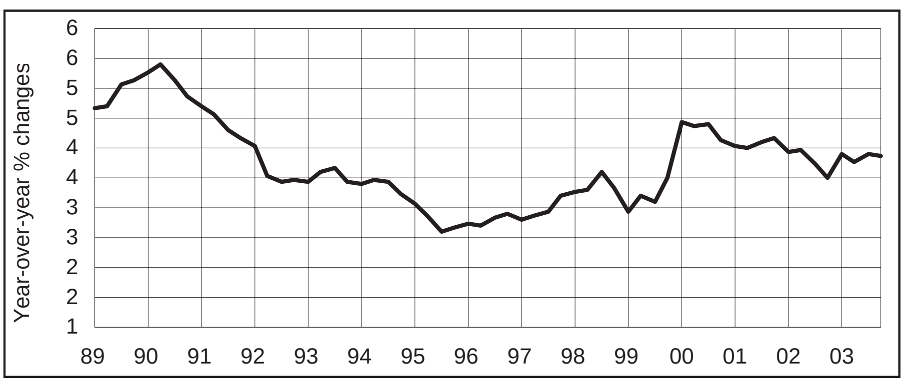
Quarter	2002	2003	2004
First	0.6	2.4	3.0
Second	1.6	2.0	3.5
Third	2.4	2.3	
Fourth	2.7	3.3	

UI COVERED WAGES *(Seasonally adjusted)*



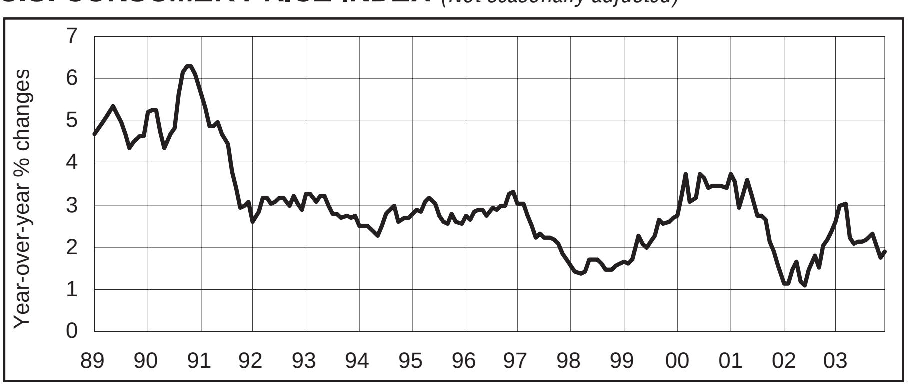
Quarter	2002	2003	2004
First	-2.7	0.9	4.0
Second	-1.8	1.0	3.7
Third	0.2	2.4	
Fourth	-0.8	2.9	

U.S. EMPLOYMENT COST INDEX *(Seasonally adjusted)*



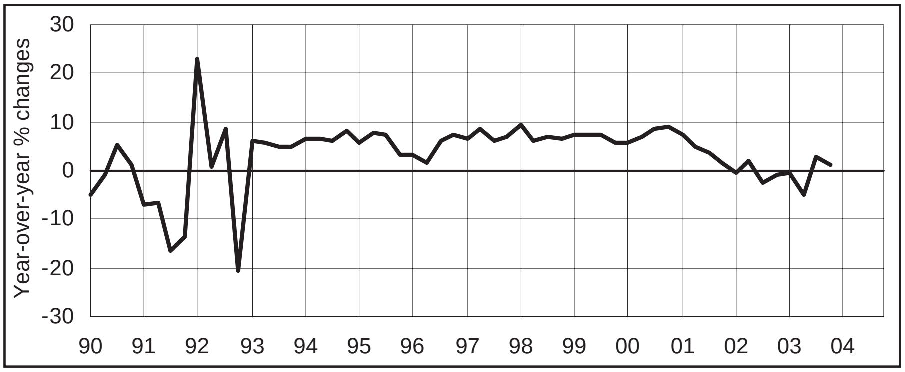
Quarter	2001	2002	2003
First	4.0	3.9	3.9
Second	4.0	4.0	3.8
Third	4.1	3.7	3.9
Fourth	4.2	3.5	3.9

U.S. CONSUMER PRICE INDEX *(Not seasonally adjusted)*



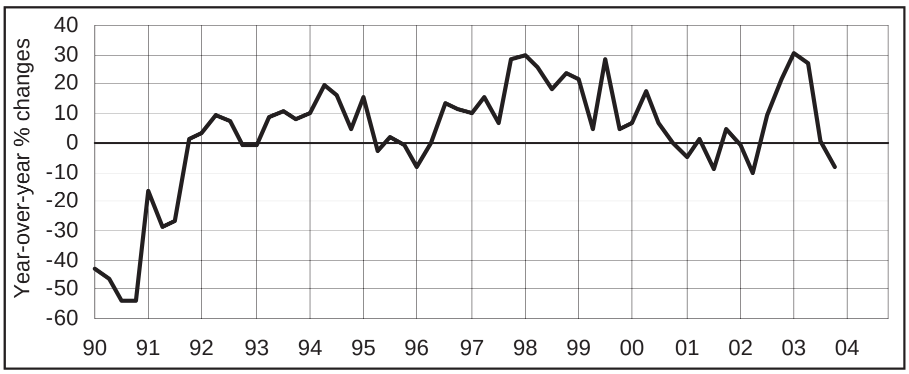
Month	2001	2002	2003
Jan	3.7	1.1	2.6
Feb	3.5	1.1	3.0
Mar	2.9	1.5	3.0
Apr	3.3	1.6	2.2
May	3.6	1.2	2.1
Jun	3.2	1.1	2.1
Jul	2.7	1.5	2.1
Aug	2.7	1.8	2.2
Sep	2.6	1.5	2.3
Oct	2.1	2.0	2.0
Nov	1.9	2.2	1.8
Dec	1.6	2.4	1.9

SALES TAX



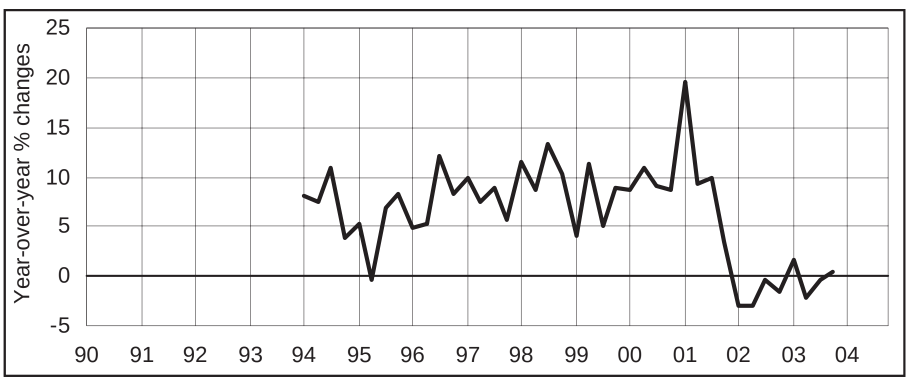
Quarter	FY 2002	FY 2003	FY 2004
First	-0.5	-0.3	
Second	2.1	-5.1	
Third	-2.3	3.0	
Fourth	-1.0	1.3	

REAL ESTATE TAX



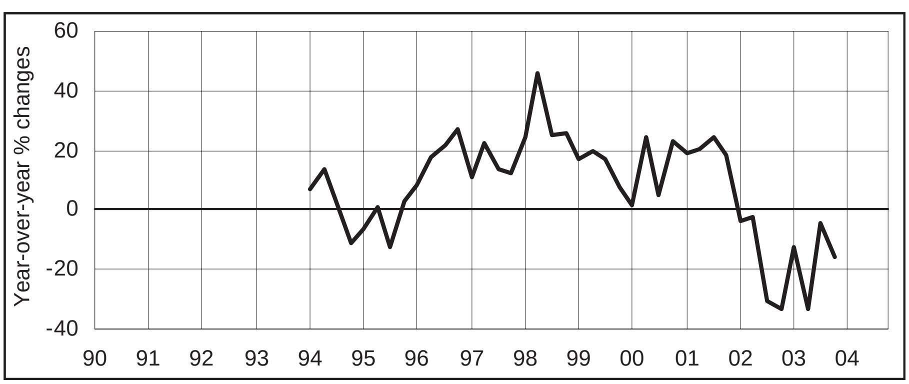
Quarter	FY 2002	FY 2003	FY 2004
First	-0.8	30.8	
Second	-10.2	27.2	
Third	9.6	0.6	
Fourth	21.7	-8.6	

