THE CONNECTICUT
ECONOMIC DIGEST

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MARCH 2006

IN THIS ISSUE...

In January...

Nonfarm Employment
Connecticut 1,668,900
Change over month 0.02%
Change over year 0.7%

United States 134,564,000
Change over month 0.14%
Change over year 1.6%

Unemployment Rate
Connecticut 4.6%
United States 4.7%

Consumer Price Index
United States 198.3
Change over year 4.0%

Growth in Employment Slowed by Connecticut's Industry Mix

By Pat McPherron, Ph.D., Economist, DOL

Connecticut's 2005 employment in nonfarm industries increased by 0.8% from 2004, compared with the 1.5% increase for the U.S. Chart 1 shows how the Labor Market Areas (LMAs) contributed to the changes in the State's employment. The Willimantic-Danielson, Enfield, Norwich-New London, Hartford and Torrington LMAs all gained employment at a rate greater than the State average.

Unemployment Rate

Connecticut's unemployment rate in 2005 was 4.9% and the U.S. unemployment rate was 5.1%, continuing a trend where the State's unemployment rate was lower than the U.S. rate each year during 1996-2005. The average difference between the U.S. and State rates was 0.9% from 1996-2000 and 0.5% for 2001-2005.

Connecticut Industry Mix

The 2004-2005 difference in the U.S. and Connecticut rates of growth in nonfarm employment was typical, as the State consistently lagged behind the U.S.: an annual average of -0.8% during 1996-2000 and -0.6% from 2001-2005. Although consistently lower unemployment rates can partially explain the State's lower growth rate during the expansionary portion of a business cycle, the next section shows this lag is also caused by those industries where the negative effects of substitution dominate the effects of growth. The tables highlight how the State's industry mix affects the rate of employment growth between 1996-2000 and 2001-2005. Most notable is the significant, negative effect of substitution throughout the business cycle in the *Manufacturing* sector.

Substitution and Growth Effects

Substitution effects are a measure of the employment change brought about primarily by changes in demand, holding income constant. An example is the recent rise in energy prices, causing consumers to allocate a greater percentage of each

Chart 1. 2004-2005 Employment Percent Changes by Labor Market Area

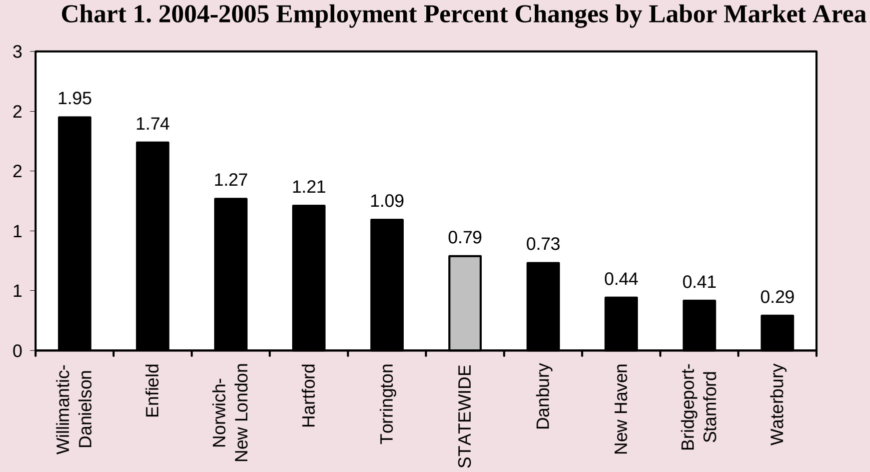

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Table 1. EFFECTS OF SUBSTITUTION AND GROWTH ON INDUSTRY EMPLOYMENT: AN EXAMPLE

Employment	Year	Effect on Employment		Industry Employment		State Employment
		Ind A	Ind B	Ind A	Ind B	
Observable	*t*			40	60	100
Substitution	*t*+1	(25%)	17%	(10)	10	0
Growth	*t*+1	15%	23%	6	14	20
Observable	*t*+1	(10%)	40%	36	84	120

dollar earned to those products and less to purchases of other goods. *Growth* effects are changes in consumption of a product due only to changes in real income.

Example

The example in Table 1 shows that Industry A reduces its market share of employment from 40% to 30% of total State employment, resulting in a substitution effect for Industry A of (0.3 – 0.4)/0.4 = -25%. If total State employment remains at 100, Industry A loses 25% of its 40 employees. In this example, State growth in employment is 20% for the year, so the benefit of growth to Industry A's initial employment level is (.3/.4)*20% = 15%. Adding -25% and 15% together indicates that the observable percentage change from 40 is -10%, leaving Industry A's employment at 36.

Changes in Industry Employment

Table 2 (below) presents the effects of substitution and growth on changes in industry employment in Connecticut. During the 1996-2000 period, the growth effects were positive and the reverse was true during 2001-2005. The effects of substitution may dominate the growth effects for changes in employment; significant examples of this scenario are **boldfaced** in Table 2. Therefore, particularly for the boldfaced industries, employment forecasts must account for changes in preferences or relative prices.

Note that although changes in relative productivity can affect the linkage between percentage changes in employment for an industry and percentage changes in consumption of that industry's output, the largest substitution effects for employment growth in Table 2 are reasonably

Table 2. EFFECTS OF SUBSTITUTION AND GROWTH ON INDUSTRY EMPLOYMENT

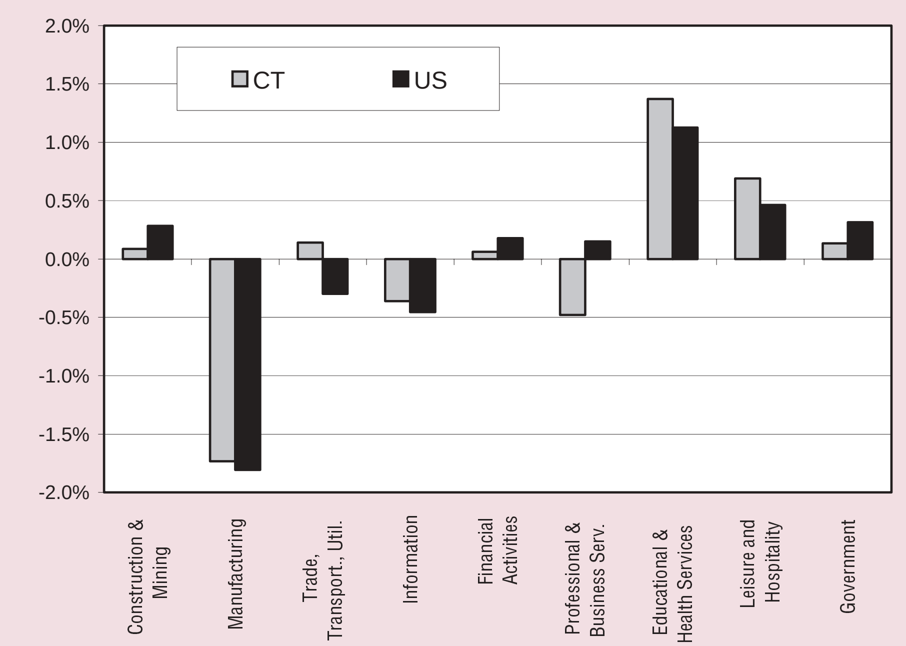
	1996-2000				2001-2005			
CONNECTICUT	* Sub. Effect	Growth Effect	Change (%)	Change (000s)	* Sub. Effect	Growth Effect	Change (%)	Change (000s)
TOTAL NONFARM	0.0%	6.9%	6.9%	79.2	0.0%	-1.1%	-1.1%	-18.3
CONST., NAT. RES. & MIN	**15.0%**	**8.0%**	**23.0%**	**12.2**	2.2%	-1.1%	1.1%	0.7
MANUFACTURING	**-10.1%**	**6.2%**	**-3.9%**	**-9.6**	**-12.8%**	**-0.9%**	**-13.8%**	**-31.3**
Durable Goods	-11.1%	6.1%	-4.9%	-9.1	-12.6%	-1.0%	-13.5%	-22.8
Non-Durable Goods	-7.3%	6.4%	-0.9%	-0.5	-13.7%	-0.9%	-14.6%	-8.5
TRADE, TRANSPORT., UTILITIES	-0.7%	6.9%	6.1%	18.4	0.8%	-1.1%	-0.3%	-1.1
Wholesale Trade	-0.7%	6.9%	6.2%	4.0	-0.2%	-1.1%	-1.3%	-0.9
Retail Trade	-0.1%	6.9%	6.8%	12.5	0.0%	-1.1%	-1.0%	-2.0
Transport., Warehousing, & Utilities	-3.0%	6.7%	3.7%	1.9	4.8%	-1.1%	3.7%	1.9
INFORMATION	0.3%	6.9%	7.3%	3.1	**-13.5%**	**-0.9%**	**-14.5%**	**-6.5**
FINANCIAL ACTIVITIES	4.0%	7.2%	11.2%	14.4	0.7%	-1.1%	-0.4%	-0.5
Finance and Insurance	4.1%	7.2%	11.3%	12.3	0.8%	-1.1%	-0.3%	-0.3
Real Estate and Rental and Leasing	3.9%	7.2%	11.0%	2.2	0.1%	-1.1%	-1.0%	-0.2
PROFESSIONAL & BUSINESS SERV	7.6%	7.4%	15.0%	28.2	-3.8%	-1.0%	-4.9%	-10.3
Professional. Scientific	11.7%	7.7%	19.5%	15.5	-5.2%	-1.0%	-6.2%	-5.8
Legal Services	-3.0%	6.7%	3.7%	0.5	-0.6%	-1.1%	-1.6%	-0.2
Computer Systems Design	**58.2%**	**10.9%**	**69.1%**	**9.6**	**-17.0%**	**-0.9%**	**-17.9%**	**-4.1**
Management of Companies	-4.2%	6.6%	2.4%	0.7	-11.4%	-1.0%	-12.4%	-3.5
Administrative and Support	7.7%	7.4%	15.1%	12.0	0.0%	-1.1%	-1.0%	-0.9
EDUCATIONAL & HEALTH SERV	-0.3%	6.9%	6.6%	15.2	**9.1%**	**-1.2%**	**7.9%**	**20.1**
Educational Services	-0.4%	6.9%	6.5%	2.5	15.0%	-1.3%	13.8%	6.2
Health Care and Social Assistance	-0.3%	6.9%	6.6%	12.8	7.9%	-1.2%	6.7%	13.9
LEISURE AND HOSPITALITY	-0.3%	6.9%	6.6%	7.5	**9.7%**	**-1.2%**	**8.5%**	**10.2**
Arts. Entertainment. and Recreation	3.2%	7.1%	10.3%	2.1	5.7%	-1.2%	4.6%	1.1
Accommodation and Food Services	-1.1%	6.8%	5.7%	5.3	10.7%	-1.2%	9.4%	9.1
OTHER SERVICES	-4.6%	6.6%	2.0%	1.2	2.5%	-1.1%	1.3%	0.8
GOVERNMENT	1.5%	7.0%	8.5%	19.0	0.9%	-1.1%	-0.2%	-0.4
Federal Govemment	-6.6%	6.5%	-0.1%	0.0	**-6.9%**	**-1.0%**	**-7.9%**	**-1.7**
State Government	-3.5%	6.7%	3.2%	2.1	**-6.2%**	**-1.0%**	**-7.2%**	**-5.0**
Local Government	5.5%	7.3%	12.8%	16.9	**5.3%**	**-1.1%**	**4.2%**	**6.4**

*The effects of substitution for Connecticut do not separate the effects of growth and substitution from the U.S. or global economies; the percentage changes in substitution for these large-scale economic factors may be different for the State.

