

ECONOMIC DIGEST

Vol.12 No.3

A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

MARCH 2007

IN THIS ISSUE...

Connecticut's Investment Employment Rising 1-3, 5

Economic Indicators

- of Employment 4
- on the Overall Economy 5
- Individual Data Items 6-8
- Comparative Regional Data 9
- Economic Indicator Trends 10-11
- Business & Economic News 14-15
- Business and Employment Changes Announced in the News Media 19
- Labor Market Areas:
 - Nonfarm Employment 12-17
 - Labor Force 18
 - Hours and Earnings 19
- Cities and Towns:
 - Labor Force 20-21
 - Housing Permits 22
- Technical Notes 23
- At a Glance 24

In January...

Nonfarm Employment

Connecticut 1,690,000
 Change over month 0.24%
 Change over year 1.0%

United States 137,258,000
 Change over month 0.08%
 Change over year 1.6%

Unemployment Rate

Connecticut 4.4%
 United States 4.6%

Consumer Price Index

United States 202.4
 Change over year 2.1%

Connecticut's Investment Employment Rising

By Lincoln S. Dyer, Economist, DOL

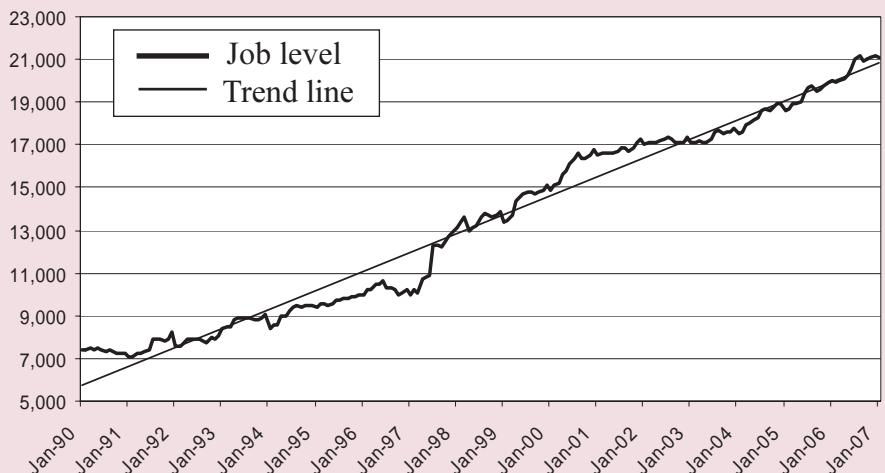
Securities, Commodity Contracts, and Other Financial Investments and Related Activities (NAICS Industry 523) consists mainly of the specific investment-related activities and employment from worksites *in the State*. These include stock, bond, and commodity brokering, trading, and exchanges; investment banking; venture capital and investment clubs; portfolio management, including private equity investment, certain trust management and grant making, pension fund management, mutual funds, and hedge funds; investment advice; and all other financial investment activities including stock quotation services. For points in the following article, NAICS 523 industry components will be referred to from now on as *investments* or the *securities industries*. This fundamental branch of the Finance and Insurance (NAICS 52) sector in Connecticut comprises some of the highest paying and fastest expanding industry segments

anywhere in the world. It is definitely where Connecticut's growth and money is for now. All the while, markets will fluctuate.

Credit Cycle or Business Cycle?

Money is flowing around world-wide after years of lowered global interest rates. The World Central Banks were creating the "carry trade" by keeping foreign exchange rates competitively devalued and fighting Keynesian deflation fears by expanding the money supply (e.g., expanding credit/printing money). This was coupled with huge U.S. trade deficits and the resulting froth of global liquidity put into the world's monetary system has been finding locations where high-performing, risk-adjusted rates of return on investment can originate. Connecticut appears to have that location and that expertise, turning expansive credit under uncertainty into real capital when successful. Accumulated capital resources are subsequently the real means of produc-

Connecticut's Investment Jobs, 1990-2007



ECONOMIC DIGEST

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

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

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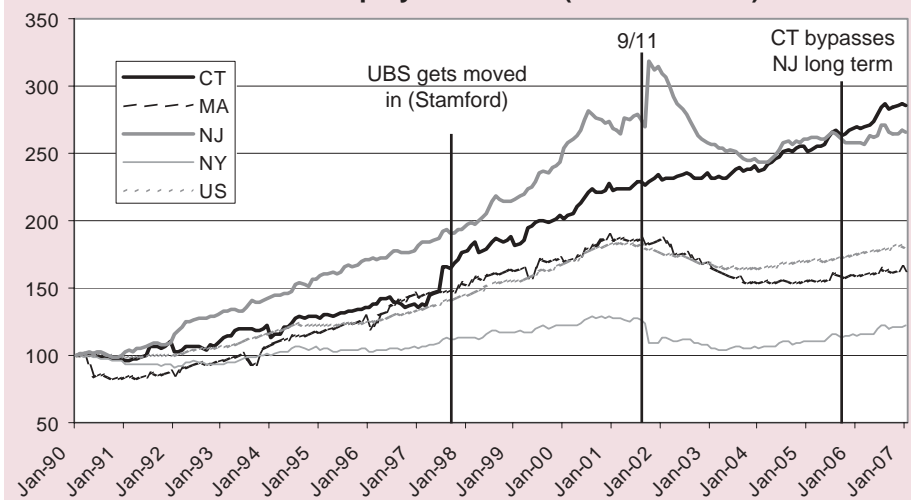
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Investment Employment Index (Jan. 1990=100)



tion. And just like CEO's of last century who set up many corporate headquarters in Connecticut, the current asset-money managers now want to live as well as work here too. Connecticut is not a cul-de-sac missing out on the global economy. Instead it is a money draw adapting to globalization. Connecticut is one of the leaders of wealth management, creation, and storage, reshaping 21st century global capitalism. Nutmeggers invest the world's excess liquidity through a growing avant-garde investment sector of risk transfer instruments and financial savvy.

Money Talks

Already by 2007, pure private investment employment has broken through the 21,000-job level for Connecticut (chart on the front page), about doubling the counts from 1996, and now 6,000 positions higher than at the turn of the century. In 1990, private investment employment counts averaged 7,300 statewide. Connecticut averaged 19,330 jobs in 2005 and the average wage per job in the industry was \$310,734, not including benefits. That is not a misprint! This helps to boost Connecticut to the upper echelons among states in per capita income, average wages, household income as well as taxes paid per capita to Washington. Political sway and influence is coming with the mounting capital accumulation, especially in reform legislation like Sarbanes-Oxley and movements to regulate hedge funds. However, small investors need to feel protected in the capital markets and transpar-

ency is paramount to this safety for the individual.

As the chart above shows, Connecticut has outpaced employment growth in the securities industry nationwide (which has seen a decline) since 2001 and has outperformed most other Northeast states that have specialized in securities industry employment. Connecticut has not only increased its percentage of investment jobs in the State's total covered workforce (from 1.0% in 2001 to 1.2% in 2005, about double the national percentage), but has also increased its concentration of employment in this high powered sector in relation to other states in the nation (the location quotient rising from 1.564 to **1.948**, +.384, since 2001). Only New Hampshire had more improvement in investment employment concentration (location quotient increase from 1.326 to **1.769**, +.443) relative to other states in the nation in that time period. New Hampshire is cherry-picking Boston's mutual fund industry as a lower cost locale, while Connecticut is adding value by managing risk with absolute and high-performing returns, financial engineering, and "dollar hedging" expertise.

Money Maker

This means Connecticut is gaining employment market share in the securities industry compared with other states, even with average industry annual wage levels that are almost twice the national average (\$310,734 to \$166,950 in 2005) and highest in the country by far. This supreme pay comes from worksites *in the State*, not from residents

commuting to New York. As a matter of fact, the 20,000 or so securities jobs located here pay better than the average securities jobs located in New York (\$295,106 in the city; \$274,322 statewide). Avoiding herding behavior associated with financial manias makes a difference, so some removal from Wall Street lets independent thinking and contrarian investing flourish for Connecticut's investment sector.

Connecticut was also one of the few states in the Northeast to *add* jobs since 2001 in this sector (+2,577). New Jersey still lost jobs (-2,230) over this period, but actually increased that state's concentration of securities industry employment (its location quotient went from 2.134 to 2.155), reflecting some of the dispersion from the devastating effects of 9-11 on Wall Street combined with a slower loss than the nation. Decentralization of the financial industry has spawned more financial innovation for Connecticut. The expertise in Connecticut is delivering outperforming risk-adjusted returns on investment to produce those high average incomes and straight-up job gains.

Alchemy Coast

Connecticut's proximity to the world's financial hub makes this key job growth in the State by and large a Fairfield County story so far. Since June 2000, Fairfield County has increased its proportion of investment employment in the State from 70% to over 80% now, or 16,800 jobs. This was a job growth rate of 7.9% a year in a time span that included an employment recession. The county had over 15,300 investment jobs in 2005 that paid an unbelievable average \$357,757 per job. Greenwich and Stamford anchor the investment growth spreading in the gold coast. The State's other counties have much less investment employment and could benefit from increases in this sector. New Haven County's (1,001 jobs) contribution to investment job growth for the State has some relation to Yale University's very successful endowment performance, which is among the leaders in accumulated capital, risk-adjusted rate of return, and successful forays into new asset classes. This endowment supports Yale's future growth while the university supports Connecticut's investment forte

(Behavioral Finance). Hartford County's (2,003 jobs) investment job levels are maintained by the insurance industry's need for and placement of more specialized investment products, as well as individual investment activities of the aging population. Acquired wealth needs purchasing power protection.

Investment Niche Necessity (Mother of Invention?)

The employing sectors in the securities industries are diverse and the NAICS industry coding system somewhat reflects this. Hedge funds are not only venture capital participants but also act like private equity and have even gone whole-heartedly into company operation and management. Some hedge funds may even become public companies to access more capital. Is a fragmentation happening in the securities industries like what happened last decade to the insurance industry's old-line companies after Hurricane Andrew? Frankly, some of Connecticut's investment employment growth may be coming from the splintering of the insurance industry and the crossover specialization and expertise that is so successful for risk and capital management. Some capability is also coming out of the Wall Street talent pool, as technology has led to some dispersion, decentralization, and need to break away from the "herd on the street" where size can be the enemy of performance. Newly minted MBAs are flocking to the industry as well. This fragmentation may be just really following the money as insurers, pension funds, and investment banks are placing ample institutional money with the hedge funds, that are providing the risk-adjusted returns.