PERSONAL INCOME TAX : SALARIES & WAGES



Quarter	FY 2002	FY 2003	FY 2004
First	-3.0	1.6	
Second	-3.0	-2.1	
Third	-0.4	-0.3	
Fourth	-1.6	0.5	

PERSONAL INCOME TAX : ALL OTHER SOURCES



Quarter	FY 2002	FY 2003	FY 2004
First	-3.5	-12.6	
Second	-2.3	-33.4	
Third	-30.6	-4.2	
Fourth	-33.5	-15.8	

Note: *These economic growth rates were derived by the Office of Fiscal Analysis and were made by comparing tax collections in each quarter with the same quarter in the previous year and were adjusted for legislative changes*

CONNECTICUT

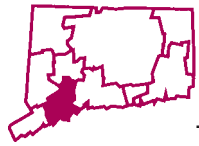
Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**1,665,400**	**1,682,200**	**-16,800**	**-1.0**	**1,661,600**
GOODS PRODUCING INDUSTRIES	**260,700**	**272,000**	**-11,300**	**-4.2**	**262,600**
CONSTRUCTION, NAT. RES. & MINING	**59,900**	**62,200**	**-2,300**	**-3.7**	**61,700**
MANUFACTURING	**200,800**	**209,800**	**-9,000**	**-4.3**	**200,900**
Durable Goods	**148,800**	**155,400**	**-6,600**	**-4.2**	**148,700**
Fabricated Metal	33,300	34,700	-1,400	-4.0	33,400
Machinery	18,200	19,400	-1,200	-6.2	18,200
Computer and Electronic Product	15,600	16,900	-1,300	-7.7	15,700
Electrical Equipment	10,700	11,400	-700	-6.1	10,600
Transportation Equipment	43,200	44,900	-1,700	-3.8	43,100
Aerospace Product and Parts	30,300	31,500	-1,200	-3.8	30,300
Non-Durable Goods	**52,000**	**54,400**	**-2,400**	**-4.4**	**52,200**
Printing and Related	7,800	8,600	-800	-9.3	7,900
Chemical	17,500	18,300	-800	-4.4	17,600
Plastics and Rubber Products	8,000	8,200	-200	-2.4	8,100
SERVICE PROVIDING INDUSTRIES	**1,404,700**	**1,410,200**	**-5,500**	**-0.4**	**1,399,000**
TRADE, TRANSPORTATION, UTILITIES	**321,600**	**322,600**	**-1,000**	**-0.3**	**314,700**
Wholesale Trade	64,900	65,900	-1,000	-1.5	64,900
Retail Trade	207,700	207,300	400	0.2	200,700
Motor Vehicle and Parts Dealers	22,300	22,300	0	0.0	22,400
Building Material	16,500	16,000	500	3.1	16,400
Food and Beverage Stores	47,600	47,600	0	0.0	47,400
General Merchandise Stores	27,000	27,400	-400	-1.5	26,100
Transportation, Warehousing, & Utilities	49,000	49,400	-400	-0.8	49,100
Utilities	8,800	8,900	-100	-1.1	8,800
Transportation and Warehousing	40,200	40,500	-300	-0.7	40,300
INFORMATION	**39,400**	**40,200**	**-800**	**-2.0**	**39,500**
Telecommunications	13,800	14,300	-500	-3.5	13,800
FINANCIAL ACTIVITIES	**143,100**	**142,900**	**200**	**0.1**	**143,000**
Finance and Insurance	122,700	122,500	200	0.2	122,700
Credit Intermediation	32,100	31,300	800	2.6	32,100
Securities and Commodity Contracts	17,400	17,700	-300	-1.7	17,400
Insurance Carriers & Related Activities	68,200	68,400	-200	-0.3	68,200
Real Estate and Rental and Leasing	20,400	20,400	0	0.0	20,300
PROFESSIONAL & BUSINESS SERVICES	**198,500**	**201,300**	**-2,800**	**-1.4**	**199,200**
Professional, Scientific	86,100	89,200	-3,100	-3.5	86,300
Legal Services	14,900	14,800	100	0.7	14,900
Computer Systems Design	18,100	19,100	-1,000	-5.2	18,300
Management of Companies	26,700	27,100	-400	-1.5	26,700
Administrative and Support	85,700	85,000	700	0.8	86,200
Employment Services	30,700	29,500	1,200	4.1	30,700
EDUCATIONAL AND HEALTH SERVICES	**268,100**	**264,900**	**3,200**	**1.2**	**267,900**
Educational Services	51,200	49,700	1,500	3.0	51,400
Health Care and Social Assistance	216,900	215,200	1,700	0.8	216,500
Hospitals	53,400	54,300	-900	-1.7	53,400
Nursing & Residential Care Facilities	56,600	56,100	500	0.9	56,600
Social Assistance	35,300	34,000	1,300	3.8	35,100
LEISURE AND HOSPITALITY	**123,900**	**123,100**	**800**	**0.6**	**122,700**
Arts, Entertainment, and Recreation	22,700	23,000	-300	-1.3	22,300
Accommodation and Food Services	101,200	100,100	1,100	1.1	100,400
Food Serv., Restaurants, Drinking Places	89,800	89,000	800	0.9	88,900
OTHER SERVICES	**63,200**	**63,000**	**200**	**0.3**	**63,000**
GOVERNMENT	**246,900**	**252,200**	**-5,300**	**-2.1**	**249,000**
Federal Government	20,700	21,300	-600	-2.8	20,600
State Government	65,100	71,300	-6,200	-8.7	66,000
**Local Government	161,100	159,600	1,500	0.9	162,400

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

BRIDGEPORT LMA

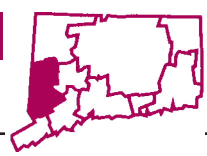


Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**188,900**	**188,700**	**200**	**0.1**	**187,900**
GOODS PRODUCING INDUSTRIES	**34,000**	**36,200**	**-2,200**	**-6.1**	**33,900**
CONSTRUCTION, NAT. RES. & MINING	**6,300**	**6,800**	**-500**	**-7.4**	**6,300**
MANUFACTURING	**27,700**	**29,400**	**-1,700**	**-5.8**	**27,600**
Durable Goods	**23,200**	**24,700**	**-1,500**	**-6.1**	**23,100**
SERVICE PROVIDING INDUSTRIES	**154,900**	**152,500**	**2,400**	**1.6**	**154,000**
TRADE, TRANSPORTATION, UTILITIES	**39,600**	**38,700**	**900**	**2.3**	**38,600**
Wholesale Trade	7,100	7,200	-100	-1.4	7,000
Retail Trade	27,300	26,000	1,300	5.0	26,400
Transportation, Warehousing, & Utilities	5,200	5,500	-300	-5.5	5,200
INFORMATION	**5,100**	**4,600**	**500**	**10.9**	**5,100**
FINANCIAL ACTIVITIES	**10,300**	**11,100**	**-800**	**-7.2**	**10,200**
PROFESSIONAL & BUSINESS SERVICES	**19,400**	**20,500**	**-1,100**	**-5.4**	**19,600**
EDUCATIONAL AND HEALTH SERVICES	**34,600**	**33,200**	**1,400**	**4.2**	**34,400**
LEISURE AND HOSPITALITY	**13,700**	**13,500**	**200**	**1.5**	**13,700**
Accommodation and Food Services	11,200	10,800	400	3.7	11,200
OTHER SERVICES	**6,900**	**6,900**	**0**	**0.0**	**6,900**
GOVERNMENT	**25,300**	**24,000**	**1,300**	**5.4**	**25,500**
Federal	1,900	2,000	-100	-5.0	1,900
State & Local	23,400	22,000	1,400	6.4	23,600