Table 3. EFFECTS OF SUBSTITUTION AND GROWTH ON TOTAL STATE EMPLOYMENT						
	1996-2000			2001-2005		
EMPLOYMENT	Sub. Effect	Growth Effect	* Total Chg	Sub. Effect	Growth Effect	* Total Chg
TOTAL NONFARM	0.0%	6.9%	6.9%	0.0%	-1.1%	-1.1%
CONST., NAT. RES. & MIN	0.5%	0.3%	0.8%	0.1%	0.0%	0.0%
MANUFACTURING	**-1.6%**	**1.0%**	**-0.6%**	**-1.7%**	**-0.1%**	**-1.9%**
Durable Goods	-1.3%	0.7%	-0.6%	-1.3%	-0.1%	-1.4%
Non-Durable Goods	-0.3%	0.2%	0.0%	-0.5%	0.0%	-0.5%
TRADE, TRANSPORT., UTILITIES	-0.1%	1.3%	1.2%	**0.1%**	**-0.2%**	**-0.1%**
Wholesale Trade	0.0%	0.3%	0.3%	0.0%	0.0%	-0.1%
Retail Trade	0.0%	0.8%	0.8%	0.0%	-0.1%	-0.1%
Transport., Warehousing, & Utilities	-0.1%	0.2%	0.1%	0.1%	0.0%	0.1%
INFORMATION	0.0%	0.2%	0.2%	**-0.4%**	**0.0%**	**-0.4%**
FINANCIAL ACTIVITIES	0.3%	0.6%	0.9%	0.1%	-0.1%	0.0%
Finance and Insurance	0.3%	0.5%	0.8%	0.1%	-0.1%	0.0%
Real Estate and Rental and Leasing	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
PROFESSIONAL & BUSINESS SERV	0.9%	0.9%	1.8%	**-0.5%**	**-0.1%**	**-0.6%**
Professional, Scientific	0.6%	0.4%	1.0%	-0.3%	-0.1%	-0.3%
Legal Services	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Computer Systems Design	0.5%	0.1%	0.6%	-0.2%	0.0%	-0.2%
Management of Companies	-0.1%	0.1%	0.0%	-0.2%	0.0%	-0.2%
Administrative and Support	0.4%	0.4%	0.8%	0.0%	-0.1%	-0.1%
EDUCATIONAL & HEALTH SERV	0.0%	1.0%	1.0%	1.4%	-0.2%	1.2%
Educational Services	0.0%	0.2%	0.2%	0.4%	0.0%	0.4%
Health Care and Social Assistance	0.0%	0.8%	0.8%	1.0%	-0.1%	0.8%
LEISURE AND HOSPITALITY	0.0%	0.5%	0.5%	0.7%	-0.1%	0.6%
Arts, Entertainment, and Recreation	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%
Accommodation and Food Services	-0.1%	0.4%	0.3%	0.6%	-0.1%	0.5%
OTHER SERVICES	-0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
GOVERNMENT	0.2%	1.0%	1.2%	0.1%	-0.2%	0.0%
Federal Government	-0.1%	0.1%	0.0%	-0.1%	0.0%	-0.1%
State Government	-0.1%	0.3%	0.1%	-0.3%	0.0%	-0.3%
Local Government	0.5%	0.6%	1.1%	0.5%	-0.1%	0.4%

* subject to rounding

Chart 2. Substitution Effect on Total Nonfarm Employment: 2001-2005



consistent with the largest substitution effects for U.S. output (BEA) during 1996-2004 (2005 not available).

Table 2 shows that during 1996-2000, changes in employment from substitution effects dominate any changes from growth for the sectors of *Construction, Natural Resources and Mining* and *Manufacturing*, as well as the Professional and Scientific and Computer Systems Design industries in the *Professional & Business Services* sector. This implies that these industries were more affected by changes in consumer preferences and relative prices than by changes in the State's business cycle. Rates of employment growth in the other industries were more related to the State's rate of employment growth.

From 2001-2005, the substitution effects dominated growth effects for the *Manufacturing* sector, *Information* sector, Computer Systems Design industry in the *Professional & Business Services* sector, *Education and Health Services* sector, and *Leisure and Hospitality* sector. Note that the substitution effects of the three levels in the *Government* sector virtually canceled each other when aggregated.

Changes in State Employment

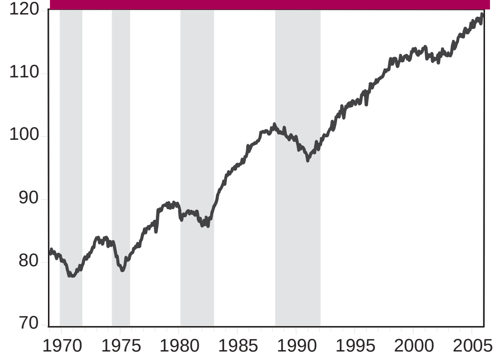
Table 3 details the impact on total State employment of the effects of substitution and growth from each industry sector. This table weights the effects of substitution and growth in Table 2 by the relative size of the industry. Note that *Manufacturing* is the largest sector showing negative changes in State employment; if excluding this sector, then State gained in employment during 2001-2005.

During 2001-2005, *Educational and Health Services* and *Leisure and Hospitality* sectors accounted for the largest gains in State employment. Within those sectors, the Health Care and Social Assistance and the Accommodation and Food Services industries added 1.3% to Connecticut's employment, but wages in these categories were typically below the State average.

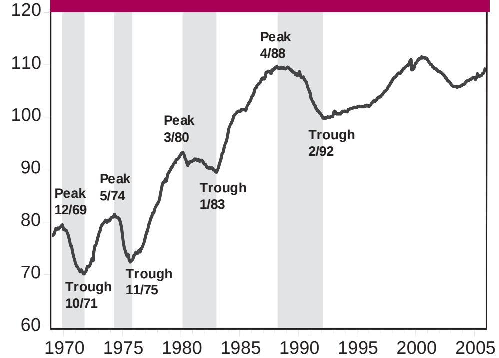
Chart 2 compares the State and the U.S. substitution effects for industry sectors from 2001-2005. Note that the negative impact of the

--Continued on page 5--

LEADING INDEX



COINCIDENT INDEX



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.

2005: A Good But Not Outstanding Year for Connecticut

The Alan Greenspan era officially ended on January 31, 2006, but not before raising the Federal Funds rate by another 25 basis points to 4.5 percent. The new chairman of the Federal Reserve, Ben Bernanke, gave his first testimony before Congress and by all accounts, was well received by the financial markets. Chairman Bernanke faces many challenges posed by the U.S. economy, and we will have to wait to see whether he will be able to navigate through these challenges while keeping the U.S. economy growing on a steady path and inflation at bay.

In December, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 108.16 in December 2004 to 109.48 in December 2005. Three components of this index are positive contributors, with a lower insured unemployment rate, higher total non-farm employment, and higher total employment. A higher total unemployment rate is the sole negative contributor. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index rose from 108.81 in November 2005 to 109.48 in December 2005. A marginally higher insured unemployment rate, and a small decrease in total non-farm employment are the two negative contributors to this index, while a lower total unemployment rate, and higher total employment contributed positively to this index. As well, the revised Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank increased from 149.62 in December 2004 to 153.60 in December 2005, and it increased from 153.20 in November 2005 to 153.60 in December 2005. Thus, the Philadelphia Federal Reserve Bank Connecticut Coincident Index is showing very marginal month-to-month change.

The revised CCEA-ECRI Connecticut leading employment index rose from 118.03 in December 2004 to 118.90 in December 2005. An increase in total housing permits is the sole positive contributor. A higher Moody's Baa corporate bond yield, higher initial claims for unemployment insurance, a higher short duration (less than 15 weeks) unemployment rate, and lower average weekly hours worked in manufacturing and construction contributed negatively to this index, while the Hartford help-wanted advertising index remained at last month's level. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 119.53 in November 2005 to 118.90 in December 2005. A decrease in total housing permits, higher initial claims for unemployment insurance, a higher short duration (less than 15 weeks) unemployment rate, a lower Hartford help-wanted advertising index, and lower average weekly hours worked in manufacturing and construction are the five negative contributors. A marginally lower Moody's Baa corporate bond yield is the sole positive contributor.

The Connecticut economy progressed in 2005. The bright spot is in total employment growth. On a December-to-December basis, total employment grew 1.76 percent in 2005, compared to the anemic growth of 0.26 percent in calendar 2004. There are, however, several troubling spots. The total unemployment rate fell from 5.3 in December 2003 to 4.5 percent in December 2004, but rose to 4.8 percent in December 2005. The housing construction sector is slowing down due to rising mortgage rates. Total housing permits grew by 20.59% in 2004 (December-to-December), but slowed to 11.18% growth in 2005. Going forward, the challenges we face are to increase job growth, and to increase labor productivity growth. They will not come easy, but it is something that we need to seriously address now. Finally, I would like to close with a bit of good news. The State is projected to have a budget surplus this fiscal year. We can, therefore, look forward to some form of tax cut or rebate.

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.

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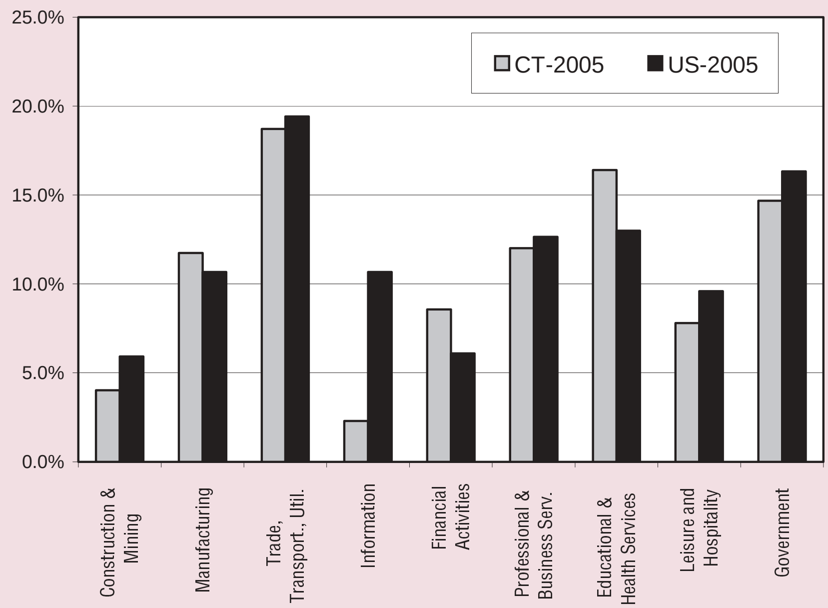
Connecticut *Manufacturing* sector on the growth rate of total employment was less than the U.S. sector. However, the State substituted growth in both the *Educational and Health Services* and the *Leisure and Hospitality* sectors for jobs in *Professional and Business Services*.

Comparing the State and U.S. ratios of industry employment in Chart 3 with the substitution effects in Chart 2, one sees that Connecticut may expect more adjustments in industry employment percentages. Note in Chart 3 that the ratio of State employment in *Manufacturing* is still greater than the national average and Chart 2 shows the State and U.S. substitution effects in this sector were significantly negative during 2001-2005.

Chart 3. Industry Sector Percentages of Total Nonfarm Employment: 2005



Summary

The tables and charts present the substitution and growth effects for each industry. Importantly, if the effects of substitution explain the majority of any sizeable change in an industry's employment, then reasonable forecasts for that industry require more than just projections of the growth rates of Gross State Product or State employment.

The *Manufacturing* sector accounts for a sizable percentage of the State's employment, but suffered large losses from the effects of substitution during both the 1996-2000 and 2001-2005 periods. Therefore, this sector dampened job growth throughout the business cycle. The Professional and Scientific, Computer Systems Design, and Administrative and Support industries, part of the *Professional and Business Services* sector, all showed significant positive substitution effects during 1996-2000, but these trends were flat or negative during 2001-2005. Also, the effect of substitution for the *Construction, Natural Resources and Mining* sector on Connecticut employment was much larger for 1996-2000 than during the last several years.