"(Alan) Greenspan called exotic derivatives, and their hedge fund architects, "pollinating bees" and "extremely important" to a complex global economy, since their high rates of return help stabilize the entire economic system and offset meager savings rate."¹ This could be even truer as individual shareholders need help in combating corporate malfeasance. Activist hedge funds and private equity are taking on inefficient and greedy management and in some cases bringing home to Connecticut some of the corporate influence that has been

lost from Connecticut in recent years through out-of-state mergers and relocations. Stock markets are becoming commoditized with indexers while specialized Connecticut players are developing their niche. And these titans and their investment pools are also funding movies and influencing many other industries. Additionally, market and commodity research firms are also positioning themselves around the hedge fund complex in Fairfield County. There are a lot of opportunities for business spin-offs from these high paying segments.

The Alternative Investment Space (NAICS 5239)

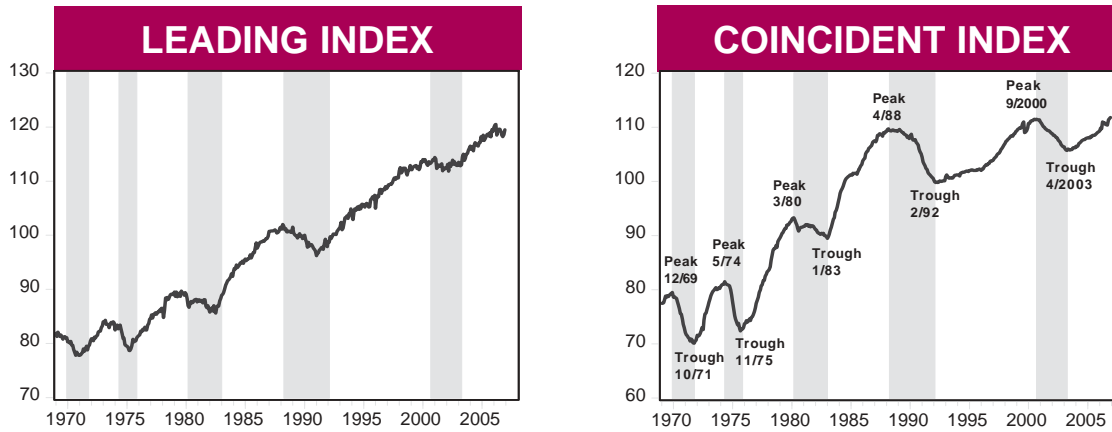
Notice that Connecticut's growth is coming from "the alternative space." The three main sub-components of the securities industry are Securities and Commodity Contracts Intermediation and Brokerage (NAICS 5231), 10,666 jobs, 51.1% of investment jobs, 4.0% growth since 2000; Securities and Commodity Exchanges (NAICS 5232), 261 jobs, 1.3% of investment jobs, -52.1% job drop on a small base, NASDAQ downsizing; and Other Financial Investment Activities (NAICS 5239), "the alternative investment space," 9,951 jobs, 47.7% of Connecticut investment jobs, a nice 79.2% job gain. Boutique investment firms are taking advantage of baby boomers looking to their retirement needs and high net-worth individuals searching for the best risk-adjusted returns. The industry is responding to more individual customer need, not just the mass market. Free movement of capital and the growing in-state capital accumulation shows that Connecticut's environment is ripe for more wealth creation. Technological innovation and implementation comes from regions of capital accumulation. And investment from accumulated capital will help sustain growth better in the long run than the credit-stimulated housing demand of late, despite some recent hedge fund failures from excessive risk taking rather than prudent investment.

Connecticut's Premier "Long Tail" Industry - An Emerging Force

"The Long Tail is a powerful new force in our economy: the rise of the niche"² or industry prospering by

--Continued on page 5-

EMPLOYMENT INDICATORS



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.

Steady but Unspectacular Gain in December

The Federal Open Market Committee (FOMC) kept the target federal funds rate at 5.25% at its first 2007 meeting. The message appeared to be that although inflationary pressure is moderating, it poses a threat to the economy. Partly because of the belief that the FOMC can engineer a “soft landing,” the Dow Jones Industrial Index set several record closings in February. Amid the good news, however, are ominous signs. For example, the Chicago Federal Reserve Bank’s National Activity Index fell to its lowest level since September 2005, and housing starts plunged to their lowest level in nine years. However, none of these changes the expectation that the U.S. economy will slow this year and likely avoid a recession.

The revised CCEA-ECRI Connecticut coincident employment index rose, on a year-to-year basis, from 109.19 in December 2005 to 111.80 in December 2006. The four components of this index each contribute positively, with lower insured and total unemployment rates,

higher total non-farm employment, and higher total employment. On a sequential month-to-month basis, this index rose from 111.57 in November 2006 to 111.80 in December 2006. Three of the four components are positive contributors to the index; the exception is the insured unemployment rate, which rose marginally from the month before.

The revised Connecticut Coincident Index, published by the Philadelphia Federal Reserve Bank (FRB), rose from 153.27 in December 2005 to 157.83 in December 2006. On a sequential month-to-month basis, the Philadelphia FRB’s revised Connecticut Coincident Index rose from 157.31 in November to 157.83 in December 2006. Thus, the CCEA-ECRI and the Philadelphia FRB indexes are in agreement on a year-to-year and on a month-to-month basis.

The revised CCEA-ECRI Connecticut leading employment index rose from 119.20 in December 2005 to 119.47 in December 2006. A lower Moody’s Baa corporate bond yield, lower

initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, and higher average weekly hours worked in manufacturing and construction are the four positive contributors. However, lower total housing permits, and a lower Hartford help-wanted advertising index are the two negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index rose from 118.56 in November 2006 to 119.47 in December 2006. A small increase in the Moody’s Baa corporate bond yield is the only negative contributor to the index. The Hartford help-wanted advertising index remained unchanged, while the remaining four components are all positive contributors.

Francis W. Ahking, Department of Economics, University of Connecticut, Storrs, CT 06269. Phone: (860) 486-3026. Stan McMillen [(860) 270-8166, DECD, 505 Hudson Street, Hartford, CT 06106-7106], provides research support. Professors Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute developed the leading and coincident employment indexes. The views expressed herein are the author's own and do not necessarily represent those of the Department of Economics, the University of Connecticut, the Connecticut Department of Labor, or the Connecticut Department of Economic and Community Development. Components of the indexes are described in the Technical Notes on page 23.

moving from mass markets to niche markets. *Other Financial Investment Activities* perhaps exemplifies the ultimate “Long Tail” industry for Connecticut. Wired Magazine Editor-in-Chief Chris Anderson wrote of the “Long Tail” in 2004, which offers an alternative look at the future of different markets and how the Web influences them. It was first used to describe some entertainment industry trends evolving from the Internet, but *could it be applied to economic development in all industries as well?* Are markets and industries shifting from mass markets limited by singular blockbuster appeal (mutual funds) to unlimited markets distributed with lowered cost or enhanced expertise in the tail or the niche (hedge funds)? High net worth (accredited investors) and boutique investment are about as niche market positioning as one could get. Connecticut’s “long tail” investment industry make-up and expertise are constantly evolving and pushing out and down the niche part of the curve.

Capitalist-Entrepreneurs: Game Changers

There has developed an allure associated with working in the “alternative investment space” that has become increasingly evident especially for the Connecticut participants who often are deploying much of their own capital. “Skin in the game” is a form of internal risk management, as no one wants to lose their own money. Edward Lampert, investor, corporate strategist, and

considered the epitome of the next generation of Warren Buffet-like investors, has taken over Sears Holdings; Stephen Cohen of SAC Capital, known for secrecy, has posted an average of 40%+ gains annualized since 1992; Yale’s cream of the crop big endowment team has had outstanding performance for its size (David Swenson). These and other successful asset managers know privacy helps protect strategy, yet they are developing international reputations. Some have to downplay their success or they’ll be targets for the next heir apparent. Obviously, some of the disproportionate take-home pay of the stars in the sector is skewing the overall averages, but it does show that Connecticut has some of the most fertile ground for wealth creation and preservation.

Connecticut is an Investment State

Not many industry segments have the potential ability to change and influence every industry, both large and small, through capital infusions, reallocations, leveraged buyouts, mergers and acquisitions, financial innovation, and venture capital. *Connecticut investment sectors do.* And, of course, the great recent comparative run in this sector will not last forever. A broad financial market downturn would undoubtedly weigh heavily on the economy and the ongoing worldwide credit expansion will eventually subside. Also risk appetites and high fees should become more sensible.

However, this industry does play both sides of the market, bull (long) and bear (short), and gained employment during the tech sector bust in Connecticut. *Preservation of capital* is still Warren Buffet’s rule #1 of investing and that is what hedging tries to resolve. Diversification is still the best hedge. Rule #2 – Don’t forget rule #1!

Hyped consumer demand and spending does not sustain an economy; saving, investment, and entrepreneurship are the most critical inputs for economic growth and improved living standards. Yet the constant downplaying of Connecticut growth prospects lately has led to some recent accounts of “prosperity at risk” in describing Connecticut’s economy. Connecticut securities industries defy this pessimism. Young adults and recent graduates need evidence of world-class growth, success, and monetary gain emanating from Connecticut’s industry makeup, especially global financial services. It is there. Connecticut is an investment state. Invest in yourself and stay home. ■

For the full report with accompanying charts and tables visit www.ctdol.state.ct.us/lmi/.

¹ Q&A with Liz Ann Sonders. “Dr. Alan Greenspan: In-depth and Thoughtful” *Impact Daily*, November 7, 2006. WWW.impact.schwab.com/impact2006/docs/ImpactDaily_Tuesday.pdf.

² Book Review WWW.powells.com/biblio/1401302378?&PID=31291. Anderson, Chris “The Long Tail; Why the Future is Selling Less of More.” *Powells.com Staff Pick*.

GENERAL ECONOMIC INDICATORS

<i>(Seasonally adjusted)</i>	4Q	4Q	CHANGE		3Q
	2006	2005	NO.	%	2006
Employment Indexes (1992=100)*					
Leading	118.7	119.0	-0.2	-0.2	119.1
Coincident	111.6	109.0	2.6	2.4	110.5
General Drift Indicator (1986=100)*					
Leading	101.9	103.2	-1.3	-1.3	102.7
Coincident	100.3	100.0	0.3	0.3	99.7
Banknorth Business Barometer (1992=100)**	112.3	119.4	-7.1	-5.9	120.3

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

	JAN		CHANGE		DEC
	2007	2006	NO.	%	2006
TOTAL NONFARM	1,690.0	1,674.0	16.0	1.0	1,686.0
Natural Res & Mining (Not Sea. Adj.)	0.6	0.7	-0.1	-14.3	0.6
Construction	68.4	66.6	1.8	2.7	66.8
Manufacturing	193.0	194.1	-1.1	-0.6	192.8
Trade, Transportation & Utilities	312.1	312.2	-0.1	0.0	311.2
Information	37.6	37.9	-0.3	-0.8	37.5
Financial Activities	144.6	143.6	1.0	0.7	144.8
Professional and Business Services	205.3	202.4	2.9	1.4	206.2
Educational and Health Services	283.4	276.5	6.9	2.5	283.1
Leisure and Hospitality Services	134.7	131.2	3.5	2.7	133.1
Other Services	63.9	63.0	0.9	1.4	64.2
Government*	246.4	245.8	0.6	0.2	245.7

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

Initial claims for unem-
ployment insurance rose
from a year ago.

