THE CONNECTICUT
ECONOMIC DIGEST

Vol.9 No.11 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

NOVEMBER 2004

IN THIS ISSUE...

In September...

Nonfarm Employment
Connecticut 1,643,600
Change over month 0.05%
Change over year 0.3%

United States 131,567,000
Change over month .... +0.00%
Change over year 1.3%

Unemployment Rate
Connecticut 4.7%
United States 5.4%

Consumer Price Index
United States 189.9
Change over year 2.5%

Connecticut Industry Employment Mid-Term Outlook to Second Quarter 2006

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

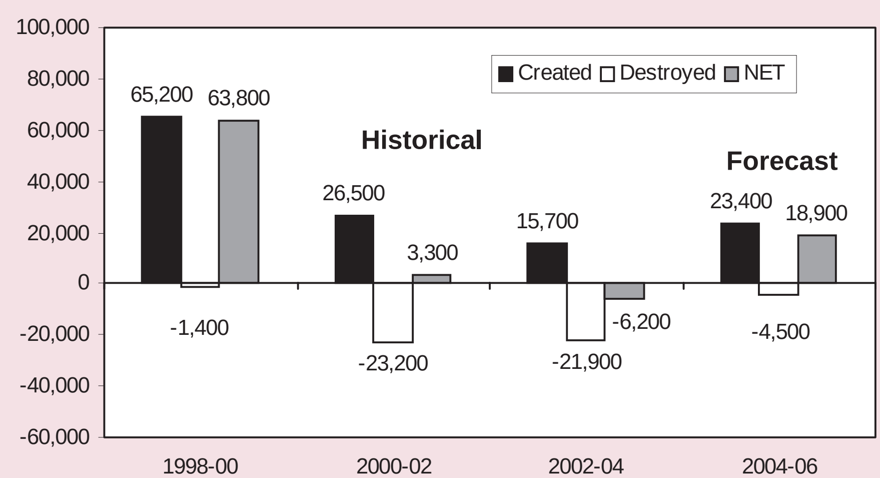
The June 2004 *Digest* article on the Short-Term Employ ment Forecast for the fourth quarter of 2005 opened with the following paragraph:

"The current economic climate, to put it mildly, is uncertain. Many indicators have been signaling that a strong recovery has been proceeding apace; others caution maybe not. International risks loom especially large. What if, after June 30th, the Iraqi nation-state disintegrates? Is Afghanistan de-stabilizing? Is the Israeli-Palestinian situation on a new and even more dangerous course? Is China's Economy in a bubble that is about to burst? Is Japan's recovery real this time? North Korea is still a touch-and-go situation. Then, there are rising energy prices."

The above paragraph could be used, almost verbatim, to introduce the Short-Term Industry Employment Forecast to the second quarter of 2006 (2006:Q2). International risks still loom large. Since then, violence continues in Iraq, and now the uncertainty over the January elections. Afghanistan and the other cited international risks are still in the forefront, with Darfur and Nigeria added to the mix. Oil has surpassed $50/bbl, and the Gulf/Florida hurricanes, sabotage of Iraq's oil pipelines, and now Nigeria and uncertainties over Russia's oil industry all imply a continued, high price of oil for the foreseeable future. Further, natural gas supplies indicate increasing prices and trouble ahead for the winter. The upcoming Presidential and Congressional elections add even more uncertainty.

In regard to the economy itself, the question is: Has the U.S. economy experienced a '*soft patch*' or a longer-term slowdown? Five months after the last forecast, the

Graph 1: Connecticut service-providing industry employment



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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.

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economic data still send mixed signals about where it is heading. However, when viewed from a slightly longer perspective, the data suggest a slowdown. Durable goods orders have essentially been flat over the last four months, and retail sales have been erratic. The Conference Board's (CB) Leading Index of Economic Indicators has been down for three straight months, and the Economic Cycle Research Institute's (ECRI) Weekly Leading Index, which has an eight-month lead, turned down significantly in the spring.

Forecast Assumptions and Risks

Because of the uncertainties surrounding this forecast, the assumptions and risks will be discussed at the outset, rather than at the end of this article. The underlying assumption that underpins the current forecast is that the U.S. economy, after some holiday stimulus, will enter a significant slowdown over the first half of 2005, with a re-acceleration of growth coming in the last half of 2005 into 2006. Historically, including recent history, Connecticut tends to lead the U.S. in an employment downturn, but follows the U.S. in an employment upturn, and typically experiences weaker employment growth than the U.S. during expansions, and steeper declines during recessions. It is expected that Connecticut's employment performance will continue this pattern over the forecast period.

There are significant risks to the forecast. The single most important positive risk to the forecast (i.e., the forecast will be too pessimistic) is if the recent slowdown is, in fact, a *pause* and U.S. economic growth not only re-accelerates in the fourth quarter of 2004, but continues expanding throughout 2005 and 2006. There are some significant negative risks to the forecast (i.e., the forecast will be too optimistic). The first is if not only do oil prices stay high in 2005, but especially if they surpass $60-$70/bbl. This, of course, would imply a worst-case scenario in Iraq following the January 2005 elections. Particularly worrisome is the U.S. Federal budget deficit in conjunction with the trade deficit; that is, the return of the *Twin Deficits*. If foreign investors perceive that the internal and external deficits are out-of-control and decide to pull out of U.S Capital Markets, en masse, the dollar would free-fall, long-term rates would spike, and import prices would soar sparking inflation. A final risk, unique to Connecticut, would be the devastating effects of the closing of the Groton Sub Base in 2005.

Outlook for Connecticut Employment to 2006:Q2

The previous forecast (2003:Q4-2005:Q4) projected modest growth for 2005. It was expected that growth would be strong in the first half of 2005 and slower in the second half. The current forecast also foresees slow-to-modest growth in 2005. However, the sequence is reversed. As discussed above, it is expected that there will be a significant slowdown in the first half of 2005, with growth resuming in the second half of the year. The current forecast calls for the net creation of less than 10,000 jobs by the Connecticut economy between the second quarter of 2004 (2004:Q2) and the second quarter of 2006 (2006:Q2). Only 2,000-3,000 of those jobs will be created between 2004:Q2 and 2005:Q2. The remaining additional 7,000-8,000 jobs should be created between 2005:Q2 and 2006:Q2. The last half of 2006 could be much stronger, but it is beyond the current forecast horizon. The following discussion is based on the results presented in Table 1 on page 3. Finally, it should be noted that the employment levels for 2004:Q2 are estimates and subject to revision. Thus, the emphasis will be on the changes, and not the levels of employment.

The pace of job-loss in the goods-producing segment of Connecticut's economy is projected to drop by half over the eight-quarter forecast horizon. That translates into an expected decline of 9,300 jobs. And, reversing a net loss of 6,200 jobs over the 2002:Q2-2004:Q2 historical period, the service-providing segment is expected to add 18,900 jobs between 2004:QQ2 and 2006:Q2. The net result is an addition of 9,600 jobs to Connecticut's economy between 2004:Q2 and 2006:Q2.

The Goods-Producing Segment Slows Its Slide

As mentioned above, the goods-producing segment is expected to lose 9,300 jobs over the eight quarters between 2004:Q2 and 2006:Q2—less than half of the 20,700 jobs shed over the 2002:Q2-2004:Q2 period. Doing its part to stem the slide, construction is expected to recover somewhat over the forecast period and add 1,300 net new jobs, regaining most of those lost over the last historical period. Manufacturing will continue to shed jobs over the forecast period, as productivity continues to suppress the need for new workers in the face of moderate demand. However, losses will be cut in half compared to the 2002:Q2-2004:Q2 period. Manufacturing is projected to have a net decline of 10,600 for the forecast period. Though non-durable goods will have smaller losses, it is durable goods employment that is expected to significantly stop some of the bleeding of jobs. Both relative and absolute job-declines over the forecast period are projected to be half what they were over the previous period. Though still the biggest loser, computer and electronic manufacturing is expected to reduce its losses from 3,000 (between 2002:Q2 and 2004:Q2) to less than 2,000 over the forecast period. Also, transportation equipment, helped by increased defense and homeland security expenditures, is projected to cut its net decline in jobs from 2,700 (2002:Q2-2004:Q2) to under 1,000 between 2004:Q2 and 2006:Q2.

Service-Providing Sector Jump-Started

If Connecticut is going to create jobs it must jump-start service sector job-growth. Between 2002:Q2 and 2004:Q2, the service-providing sector had a net decline of 6,200 jobs. Even though employment grew in the previous period (2000:Q2-2002:Q2), the increase was an anemic 3,300. The current forecast is actually quite optimistic about the prospects for service sector job-growth. The service-providing segment of Connecticut's economy is expected to add 18,900 net new jobs between 2004:Q2 and 2006:Q2. Graph 1 on the front page depicts the creation, destruction, and net job-formation of service-providing jobs over three historical periods and the forecast period. It should be noted that the job creation/destruction depicted in Graph 1 is at the NAICS sector level, and not at the firm level.

As the graph shows, no subsequent period has matched the nearly 64,000 net new service jobs created during the Boom-Bubble, nor is that likely to be repeated this decade. The forecast's expected creation of 23,400 jobs is the second highest after the 1998-2000 Bubble period, and the projected job-destruction of 4,500 is also the lowest for the post-Bubble era. Finally, the forecasted net-gain of 18,900 jobs is also the highest for the post-Nineties period.