From 2001-2005, the lower paying industries of the *Educational and Health Services* and *Leisure and Hospitality* sectors (Health Care and Social Assistance, Accommodation and Food Services) added 1.3% more jobs to the State's total, indicating that all other Connecticut industries combined for a loss of -2.4%. Therefore, despite some positive economic news in 2005, expect that the State may continue to lag behind the U.S. in rates of job growth as Connecticut's industry mix adjusts.■

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	4Q 2005	4Q 2004	CHANGE NO.	CHANGE %	3Q 2005
Employment Indexes (1992=100)*					
Leading	118.8	117.3	1.5	1.3	118.6
Coincident	108.9	108.0	0.9	0.8	108.0
General Drift Indicator (1986=100)*					
Leading	104.6	103.8	0.8	0.8	104.2
Coincident	103.2	103.1	0.1	0.1	103.2
Banknorth Business Barometer (1992=100)**	120.6	120.0	0.6	0.5	119.9

*Sources: *The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*
***Banknorth 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 **Banknorth 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.

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM	1,668.9	1,656.6	12.3	0.7	1,668.6
Natural Res & Mining (Not Sea. Adj.)	0.7	0.7	0.0	0.0	0.7
Construction	66.2	66.8	-0.6	-0.9	66.4
Manufacturing	193.9	196.6	-2.7	-1.4	194.0
Trade, Transportation & Utilities	313.7	310.7	3.0	1.0	312.9
Information	38.1	38.7	-0.6	-1.6	38.0
Financial Activities	143.3	141.3	2.0	1.4	143.0
Professional and Business Services	200.4	197.7	2.7	1.4	200.9
Educational and Health Services	273.9	271.0	2.9	1.1	273.2
Leisure and Hospitality Services	130.5	128.2	2.3	1.8	129.6
Other Services	62.7	62.5	0.2	0.3	62.7
Government*	245.5	242.4	3.1	1.3	247.2

Source: Connecticut Department of Labor ** Includes Native American tribal government employment*

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
Unemployment Rate, resident (%)	4.6	4.9	-0.3	---	4.6
Labor Force, resident (000s)	1,820.0	1,810.1	9.9	0.5	1,818.9
Employed (000s)	1,737.1	1,720.8	16.3	0.9	1,735.0
Unemployed (000s)	82.9	89.3	-6.4	-7.2	83.9
Average Weekly Initial Claims	3,524	4,248	-724	-17.0	4,435
Help Wanted Index -- Htfd. (1987=100)	14	13	1	7.7	11
Avg. Insured Unemp. Rate (%)	2.47	2.63	-0.16	---	2.43

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005	NOV 2005
Average Weekly Hours	42.4	42.0	0.4	1.0	42.7	--
Average Hourly Earnings	19.45	18.85	0.60	3.2	19.47	--
Average Weekly Earnings	824.68	791.70	32.98	4.2	831.37	--
CT Mfg. Production Index (2000=100)	94.8	97.5	-2.7	-2.8	98.0	99.6
Production Worker Hours (000s)	4,937	4,972	-35	-0.7	5,018	--
Industrial Electricity Sales (mil kWh)*	383	410	-26.9	-6.6	401	414

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

Personal income for second quarter 2006 is forecasted to increase 4.6 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	2Q* 2006	2Q 2005	CHANGE NO.	CHANGE %	1Q* 2006
Personal Income	$174,250	$166,524	$7,726	4.6	$172,810
UI Covered Wages	$88,976	$85,412	$3,564	4.2	$88,260

Source: Bureau of Economic Analysis: January 2006 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

January new housing permits declined over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
New Housing Permits*	JAN 2006	545	-16.3	545	651	-16.3
Electricity Sales (mil kWh)	NOV 2005	2,491	2.9	30,133	29,473	2.2
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	JAN 2006	363.5	25.6	---	---	---
New Auto Registrations	JAN 2006	16,166	0.1	16,166	16,156	0.1
Air Cargo Tons	JAN 2006	10,228	-13.4	10,228	11,817	-13.4
Exports (Bil. $)	4Q 2005	2.62	17.5	9.69	8.56	13.2

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

* Estimated by the Bureau of the Census

BUSINESS STARTS AND TERMINATIONS

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was up over the year.

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
STARTS						
Secretary of the State	DEC 2005	2,168	-1.4	29,642	28,593	3.7
Department of Labor*	2Q 2005	2,269	-1.3	5,009	5,199	-3.7
TERMINATIONS						
Secretary of the State	DEC 2005	1,811	4.0	9,554	9,482	0.8
Department of Labor*	2Q 2005	1,290	-29.7	2,619	3,667	-28.6

Sources: Connecticut Secretary of the State; Connecticut Department of Labor

* Revised methodology applied back to 1996; 3-months total

STATE REVENUES

January total revenues were up from a year ago.

(Millions of dollars)	JAN 2006	JAN 2005	% CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
TOTAL ALL REVENUES*	1431.6	1221.5	17.2	1431.6	1,221.5	17.2
Corporate Tax	30.0	12.5	140.0	30.0	12.5	140.0
Personal Income Tax	754.5	645.6	16.9	754.5	645.6	16.9
Real Estate Conv. Tax	14.1	14.7	-4.1	14.1	14.7	-4.1
Sales & Use Tax	389.0	371.2	4.8	389.0	371.2	4.8
Indian Gaming Payments**	32.9	29.6	11.0	32.9	29.6	11.0

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.

TOURISM AND TRAVEL

The Travel and Tourism Index rose over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
Info Center Visitors	JAN 2006	15,565	-2.9	15,565	16,035	-2.9
Major Attraction Visitors	JAN 2006	71,142	26.8	71,142	56,084	26.8
Air Passenger Count	JAN 2006	514,561	-3.1	514,561	531,070	-3.1
Indian Gaming Slots (Mil.$)*	JAN 2006	1,505	3.9	1,505	1,448	3.9
Travel and Tourism Index**	4Q 2005	---	1.6	---	---	---

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

Compensation cost for the nation rose 3.0 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers *(June 1989=100)*	Seasonally Adjusted DEC 2005	SEP 2005	3-Mo % Chg	Not Seasonally Adjusted DEC 2005	DEC 2004	12-Mo % Chg
UNITED STATES TOTAL	181.2	179.8	0.8	180.4	175.2	3.0
Wages and Salaries	170.5	169.4	0.6	170.4	166.2	2.5
Benefit Costs	208.1	206.2	0.9	206.9	198.7	4.1
NORTHEAST TOTAL	---	---	---	180.2	174.2	3.4
Wages and Salaries	---	---	---	169.7	165.0	2.8

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

U.S. inflation rate increased 4.0 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	JAN 2006	198.3	4.0	0.8
Purchasing Power of $ (1982-84=$1.00)	JAN 2006	$0.504	-3.8	-0.8
Northeast Region	JAN 2006	211.0	4.1	1.0
NY-Northern NJ-Long Island	JAN 2006	215.9	3.7	0.8
Boston-Brockton-Nashua**	JAN 2006	220.5	4.4	0.9
CPI-W (1982-84=100)				
U.S. City Average	JAN 2006	194.0	4.1	0.8
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	4Q 2005	NA	NA	NA
New England	JAN 2006	92.2	-6.8	3.0
U.S.	JAN 2006	106.8	1.6	2.9

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

Conventional mortgage rate fell to 6.15 percent over the month.

INTEREST RATES

(Percent)	JAN 2006	DEC 2005	JAN 2005
Prime	7.26	7.15	5.25
Federal Funds	4.29	4.16	2.28
3 Month Treasury Bill	4.34	3.97	2.37
6 Month Treasury Bill	4.47	4.33	2.68
1 Year Treasury Bill	4.45	4.35	2.86
3 Year Treasury Note	4.35	4.39	3.39
5 Year Treasury Note	4.35	4.39	3.71
7 Year Treasury Note	4.37	4.41	3.97
10 Year Treasury Note	4.42	4.47	4.22
20 Year Treasury Note	4.65	4.73	4.77
Conventional Mortgage	6.15	6.27	5.71

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

Eight of nine states in the region added jobs over the year.

(Seasonally adjusted; 000s)	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
Connecticut	1,668.9	1,656.6	12.3	0.7	1,668.6
Maine	611.2	611.6	-0.4	-0.1	612.3
Massachusetts	3,203.2	3,185.3	17.9	0.6	3,206.0
New Hampshire	637.8	633.8	4.0	0.6	636.6
New Jersey	4,060.2	4,022.1	38.1	0.9	4,064.5
New York	8,561.5	8,507.5	54.0	0.6	8,566.3
Pennsylvania	5,742.3	5,673.6	68.7	1.2	5,737.6
Rhode Island	490.7	489.5	1.2	0.2	493.0
Vermont	306.7	304.5	2.2	0.7	306.6
United States	134,564.0	132,471.0	2,093.0	1.6	134,371.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
Connecticut	1,820.0	1,810.1	9.9	0.5	1,818.9
Maine	715.3	704.4	10.9	1.5	717.4
Massachusetts	3,359.7	3,364.7	-5.0	-0.1	3,366.8
New Hampshire	736.2	728.6	7.6	1.0	733.9
New Jersey	4,481.8	4,390.6	91.2	2.1	4,467.0
New York	9,494.7	9,382.8	111.9	1.2	9,457.2
Pennsylvania	6,290.6	6,293.9	-3.3	-0.1	6,288.9
Rhode Island	574.2	562.8	11.4	2.0	574.0
Vermont	360.9	354.1	6.8	1.9	359.3
United States	150,114.0	147,956.0	2,158.0	1.5	150,153.0

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

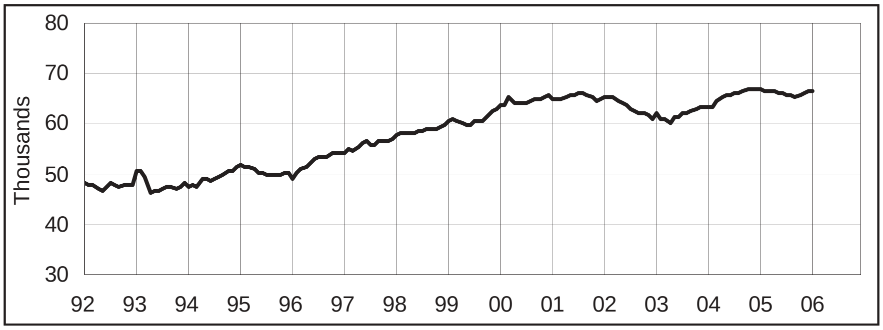
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	JAN 2006	JAN 2005	CHANGE	DEC 2005
Connecticut	4.6	4.9	-0.3	4.6
Maine	4.5	4.7	-0.2	4.7
Massachusetts	4.6	4.9	-0.3	4.8
New Hampshire	3.3	3.7	-0.4	3.5
New Jersey	4.5	4.4	0.1	4.6
New York	4.6	5.2	-0.6	5.0
Pennsylvania	4.3	5.2	-0.9	4.7
Rhode Island	4.7	5.0	-0.3	5.1
Vermont	3.4	3.6	-0.2	3.6
United States	4.7	5.2	-0.5	4.9

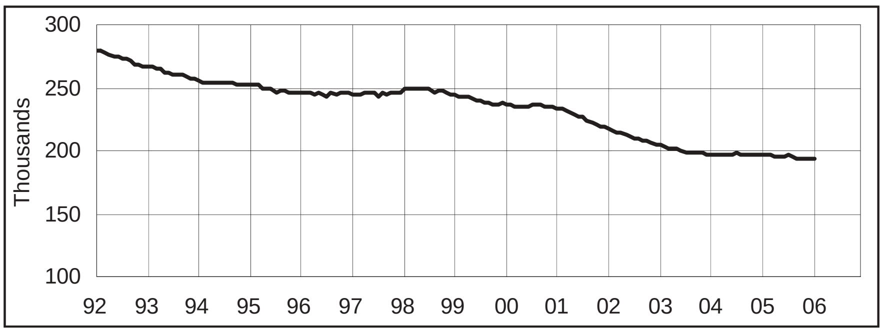
Source: U.S. Department of Labor, Bureau of Labor Statistics