UNEMPLOYMENT

	JAN		CHANGE		DEC
	2007	2006	NO.	%	2006
Unemployment Rate, resident (%)	4.4	4.5	-0.1	---	4.1
Labor Force, resident (000s)	1,859.6	1,833.7	25.9	1.4	1,855.1
Employed (000s)	1,777.3	1,750.5	26.8	1.5	1,778.7
Unemployed (000s)	82.3	83.2	-0.9	-1.1	76.4
Average Weekly Initial Claims	3,869	3,611	258	7.1	4,185
Help Wanted Index -- Htfd. (1987=100)	15	12	3	25.0	8
Avg. Insured Unemp. Rate (%)	1.72	2.42	-0.70	---	2.74

Sources: Connecticut Department of Labor; The Conference Board

The production worker
weekly earnings rose
over the year.

MANUFACTURING ACTIVITY

	JAN		CHANGE		DEC	NOV
	2007	2006	NO.	%	2006	2006
Average Weekly Hours	42.1	42.5	-0.4	-0.9	42.7	--
Average Hourly Earnings	20.24	19.47	0.77	4.0	20.25	--
Average Weekly Earnings	852.10	827.48	24.62	3.0	864.68	--
CT Mfg. Production Index (2000=100)	91.8	96.7	-4.9	-5.1	95.0	95.9
Production Worker Hours (000s)	4,864	4,942	-78	-1.6	4,965	--
Industrial Electricity Sales (mil kWh)*	356	393	-36.6	-9.3	373	382

Sources: Connecticut Department of Labor; U.S. Department of Energy

*Latest two months are forecasted.

Personal income for
second quarter 2007 is
forecasted to increase 4.7
percent from a year
earlier.

INCOME

	2Q*		CHANGE		1Q*
	2007	2006	NO.	%	2007
Personal Income	\$182,180	\$174,004	\$8,176	4.7	\$180,912
UI Covered Wages	\$94,090	\$91,341	\$2,750	3.0	\$93,694

Source: Bureau of Economic Analysis: December 2006 release

*Forecasted by Connecticut Department of Labor

BUSINESS ACTIVITY

New auto registrations decreased over the year.

	MONTH	LEVEL	Y/Y %		YEAR TO DATE		% CHG
			CHG	CURRENT	PRIOR	CHG	
New Housing Permits*	JAN 2007	529	-2.9	529	545	-2.9	
Electricity Sales (mil kWh)	NOV 2006	2,446	-1.8	28,990	30,142	-3.8	
Retail Sales (Bil. \$)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0	
Construction Contracts							
Index (1980=100)	JAN 2007	238.3	-28.1	---	---	---	
New Auto Registrations	JAN 2007	13,895	-14.0	13,895	16,166	-14.0	
Air Cargo Tons	JAN 2007	12,875	25.9	12,875	10,228	25.9	
Exports (Bil. \$)	4Q 2006	3.16	20.3	12.24	9.69	26.3	

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 %		YEAR TO DATE		% CHG
			CHG	CURRENT	PRIOR	CHG	
STARTS							
Secretary of the State	JAN 2007	3,058	7.8	3,058	2,836	7.8	
Department of Labor*	1Q 2006	2,899	-1.9	2,899	2,954	-1.9	
TERMINATIONS							
Secretary of the State	JAN 2007	960	14.7	960	837	14.7	
Department of Labor*	1Q 2006	1,268	-23.9	1,268	1,666	-23.9	

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

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

STATE REVENUES

Total revenues were up from a year ago.

	YEAR TO DATE					
	JAN 2007	JAN 2006	% CHG	CURRENT	PRIOR	% CHG
<i>(Millions of dollars)</i>						
TOTAL ALL REVENUES*	1,594.2	1,431.6	11.4	1,594.2	1,431.6	11.4
Corporate Tax	22.7	30.0	-24.3	22.7	30.0	-24.3
Personal Income Tax	868.3	754.5	15.1	868.3	754.5	15.1
Real Estate Conv. Tax	18.8	14.1	33.3	18.8	14.1	33.3
Sales & Use Tax	452.1	389.0	16.2	452.1	389.0	16.2
Indian Gaming Payments**	32.5	32.9	-1.3	32.5	32.9	-1.3

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

Gaming slots fell over the year.

	MONTH	LEVEL	Y/Y %		YEAR TO DATE		% CHG
			CHG	CURRENT	PRIOR	CHG	
Info Center Visitors	JAN 2007	15,564	0.0	15,564	15,565	0.0	
Major Attraction Visitors	JAN 2007	64,508	-9.3	64,508	71,142	-9.3	
Air Passenger Count	JAN 2007	497,763	-3.3	497,763	514,561	-3.3	
Indian Gaming Slots (Mil.\$)*	JAN 2007	1,490	-1.0	1,490	1,505	-1.0	
Travel and Tourism Index**	4Q 2006	---	4.7	---	---	---	

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 3.2 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted			Not Seasonally Adjusted		
	DEC	SEP	3-Mo	DEC	DEC	12-Mo
	2006	2006	% Chg	2006	2005	% Chg
UNITED STATES TOTAL	103.3	102.5	0.8	103.2	100.0	3.2
Wages and Salaries	103.2	102.5	0.7	103.2	100.0	3.2
Benefit Costs	103.5	102.5	1.0	103.1	100.0	3.1
NORTHEAST TOTAL	---	---	---	103.3	100.0	3.3
Wages and Salaries	---	---	---	103.1	100.0	3.1

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

U.S. inflation rate increased 2.1 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 2007	202.4	2.1	0.3
Purchasing Power of \$ (1982-84=\$1.00)	JAN 2007	\$0.494	-2.0	-0.3
Northeast Region	JAN 2007	215.8	2.3	0.3
NY-Northern NJ-Long Island	JAN 2007	221.8	2.7	0.2
Boston-Brockton-Nashua**	JAN 2007	224.4	1.8	0.6
CPI-W (1982-84=100)				
U.S. City Average	JAN 2007	197.6	1.9	0.2
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	4Q 2006	NA	NA	NA
New England	JAN 2007	NA	NA	NA
U.S.	JAN 2007	NA	NA	NA

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 rose to 6.22 percent over the month.

INTEREST RATES

(Percent)	JAN 2007	DEC 2006	JAN 2006
Prime	8.25	8.25	7.26
Federal Funds	5.25	5.24	4.29
3 Month Treasury Bill	5.11	4.97	4.34
6 Month Treasury Bill	5.15	5.07	4.47
1 Year Treasury Note	5.06	4.94	4.45
3 Year Treasury Note	4.79	4.58	4.35
5 Year Treasury Note	4.75	4.53	4.35
7 Year Treasury Note	4.75	4.54	4.37
10 Year Treasury Note	4.76	4.56	4.42
20 Year Treasury Note	4.95	4.78	4.65
Conventional Mortgage	6.22	6.14	6.15

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

All nine states in the region added jobs over the year.

<i>(Seasonally adjusted; 000s)</i>	JAN	JAN	CHANGE		DEC
	2007	2006	NO.	%	2006
Connecticut	1,690.0	1,674.0	16.0	1.0	1,686.0
Maine	617.1	614.2	2.9	0.5	615.2
Massachusetts	3,259.9	3,230.5	29.4	0.9	3,258.0
New Hampshire	644.2	637.8	6.4	1.0	642.3
New Jersey	4,092.4	4,063.1	29.3	0.7	4,085.5
New York	8,670.7	8,578.2	92.5	1.1	8,655.1
Pennsylvania	5,788.1	5,729.1	59.0	1.0	5,778.6
Rhode Island	494.7	490.0	4.7	1.0	495.9
Vermont	308.0	306.8	1.2	0.4	308.4
United States	137,258.0	135,110.0	2,148.0	1.6	137,147.0

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

LABOR FORCE

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

<i>(Seasonally adjusted; 000s)</i>	JAN	JAN	CHANGE		DEC
	2007	2006	NO.	%	2006
Connecticut	1,859.6	1,833.7	25.9	1.4	1,855.1
Maine	719.6	706.8	12.8	1.8	716.7
Massachusetts	3,427.4	3,386.7	40.7	1.2	3,421.4
New Hampshire	743.2	733.2	10.0	1.4	740.4
New Jersey	4,528.6	4,498.4	30.2	0.7	4,531.9
New York	9,518.6	9,480.8	37.8	0.4	9,506.5
Pennsylvania	6,351.6	6,281.5	70.1	1.1	6,336.0
Rhode Island	580.5	574.1	6.4	1.1	578.7
Vermont	363.0	359.1	3.9	1.1	363.6
United States	152,974.0	150,122.0	2,852.0	1.9	152,775.0

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

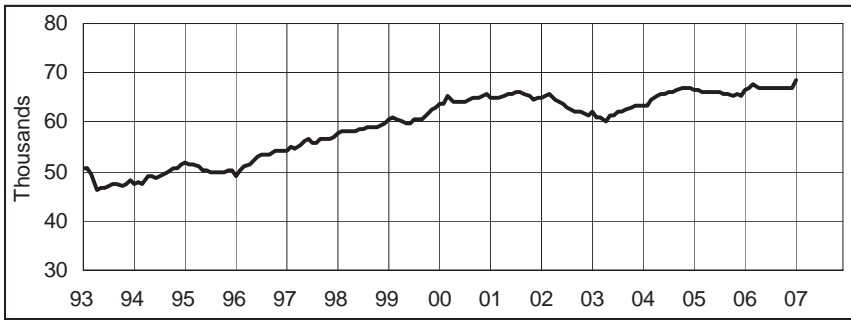
UNEMPLOYMENT RATES

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

<i>(Seasonally adjusted)</i>	JAN	JAN	CHANGE	DEC
	2007	2006		2006
Connecticut	4.4	4.5	-0.1	4.1
Maine	4.4	4.5	-0.1	4.6
Massachusetts	5.3	4.8	0.5	5.2
New Hampshire	3.7	3.4	0.3	3.5
New Jersey	4.2	4.8	-0.6	4.3
New York	4.3	4.8	-0.5	4.1
Pennsylvania	4.7	4.7	0.0	4.7
Rhode Island	4.7	5.2	-0.5	5.1
Vermont	4.0	3.6	0.4	3.8
United States	4.6	4.7	-0.1	4.5