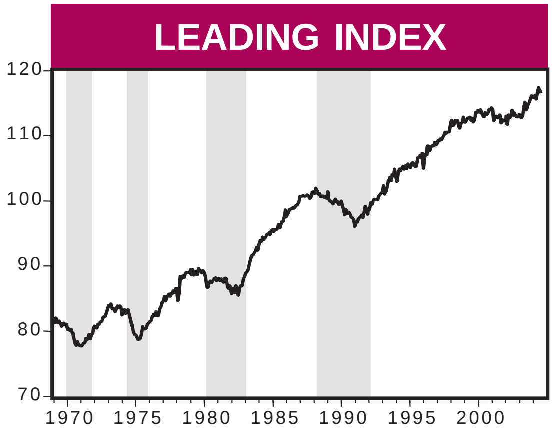
Two-thirds of the service-providing segment's new jobs will be created in the same four sectors that have pretty much been the source of job creation throughout this *job-losing* decade. Driven by demographics, the health care and social assistance industries are expected to add 6,700 new jobs between 2004:Q2 and 2006:Q2. Eighty-seven percent of this sector's job-growth will come from the health care part. Further, more than 48% of the job growth in

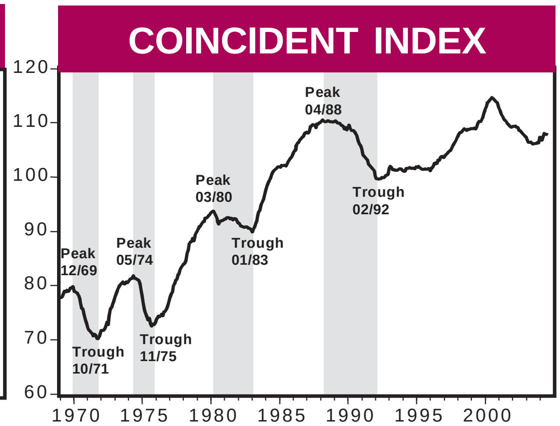
--Continued on page 5--

Table 1: Connecticut industry employment, 2000 to 2006

INDUSTRY	HISTORICAL			FORECAST	NUMERICAL CHANGES			PERCENT CHANGES		
	2000:Q2	2002:Q2	2004:Q2	2006:Q2	CH00-02	CH02-04	CH04-06	CH00-02	CH02-04	CH04-06
TOTAL	1,694,000	1,676,500	1,649,600	1,659,200	-17,500	-26,900	9,600	-1.0	-1.6	0.6
GOODS PRODUCING	299,900	279,000	258,300	249,000	-20,900	-20,700	-9,300	-7.0	-7.4	-3.6
Mining	800	700	800	800	-100	100	0	-12.5	14.3	0.0
Construction	64,800	64,800	62,700	64,000	0	-2,100	1,300	0.0	-3.2	2.1
Manufacturing	234,300	213,500	194,800	184,200	-20,800	-18,700	-10,600	-8.9	-8.8	-5.4
SERVICE PROVIDING	1,394,200	1,397,500	1,391,300	1,410,200	3,300	-6,200	18,900	0.2	-0.4	1.4
Wholesale Trade	67,900	66,200	65,600	65,300	-1,700	-600	-300	-2.5	-0.9	-0.5
Retail Trade	195,100	194,300	191,000	192,000	-800	-3,300	1,000	-0.4	-1.7	0.5
Transportation and Warehousing	41,000	38,700	40,300	42,000	-2,300	1,600	1,700	-5.6	4.1	4.2
Utilities	9,700	9,000	8,600	8,000	-700	-400	-600	-7.2	-4.4	-7.0
Information	45,300	41,500	39,100	39,000	-3,800	-2,400	-100	-8.4	-5.8	-0.3
Finance and Insurance	120,300	121,900	122,800	123,600	1,600	900	800	1.3	0.7	0.7
Real Estate and Rental and Leasing	21,000	19,900	20,100	20,700	-1,100	200	600	-5.2	1.0	3.0
Professional, Scientific, and Technical Services	95,300	91,900	86,600	85,400	-3,400	-5,300	-1,200	-3.6	-5.8	-1.4
Management of Companies and Enterprises	29,500	27,600	27,600	28,000	-1,900	0	400	-6.4	0.0	1.4
Admin and Support/Waste Manage/Remediation	92,000	84,500	80,900	78,700	-7,500	-3,600	-2,200	-8.2	-4.3	-2.7
Educational Services	41,000	46,000	48,900	51,500	5,000	2,900	2,600	12.2	6.3	5.3
Health Care and Social Assistance	204,500	213,000	216,800	223,500	8,500	3,800	6,700	4.2	1.8	3.1
Arts, Entertainment, and Recreation	23,800	24,800	26,500	28,700	1,000	1,700	2,200	4.2	6.9	8.3
Accommodation and Food Services	99,800	101,400	105,900	109,200	1,600	4,500	3,300	1.6	4.4	3.1
Other Services	61,100	63,700	63,100	64,100	2,600	-600	1,000	4.3	-0.9	1.6
Government	246,800	253,000	247,400	250,700	6,200	-5,600	3,300	2.5	-2.2	1.3

SOURCE: Connecticut Department of Labor, Office of Research NOTE: Data not seasonally adjusted





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.

Signs of Economic Strength Are Difficult to Spot in Connecticut

Although Alan Greenspan, Chairman of the Federal Reserve, continues to suggest that the U.S. economy is regaining its traction after a brief period of softness, recent economic indicators point to continuing weakness in the national economy. For example, the Conference Board's September index of leading indicators fell for the fourth straight month, while the U.S. Labor Department reported weaker than expected job growth in September. In addition, energy prices are reaching record levels, adding to inflationary fears. It is now almost certain that rising energy costs would reduce this year's growth in real gross domestic product by between one-quarter to one-half percent. The current economic situation should present an interesting policy challenge when the FOMC next meet on November 10.

This month, as in the previous month, the two employment indices provide us with mixed signals. The revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 106.20 in August 2003 to 107.80 in August 2004. All four components of this index are positive contributors, with a lower insured unemployment rate, a lower total unemployment rate, higher total non-farm employment, and higher total employment. However, on a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index fell slightly from 107.85 in July 2004 to 107.80 in August 2004, making this the third consecutive month this index has fallen. A lower insured unemployment rate, and higher total non-farm employment are the two positive contributors to the index. Lower total employment contributed negatively to the index, while the total unemployment rate remained stable at 4.6% for the fifth straight month.

The revised CCEA-ECRI Connecticut leading employment index also provided us with mixed news. It rose from 114.11 in August 2003 to 116.52 in August 2004. Five components of this index are positive contributors, with a lower Moody's Baa corporate bond yield, higher total housing permits, lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, and higher average weekly hours worked in manufacturing and construction. A lower Hartford help-wanted advertising index is the only negative contributor. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 116.99 in July 2004 to 116.52 in August 2004. A lower Moody's Baa corporate bond yield, and higher total housing permits are the two positive contributors. A slightly higher initial claims for unemployment insurance, a higher short duration (less than 15 weeks) unemployment rate, a lower help wanted index, and lower average weekly hours worked in manufacturing and construction are the four negative contributors to this index.

Total non-farm employment increased by about 4,600 jobs in August, reversing the decline of the previous two months and putting us slightly above the level in January. Unfortunately, we have a loss in total employment in Connecticut of about 6,000 persons in August, giving us a loss of about 4,400 for the year thus far. The total unemployment rate, however, remained constant at 4.6 percent for April – August, while the insured unemployment rate has fallen every month since the beginning of the year. While I still believe that we will end on a positive note on the employment front for the year, without a significant pick-up at the national level, whatever gain that Connecticut may have by the end of this year may not be something to cheer about. ■

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--Continued from page 3--

health care will come from two sources: nursing and residential care facilities (+1,500) and offices of physicians (+1,300). Driven by cultural and life-style changes, accommodation and food services is forecasted to add 3,300 new jobs.

The next highest contribution to job creation is expected to come from public administration. Employment growth of 3,300 is projected to be driven by demographic pressures, and Federal mandates, to hire more teachers in the local public schools. However, budget constraints could temper some of that growth. Also, the State of Connecticut is currently re-hiring many recently laid-off workers. This should continue, but at a slower pace. Finally, since the Indian Tribes are classified under local government, employment expansion at the casinos is counted under public administration. Private educational services is also expected to add another 2,600 jobs over the forecast period. Arts, Entertainment, and Recreation is the only other service industry projected to add more than 2,000 jobs by 2006:Q2.

The forecast also calls for 4,500 service-providing jobs to be lost between 2004:Q2 and 2006:Q2. Two sectors, that are expected to account for 77% of the projected job losses, have been shedding jobs since the bursting of the bubble. Administrative support/waste management is expected to shed another 2,200 more jobs over the eight quarters between 2004:Q2 and 2006:Q2. Professional, technical, and scientific services is also forecasted to continue its decline, with employment declining by 1,200. Sectors that are expected to decline, but by less than 1,000 jobs, include utilities, wholesale trade, and information. Though still shedding jobs from the bursting of the bubble, the losses in the information sector are expected to slow over the forecast period. ■

For the unabridged paper with forecast methodology contact Daniel Kennedy by phone at (860) 263-6268, or by e-mail at daniel.kennedy@po.state.ct.us.

HOUSING UPDATE

September Permits Highest Since 1988

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development (DECD) announced that Connecticut communities authorized 1,121 new housing units in September 2004, a 25.5 percent increase compared to September of 2003 when 893 units were authorized.

The Department further indicated that the 1,121 units permitted in September 2004 represent a 2.0 percent increase from the 1,099 units permitted in August 2004. The year-to-date permits are up 21.0 percent, from 7,269 through September 2003, to 8,797 through September 2004.

The New Haven Labor Market Area showed the largest increases in terms of units (112) and percentage growth (110.9) compared to a year ago. New Haven led all municipalities with 79 units, followed by Simsbury with 67, and Meriden with 52. From a county perspective, only Hartford County showed a year-to-date loss.

See data tables on pages 19 and 22.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2004	2Q 2003	CHANGE NO.	CHANGE %	1Q 2004
Employment Indexes (1992=100)*					
Leading	116.4	114.2	2.2	1.9	116.0
Coincident	107.8	106.4	1.4	1.3	107.2
General Drift Indicator (1986=100)*					
Leading	102.3	100.9	1.4	1.4	102.1
Coincident	101.5	101.2	0.3	0.3	101.6
Banknorth Business Barometer (1992=100)**	117.5	115.7	1.8	1.6	117.0

*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 by 4,500 over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM	1643.6	1,639.1	4.5	0.3	1,642.7
Construction	62.3	61.8	0.5	0.8	62.6
Manufacturing	195.4	196.6	-1.2	-0.6	195.6
Information	39.1	39.2	-0.1	-0.3	39.5
Financial Activities	143.3	143.4	-0.1	-0.1	143.6
Professional and Business Services	194.8	195.3	-0.5	-0.3	194.2
Government*	242.1	246.0	-3.9	-1.6	245.2

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

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
Unemployment Rate, resident (%)	4.7	5.5	-0.8	---	4.6
Labor Force, resident (000s)	1,791.0	1,800.4	-9.4	-0.5	1,788.3
Employed (000s)	1,706.9	1,701.0	5.9	0.3	1,705.3
Unemployed (000s)	84.1	99.4	-15.3	-15.4	83.0
Average Weekly Initial Claims	4,067	4,763	-696	-14.6	4,050
Help Wanted Index -- Htfd. (1987=100)	9	8	1	12.5	9
Avg. Insured Unemp. Rate (%)	2.50	3.52	-1.03	---	2.72

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004	JUL 2004
Average Weekly Hours	41.5	41.9	-0.4	-1.0	41.3	--
Average Hourly Earnings	18.68	17.97	0.71	4.0	18.35	--
Average Weekly Earnings	775.22	752.94	22.28	3.0	757.86	--
CT Mfg. Production Index (1986=100)*	117.8	123.5	-5.7	-4.6	116.7	130.5
Production Worker Hours (000s)	4,872	4,972	-100	-2.0	4,827	--
Industrial Electricity Sales (mil kWh)**	445	488	-43.0	-8.8	477	534

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

Personal income for first quarter 2005 is forecasted to increase 4.0 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	1Q* 2005	1Q 2004	CHANGE NO.	CHANGE %	4Q* 2004
Personal Income	$163,215	$156,890	$6,325	4.0	$162,137
UI Covered Wages	$84,633	$84,477	$156	0.2	$83,417

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

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
New Housing Permits	SEP 2004	1,121	25.5	8,797	7,269	21.0
Electricity Sales (mil kWh)	JUL 2004	2,913	7.5	18,756	18,270	2.7
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts						
Index (1980=100)	SEP 2004	329.9	-8.8	---	---	---
New Auto Registrations	SEP 2004	17,263	-20.3	176,750	182,628	-3.2
Air Cargo Tons	SEP 2004	13,484	10.8	113,846	142,293	-20.0
Exports (Bil. $)	2Q 2004	2.17	3.3	4.33	4.10	5.6

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

New auto registrations were down 20.3 percent from a year ago.