CONSTRUCTION EMPLOYMENT *(Seasonally adjusted)*



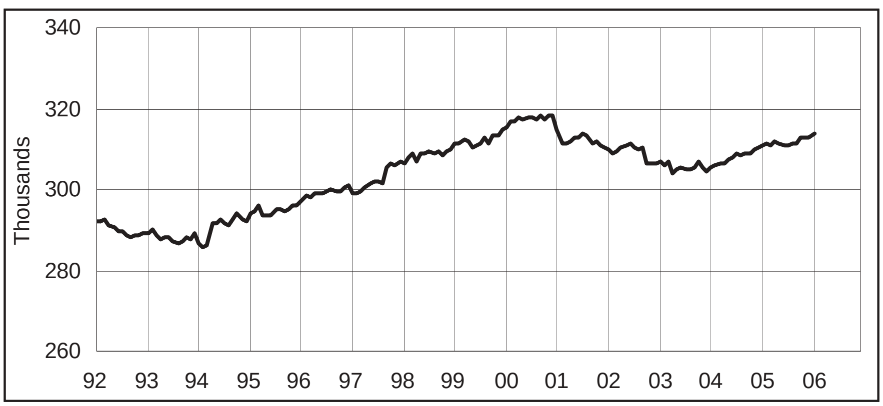
Month	2004	2005	2006
Jan	63.4	66.8	66.4
Feb	63.3	66.6	
Mar	64.5	66.4	
Apr	65.5	66.4	
May	65.8	66.0	
Jun	65.9	66.2	
Jul	66.0	65.9	
Aug	66.3	65.8	
Sep	66.7	65.5	
Oct	66.9	65.9	
Nov	66.8	66.2	
Dec	67.0	66.4	

MANUFACTURING EMPLOYMENT *(Seasonally adjusted)*



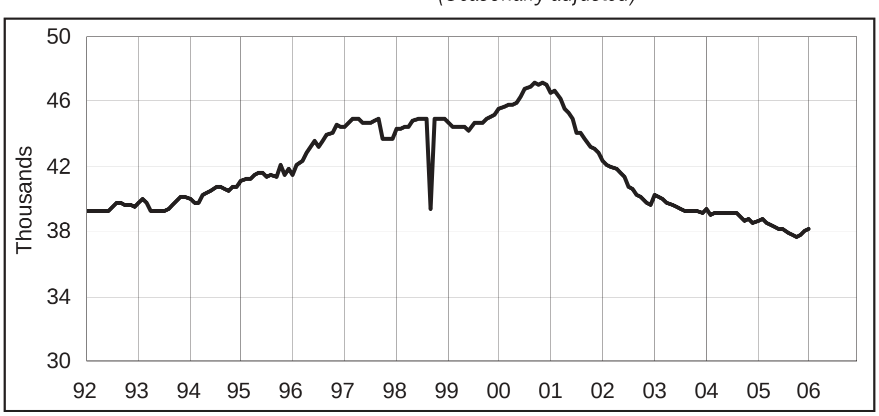
Month	2004	2005	2006
Jan	197.2	196.6	193.9
Feb	197.2	196.5	
Mar	197.3	196.1	
Apr	197.2	195.8	
May	197.0	195.8	
Jun	197.0	195.8	
Jul	198.2	196.2	
Aug	197.3	194.9	
Sep	197.1	194.3	
Oct	197.0	194.3	
Nov	197.0	194.2	
Dec	196.7	194.0	

TRADE, TRANSPORTATION, & UTILITIES EMP. *(Seasonally adjusted)*



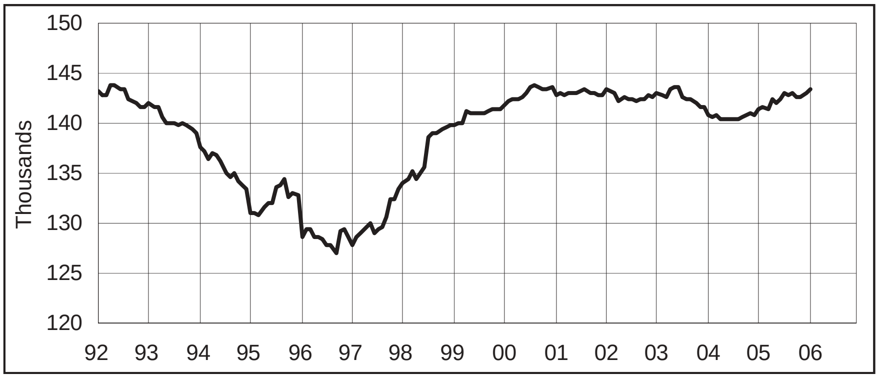
Month	2004	2005	2006
Jan	305.4	310.7	313.7
Feb	305.9	311.2	
Mar	306.5	310.8	
Apr	306.4	311.7	
May	307.3	311.3	
Jun	307.8	311.1	
Jul	308.7	311.0	
Aug	308.4	311.3	
Sep	308.9	311.2	
Oct	308.9	312.6	
Nov	310.1	312.9	
Dec	310.2	312.9	

INFORMATION EMPLOYMENT *(Seasonally adjusted)*



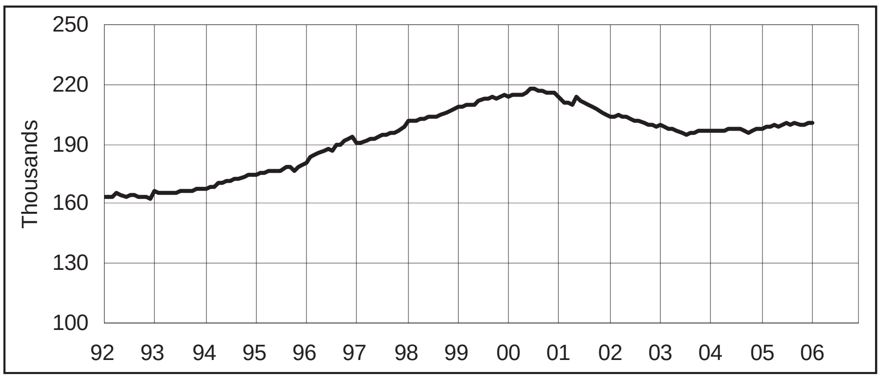
Month	2004	2005	2006
Jan	39.4	38.7	38.1
Feb	39.0	38.8	
Mar	39.1	38.5	
Apr	39.1	38.4	
May	39.1	38.3	
Jun	39.1	38.2	
Jul	39.1	38.1	
Aug	39.1	37.9	
Sep	38.9	37.8	
Oct	38.7	37.6	
Nov	38.8	37.8	
Dec	38.5	38.0	

FINANCIAL ACTIVITIES EMPLOYMENT *(Seasonally adjusted)*



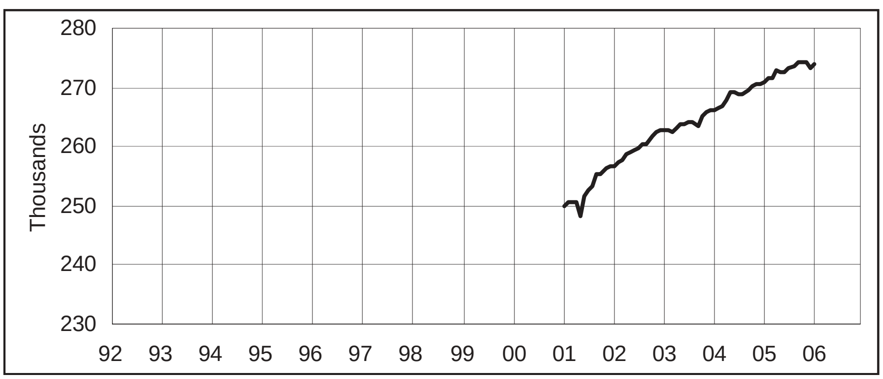
Month	2004	2005	2006
Jan	140.8	141.3	143.3
Feb	140.7	141.7	
Mar	140.8	141.5	
Apr	140.4	142.4	
May	140.5	142.0	
Jun	140.5	142.3	
Jul	140.4	143.0	
Aug	140.5	142.8	
Sep	140.6	142.9	
Oct	140.8	142.6	
Nov	141.0	142.7	
Dec	140.8	143.0	

PROFESSIONAL & BUSINESS SERV. EMPLOYMENT *(Seasonally adjusted)*



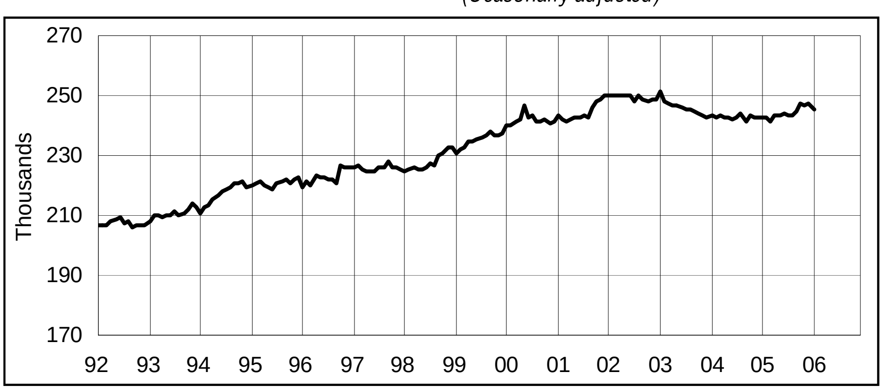
Month	2004	2005	2006
Jan	197.0	197.7	200.4
Feb	196.6	198.5	
Mar	196.8	198.7	
Apr	196.8	199.4	
May	197.2	199.0	
Jun	197.5	200.0	
Jul	197.6	200.6	
Aug	197.5	200.1	
Sep	197.1	200.8	
Oct	195.9	199.2	
Nov	196.9	199.9	
Dec	197.8	200.9	

EDUCATIONAL & HEALTH SERV. EMPLOYMENT *(Seasonally adjusted)*



Month	2004	2005	2006
Jan	266.3	271.0	273.9
Feb	266.6	271.6	
Mar	266.7	271.7	
Apr	267.9	272.9	
May	269.1	272.6	
Jun	269.1	272.5	
Jul	268.9	273.1	
Aug	268.9	273.6	
Sep	269.6	274.2	
Oct	270.3	274.4	
Nov	270.5	274.1	
Dec	270.5	273.2	

GOVERNMENT EMPLOYMENT* *(Seasonally adjusted)*



Month	2004	2005	2006
Jan	243.2	242.4	245.5
Feb	242.9	242.5	
Mar	243.2	241.1	
Apr	243.0	243.3	
May	242.6	243.4	
Jun	241.8	244.2	
Jul	242.8	243.1	
Aug	243.8	243.6	
Sep	241.5	244.4	
Oct	243.1	247.1	
Nov	243.0	247.0	
Dec	242.9	247.2	