For further information on the Bridgeport Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

DANBURY LMA



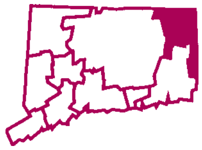
Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**94,200**	**92,400**	**1,800**	**1.9**	**93,000**
GOODS PRODUCING INDUSTRIES	**19,000**	**18,800**	**200**	**1.1**	**19,000**
CONSTRUCTION, NAT. RES. & MINING	**4,500**	**4,400**	**100**	**2.3**	**4,500**
MANUFACTURING	**14,500**	**14,400**	**100**	**0.7**	**14,500**
SERVICE PROVIDING INDUSTRIES	**75,200**	**73,600**	**1,600**	**2.2**	**74,000**
TRADE, TRANSPORTATION, UTILITIES	**19,900**	**19,700**	**200**	**1.0**	**19,200**
Wholesale Trade	2,600	2,600	0	0.0	2,600
Retail Trade	15,600	15,100	500	3.3	14,900
INFORMATION	**3,100**	**3,000**	**100**	**3.3**	**3,000**
FINANCIAL ACTIVITIES	**4,400**	**4,200**	**200**	**4.8**	**4,300**
PROFESSIONAL & BUSINESS SERVICES	**9,600**	**10,200**	**-600**	**-5.9**	**9,600**
EDUCATIONAL AND HEALTH SERVICES	**13,200**	**12,700**	**500**	**3.9**	**13,200**
LEISURE AND HOSPITALITY	**7,900**	**7,300**	**600**	**8.2**	**7,700**
OTHER SERVICES	**3,900**	**3,800**	**100**	**2.6**	**3,900**
GOVERNMENT	**13,200**	**12,700**	**500**	**3.9**	**13,100**
Federal	800	800	0	0.0	700
State & Local	12,400	11,900	500	4.2	12,400

For further information on the Danbury Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

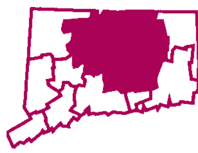
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes.*

DANIELSON LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

HARTFORD LMA



Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**606,200**	**615,000**	**-8,800**	**-1.4**	**605,000**
GOODS PRODUCING INDUSTRIES	**94,500**	**99,300**	**-4,800**	**-4.8**	**94,800**
CONSTRUCTION, NAT. RES. & MINING	**21,300**	**21,900**	**-600**	**-2.7**	**21,800**
MANUFACTURING	**73,200**	**77,400**	**-4,200**	**-5.4**	**73,000**
Durable Goods	**61,000**	**64,000**	**-3,000**	**-4.7**	**60,800**
Fabricated Metal	14,800	15,900	-1,100	-6.9	14,700
Non-Durable Goods	**12,200**	**13,400**	**-1,200**	**-9.0**	**12,200**
SERVICE PROVIDING INDUSTRIES	**511,700**	**515,700**	**-4,000**	**-0.8**	**510,200**
TRADE, TRANSPORTATION, UTILITIES	**109,700**	**110,000**	**-300**	**-0.3**	**108,700**
Wholesale Trade	20,600	21,800	-1,200	-5.5	20,600
Retail Trade	69,500	67,700	1,800	2.7	68,400
Transportation, Warehousing, & Utilities	19,600	20,500	-900	-4.4	19,700
Transportation and Warehousing	16,300	16,900	-600	-3.6	16,400
INFORMATION	**10,100**	**11,200**	**-1,100**	**-9.8**	**10,500**
FINANCIAL ACTIVITIES	**71,000**	**71,900**	**-900**	**-1.3**	**70,700**
Finance and Insurance	65,200	66,500	-1,300	-2.0	64,800
Insurance Carriers & Related Activities	49,700	49,700	0	0.0	49,400
PROFESSIONAL & BUSINESS SERVICES	**60,400**	**61,800**	**-1,400**	**-2.3**	**60,700**
Professional, Scientific	27,200	27,900	-700	-2.5	27,300
Management of Companies	6,700	6,600	100	1.5	6,700
Administrative and Support	26,500	27,300	-800	-2.9	26,700
EDUCATIONAL AND HEALTH SERVICES	**88,800**	**89,900**	**-1,100**	**-1.2**	**88,000**
Health Care and Social Assistance	80,300	79,500	800	1.0	79,700
LEISURE AND HOSPITALITY	**39,200**	**39,000**	**200**	**0.5**	**39,100**
Accommodation and Food Services	32,900	32,900	0	0.0	32,700
Food Serv., Restaurants, Drinking Places	29,500	29,900	-400	-1.3	29,300
OTHER SERVICES	**26,300**	**25,700**	**600**	**2.3**	**26,100**
GOVERNMENT	**106,200**	**106,200**	**0**	**0.0**	**106,400**
Federal	7,200	7,200	0	0.0	7,000
State & Local	99,000	99,000	0	0.0	99,400

For further information on the Hartford Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

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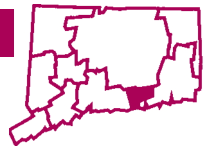
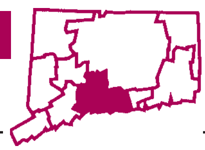
**Total excludes workers idled due to labor-management disputes.*

LOWER RIVER LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

NEW HAVEN LMA



Not Seasonally Adjusted

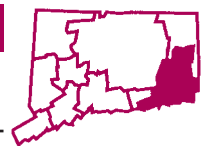
	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**265,000**	**263,200**	**1,800**	**0.7**	**263,900**
GOODS PRODUCING INDUSTRIES	**41,400**	**42,800**	**-1,400**	**-3.3**	**41,600**
CONSTRUCTION, NAT. RES. & MINING	**10,300**	**10,100**	**200**	**2.0**	**10,500**
MANUFACTURING	**31,100**	**32,700**	**-1,600**	**-4.9**	**31,100**
Durable Goods	**21,400**	**22,000**	**-600**	**-2.7**	**21,200**
Non-Durable Goods	**9,700**	**10,700**	**-1,000**	**-9.3**	**9,900**
SERVICE PROVIDING INDUSTRIES	**223,600**	**220,400**	**3,200**	**1.5**	**222,300**
TRADE, TRANSPORTATION, UTILITIES	**48,800**	**48,300**	**500**	**1.0**	**47,800**
Wholesale Trade	9,900	10,300	-400	-3.9	9,800
Retail Trade	31,400	30,400	1,000	3.3	30,600
Transportation, Warehousing, & Utilities	7,500	7,600	-100	-1.3	7,400
INFORMATION	**10,000**	**9,800**	**200**	**2.0**	**9,800**
Telecommunications	5,800	6,100	-300	-4.9	5,800
FINANCIAL ACTIVITIES	**14,400**	**14,100**	**300**	**2.1**	**14,200**
Finance and Insurance	10,500	10,700	-200	-1.9	10,400
PROFESSIONAL & BUSINESS SERVICES	**28,800**	**27,700**	**1,100**	**4.0**	**28,300**
Administrative and Support	12,900	12,800	100	0.8	12,600
EDUCATIONAL AND HEALTH SERVICES	**59,900**	**59,500**	**400**	**0.7**	**60,100**
Educational Services	21,900	22,600	-700	-3.1	22,400
Health Care and Social Assistance	38,000	36,900	1,100	3.0	37,700
LEISURE AND HOSPITALITY	**17,600**	**16,500**	**1,100**	**6.7**	**17,900**
Accommodation and Food Services	13,900	13,600	300	2.2	14,200
OTHER SERVICES	**10,900**	**10,300**	**600**	**5.8**	**10,700**
GOVERNMENT	**33,200**	**34,200**	**-1,000**	**-2.9**	**33,500**
Federal	5,500	5,700	-200	-3.5	5,400
State & Local	27,700	28,500	-800	-2.8	28,100