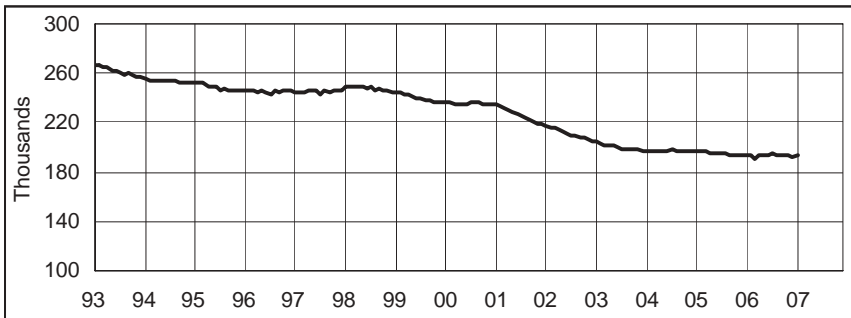
Source: U.S. Department of Labor, Bureau of Labor Statistics

CONSTRUCTION EMPLOYMENT *(Seasonally adjusted)*



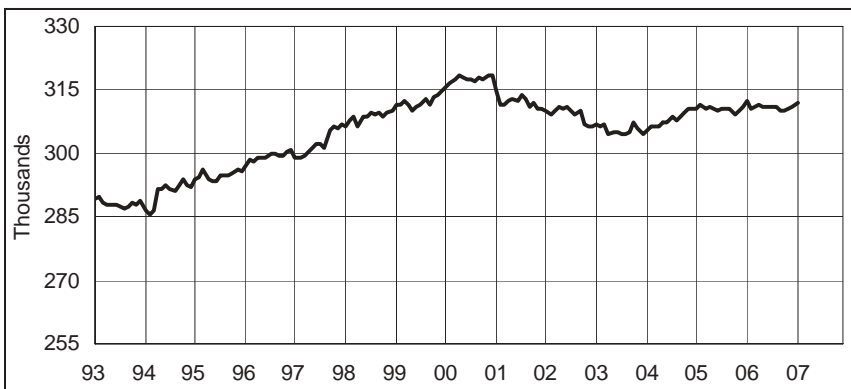
Month	2005	2006	2007
Jan	66.7	66.6	68.4
Feb	66.4	67.1	
Mar	66.3	67.6	
Apr	66.2	66.9	
May	66.0	66.8	
Jun	66.1	66.9	
Jul	66.0	67.0	
Aug	65.9	67.1	
Sep	65.8	67.1	
Oct	65.4	67.0	
Nov	65.6	66.9	
Dec	65.2	66.8	

MANUFACTURING EMPLOYMENT *(Seasonally adjusted)*



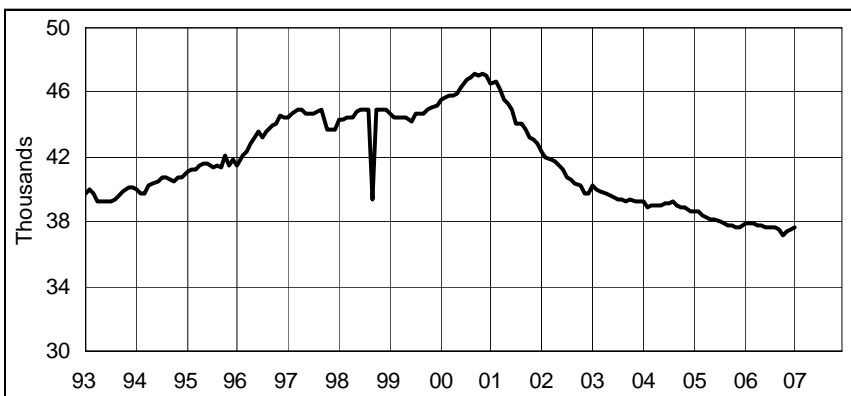
Month	2005	2006	2007
Jan	196.7	194.1	193.0
Feb	196.4	194.4	
Mar	196.1	191.0	
Apr	195.8	194.2	
May	195.7	194.1	
Jun	195.5	194.3	
Jul	195.5	194.8	
Aug	194.6	194.2	
Sep	194.2	193.6	
Oct	194.1	193.3	
Nov	193.9	193.0	
Dec	193.7	192.8	

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



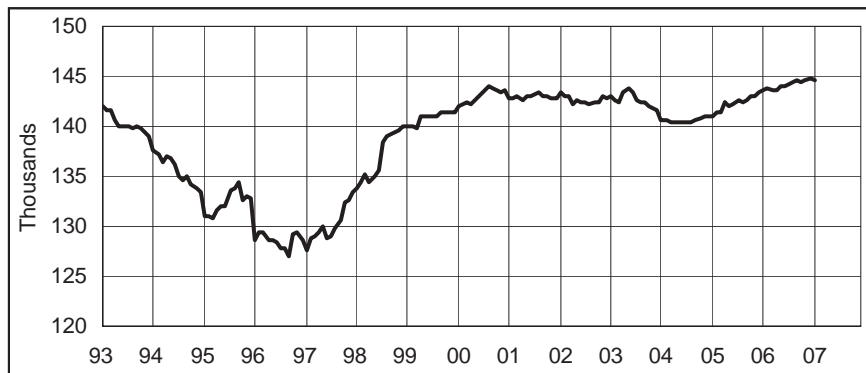
Month	2005	2006	2007
Jan	310.7	312.2	312.1
Feb	311.5	310.4	
Mar	310.6	311.2	
Apr	311.1	311.3	
May	310.6	311.1	
Jun	310.3	311.2	
Jul	310.5	310.8	
Aug	310.5	310.8	
Sep	310.7	310.1	
Oct	309.2	310.1	
Nov	309.9	310.5	
Dec	311.0	311.2	

INFORMATION EMPLOYMENT *(Seasonally adjusted)*



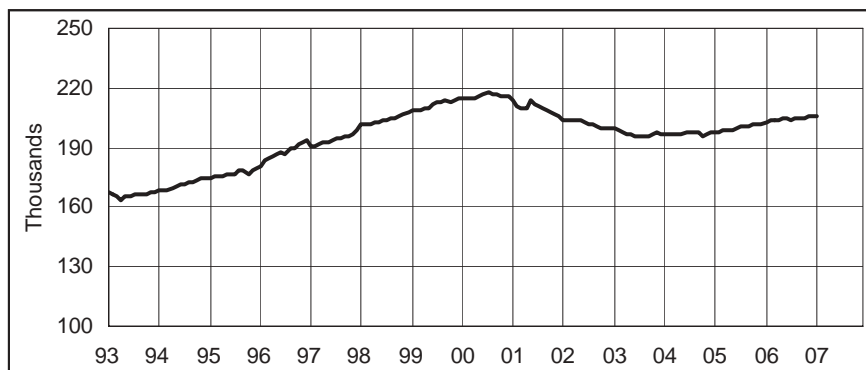
Month	2005	2006	2007
Jan	38.6	37.9	37.6
Feb	38.7	37.9	
Mar	38.4	37.9	
Apr	38.3	37.8	
May	38.2	37.8	
Jun	38.2	37.6	
Jul	38.0	37.6	
Aug	37.9	37.6	
Sep	37.8	37.5	
Oct	37.8	37.2	
Nov	37.7	37.4	
Dec	37.7	37.5	

FINANCIAL ACTIVITIES EMPLOYMENT *(Seasonally adjusted)*



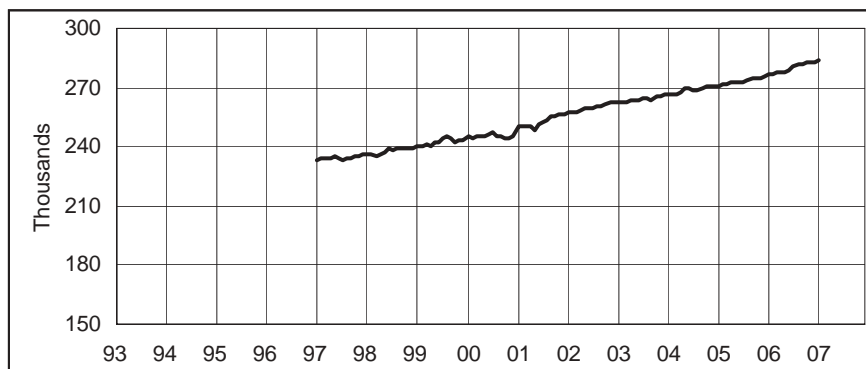
Month	2005	2006	2007
Jan	141.1	143.6	144.6
Feb	141.5	143.8	
Mar	141.3	143.7	
Apr	142.4	143.7	
May	141.9	144.0	
Jun	142.2	144.1	
Jul	142.7	144.2	
Aug	142.4	144.5	
Sep	142.7	144.6	
Oct	142.9	144.5	
Nov	143.0	144.7	
Dec	143.3	144.8	

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



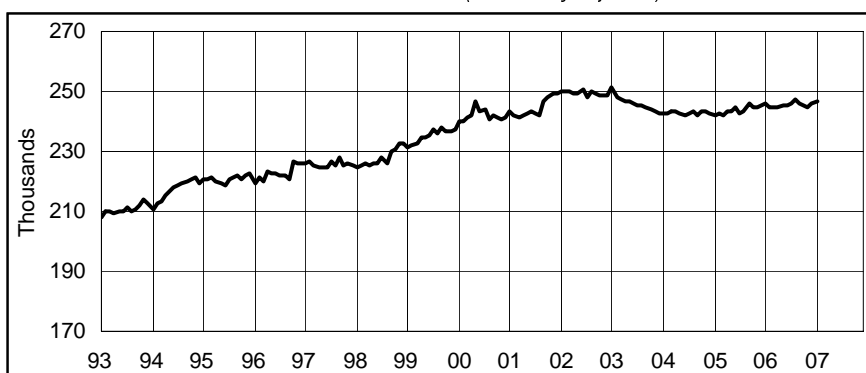
Month	2005	2006	2007
Jan	197.9	202.4	205.3
Feb	198.1	203.3	
Mar	198.3	203.8	
Apr	198.8	204.1	
May	198.8	204.3	
Jun	199.5	204.8	
Jul	201.0	204.1	
Aug	200.3	204.5	
Sep	201.1	204.9	
Oct	201.3	204.5	
Nov	201.8	205.3	
Dec	202.1	206.2	

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



Month	2005	2006	2007
Jan	270.8	276.5	283.4
Feb	271.7	276.6	
Mar	271.7	277.2	
Apr	272.8	277.8	
May	272.8	278.2	
Jun	273.0	279.0	
Jul	273.1	280.6	
Aug	273.5	281.8	
Sep	274.3	281.8	
Oct	274.7	282.5	
Nov	275.0	283.1	
Dec	275.7	283.1	