**Includes Indian tribal government employment*

STATE NONFARM EMPLOYMENT ESTIMATES

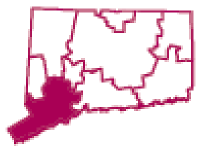
CONNECTICUT

Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**1,644,400**	**1,630,300**	**14,100**	**0.9**	**1,691,000**
GOODS PRODUCING INDUSTRIES	**254,800**	**258,000**	**-3,200**	**-1.2**	**261,700**
CONSTRUCTION, NAT. RES. & MINING	**60,900**	**61,600**	**-700**	**-1.1**	**66,700**
MANUFACTURING	**193,900**	**196,400**	**-2,500**	**-1.3**	**195,000**
Durable Goods	**144,600**	**146,300**	**-1,700**	**-1.2**	**145,300**
Fabricated Metal	33,400	33,900	-500	-1.5	33,600
Machinery	17,800	18,500	-700	-3.8	17,900
Computer and Electronic Product	14,700	15,300	-600	-3.9	14,700
Electrical Equipment	10,600	10,500	100	1.0	10,700
Transportation Equipment	43,300	43,200	100	0.2	43,500
Aerospace Product and Parts	30,200	29,800	400	1.3	30,300
Non-Durable Goods	**49,300**	**50,100**	**-800**	**-1.6**	**49,700**
Printing and Related	7,900	8,200	-300	-3.7	8,000
Chemical	17,000	17,200	-200	-1.2	17,100
Plastics and Rubber Products	7,400	7,600	-200	-2.6	7,400
SERVICE PROVIDING INDUSTRIES	**1,389,600**	**1,372,300**	**17,300**	**1.3**	**1,429,300**
TRADE, TRANSPORTATION, UTILITIES	**312,400**	**310,200**	**2,200**	**0.7**	**325,000**
Wholesale Trade	66,800	65,700	1,100	1.7	67,200
Retail Trade	192,600	193,000	-400	-0.2	203,300
Motor Vehicle and Parts Dealers	22,500	22,400	100	0.4	22,800
Building Material	14,800	14,800	0	0.0	15,600
Food and Beverage Stores	42,200	42,700	-500	-1.2	42,700
General Merchandise Stores	26,500	26,400	100	0.4	28,700
Transportation, Warehousing, & Utilities	53,000	51,500	1,500	2.9	54,500
Utilities	8,500	8,700	-200	-2.3	8,500
Transportation and Warehousing	44,500	42,800	1,700	4.0	46,000
INFORMATION	**37,800**	**38,500**	**-700**	**-1.8**	**38,000**
Telecommunications	12,700	13,300	-600	-4.5	12,800
FINANCIAL ACTIVITIES	**142,500**	**140,500**	**2,000**	**1.4**	**143,200**
Finance and Insurance	121,900	120,300	1,600	1.3	122,300
Credit Intermediation	31,800	31,600	200	0.6	32,100
Securities and Commodity Contracts	20,100	18,600	1,500	8.1	20,200
Insurance Carriers & Related Activities	65,100	65,300	-200	-0.3	65,100
Real Estate and Rental and Leasing	20,600	20,200	400	2.0	20,900
PROFESSIONAL & BUSINESS SERVICES	**195,700**	**191,900**	**3,800**	**2.0**	**202,800**
Professional, Scientific	89,000	87,800	1,200	1.4	89,800
Legal Services	14,200	14,600	-400	-2.7	14,500
Computer Systems Design	19,000	18,600	400	2.2	19,100
Management of Companies	24,700	25,000	-300	-1.2	25,000
Administrative and Support	82,000	79,100	2,900	3.7	88,000
Employment Services	29,800	27,700	2,100	7.6	32,800
EDUCATIONAL AND HEALTH SERVICES	**272,000**	**269,000**	**3,000**	**1.1**	**277,000**
Educational Services	50,000	49,500	500	1.0	53,800
Health Care and Social Assistance	222,000	219,500	2,500	1.1	223,200
Hospitals	56,200	55,600	600	1.1	56,100
Nursing & Residential Care Facilities	57,100	56,800	300	0.5	57,500
Social Assistance	36,500	35,600	900	2.5	36,600
LEISURE AND HOSPITALITY	**121,900**	**119,100**	**2,800**	**2.4**	**127,800**
Arts, Entertainment, and Recreation	20,000	20,200	-200	-1.0	22,000
Accommodation and Food Services	101,900	98,900	3,000	3.0	105,800
Food Serv., Restaurants, Drinking Places	90,400	88,500	1,900	2.1	93,800
OTHER SERVICES	**62,100**	**61,600**	**500**	**0.8**	**62,900**
GOVERNMENT	**245,200**	**241,500**	**3,700**	**1.5**	**252,600**
Federal Government	19,600	19,800	-200	-1.0	19,900
State Government	63,900	61,900	2,000	3.2	68,800
**Local Government	161,700	159,800	1,900	1.2	163,900

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

BRIDGEPORT - STAMFORD LMA

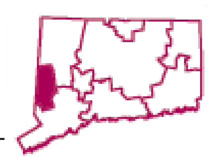


Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**406,800**	**402,000**	**4,800**	**1.2**	**418,000**
GOODS PRODUCING INDUSTRIES	**54,800**	**55,200**	**-400**	**-0.7**	**55,900**
CONSTRUCTION, NAT. RES. & MINING	**13,800**	**13,600**	**200**	**1.5**	**15,100**
MANUFACTURING	**41,000**	**41,600**	**-600**	**-1.4**	**40,800**
Durable Goods	**29,800**	**30,300**	**-500**	**-1.7**	**29,500**
SERVICE PROVIDING INDUSTRIES	**352,000**	**346,800**	**5,200**	**1.5**	**362,100**
TRADE, TRANSPORTATION, UTILITIES	**74,900**	**75,300**	**-400**	**-0.5**	**78,000**
Wholesale Trade	14,700	14,700	0	0.0	14,800
Retail Trade	49,600	50,100	-500	-1.0	52,400
Transportation, Warehousing, & Utilities	10,600	10,500	100	1.0	10,800
INFORMATION	**11,300**	**11,600**	**-300**	**-2.6**	**11,300**
FINANCIAL ACTIVITIES	**43,900**	**42,100**	**1,800**	**4.3**	**44,200**
Finance and Insurance	37,300	35,800	1,500	4.2	37,600
PROFESSIONAL & BUSINESS SERVICES	**68,000**	**66,600**	**1,400**	**2.1**	**70,900**
EDUCATIONAL AND HEALTH SERVICES	**59,000**	**58,400**	**600**	**1.0**	**60,700**
Health Care and Social Assistance	50,800	50,200	600	1.2	51,300
LEISURE AND HOSPITALITY	**30,700**	**29,800**	**900**	**3.0**	**32,700**
Accommodation and Food Services	23,300	22,700	600	2.6	24,300
OTHER SERVICES	**16,700**	**16,400**	**300**	**1.8**	**16,800**
GOVERNMENT	**47,500**	**46,600**	**900**	**1.9**	**47,500**
Federal	3,500	3,600	-100	-2.8	3,500
State & Local	44,000	43,000	1,000	2.3	44,000

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

DANBURY LMA



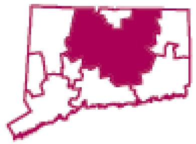
Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**68,300**	**67,600**	**700**	**1.0**	**70,400**
GOODS PRODUCING INDUSTRIES	**12,500**	**12,700**	**-200**	**-1.6**	**12,700**
SERVICE PROVIDING INDUSTRIES	**55,800**	**54,900**	**900**	**1.6**	**57,700**
TRADE, TRANSPORTATION, UTILITIES	**15,800**	**15,700**	**100**	**0.6**	**16,700**
Retail Trade	11,800	11,900	-100	-0.8	12,700
PROFESSIONAL & BUSINESS SERVICES	**8,300**	**8,100**	**200**	**2.5**	**8,500**
LEISURE AND HOSPITALITY	**4,700**	**4,900**	**-200**	**-4.1**	**4,900**
GOVERNMENT	**8,300**	**8,000**	**300**	**3.8**	**8,600**
Federal	600	600	0	0.0	600
State & Local	7,700	7,400	300	4.1	8,000

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 2005.
**Total excludes workers idled due to labor-management disputes.*

HARTFORD LMA



Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**540,200**	**535,000**	**5,200**	**1.0**	**552,900**
GOODS PRODUCING INDUSTRIES	**83,400**	**83,800**	**-400**	**-0.5**	**85,900**
CONSTRUCTION, NAT. RES. & MINING	**20,000**	**20,100**	**-100**	**-0.5**	**22,000**
MANUFACTURING	**63,400**	**63,700**	**-300**	**-0.5**	**63,900**
Durable Goods	**53,100**	**53,400**	**-300**	**-0.6**	**53,400**
Transportation Equipment	18,300	18,200	100	0.5	18,300
SERVICE PROVIDING INDUSTRIES	**456,800**	**451,200**	**5,600**	**1.2**	**467,000**
TRADE, TRANSPORTATION, UTILITIES	**90,600**	**90,200**	**400**	**0.4**	**93,300**
Wholesale Trade	19,400	19,100	300	1.6	19,500
Retail Trade	56,300	56,200	100	0.2	58,500
Transportation, Warehousing, & Utilities	14,900	14,900	0	0.0	15,300
Transportation and Warehousing	11,300	11,100	200	1.8	11,800
INFORMATION	**11,500**	**11,500**	**0**	**0.0**	**11,500**
FINANCIAL ACTIVITIES	**67,700**	**68,100**	**-400**	**-0.6**	**67,700**
Depository Credit Institutions	7,500	7,800	-300	-3.8	7,500
Insurance Carriers & Related Activities	45,900	46,300	-400	-0.9	45,700
PROFESSIONAL & BUSINESS SERVICES	**58,000**	**56,800**	**1,200**	**2.1**	**59,300**
Professional, Scientific	27,800	27,400	400	1.5	27,900
Administrative and Support	24,500	23,600	900	3.8	25,600
EDUCATIONAL AND HEALTH SERVICES	**85,100**	**83,600**	**1,500**	**1.8**	**86,500**
Health Care and Social Assistance	74,200	72,900	1,300	1.8	74,600
Ambulatory Health Care	22,600	22,100	500	2.3	22,800
LEISURE AND HOSPITALITY	**37,400**	**36,200**	**1,200**	**3.3**	**38,600**
Accommodation and Food Services	31,600	30,300	1,300	4.3	33,000
OTHER SERVICES	**20,400**	**20,400**	**0**	**0.0**	**20,700**
GOVERNMENT	**86,100**	**84,400**	**1,700**	**2.0**	**89,400**
Federal	5,900	6,000	-100	-1.7	6,000
State & Local	80,200	78,400	1,800	2.3	83,400

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

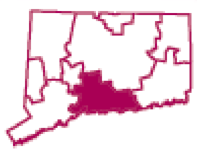
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Multiple jobholding in 2004**
  Compared with 2003, multiple jobholding increased in 2004 in 24 States, decreased in 22 States and the District of Columbia, and showed no change in 5 States. The national multiple jobholding rate (the number of employed persons reporting more than one job as a share of total employment) was little changed in 2004 at 5.4 percent, after trending downward since 1996. Overall, 27 States had higher rates than the National average, 21 States and the District of Columbia had lower rates, and 2 States matched the U.S. rate. North Dakota and South Dakota recorded the highest rates, 10.1 and 9.2, respectively. The lowest rates were in Georgia (3.9 percent), Nevada (4.0 percent), and Alabama (4.1 percent). These statistics are prepared by the Local Area Unemployment Statistics program with data from the Current Population Survey. To learn more, see "Regional Trends: Multiple jobholding in States, 2004," by Jim Campbell, Monthly Labor Review, December 2005. Multiple jobholders are employed persons who had either two or more jobs as a wage and salary worker, were self-employed and also held a wage and salary job, or worked as an