For further information on the New Haven Labor Market Area contact Joseph Slepski at (860) 263-6278.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

NONFARM EMPLOYMENT ESTIMATES

NEW LONDON LMA

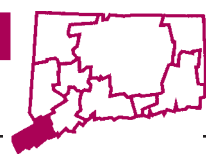


Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**147,100**	**146,700**	**400**	**0.3**	**147,200**
GOODS PRODUCING INDUSTRIES	**24,400**	**24,700**	**-300**	**-1.2**	**24,400**
CONSTRUCTION, NAT. RES. & MINING	**4,600**	**4,400**	**200**	**4.5**	**4,700**
MANUFACTURING	**19,800**	**20,300**	**-500**	**-2.5**	**19,700**
Durable Goods	**11,900**	**12,000**	**-100**	**-0.8**	**11,800**
Non-Durable Goods	**7,900**	**8,300**	**-400**	**-4.8**	**7,900**
SERVICE PROVIDING INDUSTRIES	**122,700**	**122,000**	**700**	**0.6**	**122,800**
TRADE, TRANSPORTATION, UTILITIES	**25,900**	**25,600**	**300**	**1.2**	**25,700**
Wholesale Trade	2,300	2,200	100	4.5	2,300
Retail Trade	19,200	19,100	100	0.5	19,000
Transportation, Warehousing, & Utilities	4,400	4,300	100	2.3	4,400
INFORMATION	**2,400**	**2,500**	**-100**	**-4.0**	**2,400**
FINANCIAL ACTIVITIES	**3,800**	**3,600**	**200**	**5.6**	**3,700**
PROFESSIONAL & BUSINESS SERVICES	**10,500**	**10,900**	**-400**	**-3.7**	**10,500**
EDUCATIONAL AND HEALTH SERVICES	**19,200**	**18,900**	**300**	**1.6**	**19,200**
Health Care and Social Assistance	16,800	16,500	300	1.8	16,700
LEISURE AND HOSPITALITY	**14,500**	**14,500**	**0**	**0.0**	**14,400**
Accommodation and Food Services	12,300	12,200	100	0.8	12,300
Food Serv., Restaurants, Drinking Places	9,300	9,200	100	1.1	9,400
OTHER SERVICES	**4,300**	**4,400**	**-100**	**-2.3**	**4,300**
GOVERNMENT	**42,100**	**41,600**	**500**	**1.2**	**42,600**
Federal	2,900	2,900	0	0.0	2,900
**State & Local	39,200	38,700	500	1.3	39,700

For further information on the New London Labor Market Area contact Lincoln Dyer at (860) 263-6292.

STAMFORD LMA



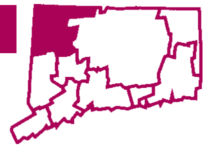
Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT	**195,800**	**198,300**	**-2,500**	**-1.3**	**195,100**
GOODS PRODUCING INDUSTRIES	**17,700**	**18,200**	**-500**	**-2.7**	**17,800**
CONSTRUCTION, NAT. RES. & MINING	**6,100**	**6,100**	**0**	**0.0**	**6,200**
MANUFACTURING	**11,600**	**12,100**	**-500**	**-4.1**	**11,600**
SERVICE PROVIDING INDUSTRIES	**178,100**	**180,100**	**-2,000**	**-1.1**	**177,300**
TRADE, TRANSPORTATION, UTILITIES	**33,400**	**35,300**	**-1,900**	**-5.4**	**32,400**
Wholesale Trade	7,600	8,100	-500	-6.2	7,600
Retail Trade	21,400	22,700	-1,300	-5.7	20,400
Transportation, Warehousing, & Utilities	4,400	4,500	-100	-2.2	4,400
INFORMATION	**6,500**	**6,700**	**-200**	**-3.0**	**6,500**
FINANCIAL ACTIVITIES	**28,700**	**28,500**	**200**	**0.7**	**28,300**
Finance and Insurance	25,300	24,900	400	1.6	25,200
PROFESSIONAL & BUSINESS SERVICES	**42,900**	**43,900**	**-1,000**	**-2.3**	**43,600**
Professional, Scientific	21,900	21,900	0	0.0	22,200
Management of Companies	9,800	9,800	0	0.0	9,900
Administrative and Support	11,200	12,200	-1,000	-8.2	11,500
EDUCATIONAL AND HEALTH SERVICES	**22,700**	**21,900**	**800**	**3.7**	**22,600**
Health Care and Social Assistance	19,500	18,800	700	3.7	19,400
LEISURE AND HOSPITALITY	**15,000**	**14,700**	**300**	**2.0**	**14,800**
Accommodation and Food Services	10,800	10,500	300	2.9	10,700
OTHER SERVICES	**9,200**	**9,100**	**100**	**1.1**	**9,200**
GOVERNMENT	**19,700**	**20,000**	**-300**	**-1.5**	**19,900**
Federal	1,700	1,800	-100	-5.6	1,700
State & Local	18,000	18,200	-200	-1.1	18,200

For further information on the Stamford Labor Market Area contact Joseph Slepski at (860) 263-6278.

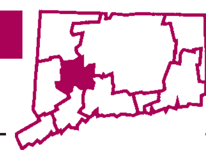
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

TORRINGTON LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

WATERBURY LMA



Not Seasonally Adjusted

	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
TOTAL NONFARM EMPLOYMENT……………	**83,200**	**84,400**	**-1,200**	**-1.4**	**83,700**
GOODS PRODUCING INDUSTRIES…………	**15,900**	**16,800**	**-900**	**-5.4**	**16,200**
CONSTRUCTION, NAT. RES. & MINING…..	**3,600**	**3,700**	**-100**	**-2.7**	**3,700**
MANUFACTURING……………………………	**12,300**	**13,100**	**-800**	**-6.1**	**12,500**
Durable Goods………………………………	**10,000**	**10,800**	**-800**	**-7.4**	**10,100**
SERVICE PROVIDING INDUSTRIES…………	**67,300**	**67,600**	**-300**	**-0.4**	**67,500**
TRADE, TRANSPORTATION, UTILITIES…..	**15,300**	**16,000**	**-700**	**-4.4**	**15,100**
Wholesale Trade……………………………	1,900	2,500	-600	-24.0	1,900
Retail Trade…………………………………	10,900	11,000	-100	-0.9	10,700
Transportation, Warehousing, & Utilities….	2,500	2,500	0	0.0	2,500
INFORMATION…………………………………	**1,400**	**1,400**	**0**	**0.0**	**1,400**
FINANCIAL ACTIVITIES………………………	**3,800**	**3,700**	**100**	**2.7**	**3,700**
PROFESSIONAL & BUSINESS SERVICES	**8,000**	**8,000**	**0**	**0.0**	**8,300**
EDUCATIONAL AND HEALTH SERVICES	**15,300**	**15,200**	**100**	**0.7**	**15,300**
Health Care and Social Assistance……….	14,600	13,800	800	5.8	14,600
LEISURE AND HOSPITALITY………………	**6,400**	**6,400**	**0**	**0.0**	**6,700**
OTHER SERVICES……………………………	**3,500**	**3,500**	**0**	**0.0**	**3,500**
GOVERNMENT ………………………………	**13,600**	**13,400**	**200**	**1.5**	**13,500**
Federal…………………………………………	700	700	0	0.0	700
State & Local…………………………………	12,900	12,700	200	1.6	12,800

For further information on the Waterbury Labor Market Area contact Joseph Slepski at (860) 263-6278.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