GOVERNMENT EMPLOYMENT* *(Seasonally adjusted)*



Month	2005	2006	2007
Jan	241.7	245.8	246.4
Feb	242.4	245.0	
Mar	241.7	244.8	
Apr	243.6	245.0	
May	243.4	245.4	
Jun	244.9	245.3	
Jul	243.0	246.2	
Aug	243.2	247.5	
Sep	246.0	246.2	
Oct	244.9	245.3	
Nov	244.6	245.0	
Dec	245.5	245.7	

*Includes Indian tribal government employment

CONNECTICUT

Not Seasonally Adjusted

	JAN	JAN	CHANGE		DEC
	2007	2006	NO.	%	2006
TOTAL NONFARM EMPLOYMENT	1,665,500	1,648,500	17,000	1.0	1,709,800
GOODS PRODUCING INDUSTRIES	255,900	255,400	500	0.2	261,000
CONSTRUCTION, NAT. RES. & MINING	63,000	61,600	1,400	2.3	67,300
MANUFACTURING	192,900	193,800	-900	-0.5	193,700
Durable Goods	145,400	145,200	200	0.1	145,800
Fabricated Metal.....	34,200	33,700	500	1.5	34,300
Machinery.....	18,300	17,900	400	2.2	18,200
Computer and Electronic Product.....	14,400	14,600	-200	-1.4	14,500
Transportation Equipment.....	43,300	44,100	-800	-1.8	43,600
Aerospace Product and Parts.....	31,100	30,800	300	1.0	31,200
Non-Durable Goods	47,500	48,600	-1,100	-2.3	47,900
Chemical.....	16,300	16,800	-500	-3.0	16,300
SERVICE PROVIDING INDUSTRIES	1,409,600	1,393,100	16,500	1.2	1,448,800
TRADE, TRANSPORTATION, UTILITIES	311,900	311,700	200	0.1	323,800
Wholesale Trade.....	67,700	66,900	800	1.2	68,000
Retail Trade.....	191,300	192,300	-1,000	-0.5	201,100
Motor Vehicle and Parts Dealers.....	21,800	22,300	-500	-2.2	22,000
Building Material.....	15,700	15,000	700	4.7	16,400
Food and Beverage Stores.....	42,400	42,300	100	0.2	43,200
General Merchandise Stores.....	24,500	25,800	-1,300	-5.0	26,600
Transportation, Warehousing, & Utilities....	52,900	52,500	400	0.8	54,700
Utilities.....	7,900	8,300	-400	-4.8	8,000
Transportation and Warehousing.....	45,000	44,200	800	1.8	46,700
INFORMATION	37,400	37,900	-500	-1.3	37,500
Telecommunications.....	12,500	12,700	-200	-1.6	12,500
FINANCIAL ACTIVITIES	143,700	143,000	700	0.5	145,000
Finance and Insurance.....	123,200	122,300	900	0.7	124,100
Credit Intermediation.....	31,500	31,800	-300	-0.9	32,100
Securities and Commodity Contracts.....	21,100	20,000	1,100	5.5	21,200
Insurance Carriers & Related Activities....	65,600	65,500	100	0.2	65,700
Real Estate and Rental and Leasing.....	20,500	20,700	-200	-1.0	20,900
PROFESSIONAL & BUSINESS SERVICES	199,900	196,000	3,900	2.0	207,900
Professional, Scientific.....	93,000	89,500	3,500	3.9	93,500
Legal Services.....	14,400	14,500	-100	-0.7	14,500
Computer Systems Design.....	20,900	19,200	1,700	8.9	21,000
Management of Companies.....	24,400	25,200	-800	-3.2	24,800
Administrative and Support.....	82,500	81,300	1,200	1.5	89,600
Employment Services.....	30,400	29,900	500	1.7	34,600
EDUCATIONAL AND HEALTH SERVICES	281,500	274,700	6,800	2.5	287,100
Educational Services.....	52,800	51,000	1,800	3.5	56,700
Health Care and Social Assistance.....	228,700	223,700	5,000	2.2	230,400
Hospitals.....	57,600	56,300	1,300	2.3	57,600
Nursing & Residential Care Facilities.....	57,600	57,100	500	0.9	58,200
Social Assistance.....	39,800	37,700	2,100	5.6	39,800
LEISURE AND HOSPITALITY	126,100	122,100	4,000	3.3	131,000
Arts, Entertainment, and Recreation.....	20,100	19,700	400	2.0	21,700
Accommodation and Food Services.....	106,000	102,400	3,600	3.5	109,300
Food Serv., Restaurants, Drinking Places....	94,700	91,500	3,200	3.5	97,700
OTHER SERVICES	63,000	62,100	900	1.4	64,400
GOVERNMENT	246,100	245,600	500	0.2	252,100
Federal Government.....	19,400	19,800	-400	-2.0	19,700
State Government.....	64,900	64,000	900	1.4	69,200
Local Government**.....	161,800	161,800	0	0.0	163,200

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

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

BRIDGEPORT - STAMFORD LMA



	<i>Not Seasonally Adjusted</i>				
	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT.....	412,400	408,400	4,000	1.0	423,900
GOODS PRODUCING INDUSTRIES.....	55,900	54,900	1,000	1.8	57,000
CONSTRUCTION, NAT. RES. & MINING.....	14,900	14,300	600	4.2	15,700
MANUFACTURING.....	41,000	40,600	400	1.0	41,300
Durable Goods.....	30,300	29,600	700	2.4	30,300
SERVICE PROVIDING INDUSTRIES.....	356,500	353,500	3,000	0.8	366,900
TRADE, TRANSPORTATION, UTILITIES.....	76,400	76,400	0	0.0	79,400
Wholesale Trade.....	14,600	14,600	0	0.0	14,700
Retail Trade.....	50,500	51,100	-600	-1.2	53,100
Transportation, Warehousing, & Utilities....	11,300	10,700	600	5.6	11,600
INFORMATION.....	11,300	11,300	0	0.0	11,300
FINANCIAL ACTIVITIES.....	44,500	43,100	1,400	3.2	44,700
Finance and Insurance.....	38,100	36,600	1,500	4.1	38,200
PROFESSIONAL & BUSINESS SERVICES	68,900	68,600	300	0.4	71,700
EDUCATIONAL AND HEALTH SERVICES	59,900	59,600	300	0.5	61,600
Health Care and Social Assistance.....	50,900	51,100	-200	-0.4	51,700
LEISURE AND HOSPITALITY.....	31,400	30,400	1,000	3.3	33,200
Accommodation and Food Services.....	24,400	23,400	1,000	4.3	25,200
OTHER SERVICES.....	16,800	16,800	0	0.0	17,100
GOVERNMENT	47,300	47,300	0	0.0	47,900
Federal.....	3,300	3,400	-100	-2.9	3,400
State & Local.....	44,000	43,900	100	0.2	44,500

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

DANBURY LMA



	<i>Not Seasonally Adjusted</i>				
	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT.....	68,800	68,400	400	0.6	71,000
GOODS PRODUCING INDUSTRIES.....	13,000	12,600	400	3.2	13,200
SERVICE PROVIDING INDUSTRIES.....	55,800	55,800	0	0.0	57,800
TRADE, TRANSPORTATION, UTILITIES.....	15,900	15,900	0	0.0	16,700
Retail Trade.....	12,000	12,000	0	0.0	12,600
PROFESSIONAL & BUSINESS SERVICES	8,300	8,300	0	0.0	8,600
LEISURE AND HOSPITALITY.....	5,300	5,200	100	1.9	5,700
GOVERNMENT	8,100	8,000	100	1.3	8,400
Federal.....	600	600	0	0.0	600
State & Local.....	7,500	7,400	100	1.4	7,800

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 2006.

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

HARTFORD LMA*Not Seasonally Adjusted*

	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT	545,200	541,200	4,000	0.7	558,300
GOODS PRODUCING INDUSTRIES	85,400	84,100	1,300	1.5	87,400
CONSTRUCTION, NAT. RES. & MINING	20,800	20,300	500	2.5	22,300
MANUFACTURING	64,600	63,800	800	1.3	65,100
Durable Goods	53,900	53,200	700	1.3	54,200
Transportation Equipment	18,700	18,600	100	0.5	18,800
SERVICE PROVIDING INDUSTRIES	459,800	457,100	2,700	0.6	470,900
TRADE, TRANSPORTATION, UTILITIES	90,000	90,100	-100	-0.1	93,400
Wholesale Trade.....	19,700	19,600	100	0.5	19,800
Retail Trade.....	55,600	55,800	-200	-0.4	58,300
Transportation, Warehousing, & Utilities....	14,700	14,700	0	0.0	15,300
Transportation and Warehousing.....	11,800	11,500	300	2.6	12,400
INFORMATION	12,000	12,000	0	0.0	11,900
FINANCIAL ACTIVITIES	67,000	67,800	-800	-1.2	67,100
Depository Credit Institutions.....	7,900	7,800	100	1.3	7,900
Insurance Carriers & Related Activities....	45,000	45,600	-600	-1.3	45,100
PROFESSIONAL & BUSINESS SERVICES	59,600	58,300	1,300	2.2	60,900
Professional, Scientific.....	29,800	28,500	1,300	4.6	29,800
Administrative and Support.....	23,700	23,700	0	0.0	24,800
EDUCATIONAL AND HEALTH SERVICES	86,700	85,300	1,400	1.6	88,100
Health Care and Social Assistance.....	75,800	74,500	1,300	1.7	76,300
Ambulatory Health Care.....	22,800	22,400	400	1.8	23,100
LEISURE AND HOSPITALITY	37,900	37,700	200	0.5	39,300
Accommodation and Food Services.....	33,000	31,800	1,200	3.8	34,000
OTHER SERVICES	20,600	20,500	100	0.5	20,900
GOVERNMENT	86,000	85,400	600	0.7	89,300
Federal.....	5,900	6,000	-100	-1.7	6,000
State & Local.....	80,100	79,400	700	0.9	83,300

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 2006.