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**268,700**	**268,200**	**500**	**0.2**	**275,700**
GOODS PRODUCING INDUSTRIES	**42,500**	**43,900**	**-1,400**	**-3.2**	**44,000**
CONSTRUCTION, NAT. RES. & MINING	**9,700**	**10,000**	**-300**	**-3.0**	**10,800**
MANUFACTURING	**32,800**	**33,900**	**-1,100**	**-3.2**	**33,200**
Durable Goods	**22,300**	**23,000**	**-700**	**-3.0**	**22,500**
SERVICE PROVIDING INDUSTRIES	**226,200**	**224,300**	**1,900**	**0.8**	**231,700**
TRADE, TRANSPORTATION, UTILITIES	**51,300**	**51,000**	**300**	**0.6**	**52,500**
Wholesale Trade	11,500	11,400	100	0.9	11,500
Retail Trade	30,300	30,400	-100	-0.3	31,400
Transportation, Warehousing, & Utilities	9,500	9,200	300	3.3	9,600
INFORMATION	**8,600**	**8,600**	**0**	**0.0**	**8,600**
FINANCIAL ACTIVITIES	**13,500**	**13,800**	**-300**	**-2.2**	**13,800**
Finance and Insurance	10,100	10,300	-200	-1.9	10,300
PROFESSIONAL & BUSINESS SERVICES	**24,900**	**24,600**	**300**	**1.2**	**25,500**
Administrative and Support	12,200	11,100	1,100	9.9	12,700
EDUCATIONAL AND HEALTH SERVICES	**63,500**	**62,800**	**700**	**1.1**	**65,200**
Educational Services	21,900	21,900	0	0.0	23,800
Health Care and Social Assistance	41,600	40,900	700	1.7	41,400
LEISURE AND HOSPITALITY	**19,000**	**18,500**	**500**	**2.7**	**20,200**
Accommodation and Food Services	16,800	15,800	1,000	6.3	17,500
OTHER SERVICES	**10,600**	**10,700**	**-100**	**-0.9**	**10,600**
GOVERNMENT	**34,800**	**34,300**	**500**	**1.5**	**35,300**
Federal	5,400	5,400	0	0.0	5,500
State & Local	29,400	28,900	500	1.7	29,800

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

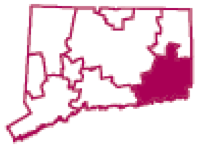
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

unpaid family worker and also held a wage and salary job. (The Editor's Desk, Bureau of Labor Statistics, January 6, 2006)

- **Mass layoffs in 2005**
During 2005, 16,466 mass layoff events occurred in the nation, resulting in 1,795,341 initial claims filings for unemployment insurance. In 2004, there were 15,980 events and 1,607,158 initial claimants. Manufacturing accounted for 29 percent of all mass layoff events and 37 percent of initial claims filed during 2005. A year earlier, manufacturing accounted for 29 percent of events and 35 percent of initial claims. The number of initial claims filed in 2005 due to mass layoffs was higher in the Midwest (571,950) than in any other region. Layoffs in transportation equipment manufacturing accounted for 30 percent of the claims in the Midwest. These data are from the Mass Layoff Statistics program. Mass layoffs data for 2005 are preliminary and subject to revision. Each mass layoff event involves at least 50 persons from a single establishment. See "Mass Layoffs in December 2005 and Annual Averages for 2005," news releases USDL 06-122, for more information. (The Editor's Desk, Bureau of Labor Statistics, January 26, 2006)

NORWICH - NEW LONDON LMA

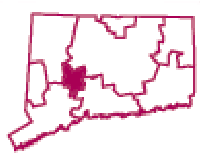


Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**133,200**	**132,800**	**400**	**0.3**	**136,400**
GOODS PRODUCING INDUSTRIES	**22,500**	**22,400**	**100**	**0.4**	**22,800**
CONSTRUCTION, NAT. RES. & MINING	**4,600**	**4,500**	**100**	**2.2**	**4,700**
MANUFACTURING	**17,900**	**17,900**	**0**	**0.0**	**18,100**
Durable Goods	**11,500**	**11,300**	**200**	**1.8**	**11,600**
Non-Durable Goods	**6,400**	**6,600**	**-200**	**-3.0**	**6,500**
SERVICE PROVIDING INDUSTRIES	**110,700**	**110,400**	**300**	**0.3**	**113,600**
TRADE, TRANSPORTATION, UTILITIES	**22,000**	**21,800**	**200**	**0.9**	**23,200**
Wholesale Trade	2,000	1,800	200	11.1	2,000
Retail Trade	15,700	15,800	-100	-0.6	16,700
Transportation, Warehousing, & Utilities	4,300	4,200	100	2.4	4,500
INFORMATION	**1,900**	**2,000**	**-100**	**-5.0**	**2,000**
FINANCIAL ACTIVITIES	**3,600**	**3,400**	**200**	**5.9**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**9,400**	**9,600**	**-200**	**-2.1**	**9,800**
EDUCATIONAL AND HEALTH SERVICES	**19,000**	**18,300**	**700**	**3.8**	**19,300**
Health Care and Social Assistance	16,500	15,900	600	3.8	16,600
LEISURE AND HOSPITALITY	**11,400**	**11,500**	**-100**	**-0.9**	**12,000**
Accommodation and Food Services	9,700	9,700	0	0.0	10,100
Food Serv., Restaurants, Drinking Places	8,000	8,000	0	0.0	8,200
OTHER SERVICES	**3,600**	**3,700**	**-100**	**-2.7**	**3,600**
GOVERNMENT	**39,800**	**40,100**	**-300**	**-0.7**	**40,100**
Federal	2,300	2,300	0	0.0	2,400
**State & Local	37,500	37,800	-300	-0.8	37,700

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

WATERBURY LMA



Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**68,500**	**68,300**	**200**	**0.3**	**69,900**
GOODS PRODUCING INDUSTRIES	**13,100**	**13,300**	**-200**	**-1.5**	**13,100**
CONSTRUCTION, NAT. RES. & MINING	**2,800**	**2,700**	**100**	**3.7**	**2,800**
MANUFACTURING	**10,300**	**10,600**	**-300**	**-2.8**	**10,300**
SERVICE PROVIDING INDUSTRIES	**55,400**	**55,000**	**400**	**0.7**	**56,800**
TRADE, TRANSPORTATION, UTILITIES	**13,800**	**13,700**	**100**	**0.7**	**14,400**
Wholesale Trade	2,200	2,200	0	0.0	2,200
Retail Trade	9,600	9,400	200	2.1	10,000
Transportation, Warehousing, & Utilities	2,000	2,100	-100	-4.8	2,200
INFORMATION	**900**	**1,000**	**-100**	**-10.0**	**900**
FINANCIAL ACTIVITIES	**2,700**	**2,600**	**100**	**3.8**	**2,600**
PROFESSIONAL & BUSINESS SERVICES	**6,500**	**6,200**	**300**	**4.8**	**6,800**
EDUCATIONAL AND HEALTH SERVICES	**14,000**	**14,200**	**-200**	**-1.4**	**14,100**
Health Care and Social Assistance	12,800	12,900	-100	-0.8	12,900
LEISURE AND HOSPITALITY	**4,700**	**4,500**	**200**	**4.4**	**5,000**
OTHER SERVICES	**2,700**	**2,700**	**0**	**0.0**	**2,700**
GOVERNMENT	**10,100**	**10,100**	**0**	**0.0**	**10,300**
Federal	600	600	0	0.0	600
State & Local	9,500	9,500	0	0.0	9,700

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 2005.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**47,300**	**45,900**	**1,400**	**3.1**	**48,400**
TORRINGTON LMA	**37,200**	**35,700**	**1,500**	**4.2**	**37,500**
WILLIMANTIC - DANIELSON LMA	**36,600**	**35,800**	**800**	**2.2**	**37,300**

NOTE: More industry detail data is available for the State and its nine labor market areas at: http://www.ctdol.state.ct.us/lmi/202/covered.htm. The data published there differ from the data in the preceding tables in that they are developed from a near-universe count of Connecticut employment covered by the unemployment insurance (UI) program, while the data here is sample-based. The data drawn from the UI program does not contain estimates of employment not covered by unemployment insurance, and is lagged several months behind the current employment estimates presented here.

SPRINGFIELD, MA-CT NECTA*

Not Seasonally Adjusted

	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
TOTAL NONFARM EMPLOYMENT	**289,500**	**288,900**	**600**	**0.2**	**298,400**
GOODS PRODUCING INDUSTRIES	**47,700**	**47,600**	**100**	**0.2**	**49,100**
CONSTRUCTION, NAT. RES. & MINING	**9,800**	**9,400**	**400**	**4.3**	**11,000**
MANUFACTURING	**37,900**	**38,200**	**-300**	**-0.8**	**38,100**
Durable Goods	**23,800**	**23,900**	**-100**	**-0.4**	**24,100**
Non-Durable Goods	**14,100**	**14,300**	**-200**	**-1.4**	**14,000**
SERVICE PROVIDING INDUSTRIES	**241,800**	**241,300**	**500**	**0.2**	**249,300**
TRADE, TRANSPORTATION, UTILITIES	**61,100**	**61,400**	**-300**	**-0.5**	**63,400**
Wholesale Trade	11,500	11,600	-100	-0.9	11,400
Retail Trade	36,200	36,300	-100	-0.3	38,500
Transportation, Warehousing, & Utilities	13,400	13,500	-100	-0.7	13,500
INFORMATION	**4,500**	**4,600**	**-100**	**-2.2**	**4,600**
FINANCIAL ACTIVITIES	**15,900**	**15,700**	**200**	**1.3**	**16,000**
Finance and Insurance	12,100	12,000	100	0.8	12,300
Insurance Carriers & Related Activities	7,400	7,300	100	1.4	7,500
PROFESSIONAL & BUSINESS SERVICES	**23,300**	**23,000**	**300**	**1.3**	**24,800**
EDUCATIONAL AND HEALTH SERVICES	**53,200**	**52,900**	**300**	**0.6**	**54,700**
Educational Services	11,300	10,900	400	3.7	12,500
Health Care and Social Assistance	41,900	42,000	-100	-0.2	42,200
LEISURE AND HOSPITALITY	**24,200**	**24,200**	**0**	**0.0**	**25,000**
OTHER SERVICES	**11,600**	**11,100**	**500**	**4.5**	**11,900**
GOVERNMENT	**48,000**	**48,400**	**-400**	**-0.8**	**48,900**
Federal	6,600	6,800	-200	-2.9	7,000
State & Local	41,400	41,600	-200	-0.5	41,900

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes.*

LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	JAN 2006	JAN 2005	CHANGE NO.	CHANGE %	DEC 2005
CONNECTICUT	Civilian Labor Force	1,803,100	1,789,100	14,000	0.8	1,812,600
	Employed	1,711,700	1,693,300	18,400	1.1	1,736,500
	Unemployed	91,300	95,800	-4,500	-4.7	76,100
	Unemployment Rate	5.1	5.4	-0.3	---	4.2
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	457,900	452,900	5,000	1.1	460,300
	Employed	435,800	430,700	5,100	1.2	442,800
	Unemployed	22,200	22,300	-100	-0.4	17,600
	Unemployment Rate	4.8	4.9	-0.1	---	3.8
DANBURY LMA	Civilian Labor Force	88,900	88,100	800	0.9	89,900
	Employed	85,600	84,500	1,100	1.3	87,200
	Unemployed	3,400	3,600	-200	-5.6	2,800
	Unemployment Rate	3.8	4.1	-0.3	---	3.1
ENFIELD LMA	Civilian Labor Force	47,300	47,200	100	0.2	48,200
	Employed	45,000	44,800	200	0.4	46,100
	Unemployed	2,300	2,400	-100	-4.2	2,100
	Unemployment Rate	4.9	5.0	-0.1	---	4.3
HARTFORD LMA	Civilian Labor Force	566,200	562,500	3,700	0.7	568,900
	Employed	536,600	530,600	6,000	1.1	543,900
	Unemployed	29,600	31,800	-2,200	-6.9	25,000
	Unemployment Rate	5.2	5.7	-0.5	---	4.4
NEW HAVEN LMA	Civilian Labor Force	299,100	298,300	800	0.3	301,100
	Employed	284,200	282,300	1,900	0.7	288,300
	Unemployed	15,000	16,000	-1,000	-6.3	12,800
	Unemployment Rate	5.0	5.4	-0.4	---	4.3
NORWICH - NEW LONDON LMA	Civilian Labor Force	147,500	146,300	1,200	0.8	148,100
	Employed	140,400	139,100	1,300	0.9	142,000
	Unemployed	7,100	7,100	0	0.0	6,100
	Unemployment Rate	4.8	4.9	-0.1	---	4.1
TORRINGTON LMA	Civilian Labor Force	54,400	53,000	1,400	2.6	53,900
	Employed	51,700	50,000	1,700	3.4	51,800
	Unemployed	2,700	3,100	-400	-12.9	2,100
	Unemployment Rate	4.9	5.8	-0.9	---	3.8
WATERBURY LMA	Civilian Labor Force	99,500	99,200	300	0.3	99,900
	Employed	93,000	92,300	700	0.8	94,300
	Unemployed	6,500	6,900	-400	-5.8	5,600
	Unemployment Rate	6.5	7.0	-0.5	---	5.6
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	55,600	54,700	900	1.6	55,600
	Employed	52,200	51,400	800	1.6	52,800
	Unemployed	3,400	3,300	100	3.0	2,800
	Unemployment Rate	6.1	6.0	0.1	---	5.0
UNITED STATES	Civilian Labor Force	149,090,000	147,125,000	1,965,000	1.3	149,874,000
	Employed	141,481,000	138,682,000	2,799,000	2.0	142,918,000
	Unemployed	7,608,000	8,444,000	-836,000	-9.9	6,956,000
	Unemployment Rate	5.1	5.7	-0.6	---	4.6