**Total excludes workers idled due to labor-management disputes.*

LMA LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	DEC 2003	DEC 2002	CHANGE NO.	CHANGE %	NOV 2003
CONNECTICUT	Civilian Labor Force	1,769,600	1,768,800	800	0.0	1,778,500
	Employed	1,689,200	1,693,300	-4,100	-0.2	1,697,900
	Unemployed	80,500	75,500	5,000	6.6	80,700
	Unemployment Rate	4.5	4.3	0.2	---	4.5
BRIDGEPORT LMA	Civilian Labor Force	226,800	224,700	2,100	0.9	227,600
	Employed	214,300	213,200	1,100	0.5	214,800
	Unemployed	12,500	11,500	1,000	8.7	12,800
	Unemployment Rate	5.5	5.1	0.4	---	5.6
DANBURY LMA	Civilian Labor Force	119,300	116,300	3,000	2.6	119,000
	Employed	115,700	112,900	2,800	2.5	115,400
	Unemployed	3,500	3,400	100	2.9	3,600
	Unemployment Rate	3.0	2.9	0.1	---	3.0
DANIELSON LMA	Civilian Labor Force	36,300	36,500	-200	-0.5	36,800
	Employed	34,600	34,900	-300	-0.9	35,100
	Unemployed	1,800	1,700	100	5.9	1,700
	Unemployment Rate	4.8	4.6	0.2	---	4.6
HARTFORD LMA	Civilian Labor Force	598,600	603,700	-5,100	-0.8	601,000
	Employed	569,200	576,000	-6,800	-1.2	572,000
	Unemployed	29,400	27,700	1,700	6.1	29,100
	Unemployment Rate	4.9	4.6	0.3	---	4.8
LOWER RIVER LMA	Civilian Labor Force	12,800	12,600	200	1.6	12,800
	Employed	12,400	12,200	200	1.6	12,400
	Unemployed	400	400	0	0.0	400
	Unemployment Rate	3.1	3.1	0.0	---	3.0
NEW HAVEN LMA	Civilian Labor Force	289,200	286,500	2,700	0.9	290,300
	Employed	276,500	275,100	1,400	0.5	277,400
	Unemployed	12,700	11,500	1,200	10.4	12,900
	Unemployment Rate	4.4	4.0	0.4	---	4.5
NEW LONDON LMA	Civilian Labor Force	165,700	165,100	600	0.4	167,400
	Employed	159,000	158,900	100	0.1	160,700
	Unemployed	6,700	6,200	500	8.1	6,700
	Unemployment Rate	4.1	3.8	0.3	---	4.0
STAMFORD LMA	Civilian Labor Force	187,300	189,500	-2,200	-1.2	188,400
	Employed	181,700	183,900	-2,200	-1.2	182,700
	Unemployed	5,600	5,600	0	0.0	5,700
	Unemployment Rate	3.0	3.0	0.0	---	3.0
TORRINGTON LMA	Civilian Labor Force	37,500	36,900	600	1.6	38,200
	Employed	35,900	35,400	500	1.4	36,700
	Unemployed	1,600	1,500	100	6.7	1,400
	Unemployment Rate	4.2	4.0	0.2	---	3.8
WATERBURY LMA	Civilian Labor Force	115,600	116,100	-500	-0.4	116,600
	Employed	108,500	109,400	-900	-0.8	109,600
	Unemployed	7,100	6,700	400	6.0	7,100
	Unemployment Rate	6.1	5.8	0.3	---	6.0
UNITED STATES	Civilian Labor Force	146,501,000	144,807,000	1,694,000	1.2	146,969,000
	Employed	138,556,000	136,599,000	1,957,000	1.4	138,700,000
	Unemployed	7,945,000	8,209,000	-264,000	-3.2	8,269,000
	Unemployment Rate	5.4	5.7	-0.3	---	5.6

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003	AVG WEEKLY HOURS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003	AVG HOURLY EARNINGS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003
MANUFACTURING	**$767.65**	**$740.79**	**$26.86**	**$755.48**	**42.6**	**41.9**	**0.7**	**42.3**	**$18.02**	**$17.68**	**$0.34**	**$17.86**
DURABLE GOODS	**792.79**	**763.56**	**29.23**	**781.43**	**42.6**	**42.0**	**0.6**	**42.4**	**18.61**	**18.18**	**0.43**	**18.43**
Fabricated Metal	709.20	673.82	35.38	702.19	42.8	41.8	1.0	43.0	16.57	16.12	0.45	16.33
Machinery	783.76	756.11	27.66	770.54	40.4	39.9	0.5	40.3	19.40	18.95	0.45	19.12
Computer & Electronic	608.44	588.00	20.44	617.82	41.0	42.0	-1.0	42.0	14.84	14.00	0.84	14.71
Transport. Equipment	1,003.80	956.06	47.74	950.98	43.1	43.3	-0.2	41.6	23.29	22.08	1.21	22.86
NON-DUR. GOODS	**702.53**	**685.52**	**17.01**	**691.70**	**42.5**	**41.8**	**0.7**	**42.1**	**16.53**	**16.40**	**0.13**	**16.43**
CONSTRUCTION	**933.53**	**879.36**	**54.17**	**919.70**	**40.5**	**39.7**	**0.8**	**39.9**	**23.05**	**22.15**	**0.90**	**23.05**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003	AVG WEEKLY HOURS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003	AVG HOURLY EARNINGS DEC 2003	DEC 2002	CHG Y/Y	NOV 2003
Bridgeport	$828.14	$769.37	$58.77	$785.83	42.6	40.6	2.0	41.1	$19.44	$18.95	$0.49	$19.12
Danbury	745.31	801.58	-56.27	746.85	41.2	42.1	-0.9	41.7	18.09	19.04	-0.95	17.91
Danielson*												
Hartford	835.64	803.33	32.31	804.29	43.5	43.4	0.1	42.6	19.21	18.51	0.70	18.88
Lower River*												
New Haven	778.63	752.01	26.62	752.08	46.1	43.9	2.2	44.9	16.89	17.13	-0.24	16.75
New London	763.00	737.17	25.83	761.71	41.9	42.1	-0.2	42.2	18.21	17.51	0.70	18.05
Stamford*												
Torrington*												
Waterbury	765.70	642.63	123.07	727.47	41.3	38.9	2.4	41.1	18.54	16.52	2.02	17.70

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

**Due to staff cuts, data for the Danielson, Lower River and Torrington labor market areas are no longer being prepared for publication. Manufacturing hours and earnings estimates for the Stamford labor market area will no longer be published due to their not meeting sample reliability tests.*

NEW HOUSING PERMITS LMA

	DEC 2003	DEC 2002	CHANGE Y/Y UNITS	%	YTD 2003	2002	CHANGE YTD UNITS	%	NOV 2003
Connecticut	829	605	224	37.0	9,985	9,607	378	3.9	766
LMAs:									
Bridgeport	74	66	8	12.1	1,016	852	164	19.2	138
Danbury	66	72	-6	-8.3	759	890	-131	-14.7	54
Danielson	26	35	-9	-25.7	369	372	-3	-0.8	34
Hartford	303	234	69	29.5	4,176	3,877	299	7.7	308
Lower River	2	5	-3	-60.0	96	128	-32	-25.0	6
New Haven	95	48	47	97.9	927	1,033	-106	-10.3	66
New London	146	47	99	210.6	1,058	883	175	19.8	68
Stamford	56	41	15	36.6	697	706	-9	-1.3	31
Torrington	21	19	2	10.5	289	276	13	4.7	21
Waterbury	40	38	2	5.3	598	590	8	1.4	40

Additional data by town are on page 22.