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

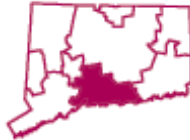
BUSINESS AND ECONOMIC NEWS

- **Job growth by firm size: second quarter 2006**

From March 2006 to June 2006, firms with 1,000 or more employees (in U.S.) accounted for 18.3 percent of the net gains in employment, representing the largest contribution to employment growth among all firm size classes. Firms with 1 to 4 employees had the smallest contribution (2.1 percent) to the total net change in employment from March 2006 to June 2006, a decrease from the previous quarter's contribution of 5.8 percent. In the second quarter of 2006, firms with 500 or more employees represented 29.1 percent of the total net change in employment. Historically, from September 1992 through March 2006, firms with 500 or more employees have accounted for, on average, 34.6 percent of quarterly net employment growth. These data are from Business Employment Dynamics. Data presented here are for workers in private industry covered by State unemployment insurance programs. Find more in "Business Employment Dynamics: Second Quarter 2006," news release USDL 07-0245. (The Editor's Desk, Bureau of Labor Statistics,

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT.....	271,800	270,200	1,600	0.6	280,700
GOODS PRODUCING INDUSTRIES.....	43,000	43,300	-300	-0.7	43,700
CONSTRUCTION, NAT. RES. & MINING.....	10,500	10,100	400	4.0	10,900
MANUFACTURING.....	32,500	33,200	-700	-2.1	32,800
Durable Goods.....	22,200	22,700	-500	-2.2	22,200
SERVICE PROVIDING INDUSTRIES.....	228,800	226,900	1,900	0.8	237,000
TRADE, TRANSPORTATION, UTILITIES.....	50,900	51,400	-500	-1.0	52,400
Wholesale Trade.....	11,300	11,500	-200	-1.7	11,500
Retail Trade.....	31,000	30,700	300	1.0	32,100
Transportation, Warehousing, & Utilities.....	8,600	9,200	-600	-6.5	8,800
INFORMATION.....	8,100	8,300	-200	-2.4	8,000
FINANCIAL ACTIVITIES.....	14,800	14,000	800	5.7	14,600
Finance and Insurance.....	10,600	10,400	200	1.9	10,400
PROFESSIONAL & BUSINESS SERVICES	24,800	25,000	-200	-0.8	25,900
Administrative and Support.....	12,100	11,600	500	4.3	12,700
EDUCATIONAL AND HEALTH SERVICES	64,700	62,700	2,000	3.2	69,100
Educational Services.....	21,600	21,100	500	2.4	25,800
Health Care and Social Assistance.....	43,100	41,600	1,500	3.6	43,300
LEISURE AND HOSPITALITY.....	19,600	19,500	100	0.5	20,600
Accommodation and Food Services.....	16,600	16,800	-200	-1.2	17,200
OTHER SERVICES.....	11,300	10,700	600	5.6	11,500
GOVERNMENT	34,600	35,300	-700	-2.0	34,900
Federal.....	5,300	5,400	-100	-1.9	5,400
State & Local.....	29,300	29,900	-600	-2.0	29,500

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

February 15, 2007)

■ **Labor force growth: past, present, and future**

Peaking at 2.6 percent during the 1970s, the growth rate of the labor force (in U.S.) has been decreasing with the passage of each decade and is expected to continue to do so in the future. The 0.6-percent annual growth rate from 2005 to 2050 reflects a projected population (16 years and older) of 322.6 million and a labor force participation rate of 60.4 percent in 2050. Among the factors affecting the composition and growth of the labor force over the next 50 years are the aging of the baby-boom generation, the stabilization of women's labor force participation rates, and increasing racial and ethnic diversity in the workforce. This information is from the Employment Projections program. Find out more in "A new look at long-term labor force projections to 2050," by Mitra Toosi, Monthly Labor Review, November 2006. (The Editor's Desk, Bureau of Labor Statistics, January 4, 2007)

**NORWICH - NEW
LONDON LMA***Not Seasonally Adjusted*

	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT	134,100	133,800	300	0.2	136,200
GOODS PRODUCING INDUSTRIES	20,700	22,100	-1,400	-6.3	21,100
CONSTRUCTION, NAT. RES. & MINING	4,100	4,100	0	0.0	4,300
MANUFACTURING	16,600	18,000	-1,400	-7.8	16,800
Durable Goods.....	10,900	11,700	-800	-6.8	11,000
Non-Durable Goods.....	5,700	6,300	-600	-9.5	5,800
SERVICE PROVIDING INDUSTRIES	113,400	111,700	1,700	1.5	115,100
TRADE, TRANSPORTATION, UTILITIES	23,000	22,700	300	1.3	23,800
Wholesale Trade.....	2,100	2,000	100	5.0	2,100
Retail Trade.....	16,600	16,400	200	1.2	17,300
Transportation, Warehousing, & Utilities....	4,300	4,300	0	0.0	4,400
INFORMATION	2,100	2,000	100	5.0	2,100
FINANCIAL ACTIVITIES	3,500	3,500	0	0.0	3,500
PROFESSIONAL & BUSINESS SERVICES	10,100	9,600	500	5.2	10,300
EDUCATIONAL AND HEALTH SERVICES	19,300	18,900	400	2.1	19,500
Health Care and Social Assistance.....	16,700	16,400	300	1.8	16,900
LEISURE AND HOSPITALITY	11,800	11,400	400	3.5	12,200
Accommodation and Food Services.....	10,100	9,700	400	4.1	10,400
Food Serv., Restaurants, Drinking Places.	8,400	8,000	400	5.0	8,600
OTHER SERVICES	3,900	3,700	200	5.4	3,900
GOVERNMENT	39,700	39,900	-200	-0.5	39,800
Federal.....	2,500	2,400	100	4.2	2,500
State & Local**.....	37,200	37,500	-300	-0.8	37,300

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

WATERBURY LMA*Not Seasonally Adjusted*

	JAN 2007	JAN 2006	CHANGE		DEC 2006
			NO.	%	
TOTAL NONFARM EMPLOYMENT	68,700	66,800	1,900	2.8	70,300
GOODS PRODUCING INDUSTRIES	12,500	12,600	-100	-0.8	12,600
CONSTRUCTION, NAT. RES. & MINING	2,600	2,500	100	4.0	2,700
MANUFACTURING	9,900	10,100	-200	-2.0	9,900
SERVICE PROVIDING INDUSTRIES	56,200	54,200	2,000	3.7	57,700
TRADE, TRANSPORTATION, UTILITIES	13,300	13,500	-200	-1.5	14,200
Wholesale Trade.....	2,100	2,100	0	0.0	2,200
Retail Trade.....	9,200	9,300	-100	-1.1	9,900
Transportation, Warehousing, & Utilities....	2,000	2,100	-100	-4.8	2,100
INFORMATION	900	900	0	0.0	900
FINANCIAL ACTIVITIES	2,500	2,600	-100	-3.8	2,500
PROFESSIONAL & BUSINESS SERVICES	6,400	5,900	500	8.5	7,000
EDUCATIONAL AND HEALTH SERVICES	14,700	14,400	300	2.1	14,800
Health Care and Social Assistance.....	13,300	13,200	100	0.8	13,400
LEISURE AND HOSPITALITY	5,500	4,500	1,000	22.2	5,300
OTHER SERVICES	2,800	2,700	100	3.7	2,900
GOVERNMENT	10,100	9,700	400	4.1	10,100
Federal.....	600	600	0	0.0	600
State & Local.....	9,500	9,100	400	4.4	9,500

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

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

SMALLER LMAS



Not Seasonally Adjusted

	JAN	JAN	CHANGE		DEC
	2007	2006	NO.	%	2006
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA.....	49,600	48,100	1,500	3.1	50,000
TORRINGTON LMA.....	37,300	35,900	1,400	3.9	37,400
WILLIMANTIC - DANIELSON LMA.....	37,000	36,700	300	0.8	37,600

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	JAN	CHANGE		DEC
	2007	2006	NO.	%	2006
TOTAL NONFARM EMPLOYMENT.....	294,300	290,500	3,800	1.3	302,400
GOODS PRODUCING INDUSTRIES.....	46,500	47,000	-500	-1.1	47,300
CONSTRUCTION, NAT. RES. & MINING....	10,100	9,800	300	3.1	10,800
MANUFACTURING.....	36,400	37,200	-800	-2.2	36,500
Durable Goods.....	23,300	23,400	-100	-0.4	23,200
Non-Durable Goods.....	13,100	13,800	-700	-5.1	13,300
SERVICE PROVIDING INDUSTRIES.....	247,800	243,500	4,300	1.8	255,100
TRADE, TRANSPORTATION, UTILITIES....	61,500	61,300	200	0.3	63,700
Wholesale Trade.....	11,600	11,300	300	2.7	11,600
Retail Trade.....	36,300	36,100	200	0.6	38,200
Transportation, Warehousing, & Utilities....	13,600	13,900	-300	-2.2	13,900
INFORMATION.....	4,400	4,500	-100	-2.2	4,400
FINANCIAL ACTIVITIES.....	17,300	16,700	600	3.6	17,300
Finance and Insurance.....	13,300	12,800	500	3.9	13,300
Insurance Carriers & Related Activities....	8,500	7,800	700	9.0	8,400
PROFESSIONAL & BUSINESS SERVICES	24,000	23,600	400	1.7	24,900
EDUCATIONAL AND HEALTH SERVICES	54,300	53,400	900	1.7	56,100
Educational Services.....	11,100	11,200	-100	-0.9	12,600
Health Care and Social Assistance.....	43,200	42,200	1,000	2.4	43,500
LEISURE AND HOSPITALITY.....	24,900	24,100	800	3.3	26,100
OTHER SERVICES.....	11,600	11,200	400	3.6	11,900
GOVERNMENT	49,800	48,700	1,100	2.3	50,700
Federal.....	6,700	6,700	0	0.0	7,100
State & Local.....	43,100	42,000	1,100	2.6	43,600

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

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

LMA LABOR FORCE ESTIMATES

(Not seasonally adjusted)