BUSINESS STARTS AND TERMINATIONS

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	SEP 2004	2,175	-2.3	21,959	19,910	10.3
Department of Labor*	1Q 2004	2,642	-1.3	2,642	2,677	-1.3
TERMINATIONS						
Secretary of the State	SEP 2004	506	-25.1	6,288	7,161	-12.2
Department of Labor*	1Q 2004	1,182	-30.9	1,182	1,711	-30.9

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

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was up 22.9 percent to 15,671 from the same period last year.

STATE REVENUES

(Millions of dollars)	SEP 2004	SEP 2003	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	NA	NA	NA	NA	NA	NA
Corporate Tax	NA	NA	NA	NA	NA	NA
Personal Income Tax	NA	NA	NA	NA	NA	NA
Real Estate Conv. Tax	NA	NA	NA	NA	NA	NA
Sales & Use Tax	NA	NA	NA	NA	NA	NA
Indian Gaming Payments**	36.2	32.3	12.0	311.1	300.8	3.4

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.*

Gaming payments revenue increased 3.4 percent so far this year from the year-to-date level last year.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	SEP 2004	59,857	-3.1	338,290	393,057	-13.9
Major Attraction Visitors	SEP 2004	117,780	9.2	1,502,169	1,523,675	-1.4
Air Passenger Count	SEP 2004	485,705	11.5	4,968,413	4,482,708	10.8
Indian Gaming Slots (Mil.$)*	SEP 2004	1,744	10.4	15,306	14,664	4.4
Travel and Tourism Index**	2Q 2004	---	-1.0	---	---	---

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*

Year-to-date gaming slots rose 4.4 percent from a year ago.

Compensation cost for the nation rose 3.7 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (June 1989=100)	Seasonally Adjusted SEP 2004	JUN 2004	3-Mo % Chg	Not Seasonally Adjusted SEP 2004	SEP 2003	12-Mo % Chg
UNITED STATES TOTAL	174.5	173.0	0.9	174.4	168.1	3.7
Wages and Salaries	165.8	164.4	0.9	165.9	161.7	2.6
Benefit Costs	196.4	194.5	1.0	196.9	184.3	6.8
NORTHEAST TOTAL	---	---	---	173.7	166.9	4.1
Wages and Salaries	---	---	---	164.9	160.0	3.1

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

U.S. inflation rate increased 2.5 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
Connecticut**	2Q 2004	---	NA	---
CPI-U (1982-84=100)				
U.S. City Average	SEP 2004	189.9	2.5	0.2
Purchasing Power of $ (1982-84=$1.00)	SEP 2004	$0.527	-2.5	-0.2
Northeast Region	SEP 2004	201.2	3.2	0.1
NY-Northern NJ-Long Island	SEP 2004	205.9	3.2	0.1
Boston-Brockton-Nashua***	SEP 2004	209.8	1.5	0.4
CPI-W (1982-84=100)				
U.S. City Average	SEP 2004	185.4	2.4	0.2
CONSUMER CONFIDENCE (1985=100)				
Connecticut**	2Q 2004	105.4	32.1	12.1
New England	SEP 2004	77.3	5.3	-6.1
U.S.	SEP 2004	96.8	25.7	-1.9

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

30-year conventional mortgage rate fell to 5.76 percent over the month.

INTEREST RATES

(Percent)	SEP 2004	AUG 2004	SEP 2003
Prime	4.58	4.42	4.00
Federal Funds	1.61	1.43	1.01
3 Month Treasury Bill	1.65	1.48	0.94
6 Month Treasury Bill	1.87	1.72	1.01
1 Year Treasury Bill	2.12	2.02	1.24
3 Year Treasury Note	2.83	2.88	2.23
5 Year Treasury Note	3.36	3.47	3.18
7 Year Treasury Note	3.75	3.90	3.74
10 Year Treasury Note	4.13	4.28	4.27
20 Year Treasury Note	4.89	5.07	5.21
Conventional Mortgage	5.76	5.87	6.15

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
Connecticut	1,643.6	1,639.1	4.5	0.3	1,642.7
Maine	612.3	607.0	5.3	0.9	614.8
Massachusetts	3,176.1	3,177.1	-1.0	0.0	3,176.9
New Hampshire	628.4	619.6	8.8	1.4	628.0
New Jersey	4,061.4	3,992.6	68.8	1.7	4,049.4
New York	8,452.9	8,399.8	53.1	0.6	8,453.8
Pennsylvania	5,647.1	5,599.5	47.6	0.9	5,642.5
Rhode Island	489.6	485.1	4.5	0.9	489.2
Vermont	302.0	299.4	2.6	0.9	301.3
United States	131,567.0	129,856.0	1,711.0	1.3	131,471.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
Connecticut	1,791.0	1,800.4	-9.4	-0.5	1,788.3
Maine	698.1	696.6	1.5	0.2	701.5
Massachusetts	3,389.0	3,402.9	-13.9	-0.4	3,413.0
New Hampshire	729.4	722.7	6.7	0.9	730.5
New Jersey	4,409.4	4,379.1	30.3	0.7	4,425.1
New York	9,327.4	9,303.9	23.5	0.3	9,308.4
Pennsylvania	6,289.6	6,142.7	146.9	2.4	6,275.0
Rhode Island	567.1	573.6	-6.5	-1.1	568.9
Vermont	352.6	351.9	0.7	0.2	354.3
United States	147,483.0	146,610.0	873.0	0.6	147,704.0

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

UNEMPLOYMENT RATES

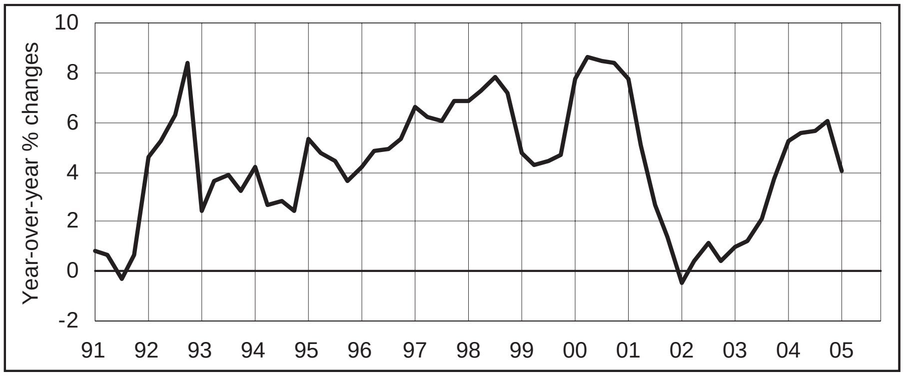
Eight of nine states showed a decrease in its unemployment rate over the year.

(Seasonally adjusted)	SEP 2004	SEP 2003	CHANGE	AUG 2004
Connecticut	4.7	5.5	-0.8	4.6
Maine	4.7	5.2	-0.5	4.5
Massachusetts	4.6	5.9	-1.3	5.4
New Hampshire	3.5	4.3	-0.8	3.7
New Jersey	4.8	5.8	-1.0	4.8
New York	5.5	6.4	-0.9	5.6
Pennsylvania	5.3	5.4	-0.1	5.6
Rhode Island	5.0	4.9	0.1	5.5
Vermont	3.3	5.0	-1.7	3.3
United States	5.4	6.1	-0.7	5.4

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

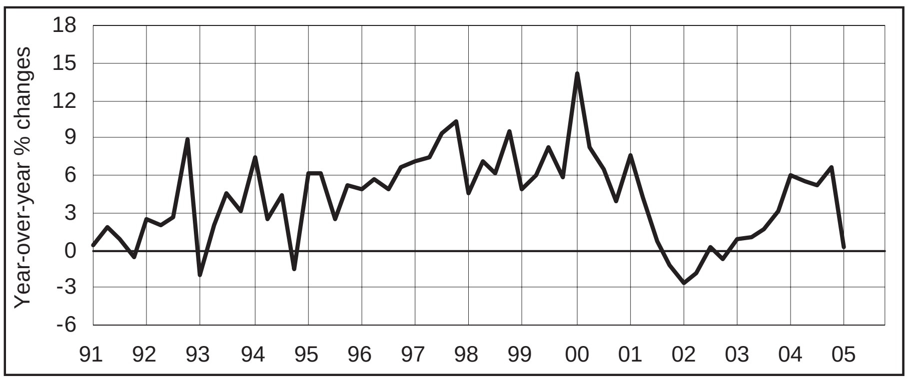
STATE ECONOMIC INDICATOR TRENDS

PERSONAL INCOME *(Seasonally adjusted)*



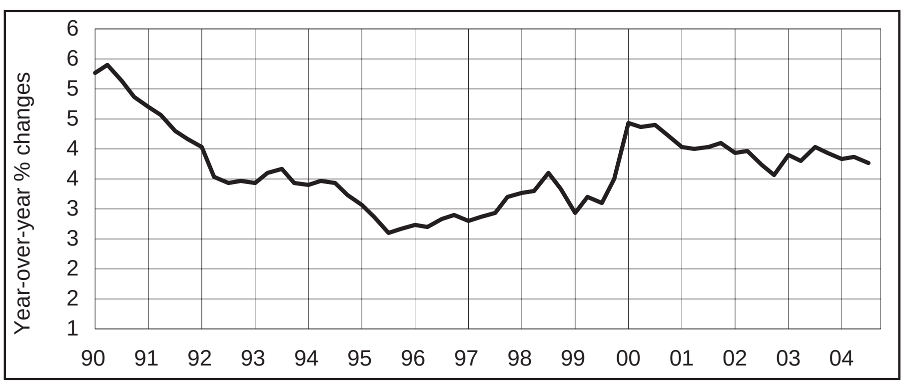
Quarter	2003	2004	2005
First	1.0	5.2	4.0
Second	1.2	5.5	
Third	2.1	5.6	
Fourth	3.7	6.1	