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005	AVG WEEKLY HOURS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005	AVG HOURLY EARNINGS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005
MANUFACTURING	**$824.68**	**$791.70**	**$32.98**	**$831.37**	**42.4**	**42.0**	**0.4**	**42.7**	**$19.45**	**$18.85**	**$0.60**	**$19.47**
DURABLE GOODS	**845.58**	**814.21**	**31.36**	**856.99**	**42.3**	**42.1**	**0.2**	**42.7**	**19.99**	**19.34**	**0.65**	**20.07**
Fabricated Metal	761.10	733.15	27.95	767.28	43.0	43.0	0.0	43.3	17.70	17.05	0.65	17.72
Machinery	811.74	776.08	35.66	819.21	41.5	40.4	1.1	41.5	19.56	19.21	0.35	19.74
Computer & Electronic	672.40	638.28	34.12	687.23	41.0	40.5	0.5	41.6	16.40	15.76	0.64	16.52
Transport. Equipment	1,043.18	1,013.51	29.68	1,060.92	42.2	42.3	-0.1	42.9	24.72	23.96	0.76	24.73
NON-DUR. GOODS	**771.59**	**734.84**	**36.75**	**764.24**	**42.7**	**41.8**	**0.9**	**42.6**	**18.07**	**17.58**	**0.49**	**17.94**
CONSTRUCTION	**822.84**	**816.91**	**5.93**	**859.92**	**37.3**	**37.2**	**0.1**	**38.1**	**22.06**	**21.96**	**0.10**	**22.57**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005	AVG WEEKLY HOURS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005	AVG HOURLY EARNINGS JAN 2006	JAN 2005	CHG Y/Y	DEC 2005
Bridgeport - Stamford	$860.66	$826.91	$33.75	$813.56	41.8	41.7	0.1	39.9	$20.59	$19.83	$0.76	$20.39
Hartford	1,050.72	914.64	136.08	1,072.95	44.0	44.4	-0.4	44.1	23.88	20.60	3.28	24.33
New Haven	634.41	671.40	-36.99	642.80	39.8	43.4	-3.6	40.1	15.94	15.47	0.47	16.03
Norwich - New London	820.25	783.41	36.84	830.33	42.5	42.6	-0.1	43.0	19.30	18.39	0.91	19.31

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- January 2006 had the announcement that Hawley Lane Shoes will move from Trumbull to Shelton and, in the process, expand their workforce by 40 during the next two years. Lowe's has opened a new home improvement store in Waterford with 200 employees being needed. Walgreen Co. will open a drugstore distribution center in Windsor in 2008 with 550 new jobs being created. Polylok, Inc., a maker of molded plastics, will expand their Wallingford facility and increase their employment level by 20.

- In January 2006 C-Cor, a network solutions provider, announced shifting of work from their Wallingford plant to Mexico by June, resulting in a loss of 120 jobs. Cigna HealthCare has confirmed that 56 employees in Bloomfield will lose their jobs as work will be outsourced to the Philippines. This summer Givaudan Flavors Corp., a maker of flavors for soft drinks, will close their New Milford plant and lay off 130 workers.

Business & Employment Changes Announced in the News Media lists start-ups, expansions, staff reductions, and layoffs reported by the media, both current and future. The report provides company name, the number of workers involved, date of the action, the principal product or service of the company, a brief synopsis of the action, and the source and date of the media article. This publication is available in both HTML and PDF formats at the Connecticut Department of Labor Web site, http://www.ctdol.state.ct.us/lmi/busemp.htm.

Town

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

JANUARY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD				
	457,949	**435,755**	**22,194**	**4.8**
Ansonia	9,822	9,142	680	6.9
Bridgeport	61,960	56,592	5,368	8.7
Darien	8,961	8,652	309	3.4
Derby	6,742	6,333	409	6.1
Easton	3,654	3,527	127	3.5
Fairfield	27,460	26,365	1,095	4.0
Greenwich	29,321	28,364	957	3.3
Milford	30,482	29,084	1,398	4.6
Monroe	10,351	9,953	398	3.8
New Canaan	8,621	8,366	255	3.0
Newtown	13,736	13,273	463	3.4
Norwalk	47,314	45,131	2,183	4.6
Oxford	6,361	6,109	252	4.0
Redding	4,430	4,279	151	3.4
Ridgefield	11,393	11,045	348	3.1
Seymour	8,937	8,446	491	5.5
Shelton	21,869	20,848	1,021	4.7
Southbury	8,765	8,376	389	4.4
Stamford	64,869	62,058	2,811	4.3
Stratford	25,547	24,153	1,394	5.5
Trumbull	17,412	16,736	676	3.9
Weston	4,764	4,625	139	2.9
Westport	12,292	11,852	440	3.6
Wilton	8,114	7,843	271	3.3
Woodbridge	4,771	4,605	166	3.5
DANBURY	**88,940**	**85,561**	**3,379**	**3.8**
Bethel	10,657	10,275	382	3.6
Bridgewater	1,010	982	28	2.8
Brookfield	8,754	8,457	297	3.4
Danbury	43,007	41,275	1,732	4.0
New Fairfield	7,454	7,184	270	3.6
New Milford	15,943	15,357	586	3.7
Sherman	2,115	2,030	85	4.0
ENFIELD	**47,343**	**45,044**	**2,299**	**4.9**
East Windsor	5,836	5,520	316	5.4
Enfield	23,240	22,093	1,147	4.9
Somers	4,549	4,329	220	4.8
Suffield	6,958	6,675	283	4.1
Windsor Locks	6,759	6,426	333	4.9
HARTFORD	**566,206**	**536,608**	**29,598**	**5.2**
Andover	1,929	1,840	89	4.6
Ashford	2,509	2,404	105	4.2
Avon	8,816	8,529	287	3.3
Barkhamsted	2,181	2,068	113	5.2
Berlin	10,703	10,218	485	4.5
Bloomfield	9,700	9,150	550	5.7
Bolton	2,990	2,871	119	4.0
Bristol	33,402	31,402	2,000	6.0
Burlington	5,131	4,929	202	3.9

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,360	5,155	205	3.8
Colchester	8,538	8,145	393	4.6
Columbia	2,948	2,834	114	3.9
Coventry	6,839	6,517	322	4.7
Cromwell	7,606	7,267	339	4.5
East Granby	2,851	2,717	134	4.7
East Haddam	4,992	4,795	197	3.9
East Hampton	6,561	6,191	370	5.6
East Hartford	24,872	23,272	1,600	6.4
Ellington	8,379	8,030	349	4.2
Farmington	12,448	11,962	486	3.9
Glastonbury	17,636	17,010	626	3.5
Granby	6,068	5,828	240	4.0
Haddam	4,590	4,427	163	3.6
Hartford	47,859	43,120	4,739	9.9
Hartland	1,172	1,126	46	3.9
Harwinton	3,064	2,922	142	4.6
Hebron	5,296	5,078	218	4.1
Lebanon	4,177	3,969	208	5.0
Manchester	31,003	29,553	1,450	4.7
Mansfield	12,383	11,930	453	3.7
Marlborough	3,462	3,329	133	3.8
Middlefield	2,342	2,235	107	4.6
Middletown	25,586	24,405	1,181	4.6
New Britain	34,072	31,512	2,560	7.5
New Hartford	3,651	3,503	148	4.1
Newington	16,199	15,494	705	4.4
Plainville	9,911	9,349	562	5.7
Plymouth	6,701	6,276	425	6.3
Portland	5,096	4,872	224	4.4
Rocky Hill	10,405	9,945	460	4.4
Simsbury	11,689	11,281	408	3.5
Southington	23,278	22,296	982	4.2
South Windsor	14,189	13,662	527	3.7
Stafford	6,653	6,305	348	5.2
Thomaston	4,563	4,274	289	6.3
Tolland	8,030	7,737	293	3.6
Union	456	440	16	3.5
Vernon	16,677	15,900	777	4.7
West Hartford	28,629	27,428	1,201	4.2
Wethersfield	13,166	12,523	643	4.9
Willington	3,807	3,665	142	3.7
Windsor	15,641	14,918	723	4.6

All Labor Market Areas(LMAs) in Connecticut except three are federally-designated areas for developing labor statistics.For the sake of simplicity, the federal Bridgeport-Stamford-Norwalk NECTA is referred to in Connecticut DOL publications as the Bridgeport-Stamford LMA, and the Hartford-West Hartford-East Hartford NECTA is the Hartford LMA.

The Bureau of Labor Statistics has identified 17 towns in the northwest part of the state as a separate area for reporting labor force data. For the convenience of our data users, these towns are included in the Torrington LMA. For the same purpose, five towns which are part of the Springfield, MA area are published as the Enfield LMA. Similarly the towns of Putnam, Thompson and Woodstock-part of the Worcester, MA area-plus four towns estimated separately are included in the Willimantic-Danielson LMA.

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)

JANUARY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**299,145**	**284,169**	**14,976**	**5.0**
Bethany	2,950	2,845	105	3.6
Branford	16,781	16,126	655	3.9
Cheshire	14,294	13,758	536	3.7
Chester	2,205	2,127	78	3.5
Clinton	7,715	7,391	324	4.2
Deep River	2,531	2,413	118	4.7
Durham	4,057	3,903	154	3.8
East Haven	15,656	14,810	846	5.4
Essex	3,685	3,549	136	3.7
Guilford	12,493	12,077	416	3.3
Hamden	29,956	28,593	1,363	4.6
Killingworth	3,461	3,335	126	3.6
Madison	9,713	9,425	288	3.0
Meriden	30,323	28,580	1,743	5.7
New Haven	53,851	49,920	3,931	7.3
North Branford	8,101	7,699	402	5.0
North Haven	12,555	12,033	522	4.2
Old Saybrook	5,298	5,087	211	4.0
Orange	6,889	6,645	244	3.5
Wallingford	24,379	23,310	1,069	4.4
Westbrook	3,548	3,403	145	4.1
West Haven	28,702	27,140	1,562	5.4
***NORWICH-NEW LONDON**	**134,040**	**127,677**	**6,363**	**4.7**
Bozrah	1,453	1,374	79	5.4
Canterbury	3,120	2,927	193	6.2
East Lyme	9,473	9,083	390	4.1
Franklin	1,167	1,121	46	3.9
Griswold	6,929	6,550	379	5.5
Groton	18,994	18,120	874	4.6
Ledyard	8,325	8,028	297	3.6
Lisbon	2,524	2,407	117	4.6
Lyme	1,131	1,092	39	3.4
Montville	10,721	10,247	474	4.4
New London	13,383	12,579	804	6.0
No. Stonington	3,191	3,058	133	4.2
Norwich	20,251	19,078	1,173	5.8
Old Lyme	4,161	4,013	148	3.6
Preston	2,757	2,647	110	4.0
Salem	2,514	2,425	89	3.5
Sprague	1,782	1,662	120	6.7
Stonington	10,249	9,903	346	3.4
Voluntown	1,584	1,505	79	5.0
Waterford	10,330	9,857	473	4.6

*Connecticut portion only. For whole NECTA, including Rhode Island town, see below.