	EMPLOYMENT STATUS	JAN 2007	JAN 2006	CHANGE		DEC 2006
				NO.	%	
CONNECTICUT	Civilian Labor Force	1,843,000	1,816,200	26,800	1.5	1,852,200
	Employed	1,751,400	1,726,800	24,600	1.4	1,783,900
	Unemployed	91,600	89,500	2,100	2.3	68,300
	Unemployment Rate	5.0	4.9	0.1	---	3.7
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	467,400	461,100	6,300	1.4	471,700
	Employed	446,900	440,500	6,400	1.5	456,400
	Unemployed	20,400	20,600	-200	-1.0	15,200
	Unemployment Rate	4.4	4.5	-0.1	---	3.2
DANBURY LMA	Civilian Labor Force	90,800	89,700	1,100	1.2	91,900
	Employed	87,300	86,300	1,000	1.2	89,400
	Unemployed	3,500	3,400	100	2.9	2,500
	Unemployment Rate	3.8	3.8	0.0	---	2.7
ENFIELD LMA	Civilian Labor Force	48,700	47,800	900	1.9	49,300
	Employed	46,300	45,500	800	1.8	47,400
	Unemployed	2,400	2,300	100	4.3	1,900
	Unemployment Rate	4.9	4.9	0.0	---	3.8
HARTFORD LMA	Civilian Labor Force	578,800	570,600	8,200	1.4	580,300
	Employed	548,700	541,400	7,300	1.3	557,900
	Unemployed	30,100	29,200	900	3.1	22,400
	Unemployment Rate	5.2	5.1	0.1	---	3.9
NEW HAVEN LMA	Civilian Labor Force	306,800	302,400	4,400	1.5	309,500
	Employed	290,900	287,300	3,600	1.3	297,500
	Unemployed	15,900	15,100	800	5.3	12,000
	Unemployment Rate	5.2	5.0	0.2	---	3.9
NORWICH - NEW LONDON LMA	Civilian Labor Force	150,300	149,000	1,300	0.9	149,900
	Employed	143,100	141,900	1,200	0.8	144,300
	Unemployed	7,300	7,200	100	1.4	5,600
	Unemployment Rate	4.8	4.8	0.0	---	3.7
TORRINGTON LMA	Civilian Labor Force	55,100	53,400	1,700	3.2	54,600
	Employed	52,300	50,700	1,600	3.2	52,700
	Unemployed	2,800	2,700	100	3.7	1,900
	Unemployment Rate	5.0	5.1	-0.1	---	3.5
WATERBURY LMA	Civilian Labor Force	101,400	99,200	2,200	2.2	101,400
	Employed	94,800	92,700	2,100	2.3	96,500
	Unemployed	6,500	6,500	0	0.0	4,800
	Unemployment Rate	6.4	6.5	-0.1	---	4.7
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	57,300	56,500	800	1.4	57,000
	Employed	53,800	53,100	700	1.3	54,400
	Unemployed	3,500	3,400	100	2.9	2,600
	Unemployment Rate	6.1	6.0	0.1	---	4.6
UNITED STATES	Civilian Labor Force	151,924,000	149,090,000	2,834,000	1.9	152,571,000
	Employed	144,275,000	141,481,000	2,794,000	2.0	146,081,000
	Unemployed	7,649,000	7,608,000	41,000	0.5	6,491,000
	Unemployment Rate	5.0	5.1	-0.1	---	4.3

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	JAN		CHG	DEC	JAN		CHG	DEC	JAN		CHG	DEC
	2007	2006	Y/Y	2006	2007	2006	Y/Y	2006	2007	2006	Y/Y	2006
MANUFACTURING	\$852.10	\$827.48	\$24.63	\$864.68	42.1	42.5	-0.4	42.7	\$20.24	\$19.47	\$0.77	\$20.25
DURABLE GOODS	875.70	848.42	27.28	895.38	42.0	42.4	-0.4	42.8	20.85	20.01	0.84	20.92
Fabricated Metal	795.80	761.96	33.84	812.70	42.9	43.0	-0.1	43.0	18.55	17.72	0.83	18.90
Machinery	833.12	811.74	21.38	846.38	41.0	41.5	-0.5	41.9	20.32	19.56	0.76	20.20
Computer & Electronic	699.44	672.40	27.04	713.81	40.5	41.0	-0.5	41.0	17.27	16.40	0.87	17.41
Transport. Equipment	1,089.18	1,045.66	43.53	1,105.53	42.2	42.3	-0.1	43.0	25.81	24.72	1.09	25.71
NON-DUR. GOODS	789.49	771.59	17.90	780.01	42.4	42.7	-0.3	42.3	18.62	18.07	0.55	18.44
CONSTRUCTION	905.59	865.80	39.79	912.60	38.9	38.6	0.3	39.0	23.28	22.43	0.85	23.40

LMAs

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	JAN		CHG	DEC	JAN		CHG	DEC	JAN		CHG	DEC
	2007	2006	Y/Y	2006	2007	2006	Y/Y	2006	2007	2006	Y/Y	2006
MANUFACTURING												
Bridgeport - Stamford	\$907.21	\$860.66	\$46.55	\$953.68	43.7	41.8	1.9	44.9	\$20.76	\$20.59	\$0.17	\$21.24
New Haven	783.07	617.21	165.86	799.34	40.7	38.6	2.1	42.7	19.24	15.99	3.25	18.72
Norwich - New London	856.24	820.25	35.99	861.14	42.2	42.5	-0.3	42.8	20.29	19.30	0.99	20.12

Due to constraints of the sample upon which estimates are made, manufacturing hours and earnings estimates for the Hartford and Waterbury labor market areas are being suspended.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- In January 2007 construction began on a new Big Y supermarket on Route 6 in Bethel. This supermarket, which will open in the spring, plans to hire 200-225 employees. On April 2, 2007, the Saltwater Grille, a new restaurant, will open in Stamford at the site of the former Rusty Scupper. The restaurant will hire 50 employees. Saybrook Country Barn is expanding its home furnishings store in Old Saybrook and will hire 10 additional workers in April. The old Gilbert & Bennett wire mill in Georgetown is being developed into a retail and housing complex creating 1,500 jobs by 2010. Starbucks will open in New Haven in March, with 20-25 workers.
- On January 2, 2007 Mortgage Lenders Network, which specializes in loans, laid off 300 employees at its Middletown headquarters, due to the housing market slowdown. Due to market conditions in the Northeast, Atrium Companies, Inc., which makes windows and doors, will close its Shelton facility in March, leaving 60 workers without a job. On April 1st, 110 employees of the Hartford Financial Services Group will lose their jobs due to outsourcing.

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>.

(By Place of Residence - Not Seasonally Adjusted)

JANUARY 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%	LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD					HARTFORD cont....				
	467,372	446,934	20,438	4.4	Canton	5,626	5,429	197	3.5
Ansonia	9,892	9,327	565	5.7	Colchester	8,668	8,305	363	4.2
Bridgeport	62,455	57,673	4,782	7.7	Columbia	3,023	2,907	116	3.8
Darien	9,101	8,851	250	2.7	Coventry	6,955	6,653	302	4.3
Derby	6,840	6,459	381	5.6	Cromwell	7,769	7,435	334	4.3
Easton	3,742	3,615	127	3.4	East Granby	2,913	2,785	128	4.4
Fairfield	28,072	27,045	1,027	3.7	East Haddam	5,096	4,895	201	3.9
Greenwich	29,993	29,092	901	3.0	East Hampton	6,838	6,448	390	5.7
Milford	31,313	30,007	1,306	4.2	East Hartford	25,272	23,612	1,660	6.6
Monroe	10,560	10,178	382	3.6	Ellington	8,602	8,217	385	4.5
New Canaan	8,854	8,589	265	3.0	Farmington	12,769	12,284	485	3.8
Newtown	14,201	13,712	489	3.4	Glastonbury	18,045	17,414	631	3.5
Norwalk	48,317	46,311	2,006	4.2	Granby	6,202	5,979	223	3.6
Oxford	6,855	6,591	264	3.9	Haddam	4,743	4,569	174	3.7
Redding	4,528	4,384	144	3.2	Hartford	48,733	43,760	4,973	10.2
Ridgefield	11,647	11,317	330	2.8	Hartland	1,199	1,148	51	4.3
Seymour	9,115	8,665	450	4.9	Harwinton	3,144	3,001	143	4.5
Shelton	22,402	21,469	933	4.2	Hebron	5,436	5,227	209	3.8
Southbury	9,017	8,647	370	4.1	Lebanon	4,312	4,096	216	5.0
Stamford	66,270	63,558	2,712	4.1	Manchester	31,601	30,115	1,486	4.7
Stratford	25,895	24,619	1,276	4.9	Mansfield	12,854	12,317	537	4.2
Trumbull	17,783	17,155	628	3.5	Marlborough	3,560	3,429	131	3.7
Weston	4,867	4,743	124	2.5	Middlefield	2,378	2,265	113	4.8
Westport	12,547	12,189	358	2.9	Middletown	26,266	25,005	1,261	4.8
Wilton	8,260	8,031	229	2.8	New Britain	34,525	31,896	2,629	7.6
Woodbridge	4,847	4,707	140	2.9	New Hartford	3,780	3,609	171	4.5
					Newington	16,499	15,781	718	4.4
DANBURY	90,818	87,324	3,494	3.8	Plainville	10,063	9,527	536	5.3
Bethel	10,812	10,436	376	3.5	Plymouth	6,871	6,429	442	6.4
Bridgewater	1,033	1,001	32	3.1	Portland	5,313	5,078	235	4.4
Brookfield	8,971	8,654	317	3.5	Rocky Hill	10,620	10,179	441	4.2
Danbury	43,957	42,180	1,777	4.0	Simsbury	11,943	11,564	379	3.2
New Fairfield	7,562	7,301	261	3.5	Southington	23,905	22,877	1,028	4.3
New Milford	16,342	15,677	665	4.1	South Windsor	14,622	14,097	525	3.6
Sherman	2,140	2,074	66	3.1	Stafford	6,824	6,456	368	5.4
					Thomaston	4,633	4,375	258	5.6
ENFIELD	48,692	46,315	2,377	4.9	Tolland	8,250	7,952	298	3.6
East Windsor	6,100	5,758	342	5.6	Union	466	448	18	3.9
Enfield	23,684	22,580	1,104	4.7	Vernon	17,131	16,295	836	4.9
Somers	4,636	4,432	204	4.4	West Hartford	29,100	27,899	1,201	4.1
Suffield	7,245	6,914	331	4.6	Wethersfield	13,308	12,689	619	4.7
Windsor Locks	7,028	6,632	396	5.6	Willington	3,872	3,743	129	3.3
					Windsor	15,960	15,249	711	4.5
HARTFORD	578,826	548,728	30,098	5.2	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.				
Andover	1,951	1,893	58	3.0	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.				
Ashford	2,592	2,481	111	4.3					
Avon	9,065	8,772	293	3.2					
Barkhamsted	2,213	2,117	96	4.3					
Berlin	10,947	10,466	481	4.4					
Bloomfield	9,935	9,385	550	5.5					
Bolton	3,023	2,923	100	3.3					
Bristol	34,109	32,166	1,943	5.7					
Burlington	5,302	5,087	215	4.1					