UI COVERED WAGES *(Seasonally adjusted)*



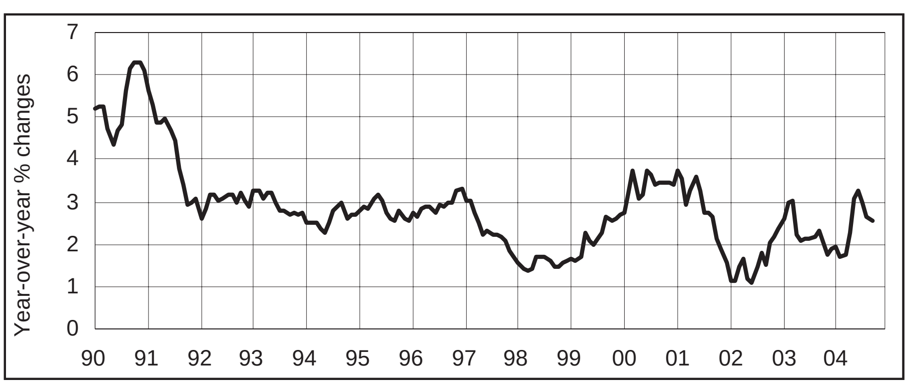
Quarter	2003	2004	2005
First	1.0	6.0	0.2
Second	1.0	5.6	
Third	1.7	5.2	
Fourth	3.1	6.6	

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



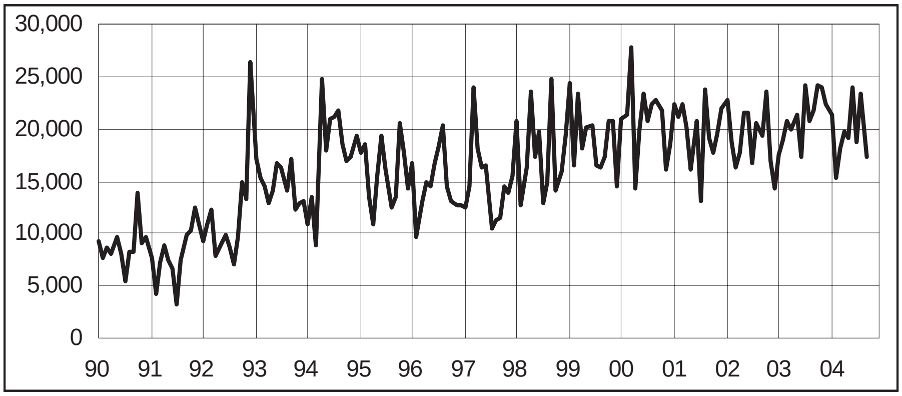
Quarter	2002	2003	2004
First	3.9	3.9	3.8
Second	4.0	3.8	3.9
Third	3.7	4.0	3.8
Fourth	3.6	3.9	

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



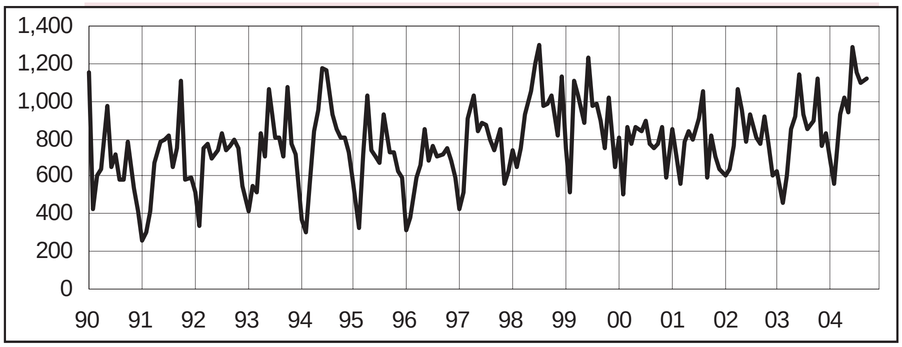
Month	2002	2003	2004
Jan	1.1	2.6	1.9
Feb	1.1	3.0	1.7
Mar	1.5	3.0	1.7
Apr	1.6	2.2	2.3
May	1.2	2.1	3.1
Jun	1.1	2.1	3.3
Jul	1.5	2.1	3.0
Aug	1.8	2.2	2.7
Sep	1.5	2.3	2.5
Oct	2.0	2.0	
Nov	2.2	1.8	
Dec	2.4	1.9	

NEW AUTO REGISTRATIONS PROCESSED *(Not seasonally adjusted)*



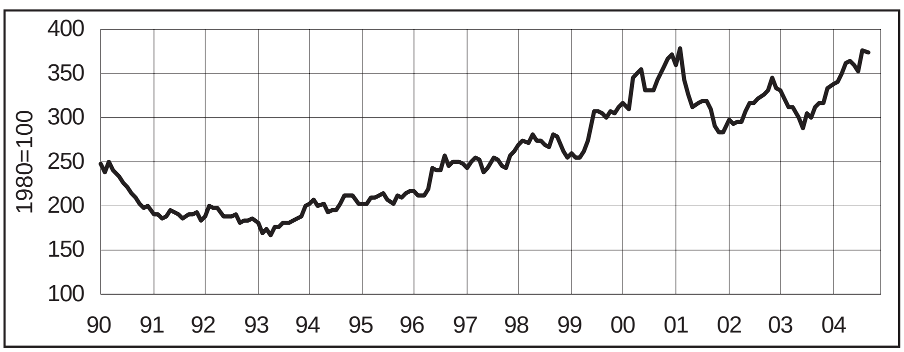
Month	2002	2003	2004
Jan	22,780	17,598	21,377
Feb	18,679	18,956	15,354
Mar	16,234	20,777	18,072
Apr	17,703	19,972	19,687
May	21,590	21,302	19,117
Jun	21,445	17,304	23,904
Jul	16,800	24,240	18,633
Aug	20,460	20,830	23,343
Sep	19,388	21,649	17,263
Oct	23,652	24,130	
Nov	16,982	23,988	
Dec	14,222	22,430	

NEW HOUSING PERMITS *(Not seasonally adjusted)*



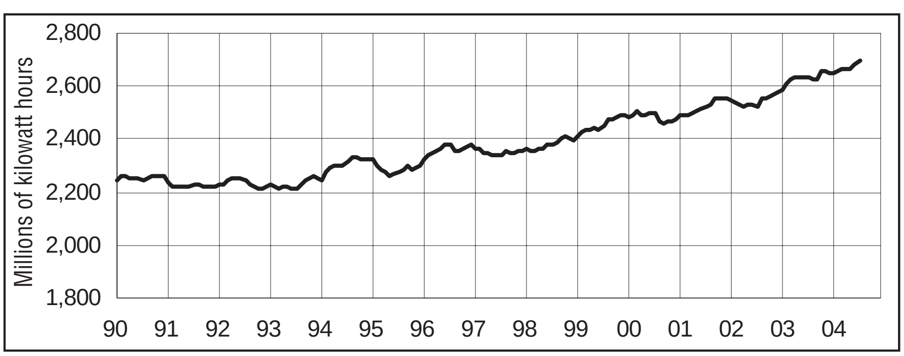
Month	2002	2003	2004
Jan	601	629	689
Feb	633	454	558
Mar	762	600	929
Apr	1,061	856	1,022
May	957	916	942
Jun	782	1,143	1,283
Jul	927	928	1,154
Aug	811	850	1,099
Sep	773	893	1,121
Oct	924	1,121	
Nov	771	766	
Dec	605	829	

CONSTRUCTION CONTRACTS INDEX *(12-month moving average)*



Month	2002	2003	2004
Jan	297.9	330.7	338.4
Feb	293.9	320.3	341.2
Mar	296.4	312.6	350.2
Apr	295.0	311.8	361.7
May	306.7	299.9	363.8
Jun	317.1	287.5	359.8
Jul	317.2	305.0	352.4
Aug	322.3	300.4	377.2
Sep	325.1	311.5	374.8
Oct	332.0	316.1	
Nov	344.1	317.7	
Dec	333.2	334.2	

ELECTRICITY SALES *(12-month moving average)*



Month	2002	2003	2004
Jan	2,546	2,582	2,652
Feb	2,536	2,607	2,660
Mar	2,530	2,626	2,663
Apr	2,524	2,635	2,666
May	2,531	2,637	2,666
Jun	2,530	2,634	2,677
Jul	2,520	2,632	2,694
Aug	2,551	2,623	
Sep	2,557	2,623	
Oct	2,564	2,658	
Nov	2,571	2,655	
Dec	2,580	2,653	