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NORWICH-NEW LONDON	**147,530**	**140,421**	**7,109**	**4.8**
Westerly, RI	13,490	12,744	746	5.5

Labor Force estimates are prepared following statistical procedures developed by the U.S. Department of Labor, Bureau of Labor Statistics.

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
TORRINGTON	**54,355**	**51,680**	**2,675**	**4.9**
Bethlehem	2,031	1,946	85	4.2
Canaan	612	582	30	4.9
Colebrook	828	802	26	3.1
Cornwall	828	797	31	3.7
Goshen	1,536	1,482	54	3.5
Kent	1,583	1,525	58	3.7
Litchfield	4,348	4,153	195	4.5
Morris	1,305	1,251	54	4.1
Norfolk	962	917	45	4.7
North Canaan	1,740	1,658	82	4.7
Roxbury	1,357	1,316	41	3.0
Salisbury	1,995	1,913	82	4.1
Sharon	1,546	1,505	41	2.7
Torrington	19,516	18,345	1,171	6.0
Warren	728	694	34	4.7
Washington	1,936	1,869	67	3.5
Winchester	6,056	5,668	388	6.4
Woodbury	5,447	5,257	190	3.5
WATERBURY	**99,514**	**93,014**	**6,500**	**6.5**
Beacon Falls	3,169	3,007	162	5.1
Middlebury	3,645	3,507	138	3.8
Naugatuck	16,875	15,900	975	5.8
Prospect	5,164	4,945	219	4.2
Waterbury	49,704	45,681	4,023	8.1
Watertown	12,168	11,583	585	4.8
Wolcott	8,790	8,391	399	4.5
WILLIMANTIC-DANIELSON	**55,574**	**52,208**	**3,366**	**6.1**
Brooklyn	3,695	3,519	176	4.8
Chaplin	1,382	1,304	78	5.6
Eastford	948	908	40	4.2
Hampton	1,137	1,061	76	6.7
Killingly	9,137	8,516	621	6.8
Plainfield	8,216	7,692	524	6.4
Pomfret	2,201	2,100	101	4.6
Putnam	5,039	4,726	313	6.2
Scotland	957	921	36	3.8
Sterling	1,898	1,773	125	6.6
Thompson	5,163	4,893	270	5.2
Windham	11,443	10,626	817	7.1
Woodstock	4,359	4,170	189	4.3

Not Seasonally Adjusted:				
CONNECTICUT	**1,803,100**	**1,711,700**	**91,300**	**5.1**
UNITED STATES	**149,090,000**	**141,481,000**	**7,608,000**	**5.1**
Seasonally Adjusted:				
CONNECTICUT	**1,820,000**	**1,737,100**	**82,900**	**4.6**
UNITED STATES	**150,114,000**	**143,074,000**	**7,040,000**	**4.7**

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	JAN 2006	YR TO DATE 2006	YR TO DATE 2005
Andover	1	1	0
Ansonia	0	0	0
Ashford	1	1	1
Avon	4	4	0
Barkhamsted	na	na	1
Beacon Falls	na	na	0
Berlin	0	0	2
Bethany	na	na	0
Bethel	0	0	1
Bethlehem	na	na	0
Bloomfield	na	na	1
Bolton	1	1	1
Bozrah	2	2	0
Branford	na	na	6
Bridgeport	10	10	5
Bridgewater	na	na	0
Bristol	5	5	1
Brookfield	na	na	5
Brooklyn	2	2	4
Burlington	0	0	1
Canaan	0	0	0
Canterbury	5	5	1
Canton	1	1	3
Chaplin	1	1	1
Cheshire	1	1	3
Chester	na	na	0
Clinton	1	1	2
Colchester	4	4	0
Colebrook	0	0	0
Columbia	0	0	3
Cornwall	1	1	0
Coventry	5	5	3
Cromwell	0	0	1
Danbury	6	6	29
Darien	na	na	2
Deep River	0	0	0
Derby	na	na	0
Durham	3	3	3
East Granby	1	1	0
East Haddam	0	0	0
East Hampton	3	3	20
East Hartford	na	na	0
East Haven	2	2	1
East Lyme	5	5	0
East Windsor	2	2	2
Eastford	2	2	1
Easton	0	0	0
Ellington	7	7	4
Enfield	na	na	3
Essex	0	0	0
Fairfield	15	15	13
Farmington	12	12	1
Franklin	0	0	0
Glastonbury	27	27	3
Goshen	3	3	1
Granby	2	2	3
Greenwich	16	16	7
Griswold	na	na	4
Groton	5	5	69
Guilford	7	7	3
Haddam	6	6	1
Hamden	2	2	2
Hampton	1	1	1
Hartford	0	0	23
Hartland	na	na	0
Harwinton	2	2	1
Hebron	na	na	0
Kent	1	1	1
Killingly	22	22	4
Killingworth	na	na	3
Lebanon	3	3	2
Ledyard	2	2	3
Lisbon	0	0	1
Litchfield	na	na	0
Lyme	1	1	0
Madison	4	4	3
Manchester	7	7	10
Mansfield	6	6	3
Marlborough	2	2	0
Meriden	1	1	7
Middlebury	na	na	1
Middlefield	0	0	0
Middletown	14	14	15
Milford	21	21	3
Monroe	2	2	5
Montville	2	2	3
Morris	0	0	1
Naugatuck	4	4	6
New Britain	na	na	4
New Canaan	3	3	5
New Fairfield	na	na	8
New Hartford	2	2	3
New Haven	11	11	2
New London	5	5	3
New Milford	2	2	8
Newington	3	3	1
Newtown	3	3	3
Norfolk	0	0	0
North Branford	na	na	2
North Canaan	0	0	0
North Haven	0	0	8
North Stonington	1	1	0
Norwalk	5	5	13
Norwich	1	1	80
Old Lyme	na	na	0
Old Saybrook	0	0	2
Orange	na	na	0
Oxford	4	4	8
Plainfield	3	3	2
Plainville	0	0	0
Plymouth	1	1	1
Pomfret	1	1	1
Portland	8	8	4
Preston	2	2	1
Prospect	na	na	1
Putnam	2	2	2
Redding	na	na	0
Ridgefield	3	3	3
Rocky Hill	6	6	0
Roxbury	na	na	5
Salem	2	2	1
Salisbury	na	na	0
Scotland	1	1	2
Seymour	1	1	0
Sharon	0	0	1
Shelton	11	11	8
Sherman	na	na	1
Simsbury	6	6	2
Somers	4	4	2
South Windsor	10	10	2
Southbury	2	2	6
Southington	5	5	9
Sprague	2	2	0
Stafford	na	na	2
Stamford	9	9	10
Sterling	na	na	0
Stonington	8	8	4
Stratford	3	3	2
Suffield	1	1	0
Thomaston	na	na	0
Thompson	na	na	4
Tolland	6	6	6
Torrington	5	5	5
Trumbull	3	3	2
Union	0	0	0
Vernon	13	13	14
Voluntown	2	2	1
Wallingford	3	3	11
Warren	1	1	0
Washington	na	na	0
Waterbury	3	3	3
Waterford	5	5	3
Watertown	6	6	5
West Hartford	6	6	1
West Haven	na	na	0
Westbrook	0	0	7
Weston	na	na	0
Westport	7	7	10
Wethersfield	na	na	0
Willington	0	0	1
Wilton	na	na	0
Winchester	0	0	2
Windham	2	2	5
Windsor	na	na	2
Windsor Locks	na	na	1
Wolcott	1	1	2
Woodbridge	na	na	0
Woodbury	0	0	2
Woodstock	4	4	4

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 signal-plus noise 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. Beginning with the publication of January 2005 data, an improved methodology is being used to develop labor force estimates, by which monthly state model-based employment and unemployment estimates are controlled to add to the national CPS levels. This will ensure that national economic events are reflected in the state estimates, and it will significantly reduce end-of-year revisions. (For more information, please see the Connecticut Economic Digest, December 2004 issue.) 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 (LMAs) in Connecticut except three are federally-designated areas for developing labor statistics. For the sake of simplicity, the federal Bridgeport-Norwalk-Stamford Metropolitan Statistical Area (MSA) is referred to in Connecticut Department of Labor publications as the Bridgeport-Stamford LMA, and the Hartford-West Hartford-East Hartford MSA is called the Hartford LMA. The Bureau of Labor Statistics has identified the 17 towns in the in the northwestern part of the state 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 LMA. For the same purpose, data for the towns of East Windsor, Enfield, Somers, Suffield and Windsor Locks, which are officially part of the Springfield MSA, are published as the Enfield LMA. Similarly, the towns of Putnam, Thompson and Woodstock - part of the Worcester MSA - are included in the Willimantic-Danielson LMA. Also, data for Westerly, Rhode Island are included in the Norwich-New London LMA. Industry employment and labor force data estimates contained in Connecticut Department of Labor publications are prepared following the same statistical procedures developed by the U.S. Department of Labor, Bureau of Labor Statistics, whether for federally designated or state-determined areas.

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	**+0.7**
Coincident Employment Index	**+1.2**
Leading General Drift Indicator	**+0.8**
Coincident General Drift Indicator	**+0.1**
Banknorth Business Barometer	**+0.9**
Total Nonfarm Employment	**+0.7**
Unemployment Rate	**-0.3**
Labor Force	+0.5
Employed	+0.9
Unemployed	-7.2
Average Weekly Initial Claims	**-17.0**
Help Wanted Index -- Hartford	**+7.7**
Avg Insured Unempl. Rate	**-0.16***
Average Weekly Hours, Mfg	**+1.0**
Average Hourly Earnings, Mfg	**+3.2**
Average Weekly Earnings, Mfg	**+4.2**
CT Mfg. Production Index	**-2.8**
Production Worker Hours	-0.7
Industrial Electricity Sales	-6.6
Personal Income	**+4.6**
UI Covered Wages	**+4.2**

Business Activity	
New Housing Permits	-16.3
Electricity Sales	+2.9
Retail Sales	-0.6
Construction Contracts Index	+25.6
New Auto Registrations	+0.1
Air Cargo Tons	-13.4
Exports	+17.5
Business Starts	
Secretary of the State	-1.4
Dept. of Labor	-1.3
Business Terminations	
Secretary of the State	+4.0
Dept. of Labor	-29.7
State Revenues	**+17.2**
Corporate Tax	+140.0
Personal Income Tax	+16.9
Real Estate Conveyance Tax	-4.1
Sales & Use Tax	+4.8
Indian Gaming Payments	+11.0

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

Tourism and Travel	
Info Center Visitors	-2.9
Attraction Visitors	+26.8
Air Passenger Count	-3.1
Indian Gaming Slots	+3.9
Travel and Tourism Index	+1.6
Employment Cost Index (U.S.)	
Total	+3.0
Wages & Salaries	+2.5
Benefit Costs	+4.1
Consumer Prices	
U.S. City Average	+4.0
Northeast Region	+4.1
NY-NJ-Long Island	+3.7
Boston-Brockton-Nashua	+4.4
Consumer Confidence	
Connecticut	NA
New England	-6.8
U.S.	+1.6
Interest Rates	
Prime	+2.01*
Conventional Mortgage	+0.44*

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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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