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

DECEMBER 2003

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT	**226,759**	**214,297**	**12,462**	**5.5**
Ansonia	8,865	8,297	568	6.4
Beacon Falls	2,979	2,800	179	6.0
BRIDGEPORT	**63,732**	**58,353**	**5,379**	**8.4**
Derby	6,534	6,159	375	5.7
Easton	3,388	3,302	86	2.5
Fairfield	27,476	26,515	961	3.5
Milford	27,020	25,873	1,147	4.2
Monroe	10,247	9,885	362	3.5
Oxford	4,969	4,761	208	4.2
Seymour	7,989	7,610	379	4.7
Shelton	20,826	19,918	908	4.4
Stratford	25,503	24,173	1,330	5.2
Trumbull	17,231	16,650	581	3.4
DANBURY	**119,276**	**115,731**	**3,545**	**3.0**
Bethel	10,531	10,185	346	3.3
Bridgewater	1,035	1,010	25	2.4
Brookfield	8,831	8,608	223	2.5
DANBURY	**39,422**	**37,923**	**1,499**	**3.8**
New Fairfield	7,594	7,403	191	2.5
New Milford	15,147	14,699	448	3.0
Newtown	13,475	13,114	361	2.7
Redding	4,817	4,706	111	2.3
Ridgefield	13,246	12,996	250	1.9
Roxbury	1,128	1,115	13	1.2
Sherman	1,824	1,788	36	2.0
Washington	2,226	2,183	43	1.9
DANIELSON	**36,331**	**34,572**	**1,759**	**4.8**
Brooklyn	4,179	4,052	127	3.0
Eastford	939	919	20	2.1
Hampton	1,207	1,155	52	4.3
KILLINGLY	**9,231**	**8,618**	**613**	**6.6**
Pomfret	2,294	2,226	68	3.0
Putnam	5,121	4,868	253	4.9
Scotland	929	912	17	1.8
Sterling	1,738	1,658	80	4.6
Thompson	4,554	4,274	280	6.1
Union	426	415	11	2.6
Voluntown	1,464	1,391	73	5.0
Woodstock	4,250	4,084	166	3.9
HARTFORD	**598,630**	**569,213**	**29,417**	**4.9**
Andover	1,649	1,587	62	3.8
Ashford	2,164	2,093	71	3.3
Avon	7,545	7,298	247	3.3
Barkhamsted	2,116	2,004	112	5.3
Berlin	9,142	8,730	412	4.5
Bloomfield	10,002	9,530	472	4.7
Bolton	2,732	2,645	87	3.2
Bristol	32,048	30,354	1,694	5.3
HARTFORD cont....				
Burlington	4,450	4,272	178	4.0
Canton	4,651	4,496	155	3.3
Chaplin	1,215	1,158	57	4.7
Colchester	6,780	6,454	326	4.8
Columbia	2,698	2,592	106	3.9
Coventry	6,207	5,950	257	4.1
Cromwell	6,931	6,643	288	4.2
Durham	3,569	3,442	127	3.6
East Granby	2,474	2,379	95	3.8
East Haddam	4,149	3,985	164	4.0
East Hampton	6,282	5,983	299	4.8
East Hartford	25,624	24,119	1,505	5.9
East Windsor	5,643	5,355	288	5.1
Ellington	6,935	6,682	253	3.6
Enfield	22,983	21,915	1,068	4.6
Farmington	11,324	10,887	437	3.9
Glastonbury	15,763	15,293	470	3.0
Granby	5,321	5,139	182	3.4
Haddam	4,225	4,074	151	3.6
HARTFORD	**54,169**	**49,100**	**5,069**	**9.4**
Harwinton	2,965	2,864	101	3.4
Hebron	4,407	4,253	154	3.5
Lebanon	3,373	3,218	155	4.6
Manchester	28,584	27,266	1,318	4.6
Mansfield	9,100	8,913	187	2.1
Marlborough	3,088	2,980	108	3.5
Middlefield	2,276	2,173	103	4.5
Middletown	24,357	23,136	1,221	5.0
New Britain	34,432	31,972	2,460	7.1
New Hartford	3,672	3,540	132	3.6
Newington	15,561	14,974	587	3.8
Plainville	9,392	8,904	488	5.2
Plymouth	6,477	6,119	358	5.5
Portland	4,675	4,461	214	4.6
Rocky Hill	9,743	9,372	371	3.8
Simsbury	11,556	11,263	293	2.5
Somers	4,124	3,954	170	4.1
Southington	21,290	20,360	930	4.4
South Windsor	13,403	12,971	432	3.2
Stafford	5,980	5,644	336	5.6
Suffield	5,895	5,684	211	3.6
Tolland	7,177	6,946	231	3.2
Vernon	16,601	15,918	683	4.1
West Hartford	28,474	27,516	958	3.4
Wethersfield	12,280	11,777	503	4.1
Willington	3,449	3,353	96	2.8
Winchester	5,931	5,584	347	5.9
Windham	10,206	9,573	633	6.2
Windsor	14,683	13,950	733	5.0
Windsor Locks	6,682	6,413	269	4.0

LABOR FORCE CONCEPTS

The **civilian labor force** comprises all state residents age 16 years and older classified as employed or unemployed in accordance with criteria described below. Excluded are members of the military and persons in institutions (correctional and mental health, for example).

The **employed** are all persons who did any work as paid employees or in their own business during the survey week, or who have worked 15 hours or more as unpaid workers in an enterprise operated by a family member. Persons temporarily absent from a job because of illness, bad weather, strike or for personal reasons are also counted as employed whether they were paid by their employer or were seeking other jobs.

The **unemployed** are all persons who did not work, but were available for work during the survey week (except for temporary illness) and made specific efforts to find a job in the prior four weeks. Persons waiting to be recalled to a job from which they had been laid off need not be looking for work to be classified as unemployed.

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

DECEMBER 2003

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
LOWER RIVER	**12,820**	**12,422**	**398**	**3.1**
Chester	2,224	2,164	60	2.7
Deep River	2,769	2,695	74	2.7
Essex	3,425	3,305	120	3.5
Lyme	1,124	1,091	33	2.9
Westbrook	3,278	3,167	111	3.4
NEW HAVEN	**289,194**	**276,524**	**12,670**	**4.4**
Bethany	2,722	2,635	87	3.2
Branford	16,572	16,002	570	3.4
Cheshire	14,267	13,821	446	3.1
Clinton	7,800	7,533	267	3.4
East Haven	15,550	14,820	730	4.7
Guilford	12,064	11,747	317	2.6
Hamden	30,476	29,344	1,132	3.7
Killingworth	3,081	3,005	76	2.5
Madison	8,687	8,472	215	2.5
MERIDEN	**31,543**	**29,759**	**1,784**	**5.7**
NEW HAVEN	**60,007**	**56,383**	**3,624**	**6.0**
North Branford	8,547	8,246	301	3.5
North Haven	12,970	12,518	452	3.5
Orange	6,814	6,630	184	2.7
Wallingford	23,942	22,992	950	4.0
West Haven	29,638	28,209	1,429	4.8
Woodbridge	4,513	4,407	106	2.3
***NEW LONDON**	**146,260**	**140,312**	**5,948**	**4.1**
Bozrah	1,550	1,492	58	3.7
Canterbury	2,952	2,831	121	4.1
East Lyme	9,871	9,608	263	2.7
Franklin	1,163	1,129	34	2.9
Griswold	6,187	5,904	283	4.6
Groton	18,490	17,718	772	4.2
Ledyard	8,527	8,278	249	2.9
Lisbon	2,392	2,293	99	4.1
Montville	10,370	9,967	403	3.9
NEW LONDON	**13,995**	**13,229**	**766**	**5.5**
No. Stonington	3,092	3,000	92	3.0
NORWICH	**20,173**	**19,052**	**1,121**	**5.6**
Old Lyme	4,037	3,934	103	2.6
Old Saybrook	6,151	6,003	148	2.4
Plainfield	9,304	8,766	538	5.8
Preston	2,718	2,626	92	3.4
Salem	2,184	2,098	86	3.9
Sprague	1,792	1,682	110	6.1
Stonington	10,328	10,074	254	2.5
Waterford	10,983	10,628	355	3.2

*Connecticut portion only. For whole MSA, including Rhode Island towns, see below.