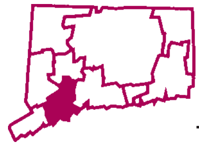
CONNECTICUT

Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT...............	**1,646,900**	**1,643,600**	**3,300**	**0.2**	**1,633,700**
GOODS PRODUCING INDUSTRIES............	**261,700**	**262,900**	**-1,200**	**-0.5**	**262,400**
CONSTRUCTION, NAT. RES. & MINING.....	**66,100**	**65,800**	**300**	**0.5**	**67,200**
MANUFACTURING................................	**195,600**	**197,100**	**-1,500**	**-0.8**	**195,200**
Durable Goods....................................	**144,400**	**145,600**	**-1,200**	**-0.8**	**144,200**
Fabricated Metal..................................	32,900	33,000	-100	-0.3	32,800
Machinery...	17,800	18,000	-200	-1.1	17,700
Computer and Electronic Product...........	14,900	15,700	-800	-5.1	14,900
Electrical Equipment............................	10,600	10,700	-100	-0.9	10,700
Transportation Equipment	42,600	42,900	-300	-0.7	42,300
Aerospace Product and Parts..............	29,800	30,000	-200	-0.7	29,500
Non-Durable Goods.............................	**51,200**	**51,500**	**-300**	**-0.6**	**51,000**
Printing and Related............................	7,700	7,900	-200	-2.5	7,500
Chemical...	17,300	17,400	-100	-0.6	17,600
Plastics and Rubber Products...............	8,300	8,000	300	3.8	8,200
SERVICE PROVIDING INDUSTRIES...........	**1,385,200**	**1,380,700**	**4,500**	**0.3**	**1,371,300**
TRADE, TRANSPORTATION, UTILITIES.....	**305,000**	**304,600**	**400**	**0.1**	**301,100**
Wholesale Trade..................................	65,400	65,300	100	0.2	65,700
Retail Trade..	190,500	190,100	400	0.2	190,500
Motor Vehicle and Parts Dealers............	22,500	22,700	-200	-0.9	22,600
Building Material.................................	16,300	16,000	300	1.9	16,300
Food and Beverage Stores...................	43,600	43,800	-200	-0.5	43,800
General Merchandise Stores.................	23,700	23,700	0	0.0	23,200
Transportation, Warehousing, & Utilities....	49,100	49,200	-100	-0.2	44,900
Utilities...	8,600	8,800	-200	-2.3	8,600
Transportation and Warehousing...........	40,500	40,400	100	0.2	36,300
INFORMATION......................................	**39,200**	**39,100**	**100**	**0.3**	**39,600**
Telecommunications.............................	13,900	14,100	-200	-1.4	14,000
FINANCIAL ACTIVITIES..........................	**143,200**	**143,300**	**-100**	**-0.1**	**144,800**
Finance and Insurance..........................	122,800	122,900	-100	-0.1	123,900
Credit Intermediation...........................	32,700	32,900	-200	-0.6	32,800
Securities and Commodity Contracts.......	18,100	17,400	700	4.0	18,300
Insurance Carriers & Related Activities....	67,100	67,700	-600	-0.9	67,800
Real Estate and Rental and Leasing.........	20,400	20,400	0	0.0	20,900
PROFESSIONAL & BUSINESS SERVICES	**196,400**	**198,100**	**-1,700**	**-0.9**	**195,700**
Professional, Scientific..........................	86,000	86,600	-600	-0.7	86,200
Legal Services....................................	15,000	14,900	100	0.7	15,200
Computer Systems Design...................	17,600	18,100	-500	-2.8	17,500
Management of Companies...................	27,600	27,700	-100	-0.4	27,500
Administrative and Support....................	82,800	83,800	-1,000	-1.2	82,000
Employment Services..........................	28,400	28,700	-300	-1.0	27,400
EDUCATIONAL AND HEALTH SERVICES	**264,200**	**261,500**	**2,700**	**1.0**	**258,100**
Educational Services............................	47,900	46,200	1,700	3.7	42,600
Health Care and Social Assistance..........	216,300	215,300	1,000	0.5	215,500
Hospitals...	54,500	54,500	0	0.0	54,600
Nursing & Residential Care Facilities.......	57,300	56,900	400	0.7	57,000
Social Assistance................................	32,800	33,000	-200	-0.6	32,300
LEISURE AND HOSPITALITY..................	**133,700**	**128,600**	**5,100**	**4.0**	**139,700**
Arts, Entertainment, and Recreation..........	26,600	24,900	1,700	6.8	30,700
Accommodation and Food Services..........	107,100	103,700	3,400	3.3	109,000
Food Serv., Restaurants, Drinking Places.	95,500	92,200	3,300	3.6	96,200
OTHER SERVICES.................................	**62,600**	**61,900**	**700**	**1.1**	**63,800**
GOVERNMENT	**240,900**	**243,600**	**-2,700**	**-1.1**	**228,500**
Federal Government.............................	20,200	20,800	-600	-2.9	20,400
State Government.................................	64,100	65,500	-1,400	-2.1	60,100
**Local Government................................	156,600	157,300	-700	-0.4	148,000

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

BRIDGEPORT LMA

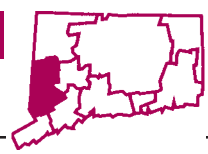


Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**182,600**	**183,200**	**-600**	**-0.3**	**181,800**
GOODS PRODUCING INDUSTRIES	**35,500**	**36,300**	**-800**	**-2.2**	**35,500**
CONSTRUCTION, NAT. RES. & MINING	**7,200**	**7,200**	**0**	**0.0**	**7,300**
MANUFACTURING	**28,300**	**29,100**	**-800**	**-2.7**	**28,200**
Durable Goods	**23,600**	**24,300**	**-700**	**-2.9**	**23,400**
SERVICE PROVIDING INDUSTRIES	**147,100**	**146,900**	**200**	**0.1**	**146,300**
TRADE, TRANSPORTATION, UTILITIES	**35,300**	**35,600**	**-300**	**-0.8**	**35,200**
Wholesale Trade	6,900	7,000	-100	-1.4	7,000
Retail Trade	23,600	23,300	300	1.3	23,600
Transportation, Warehousing, & Utilities	4,800	5,300	-500	-9.4	4,600
INFORMATION	**4,000**	**4,200**	**-200**	**-4.8**	**4,100**
FINANCIAL ACTIVITIES	**13,900**	**13,500**	**400**	**3.0**	**13,900**
PROFESSIONAL & BUSINESS SERVICES	**18,800**	**19,800**	**-1,000**	**-5.1**	**18,800**
EDUCATIONAL AND HEALTH SERVICES	**32,300**	**31,600**	**700**	**2.2**	**31,700**
LEISURE AND HOSPITALITY	**14,700**	**13,700**	**1,000**	**7.3**	**15,400**
Accommodation and Food Services	11,200	10,900	300	2.8	11,500
OTHER SERVICES	**6,300**	**6,500**	**-200**	**-3.1**	**6,500**
GOVERNMENT	**21,800**	**22,000**	**-200**	**-0.9**	**20,700**
Federal	1,800	1,900	-100	-5.3	1,800
State & Local	20,000	20,100	-100	-0.5	18,900

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

DANBURY LMA



Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**89,900**	**89,000**	**900**	**1.0**	**88,500**
GOODS PRODUCING INDUSTRIES	**15,900**	**16,700**	**-800**	**-4.8**	**16,200**
CONSTRUCTION, NAT. RES. & MINING	**4,300**	**4,200**	**100**	**2.4**	**4,400**
MANUFACTURING	**11,600**	**12,500**	**-900**	**-7.2**	**11,800**
SERVICE PROVIDING INDUSTRIES	**74,000**	**72,300**	**1,700**	**2.4**	**72,300**
TRADE, TRANSPORTATION, UTILITIES	**19,200**	**18,700**	**500**	**2.7**	**19,100**
Wholesale Trade	2,900	2,800	100	3.6	2,900
Retail Trade	14,400	14,000	400	2.9	14,500
INFORMATION	**2,600**	**2,700**	**-100**	**-3.7**	**2,600**
FINANCIAL ACTIVITIES	**4,300**	**4,200**	**100**	**2.4**	**4,300**
PROFESSIONAL & BUSINESS SERVICES	**9,800**	**10,400**	**-600**	**-5.8**	**9,800**
EDUCATIONAL AND HEALTH SERVICES	**13,900**	**13,100**	**800**	**6.1**	**13,700**
LEISURE AND HOSPITALITY	**7,200**	**7,300**	**-100**	**-1.4**	**7,400**
OTHER SERVICES	**4,200**	**3,900**	**300**	**7.7**	**4,300**
GOVERNMENT	**12,800**	**12,000**	**800**	**6.7**	**11,100**
Federal	700	800	-100	-12.5	700
State & Local	12,100	11,200	900	8.0	10,400

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

HARTFORD LMA

Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**585,700**	**594,100**	**-8,400**	**-1.4**	**578,700**
GOODS PRODUCING INDUSTRIES	**89,800**	**95,000**	**-5,200**	**-5.5**	**90,200**
CONSTRUCTION, NAT. RES. & MINING	**20,700**	**21,800**	**-1,100**	**-5.0**	**21,100**
MANUFACTURING	**69,100**	**73,200**	**-4,100**	**-5.6**	**69,100**
Durable Goods	**56,900**	**60,200**	**-3,300**	**-5.5**	**57,000**
Fabricated Metal	14,100	14,800	-700	-4.7	14,000
Non-Durable Goods	**12,200**	**13,000**	**-800**	**-6.2**	**12,100**
SERVICE PROVIDING INDUSTRIES	**495,900**	**499,100**	**-3,200**	**-0.6**	**488,500**
TRADE, TRANSPORTATION, UTILITIES	**99,900**	**102,500**	**-2,600**	**-2.5**	**98,700**
Wholesale Trade	22,600	22,500	100	0.4	22,700
Retail Trade	58,200	60,300	-2,100	-3.5	58,400
Transportation, Warehousing, & Utilities	19,100	19,700	-600	-3.0	17,600
Transportation and Warehousing	15,400	16,000	-600	-3.8	13,900
INFORMATION	**11,300**	**11,700**	**-400**	**-3.4**	**11,400**
FINANCIAL ACTIVITIES	**70,400**	**72,500**	**-2,100**	**-2.9**	**71,000**
Finance and Insurance	65,000	66,500	-1,500	-2.3	65,500
Insurance Carriers & Related Activities	48,000	49,000	-1,000	-2.0	48,300
PROFESSIONAL & BUSINESS SERVICES	**61,500**	**60,500**	**1,000**	**1.7**	**61,600**
Professional, Scientific	26,900	27,100	-200	-0.7	27,000
Administrative and Support	26,000	26,400	-400	-1.5	26,100
EDUCATIONAL AND HEALTH SERVICES	**87,700**	**87,500**	**200**	**0.2**	**86,800**
Health Care and Social Assistance	78,100	77,600	500	0.6	78,200
LEISURE AND HOSPITALITY	**43,300**	**42,400**	**900**	**2.1**	**44,700**
Accommodation and Food Services	35,900	34,900	1,000	2.9	36,200
Food Serv., Restaurants, Drinking Places	32,300	31,800	500	1.6	32,300
OTHER SERVICES	**24,000**	**24,000**	**0**	**0.0**	**24,400**
GOVERNMENT	**97,800**	**98,000**	**-200**	**-0.2**	**89,900**
Federal	7,200	7,300	-100	-1.4	7,100
State & Local	90,600	90,700	-100	-0.1	82,800

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 2003.
**Total excludes workers idled due to labor-management disputes.*

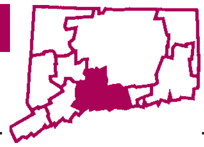
BUSINESS AND ECONOMIC NEWS

- **Education and number of jobs held from ages 18-38**
  On average, college-educated women (in U.S.) held more jobs than college-educated men among persons age 18 to 38 who were born from 1957 to 1964. Women with a college degree held 11.1 jobs from ages 18 to 38, compared with 10.0 jobs for similarly educated men. Also, women with a bachelor's degree or higher had more jobs than those without a degree. Women with less than a high school education held 8.5 jobs, those with a high school diploma and no college held 9.2, and those with some college but less than a bachelor's degree held 10.4. Men without a high school diploma held 11.6 jobs, the highest among all educational attainment levels for both sexes. Male high school graduates with no college held 10.2 jobs, while male high school graduates with some college held 10.6 jobs.
  (The Editor's Desk, Bureau of Labor Statistics, September 2, 2004)

- **Hires rate down in July 2004**
  The hires rate (in U.S.) fell in July but remained above the separations rate. The hires rate was 3.2 percent in July, and the separations rate was 3.1 percent. The July hires rate of 3.2 percent was down from the June rate of 3.4 percent.