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 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%	LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	306,812	290,935	15,877	5.2	TORRINGTON	55,074	52,321	2,753	5.0
Bethany	3,044	2,937	107	3.5	Bethlehem	2,053	1,962	91	4.4
Branford	17,097	16,439	658	3.8	Canaan	610	587	23	3.8
Cheshire	14,520	13,950	570	3.9	Colebrook	838	814	24	2.9
Chester	2,266	2,170	96	4.2	Cornwall	833	809	24	2.9
Clinton	7,873	7,547	326	4.1	Goshen	1,588	1,536	52	3.3
Deep River	2,568	2,461	107	4.2	Kent	1,601	1,549	52	3.2
Durham	4,188	4,024	164	3.9	Litchfield	4,422	4,235	187	4.2
East Haven	15,980	15,113	867	5.4	Morris	1,320	1,262	58	4.4
Essex	3,771	3,615	156	4.1	Norfolk	962	922	40	4.2
Guilford	12,809	12,365	444	3.5	North Canaan	1,752	1,675	77	4.4
Hamden	30,524	29,134	1,390	4.6	Roxbury	1,384	1,337	47	3.4
Killingworth	3,537	3,418	119	3.4	Salisbury	2,022	1,943	79	3.9
Madison	9,944	9,640	304	3.1	Sharon	1,580	1,530	50	3.2
Meriden	31,517	29,492	2,025	6.4	Torrington	19,786	18,517	1,269	6.4
New Haven	55,358	51,050	4,308	7.8	Warren	746	710	36	4.8
North Branford	8,293	7,918	375	4.5	Washington	1,955	1,885	70	3.6
North Haven	12,972	12,405	567	4.4	Winchester	6,105	5,717	388	6.4
Old Saybrook	5,416	5,202	214	4.0	Woodbury	5,518	5,331	187	3.4
Orange	7,244	6,987	257	3.5					
Wallingford	24,995	23,903	1,092	4.4	WATERBURY	101,354	94,827	6,527	6.4
Westbrook	3,640	3,485	155	4.3	Beacon Falls	3,231	3,090	141	4.4
West Haven	29,254	27,677	1,577	5.4	Middlebury	3,778	3,644	134	3.5
					Naugatuck	17,263	16,245	1,018	5.9
*NORWICH-NEW LONDON	136,721	130,205	6,516	4.8	Prospect	5,312	5,051	261	4.9
Bozrah	1,468	1,399	69	4.7	Waterbury	50,336	46,363	3,973	7.9
Canterbury	3,181	3,009	172	5.4	Watertown	12,455	11,844	611	4.9
East Lyme	9,542	9,170	372	3.9	Wolcott	8,978	8,590	388	4.3
Franklin	1,188	1,136	52	4.4					
Griswold	7,081	6,713	368	5.2	WILLIMANTIC-DANIELSON	57,299	53,794	3,505	6.1
Groton	19,830	18,856	974	4.9	Brooklyn	3,807	3,606	201	5.3
Ledyard	8,523	8,185	338	4.0	Chaplin	1,429	1,358	71	5.0
Lisbon	2,572	2,455	117	4.5	Eastford	983	943	40	4.1
Lyme	1,160	1,106	54	4.7	Hampton	1,183	1,117	66	5.6
Montville	10,845	10,319	526	4.9	Killingly	9,352	8,760	592	6.3
New London	13,611	12,757	854	6.3	Plainfield	8,462	7,878	584	6.9
No. Stonington	3,283	3,128	155	4.7	Pomfret	2,261	2,166	95	4.2
Norwich	20,545	19,431	1,114	5.4	Putnam	5,207	4,897	310	6.0
Old Lyme	4,216	4,067	149	3.5	Scotland	992	956	36	3.6
Preston	2,836	2,708	128	4.5	Sterling	1,971	1,874	97	4.9
Salem	2,585	2,492	93	3.6	Thompson	5,375	5,082	293	5.5
Sprague	1,787	1,688	99	5.5	Windham	11,699	10,768	931	8.0
Stonington	10,428	10,082	346	3.3	Woodstock	4,579	4,389	190	4.1
Voluntown	1,613	1,532	81	5.0					
Waterford	10,428	9,973	455	4.4					

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

NORWICH-NEW LONDON	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
	150,344	143,078	7,266	4.8
Westerly, RI	13,623	12,873	750	5.5

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

Not Seasonally Adjusted:				
CONNECTICUT	1,843,000	1,751,400	91,600	5.0
UNITED STATES	151,924,000	144,275,000	7,649,000	5.0
Seasonally Adjusted:				
CONNECTICUT	1,859,600	1,777,300	82,300	4.4
UNITED STATES	152,974,000	145,957,000	7,017,000	4.6

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.

TOWN	JAN 2007	YR TO DATE 2007	2006	TOWN	JAN 2007	YR TO DATE 2007	2006	TOWN	JAN 2007	YR TO DATE 2007	2006
Andover	0	0	1	Griswold	na	na	na	Preston	2	2	2
Ansonia	0	0	0	Groton	3	3	5	Prospect	na	na	na
Ashford	1	1	1	Guilford	3	3	7	Putnam	1	1	2
Avon	2	2	4	Haddam	6	6	6	Redding	na	na	na
Barkhamsted	na	na	na	Hamden	1	1	2	Ridgefield	3	3	3
Beacon Falls	na	na	na	Hampton	1	1	1	Rocky Hill	1	1	6
Berlin	20	20	0	Hartford	4	4	0	Roxbury	na	na	na
Bethany	na	na	na	Hartland	na	na	na	Salem	0	0	2
Bethel	0	0	0	Harwinton	0	0	2	Salisbury	na	na	na
Bethlehem	na	na	na	Hebron	na	na	na	Scotland	0	0	1
Bloomfield	na	na	na	Kent	1	1	1	Seymour	3	3	1
Bolton	1	1	1	Killingly	2	2	22	Sharon	0	0	0
Bozrah	0	0	2	Killingworth	na	na	na	Shelton	6	6	11
Branford	na	na	na	Lebanon	0	0	3	Sherman	na	na	na
Bridgeport	11	11	10	Ledyard	1	1	2	Simsbury	1	1	6
Bridgewater	na	na	na	Lisbon	4	4	0	Somers	1	1	4
Bristol	6	6	5	Litchfield	na	na	na	South Windsor	5	5	10
Brookfield	na	na	na	Lyme	0	0	1	Southbury	4	4	2
Brooklyn	4	4	2	Madison	1	1	4	Southington	2	2	5
Burlington	2	2	0	Manchester	54	54	7	Sprague	0	0	2
Canaan	0	0	0	Mansfield	2	2	6	Stafford	na	na	na
Canterbury	0	0	5	Marlborough	2	2	2	Stamford	17	17	9
Canton	2	2	1	Meriden	4	4	1	Sterling	na	na	na
Chaplin	1	1	1	Middlebury	na	na	na	Stonington	6	6	8
Cheshire	3	3	1	Middlefield	0	0	0	Stratford	11	11	3
Chester	na	na	na	Middletown	17	17	14	Suffield	1	1	1
Clinton	0	0	1	Milford	25	25	21	Thomaston	na	na	na
Colchester	11	11	4	Monroe	1	1	2	Thompson	na	na	na
Colebrook	0	0	0	Montville	0	0	2	Tolland	0	0	6
Columbia	0	0	0	Morris	0	0	0	Torrington	5	5	5
Cornwall	0	0	1	Naugatuck	0	0	4	Trumbull	5	5	3
Coventry	2	2	5	New Britain	na	na	na	Union	0	0	0
Cromwell	5	5	0	New Canaan	4	4	3	Vernon	17	17	13
Danbury	24	24	6	New Fairfield	na	na	na	Voluntown	1	1	2
Darien	na	na	na	New Hartford	2	2	2	Wallingford	11	11	3
Deep River	0	0	0	New Haven	6	6	11	Warren	1	1	1
Derby	na	na	na	New London	4	4	5	Washington	na	na	na
Durham	3	3	3	New Milford	3	3	2	Waterbury	7	7	3
East Granby	0	0	1	Newington	1	1	3	Waterford	2	2	5
East Haddam	6	6	0	Newtown	2	2	3	Watertown	2	2	6
East Hampton	5	5	3	Norfolk	0	0	0	West Hartford	0	0	6
East Hartford	na	na	na	North Branford	na	na	na	West Haven	na	na	na
East Haven	1	1	2	North Canaan	1	1	0	Westbrook	1	1	0
East Lyme	2	2	5	North Haven	2	2	0	Weston	na	na	na
East Windsor	2	2	2	North Stonington	0	0	1	Westport	6	6	7
Eastford	0	0	2	Norwalk	5	5	5	Wethersfield	na	na	na
Easton	0	0	0	Norwich	2	2	1	Willington	1	1	0
Ellington	12	12	7	Old Lyme	na	na	na	Wilton	na	na	na
Enfield	na	na	na	Old Saybrook	0	0	0	Winchester	1	1	0
Essex	1	1	0	Orange	na	na	na	Windham	1	1	2
Fairfield	6	6	15	Oxford	1	1	4	Windsor	na	na	na
Farmington	3	3	12	Plainfield	3	3	3	Windsor Locks	na	na	na
Franklin	1	1	0	Plainville	2	2	0	Wolcott	0	0	1
Glastonbury	7	7	27	Plymouth	1	1	1	Woodbridge	na	na	na
Goshen	2	2	3	Pomfret	1	1	1	Woodbury	5	5	0
Granby	1	1	2	Portland	0	0	8	Woodstock	3	3	4
Greenwich	14	14	16								

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 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 +0.2	Business Activity	Tourism and Travel
Coincident Employment Index +2.4	New Housing Permits -2.9	Info Center Visitors 0.0
Leading General Drift Indicator -1.3	Electricity Sales -1.8	Attraction Visitors -9.3
Coincident General Drift Indicator +0.3	Retail Sales -0.6	Air Passenger Count -3.3
Banknorth Business Barometer -5.9	Construction Contracts Index -28.1	Indian Gaming Slots -1.0
Total Nonfarm Employment +1.0	New Auto Registrations -14.0	Travel and Tourism Index +4.7
Unemployment Rate -0.1	Air Cargo Tons +25.9	
Labor Force +1.4	Exports +20.3	Employment Cost Index (U.S.)
Employed +1.5		Total +3.2
Unemployed -1.1	Business Starts	Wages & Salaries +3.2
	Secretary of the State +7.8	Benefit Costs +3.1
	Dept. of Labor -1.9	
Average Weekly Initial Claims +7.1	Business Terminations	Consumer Prices
Help Wanted Index -- Hartford +25.0	Secretary of the State +14.7	U.S. City Average +2.1
Avg Insured Unempl. Rate -0.70*	Dept. of Labor -23.9	Northeast Region +2.3
		NY-NJ-Long Island +2.7
		Boston-Brockton-Nashua +1.8
Average Weekly Hours, Mfg -0.9	State Revenues +11.4	Consumer Confidence
Average Hourly Earnings, Mfg +4.0	Corporate Tax -24.3	Connecticut NA
Average Weekly Earnings, Mfg +3.0	Personal Income Tax +15.1	New England NA
CT Mfg. Production Index -5.1	Real Estate Conveyance Tax +33.3	U.S. NA
Production Worker Hours -1.6	Sales & Use Tax +16.2	
Industrial Electricity Sales -9.3	Indian Gaming Payments -1.3	Interest Rates
Personal Income +4.7		Prime +0.99*
UI Covered Wages +3.0		Conventional Mortgage +0.07*

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

THE CONNECTICUT ECONOMIC DIGEST

March 2007

THE CONNECTICUT

ECONOMIC DIGEST

A joint publication of
The Connecticut Departments of Labor and
Economic and Community Development



Mailing address:

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The Connecticut Economic Digest
is available on the internet at:
<http://www.ctdol.state.ct.us/lmi>

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