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW LONDON	**165,707**	**158,979**	**6,728**	**4.1**
Hopkinton, RI	4,981	4,783	198	4.0
Westerly, RI	14,466	13,884	582	4.0

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
STAMFORD	**187,328**	**181,703**	**5,625**	**3.0**
Darien	9,258	9,060	198	2.1
Greenwich	30,327	29,708	619	2.0
New Canaan	9,167	9,001	166	1.8
NORWALK	**47,339**	**45,457**	**1,882**	**4.0**
STAMFORD	**64,067**	**61,863**	**2,204**	**3.4**
Weston	4,643	4,553	90	1.9
Westport	13,761	13,502	259	1.9
Wilton	8,766	8,559	207	2.4
TORRINGTON	**37,489**	**35,930**	**1,559**	**4.2**
Canaan**	654	637	17	2.6
Colebrook	765	749	16	2.1
Cornwall	768	752	16	2.1
Goshen	1,326	1,268	58	4.4
Hartland	983	937	46	4.7
Kent**	1,898	1,862	36	1.9
Litchfield	4,246	4,114	132	3.1
Morris	1,089	1,054	35	3.2
Norfolk	1,037	1,007	30	2.9
North Canaan**	2,000	1,958	42	2.1
Salisbury**	2,206	2,152	54	2.4
Sharon**	1,827	1,805	22	1.2
TORRINGTON	**18,032**	**16,993**	**1,039**	**5.8**
Warren	658	642	16	2.4
WATERBURY	**115,552**	**108,467**	**7,085**	**6.1**
Bethlehem	1,912	1,850	62	3.2
Middlebury	3,348	3,199	149	4.5
Naugatuck	16,482	15,556	926	5.6
Prospect	4,698	4,502	196	4.2
Southbury	6,829	6,538	291	4.3
Thomaston	4,149	3,906	243	5.9
WATERBURY	**52,192**	**48,144**	**4,048**	**7.8**
Watertown	12,152	11,590	562	4.6
Wolcott	8,717	8,284	433	5.0
Woodbury	5,075	4,900	175	3.4

Not Seasonally Adjusted:				
CONNECTICUT	1,769,600	1,689,200	80,500	4.5
UNITED STATES	146,501,000	138,556,000	7,945,000	5.4
Seasonally Adjusted:				
CONNECTICUT	1,783,400	1,694,300	89,200	5.0
UNITED STATES	146,878,000	138,479,000	8,398,000	5.7

**The Bureau of Labor Statistics has identified these five towns as a separate area to report labor force data. For the convenience of our data users, data for these towns are included in the Torrington LMA. For the same purpose, data for the town of Thompson, which is officially part of the Worcester, MA MSA, is included in the Danielson LMA.

LABOR FORCE CONCEPTS (Continued)

The **unemployment rate** represents the number unemployed as a percent of the civilian labor force.

With the exception of those persons temporarily absent from a job or waiting to be recalled to one, persons with no job and who are not actively looking for one are counted as "not in the labor force".

Over the course of a year, the size of the labor force and the levels of employment undergo fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays and the opening and closing of schools. Because these seasonal events follow a regular pattern each year, their influence on statistical trends can be eliminated by adjusting the monthly statistics. **Seasonal Adjustment** makes it easier to observe cyclical and other nonseasonal developments.

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	DEC 2003	YR TO DATE 2003	YR TO DATE 2002	TOWN	DEC 2003	YR TO DATE 2003	YR TO DATE 2002	TOWN	DEC 2003	YR TO DATE 2003	YR TO DATE 2002
Andover	1	13	16	Griswold	7	51	46	Preston	1	21	18
Ansonia	2	21	22	Groton	10	162	73	Prospect	3	23	30
Ashford	1	25	28	Guilford	6	82	73	Putnam	1	14	16
Avon	7	157	141	Haddam	5	51	43	Redding	1	32	34
Barkhamsted	0	15	23	Hamden	1	55	143	Ridgefield	6	44	52
Beacon Falls	2	17	14	Hampton	1	20	21	Rocky Hill	7	79	113
Berlin	7	91	141	Hartford	3	174	91	Roxbury	1	16	17
Bethany	1	35	42	Hartland	0	6	6	Salem	2	24	22
Bethel	0	76	61	Harwinton	0	19	30	Salisbury	1	15	21
Bethlehem	0	9	21	Hebron	3	39	40	Scotland	0	9	17
Bloomfield	12	313	61	Kent	1	13	13	Seymour	3	46	111
Bolton	0	7	11	Killingly	6	84	66	Sharon	1	11	10
Bozrah	0	11	8	Killingworth	1	28	34	Shelton	5	85	141
Branford	2	34	60	Lebanon	6	42	39	Sherman	1	20	41
Bridgeport	1	86	64	Ledyard	15	80	57	Simsbury	1	24	36
Bridgewater	0	5	9	Lisbon	1	18	19	Somers	2	45	49
Bristol	10	140	122	Litchfield	1	29	31	South Windsor	5	171	154
Brookfield	10	77	55	Lyme	0	12	22	Southbury	6	119	115
Brooklyn	6	44	53	Madison	6	42	46	Southington	14	195	190
Burlington	5	65	64	Manchester	3	106	95	Sprague	1	9	9
Canaan	0	3	3	Mansfield	10	51	62	Stafford	2	57	49
Canterbury	0	32	35	Marlborough	3	46	44	Stamford	9	96	219
Canton	11	94	152	Meriden	11	97	73	Sterling	1	39	29
Chaplin	1	17	16	Middlebury	4	42	33	Stonington	6	105	83
Cheshire	6	41	52	Middlefield	0	14	12	Stratford	2	65	57
Chester	0	11	12	Middletown	22	203	191	Suffield	4	80	86
Clinton	1	44	104	Milford	37	283	132	Thomaston	1	23	28
Colchester	3	89	75	Monroe	6	32	36	Thompson	1	33	40
Colebrook	1	5	5	Montville	13	93	76	Tolland	9	95	98
Columbia	4	42	25	Morris	0	4	15	Torrington	11	123	102
Cornwall	0	9	10	Naugatuck	12	66	66	Trumbull	2	135	88
Coventry	6	58	52	New Britain	1	39	22	Union	0	3	6
Cromwell	2	70	50	New Canaan	9	57	59	Vernon	22	191	183
Danbury	34	176	261	New Fairfield	2	29	20	Voluntown	2	18	14
Darien	2	115	43	New Hartford	3	47	61	Wallingford	24	133	151
Deep River	1	7	10	New Haven	6	77	59	Warren	1	13	10
Derby	1	14	13	New London	48	52	8	Washington	1	7	8
Durham	4	49	56	New Milford	8	136	137	Waterbury	5	138	69
East Granby	0	27	30	Newington	20	48	51	Waterford	5	51	68
East Haddam	4	61	59	Newtown	2	141	195	Watertown	4	47	62
East Hampton	12	144	91	Norfolk	1	7	2	West Hartford	6	45	52
East Hartford	0	6	8	North Branford	13	40	39	West Haven	4	26	39
East Haven	4	64	39	North Canaan	0	7	5	Westbrook	0	34	42
East Lyme	5	80	86	North Haven	4	57	34	Weston	1	12	29
East Windsor	6	53	57	North Stonington	0	23	32	Westport	6	114	70
Eastford	3	14	8	Norwalk	14	130	121	Wethersfield	0	19	21
Easton	2	8	14	Norwich	29	128	96	Willington	1	20	25
Ellington	6	122	143	Old Lyme	2	29	41	Wilton	4	27	24
Enfield	6	50	50	Old Saybrook	0	25	33	Winchester	2	48	19
Essex	1	32	42	Orange	4	48	16	Windham	3	22	29
Fairfield	6	83	68	Oxford	5	141	92	Windsor	3	71	37
Farmington	15	115	143	Plainfield	1	53	63	Windsor Locks	5	52	17
Franklin	0	11	10	Plainville	5	46	34	Wolcott	2	79	115
Glastonbury	6	74	102	Plymouth	1	28	54	Woodbridge	1	24	29
Goshen	3	44	43	Pomfret	1	32	29	Woodbury	3	52	51
Granby	0	57	75	Portland	3	55	59	Woodstock	4	59	73
Greenwich	11	146	141								

For further information on the housing permit data, contact Kolie Sun of DECD at (860) 270-8167.

BUSINESS STARTS AND TERMINATIONS

Registrations and terminations of business entities as recorded with the Secretary of the State and the Connecticut Department of Labor (DOL) are an indication of new business formation and activity. DOL business starts include new employers which have become liable for unemployment insurance taxes during the quarter, as well as new establishments opened by existing employers. DOL business terminations are those accounts discontinued due to inactivity (no employees) or business closure, and accounts for individual business establishments that are closed by still active employers. The Secretary of the State registrations include limited liability companies, limited liability partnerships, and foreign-owned (out-of-state) and domestic-owned (in-state) corporations.