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**251,700**	**254,100**	**-2,400**	**-0.9**	**249,000**
GOODS PRODUCING INDUSTRIES	**40,200**	**40,700**	**-500**	**-1.2**	**40,800**
CONSTRUCTION, NAT. RES. & MINING	**9,900**	**10,400**	**-500**	**-4.8**	**10,200**
MANUFACTURING	**30,300**	**30,300**	**0**	**0.0**	**30,600**
Durable Goods	**20,000**	**20,100**	**-100**	**-0.5**	**20,200**
Non-Durable Goods	**10,300**	**10,200**	**100**	**1.0**	**10,400**
SERVICE PROVIDING INDUSTRIES	**211,500**	**213,400**	**-1,900**	**-0.9**	**208,200**
TRADE, TRANSPORTATION, UTILITIES	**44,200**	**45,400**	**-1,200**	**-2.6**	**44,500**
Wholesale Trade	9,800	10,500	-700	-6.7	10,100
Retail Trade	27,000	27,300	-300	-1.1	27,100
Transportation, Warehousing, & Utilities	7,400	7,600	-200	-2.6	7,300
INFORMATION	**9,500**	**9,200**	**300**	**3.3**	**9,300**
Telecommunications	6,200	5,900	300	5.1	6,100
FINANCIAL ACTIVITIES	**13,900**	**13,700**	**200**	**1.5**	**14,200**
Finance and Insurance	9,900	10,100	-200	-2.0	10,000
PROFESSIONAL & BUSINESS SERVICES	**24,900**	**26,500**	**-1,600**	**-6.0**	**25,300**
Administrative and Support	9,700	12,600	-2,900	-23.0	10,200
EDUCATIONAL AND HEALTH SERVICES	**59,000**	**57,900**	**1,100**	**1.9**	**56,400**
Educational Services	20,900	20,000	900	4.5	18,400
Health Care and Social Assistance	38,100	37,900	200	0.5	38,000
LEISURE AND HOSPITALITY	**17,800**	**18,100**	**-300**	**-1.7**	**18,400**
Accommodation and Food Services	15,300	15,100	200	1.3	15,000
OTHER SERVICES	**10,300**	**10,100**	**200**	**2.0**	**10,700**
GOVERNMENT	**31,900**	**32,500**	**-600**	**-1.8**	**29,400**
Federal	5,200	5,500	-300	-5.5	5,200
State & Local	26,700	27,000	-300	-1.1	24,200

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

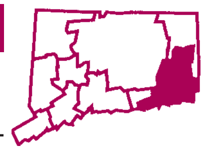
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

The hires rate decreased in construction and edged down in government (including federal, state, and local) in July, while other major industries showed little or no change in their hires rates. The hires rates in the Midwest and West decreased from a month ago. The hires rate is the number of hires during the month divided by employment. Hires are any additions to the payroll during the month. The separations, or turnover, rate is the number of separations during the month divided by employment. These data come from the Job Openings and Labor Turnover Survey.
(The Editor's Desk, Bureau of Labor Statistics, September 9, 2004)

- **Rate of working poor in 2002**
  Of all persons who were in the labor force (in U.S.) for 27 weeks or more, 5.3 percent were classified as working poor in 2002, up by 0.4 percentage point from the previous year. In 2002, the poverty rate for those who worked 27 weeks was 0.6 percentage point above its recent low of 4.7 percent in 2000. However, the 2002 rate was still below the series peak of 6.7 percent which occurred in 1993. These data were collected in the 2003 Annual Social and Economic Supplement to the Current Population Survey. For more information see A Profile of the Working Poor, 2002, Report 976, coming soon to the BLS website. *(The Editor's Desk, Bureau of Labor Statistics, October 7, 2004)*

NEW LONDON LMA

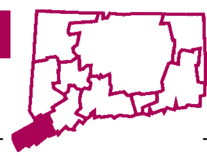


Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**147,300**	**147,400**	**-100**	**-0.1**	**148,300**
GOODS PRODUCING INDUSTRIES	**24,300**	**24,200**	**100**	**0.4**	**24,200**
CONSTRUCTION, NAT. RES. & MINING	**5,000**	**4,900**	**100**	**2.0**	**5,000**
MANUFACTURING	**19,300**	**19,300**	**0**	**0.0**	**19,200**
Durable Goods	**12,100**	**11,900**	**200**	**1.7**	**11,900**
Non-Durable Goods	**7,200**	**7,400**	**-200**	**-2.7**	**7,300**
SERVICE PROVIDING INDUSTRIES	**123,000**	**123,200**	**-200**	**-0.2**	**124,100**
TRADE, TRANSPORTATION, UTILITIES	**24,900**	**24,800**	**100**	**0.4**	**24,700**
Wholesale Trade	2,300	2,300	0	0.0	2,300
Retail Trade	18,300	18,200	100	0.5	18,500
Transportation, Warehousing, & Utilities	4,300	4,300	0	0.0	3,900
INFORMATION	**2,400**	**2,300**	**100**	**4.3**	**2,400**
FINANCIAL ACTIVITIES	**3,700**	**3,700**	**0**	**0.0**	**3,800**
PROFESSIONAL & BUSINESS SERVICES	**10,500**	**10,700**	**-200**	**-1.9**	**10,600**
EDUCATIONAL AND HEALTH SERVICES	**19,300**	**18,800**	**500**	**2.7**	**18,900**
Health Care and Social Assistance	16,900	16,600	300	1.8	17,000
LEISURE AND HOSPITALITY	**16,200**	**16,200**	**0**	**0.0**	**17,900**
Accommodation and Food Services	13,600	13,600	0	0.0	14,800
Food Serv., Restaurants, Drinking Places	10,200	10,200	0	0.0	11,200
OTHER SERVICES	**4,400**	**4,300**	**100**	**2.3**	**4,400**
GOVERNMENT	**41,600**	**42,400**	**-800**	**-1.9**	**41,400**
Federal	2,500	2,500	0	0.0	2,600
**State & Local	39,100	39,900	-800	-2.0	38,800

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

STAMFORD LMA



Not Seasonally Adjusted

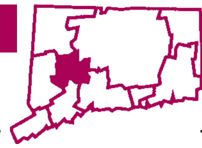
	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**194,600**	**196,100**	**-1,500**	**-0.8**	**195,500**
GOODS PRODUCING INDUSTRIES	**16,200**	**16,600**	**-400**	**-2.4**	**16,200**
CONSTRUCTION, NAT. RES. & MINING	**6,400**	**6,100**	**300**	**4.9**	**6,500**
MANUFACTURING	**9,800**	**10,500**	**-700**	**-6.7**	**9,700**
SERVICE PROVIDING INDUSTRIES	**178,400**	**179,500**	**-1,100**	**-0.6**	**179,300**
TRADE, TRANSPORTATION, UTILITIES	**34,700**	**34,300**	**400**	**1.2**	**34,000**
Wholesale Trade	7,300	7,400	-100	-1.4	7,300
Retail Trade	22,800	22,500	300	1.3	22,400
Transportation, Warehousing, & Utilities	4,600	4,400	200	4.5	4,300
INFORMATION	**6,500**	**6,500**	**0**	**0.0**	**6,500**
FINANCIAL ACTIVITIES	**27,300**	**27,000**	**300**	**1.1**	**27,700**
Finance and Insurance	23,300	23,100	200	0.9	23,700
PROFESSIONAL & BUSINESS SERVICES	**44,000**	**45,600**	**-1,600**	**-3.5**	**44,700**
Professional, Scientific	17,800	20,000	-2,200	-11.0	18,200
Management of Companies	9,700	10,000	-300	-3.0	9,900
Administrative and Support	16,500	15,600	900	5.8	16,600
EDUCATIONAL AND HEALTH SERVICES	**23,000**	**22,500**	**500**	**2.2**	**23,000**
Health Care and Social Assistance	20,100	19,200	900	4.7	20,200
LEISURE AND HOSPITALITY	**15,900**	**16,400**	**-500**	**-3.0**	**17,700**
Accommodation and Food Services	10,700	11,000	-300	-2.7	11,000
OTHER SERVICES	**8,800**	**8,800**	**0**	**0.0**	**9,100**
GOVERNMENT	**18,200**	**18,400**	**-200**	**-1.1**	**16,600**
Federal	1,600	1,700	-100	-5.9	1,600
State & Local	16,600	16,700	-100	-0.6	15,000

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

WATERBURY LMA

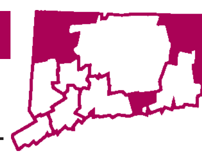


Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT	**82,200**	**82,300**	**-100**	**-0.1**	**82,600**
GOODS PRODUCING INDUSTRIES	**16,900**	**16,500**	**400**	**2.4**	**16,900**
CONSTRUCTION, NAT. RES. & MINING	**3,700**	**3,700**	**0**	**0.0**	**3,800**
MANUFACTURING	**13,200**	**12,800**	**400**	**3.1**	**13,100**
Durable Goods	**10,800**	**10,600**	**200**	**1.9**	**10,700**
SERVICE PROVIDING INDUSTRIES	**65,300**	**65,800**	**-500**	**-0.8**	**65,700**
TRADE, TRANSPORTATION, UTILITIES	**15,400**	**15,300**	**100**	**0.7**	**15,500**
Wholesale Trade	2,100	2,300	-200	-8.7	2,100
Retail Trade	10,700	10,400	300	2.9	11,100
Transportation, Warehousing, & Utilities	2,600	2,600	0	0.0	2,300
INFORMATION	**1,400**	**1,300**	**100**	**7.7**	**1,400**
FINANCIAL ACTIVITIES	**3,600**	**3,500**	**100**	**2.9**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**8,300**	**8,600**	**-300**	**-3.5**	**8,500**
EDUCATIONAL AND HEALTH SERVICES	**14,900**	**15,000**	**-100**	**-0.7**	**15,100**
Health Care and Social Assistance	13,700	13,700	0	0.0	13,900
LEISURE AND HOSPITALITY	**6,000**	**5,900**	**100**	**1.7**	**6,300**
OTHER SERVICES	**3,100**	**3,200**	**-100**	**-3.1**	**3,200**
GOVERNMENT	**12,600**	**13,000**	**-400**	**-3.1**	**12,100**
Federal	700	700	0	0.0	700
State & Local	11,900	12,300	-400	-3.3	11,400

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

SMALLER LMAS



Not Seasonally Adjusted

	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
TOTAL NONFARM EMPLOYMENT					
DANIELSON LMA	**22,100**	**21,800**	**300**	**1.4**	**21,400**
LOWER RIVER LMA	**10,400**	**10,100**	**300**	**3.0**	**10,600**
TORRINGTON LMA	**28,900**	**28,700**	**200**	**0.7**	**28,600**

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

NOTE: More industry detail data is available for the State and its ten 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.

(Not seasonally adjusted)	EMPLOYMENT STATUS	SEP 2004	SEP 2003	CHANGE NO.	CHANGE %	AUG 2004
CONNECTICUT	Civilian Labor Force	1,776,000	1,784,700	-8,700	-0.5	1,818,500
	Employed	1,701,800	1,695,600	6,200	0.4	1,734,300
	Unemployed	74,200	89,100	-14,900	-16.7	84,200
	Unemployment Rate	4.2	5.0	-0.8	---	4.6
BRIDGEPORT LMA	Civilian Labor Force	225,800	227,300	-1,500	-0.7	231,700
	Employed	214,700	213,100	1,600	0.8	218,700
	Unemployed	11,100	14,100	-3,000	-21.3	12,900
	Unemployment Rate	4.9	6.2	-1.3	---	5.6
DANBURY LMA	Civilian Labor Force	117,700	116,200	1,500	1.3	119,400
	Employed	114,500	112,200	2,300	2.0	115,600
	Unemployed	3,200	4,000	-800	-20.0	3,800
	Unemployment Rate	2.7	3.4	-0.7	---	3.2
DANIELSON LMA	Civilian Labor Force	37,000	36,400	600	1.6	36,900
	Employed	35,400	34,600	800	2.3	35,300
	Unemployed	1,500	1,900	-400	-21.1	1,600
	Unemployment Rate	4.2	5.1	-0.9	---	4.4
HARTFORD LMA	Civilian Labor Force	597,400	604,600	-7,200	-1.2	607,800
	Employed	570,000	572,200	-2,200	-0.4	576,900
	Unemployed	27,400	32,300	-4,900	-15.2	30,900
	Unemployment Rate	4.6	5.3	-0.7	---	5.1
LOWER RIVER LMA	Civilian Labor Force	13,800	13,500	300	2.2	14,400
	Employed	13,400	13,100	300	2.3	14,000
	Unemployed	300	400	-100	-25.0	400
	Unemployment Rate	2.4	3.2	-0.8	---	2.6
NEW HAVEN LMA	Civilian Labor Force	283,400	286,100	-2,700	-0.9	289,500
	Employed	271,300	271,700	-400	-0.1	275,700
	Unemployed	12,100	14,400	-2,300	-16.0	13,800
	Unemployment Rate	4.3	5.0	-0.7	---	4.8
NEW LONDON LMA	Civilian Labor Force	170,300	170,100	200	0.1	176,500
	Employed	164,000	162,700	1,300	0.8	169,400
	Unemployed	6,300	7,300	-1,000	-13.7	7,100
	Unemployment Rate	3.7	4.3	-0.6	---	4.0
STAMFORD LMA	Civilian Labor Force	191,600	192,100	-500	-0.3	198,700
	Employed	186,700	185,900	800	0.4	193,000
	Unemployed	4,900	6,300	-1,400	-22.2	5,700
	Unemployment Rate	2.6	3.3	-0.7	---	2.9
TORRINGTON LMA	Civilian Labor Force	40,900	40,200	700	1.7	41,800
	Employed	39,400	38,700	700	1.8	40,100
	Unemployed	1,400	1,500	-100	-6.7	1,700
	Unemployment Rate	3.5	3.7	-0.2	---	4.0
WATERBURY LMA	Civilian Labor Force	116,800	117,000	-200	-0.2	120,900
	Employed	110,300	109,500	800	0.7	113,800
	Unemployed	6,500	7,500	-1,000	-13.3	7,100
	Unemployment Rate	5.6	6.4	-0.8	---	5.9
UNITED STATES	Civilian Labor Force	147,186,000	146,166,000	1,020,000	0.7	148,166,000
	Employed	139,641,000	137,731,000	1,910,000	1.4	140,226,000
	Unemployed	7,545,000	8,436,000	-891,000	-10.6	7,940,000
	Unemployment Rate	5.1	5.8	-0.7	---	5.4

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

MANUFACTURING HOURS AND EARNINGS

LMA

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004	AVG WEEKLY HOURS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004	AVG HOURLY EARNINGS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004
MANUFACTURING	**$775.22**	**$752.94**	**$22.28**	**$757.86**	**41.5**	**41.9**	**-0.4**	**41.3**	**$18.68**	**$17.97**	**$0.71**	**$18.35**
DURABLE GOODS	**804.23**	**783.90**	**20.33**	**791.27**	**41.8**	**42.1**	**-0.3**	**41.8**	**19.24**	**18.62**	**0.62**	**18.93**
Fabricated Metal	710.57	692.41	18.16	700.57	42.6	42.9	-0.3	41.9	16.68	16.14	0.54	16.72
Machinery	797.34	764.24	33.10	777.60	41.1	40.5	0.6	40.5	19.40	18.87	0.53	19.20
Computer & Electronic	629.60	596.50	33.10	611.27	40.0	40.8	-0.8	39.9	15.74	14.62	1.12	15.32
Transport. Equipment	1,009.65	962.58	47.07	991.73	42.8	42.2	0.6	42.6	23.59	22.81	0.78	23.28
NON-DUR. GOODS	**706.34**	**673.60**	**32.74**	**677.37**	**40.9**	**41.3**	**-0.4**	**40.2**	**17.27**	**16.31**	**0.96**	**16.85**
CONSTRUCTION	**888.94**	**916.29**	**-27.34**	**897.42**	**38.3**	**40.1**	**-1.8**	**38.9**	**23.21**	**22.85**	**0.36**	**23.07**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004	AVG WEEKLY HOURS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004	AVG HOURLY EARNINGS SEP 2004	SEP 2003	CHG Y/Y	AUG 2004
Bridgeport	$817.18	$773.71	$43.47	$835.45	40.9	39.8	1.1	41.4	$19.98	$19.44	$0.54	$20.18
Danbury	713.91	665.23	48.68	679.76	41.1	38.1	3.0	40.9	17.37	17.46	-0.09	16.62
Danielson*												
Hartford	861.80	825.17	36.63	879.50	42.6	43.0	-0.4	43.8	20.23	19.19	1.04	20.08
Lower River*												
New Haven	624.18	662.50	-38.32	640.04	41.2	41.2	0.0	41.4	15.15	16.08	-0.93	15.46
New London	787.03	763.14	23.89	760.10	42.2	42.0	0.2	41.4	18.65	18.17	0.48	18.36
Stamford*												
Torrington*												
Waterbury	754.24	694.52	59.72	787.25	38.6	38.8	-0.2	39.7	19.54	17.90	1.64	19.83

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

NEW HOUSING PERMITS

LMA

	SEP 2004	SEP 2003	CHANGE Y/Y UNITS	CHANGE Y/Y %	YTD 2004	YTD 2003	CHANGE YTD UNITS	CHANGE YTD %	AUG 2004
Connecticut	1,121	893	228	25.5	8,797	7,269	1,528	21.0	1,099
LMAs:									
Bridgeport	70	59	11	18.6	933	605	328	54.2	106
Danbury	76	83	-7	-8.4	754	546	208	38.1	69
Danielson	36	32	4	12.5	369	274	95	34.7	51
Hartford	450	393	57	14.5	3,252	3,148	104	3.3	377
Lower River	6	8	-2	-25.0	71	76	-5	-6.6	8
New Haven	213	101	112	110.9	889	664	225	33.9	131
New London	117	89	28	31.5	1,013	729	284	39.0	105
Stamford	73	48	25	52.1	830	540	290	53.7	142
Torrington	29	22	7	31.8	245	225	20	8.9	38
Waterbury	51	58	-7	-12.1	441	462	-21	-4.5	72

Additional data by town are on page 22.

Town

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2004

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT	**225,818**	**214,724**	**11,094**	**4.9**
Ansonia	9,007	8,453	554	6.2
Beacon Falls	2,967	2,841	126	4.2
BRIDGEPORT	**61,833**	**57,273**	**4,560**	**7.4**
Derby	6,567	6,204	363	5.5
Easton	3,561	3,468	93	2.6
Fairfield	28,138	27,274	864	3.1
Milford	27,722	26,555	1,167	4.2
Monroe	10,105	9,855	250	2.5
Oxford	5,412	5,241	171	3.2
Seymour	8,214	7,864	350	4.3
Shelton	20,240	19,413	827	4.1
Stratford	24,973	23,756	1,217	4.9
Trumbull	17,080	16,528	552	3.2
DANBURY	**117,657**	**114,494**	**3,163**	**2.7**
Bethel	9,779	9,488	291	3.0
Bridgewater	984	966	18	1.8
Brookfield	8,628	8,397	231	2.7
DANBURY	**40,546**	**39,409**	**1,137**	**2.8**
New Fairfield	7,208	6,999	209	2.9
New Milford	14,921	14,456	465	3.1
Newtown	13,017	12,699	318	2.4
Redding	4,510	4,420	90	2.0
Ridgefield	12,940	12,665	275	2.1
Roxbury	1,142	1,115	27	2.4
Sherman	2,139	2,102	37	1.7
Washington	1,844	1,779	65	3.5
DANIELSON	**36,950**	**35,406**	**1,544**	**4.2**
Brooklyn	4,132	4,000	132	3.2
Eastford	978	958	20	2.0
Hampton	1,260	1,219	41	3.3
KILLINGLY	**9,549**	**9,004**	**545**	**5.7**
Pomfret	2,411	2,344	67	2.8
Putnam	4,717	4,499	218	4.6
Scotland	962	946	16	1.7
Sterling	1,804	1,734	70	3.9
Thompson	4,760	4,539	221	4.6
Union	445	436	9	2.0
Voluntown	1,545	1,476	69	4.5
Woodstock	4,386	4,251	135	3.1
HARTFORD	**597,407**	**569,958**	**27,449**	**4.6**
Andover	1,664	1,617	47	2.8
Ashford	2,178	2,117	61	2.8
Avon	8,130	7,918	212	2.6
Barkhamsted	2,015	1,932	83	4.1
Berlin	9,539	9,178	361	3.8
Bloomfield	10,041	9,498	543	5.4
Bolton	2,793	2,734	59	2.1
Bristol	31,140	29,603	1,537	4.9