CONSUMER PRICE INDEX

The Consumer Price Index (CPI), computed and published by the U.S. Bureau of Labor Statistics, is a measure of the average change in prices over time in a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, fuels, transportation fares, charges for doctors' and dentists' services, drugs and other goods and services that people buy for their day-to-day living. The Northeast region is comprised of the New England states, New York, New Jersey and Pennsylvania.

EMPLOYMENT COST INDEX

The Employment Cost Index (ECI) covers both wages and salaries and employer costs for employee benefits for all occupations and establishments in both the private nonfarm sector and state and local government. The ECI measures employers' labor costs free from the influences of employment shifts among industries and occupations. The base period for all data is June 1989 when the ECI is 100.

HOURS AND EARNINGS ESTIMATES

Production worker earnings and hours estimates include full- and part-time employees working within manufacturing industries. Hours worked and earnings data are computed based on payroll figures for the week including the 12th of the month. Average hourly earnings are affected by such factors as premium pay for overtime and shift differential as well as changes in basic hourly and incentive rates of pay. Average weekly earnings are the product of weekly hours worked and hourly earnings. These data are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

INDIAN GAMING DATA

Indian Gaming Payments are amounts received by the State as a result of the slot compact with the two Federally recognized tribes in Connecticut, which calls for 25 percent of net slot receipts to be remitted to the State. Indian Gaming Slots are the total net revenues from slot machines only received by the two Federally recognized Indian tribes.

INITIAL CLAIMS

Average weekly initial claims are calculated by dividing the total number of new claims for unemployment insurance received in the month by the number of weeks in the month. A minor change in methodology took effect with data published in the March 1997 issue of the DIGEST. Data have been revised back to January 1980.

INSURED UNEMPLOYMENT RATE

Primarily a measure of unemployment insurance program activity, the insured unemployment rate is the 13-week average of the number of people claiming unemployment benefits divided by the number of workers covered by the unemployment insurance system.

LABOR FORCE ESTIMATES

Labor force estimates are a measure of the work status of people who live in Connecticut. Prepared under the direction of the U.S. Bureau of Labor Statistics, the statewide estimates are the product of a multiple variable coefficient regression model, which uses results from the Current Population Survey (CPS), a monthly survey of Connecticut households, counts of claimants for unemployment benefits, and establishment employment estimates. Due to the small size of the sample taken in Connecticut, the CPS results are subject to significant sampling error and produce considerable month-to-month fluctuations in estimates derived from the sample. In general, the CPS estimates, at the 90 percent confidence level, have an error range of about 1.5 percentage points on a rate of 6.0 percent. An accepted method for calculating the error range for model estimates is currently not available. Labor force data, reflecting persons employed by place of residence, are not directly comparable to the place-of-work industry employment series. In the labor force estimates, workers involved in labor disputes are counted as employed. The labor force data also includes agricultural workers, unpaid family workers, domestics and the self-employed. Because of these conceptual differences, total labor force employment is almost always different from nonfarm wage and salary employment.

LABOR MARKET AREAS

All Labor Market Areas in Connecticut except three are federally designated areas for developing labor statistics. Industry employment data for the Danielson, Lower River and Torrington Labor Market Areas are prepared exclusively by the Connecticut Department of Labor, following the same statistical procedures used to prepare estimates for the other Labor Market Areas, which are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The Bureau of Labor Statistics has identified the five towns of Canaan, Kent, North Canaan, Salisbury and Sharon as a separate area for reporting labor force data. For the convenience of our data users, data for these towns are included in the Torrington Labor Market Area. For the same purpose, data for the town of Thompson, which is officially part of the Worcester Metropolitan Statistical Area, are included in the Danielson Labor Market Area. Also, data for Hopkinton and Westerly, Rhode Island are included in the New London Labor Market Area.

LEADING AND COINCIDENT EMPLOYMENT INDICES

The leading employment index is a composite of six individual largely employment-related series -- the average workweek of manufacturing production and construction workers, Hartford help-wanted advertising index, short-duration (less than 15 weeks) unemployment rate, initial claims for unemployment insurance, total housing permits, and Moody's BAA corporate bond yield. While not employment-sector variables, housing permits are closely related to construction employment and the corporate bond yield adds important information about the movement in interest rates. The coincident employment index is a composite indicator of four individual employment-related series -- the total unemployment rate, nonfarm employment (employer survey), total employment (state residents employed measured by a household survey), and the insured unemployment rate. All data are seasonally adjusted and come from the Connecticut Labor Department, the Federal Reserve Bank of Boston, and the Board of Governors of the Federal Reserve System.

NONFARM EMPLOYMENT ESTIMATES

Nonfarm employment estimates are derived from a survey of businesses to measure *jobs* by industry. The estimates include all full- and part-time wage and salary employees who worked during or received pay for the pay period which includes the 12th of the month. Excluded from these estimates are proprietors, self-employed workers, private household employees and unpaid family workers. In some cases, due to space constraints, all industry estimates are not shown. Call (860) 263-6275 for a more comprehensive breakout of nonfarm employment estimates. These data are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

UI COVERED WAGES

UI covered wages is the total amount paid to those employees who are covered under the Connecticut's Unemployment Insurance (UI) law for services performed during the quarter. The fluctuations in the 1992-93 period reflect the effect of the changes in the tax law and the massive restructuring in the state's economy.

ECONOMIC INDICATORS AT A GLANCE

(Percent change from prior year; see pages 5-8 for reference months or quarters)

Leading Employment Index	**+3.4**
Coincident Employment Index	**-1.1**
Leading General Drift Indicator	**+1.0**
Coincident General Drift Indicator	**-4.6**
Business Barometer	**-1.0**
Total Nonfarm Employment	**-1.0**
Unemployment	**+0.3***
Labor Force	+0.0
Employed	-0.3
Unemployed	+6.2
Average Weekly Initial Claims	**-8.7**
Help Wanted Index -- Hartford	**+27.3**
Average Ins. Unempl. Rate	**-0.12***
Average Weekly Hours, Mfg	**+1.7**
Average Hourly Earnings, Mfg	**+1.9**
Average Weekly Earnings, Mfg	**+3.6**
CT Mfg. Production Index	**+2.9**
Production Worker Hours	-3.7
Industrial Electricity Sales	+4.5
Personal Income	**+3.5**
UI Covered Wages	**+3.7**

Business Activity	
New Housing Permits	+37.0
Electricity Sales	+17.0
Retail Sales	-0.6
Construction Contracts Index	+6.3
New Auto Registrations	+57.7
Air Cargo Tons	+36.7
Exports	-9.0
Business Starts	
Secretary of the State	-2.3
Dept. of Labor	-3.8
Business Terminations	
Secretary of the State	+99.7
Dept. of Labor	-39.4
State Revenues	**+6.3**
Corporate Tax	-12.2
Personal Income Tax	+7.7
Real Estate Conveyance Tax	+11.4
Sales & Use Tax	+9.1
Indian Gaming Payments	+3.7

Tourism and Travel	
Info Center Visitors	-18.5
Attraction Visitors	+11.0
Air Passenger Count	-1.3
Indian Gaming Slots	+2.4
Travel and Tourism Index	-1.1
Employment Cost Index (U.S.)	
Total	+4.0
Wages & Salaries	+3.0
Benefit Costs	+6.4
Consumer Prices	
Connecticut	+1.9
U.S. City Average	+1.9
Northeast Region	+2.8
NY-NJ-Long Island	+3.2
Boston-Brockton-Nashua	+3.0
Consumer Confidence	
Connecticut	+3.7
New England	+47.9
U.S.	+13.1
Interest Rates	
Prime	-0.25*
Conventional Mortgage	-0.17*

**Percentage point change; **Less than 0.05 percent; NA = Not Available*

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- **What article topics would you like to see covered in future issues?**
- **What additional data would you like to see included in the Digest?**

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