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Burlington	4,555	4,423	132	2.9
Canton	4,930	4,741	189	3.8
Chaplin	1,191	1,130	61	5.1
Colchester	7,427	7,144	283	3.8
Columbia	2,710	2,610	100	3.7
Coventry	6,319	6,087	232	3.7
Cromwell	6,885	6,635	250	3.6
Durham	3,527	3,427	100	2.8
East Granby	2,588	2,510	78	3.0
East Haddam	4,433	4,305	128	2.9
East Hampton	7,285	7,071	214	2.9
East Hartford	25,690	24,248	1,442	5.6
East Windsor	5,382	5,140	242	4.5
Ellington	7,572	7,293	279	3.7
Enfield	22,962	21,997	965	4.2
Farmington	12,136	11,781	355	2.9
Glastonbury	16,706	16,298	408	2.4
Granby	5,592	5,439	153	2.7
Haddam	4,035	3,945	90	2.2
HARTFORD	**50,059**	**45,394**	**4,665**	**9.3**
Harwinton	2,823	2,720	103	3.6
Hebron	4,566	4,421	145	3.2
Lebanon	3,601	3,466	135	3.7
Manchester	28,523	27,228	1,295	4.5
Mansfield	9,723	9,505	218	2.2
Marlborough	3,039	2,930	109	3.6
Middlefield	2,231	2,154	77	3.5
Middletown	23,117	22,121	996	4.3
New Britain	33,656	31,149	2,507	7.4
New Hartford	3,487	3,324	163	4.7
Newington	15,425	14,856	569	3.7
Plainville	9,244	8,786	458	5.0
Plymouth	6,080	5,784	296	4.9
Portland	4,593	4,394	199	4.3
Rocky Hill	10,055	9,730	325	3.2
Simsbury	11,833	11,553	280	2.4
Somers	4,303	4,198	105	2.4
Southington	21,282	20,409	873	4.1
South Windsor	13,840	13,428	412	3.0
Stafford	5,562	5,306	256	4.6
Suffield	6,828	6,587	241	3.5
Tolland	7,533	7,338	195	2.6
Vernon	15,572	14,864	708	4.5
West Hartford	28,351	27,351	1,000	3.5
Wethersfield	12,208	11,763	445	3.6
Willington	3,378	3,277	101	3.0
Winchester	5,545	5,186	359	6.5
Windham	10,472	9,831	641	6.1
Windsor	14,500	13,809	691	4.8
Windsor Locks	6,555	6,277	278	4.2

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

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2004

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
LOWER RIVER	**13,771**	**13,446**	**325**	**2.4**
Chester	2,207	2,161	46	2.1
Deep River	2,797	2,727	70	2.5
Essex	3,753	3,670	83	2.2
Lyme	1,203	1,183	20	1.7
Westbrook	3,811	3,706	105	2.8
NEW HAVEN	**283,418**	**271,287**	**12,131**	**4.3**
Bethany	2,938	2,865	73	2.5
Branford	16,576	15,997	579	3.5
Cheshire	14,494	14,089	405	2.8
Clinton	7,355	7,126	229	3.1
East Haven	15,388	14,640	748	4.9
Guilford	12,058	11,750	308	2.6
Hamden	30,885	29,780	1,105	3.6
Killingworth	3,252	3,172	80	2.5
Madison	9,209	8,959	250	2.7
MERIDEN	**30,412**	**28,861**	**1,551**	**5.1**
NEW HAVEN	**57,089**	**53,379**	**3,710**	**6.5**
North Branford	7,991	7,718	273	3.4
North Haven	12,674	12,279	395	3.1
Orange	6,832	6,679	153	2.2
Wallingford	23,590	22,840	750	3.2
West Haven	28,234	26,846	1,388	4.9
Woodbridge	4,444	4,308	136	3.1
***NEW LONDON**	**151,760**	**146,120**	**5,640**	**3.7**
Bozrah	1,596	1,551	45	2.8
Canterbury	2,977	2,850	127	4.3
East Lyme	11,026	10,749	277	2.5
Franklin	1,233	1,194	39	3.2
Griswold	6,338	6,042	296	4.7
Groton	18,105	17,365	740	4.1
Ledyard	8,684	8,442	242	2.8
Lisbon	2,532	2,452	80	3.2
Montville	12,037	11,650	387	3.2
NEW LONDON	**13,874**	**13,108**	**766**	**5.5**
No. Stonington	3,137	3,061	76	2.4
NORWICH	**20,428**	**19,378**	**1,050**	**5.1**
Old Lyme	4,582	4,477	105	2.3
Old Saybrook	6,492	6,343	149	2.3
Plainfield	8,689	8,242	447	5.1
Preston	2,787	2,704	83	3.0
Salem	2,459	2,396	63	2.6
Sprague	1,802	1,715	87	4.8
Stonington	11,230	10,992	238	2.1
Waterford	11,750	11,408	342	2.9

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

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW LONDON	**170,275**	**164,015**	**6,260**	**3.7**
Hopkinton, RI	4,787	4,610	177	3.7
Westerly, RI	13,728	13,285	443	3.2

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
STAMFORD	**191,600**	**186,690**	**4,910**	**2.6**
Darien	9,648	9,479	169	1.8
Greenwich	30,687	30,109	578	1.9
New Canaan	9,447	9,314	133	1.4
NORWALK	**48,101**	**46,573**	**1,528**	**3.2**
STAMFORD	**65,558**	**63,632**	**1,926**	**2.9**
Weston	5,123	5,008	115	2.2
Westport	14,159	13,852	307	2.2
Wilton	8,879	8,724	155	1.7
TORRINGTON	**40,859**	**39,421**	**1,438**	**3.5**
Canaan**	759	739	20	2.6
Colebrook	862	850	12	1.4
Cornwall	831	819	12	1.4
Goshen	1,600	1,545	55	3.4
Hartland	1,072	1,048	24	2.2
Kent**	2,051	2,020	31	1.5
Litchfield	4,349	4,214	135	3.1
Morris	1,299	1,255	44	3.4
Norfolk	926	887	39	4.2
North Canaan**	2,270	2,224	46	2.0
Salisbury**	2,463	2,438	25	1.0
Sharon**	2,136	2,127	9	0.4
TORRINGTON	**19,569**	**18,595**	**974**	**5.0**
Warren	670	660	10	1.5
WATERBURY	**116,794**	**110,265**	**6,529**	**5.6**
Bethlehem	1,975	1,930	45	2.3
Middlebury	3,512	3,393	119	3.4
Naugatuck	16,714	15,800	914	5.5
Prospect	4,907	4,685	222	4.5
Southbury	7,494	7,210	284	3.8
Thomaston	4,188	3,974	214	5.1
WATERBURY	**52,216**	**48,539**	**3,677**	**7.0**
Watertown	11,907	11,418	489	4.1
Wolcott	8,594	8,197	397	4.6
Woodbury	5,288	5,119	169	3.2

Not Seasonally Adjusted:				
CONNECTICUT	1,776,000	1,701,800	74,200	4.2
UNITED STATES	147,186,000	139,641,000	7,545,000	5.1
Seasonally Adjusted:				
CONNECTICUT	1,791,000	1,706,900	84,100	4.7
UNITED STATES	147,483,000	139,480	8,003,000	5.4

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

LABOR FORCE CONCEPTS (Continued)

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

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

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

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	SEP 2004	YR TO DATE 2004	YR TO DATE 2003	TOWN	SEP 2004	YR TO DATE 2004	YR TO DATE 2003	TOWN	SEP 2004	YR TO DATE 2004	YR TO DATE 2003
Andover	2	18	7	Griswold	13	60	40	Preston	2	17	16
Ansonia	2	10	16	Groton	7	252	136	Prospect	1	28	15
Ashford	1	23	23	Guilford	3	61	65	Putnam	5	39	11
Avon	10	76	121	Haddam	9	49	37	Redding	4	14	25
Barkhamsted	0	12	11	Hamden	2	32	43	Ridgefield	0	33	33
Beacon Falls	2	21	8	Hampton	2	22	16	Rocky Hill	8	74	57
Berlin	7	63	74	Hartford	34	108	151	Roxbury	1	9	10
Bethany	3	28	26	Hartland	1	9	5	Salem	3	25	16
Bethel	2	24	67	Harwinton	2	25	18	Salisbury	0	9	11
Bethlehem	2	6	7	Hebron	3	27	29	Scotland	1	12	7
Bloomfield	7	101	291	Kent	1	12	10	Seymour	2	33	36
Bolton	4	12	7	Killingly	11	71	64	Sharon	1	16	8
Bozrah	1	11	9	Killingworth	1	20	23	Shelton	1	99	66
Branford	3	36	28	Lebanon	7	70	25	Sherman	0	19	16
Bridgeport	4	61	71	Ledyard	5	57	62	Simsbury	67	82	17
Bridgewater	0	7	4	Lisbon	2	15	13	Somers	4	33	33
Bristol	11	92	99	Litchfield	4	25	19	South Windsor	18	87	157
Brookfield	2	64	60	Lyme	1	5	8	Southbury	4	75	92
Brooklyn	1	36	25	Madison	5	36	34	Southington	10	130	156
Burlington	6	39	53	Manchester	15	128	69	Sprague	1	8	7
Canaan	1	1	3	Mansfield	4	35	35	Stafford	5	60	36
Canterbury	1	15	29	Marlborough	4	33	37	Stamford	17	160	64
Canton	11	117	72	Meriden	52	120	74	Sterling	0	32	33
Chaplin	2	18	13	Middlebury	7	47	22	Stonington	8	71	55
Cheshire	14	44	25	Middlefield	0	7	14	Stratford	1	38	49
Chester	1	9	8	Middletown	20	171	141	Suffield	9	48	62
Clinton	18	41	38	Milford	4	244	59	Thomaston	5	30	14
Colchester	7	60	73	Monroe	3	20	23	Thompson	7	35	26
Colebrook	0	6	3	Montville	4	56	66	Tolland	10	67	71
Columbia	3	24	27	Morris	0	7	3	Torrington	13	84	97
Cornwall	0	10	9	Naugatuck	6	62	42	Trumbull	3	56	94
Coventry	6	38	39	New Britain	6	27	29	Union	0	2	2
Cromwell	7	45	52	New Canaan	2	44	43	Vernon	17	146	130
Danbury	35	338	88	New Fairfield	0	34	19	Voluntown	0	9	12
Darien	24	125	110	New Hartford	7	37	33	Wallingford	14	157	75
Deep River	1	11	6	New Haven	79	127	66	Warren	2	12	11
Derby	2	13	11	New London	5	31	4	Washington	0	6	5
Durham	3	35	35	New Milford	10	93	101	Waterbury	2	56	129
East Granby	0	13	25	Newington	4	35	21	Waterford	2	27	41
East Haddam	2	42	43	Newtown	22	113	118	Watertown	10	50	33
East Hampton	15	124	107	Norfolk	0	3	5	West Hartford	3	35	34
East Hartford	1	10	6	North Branford	3	43	22	West Haven	2	18	19
East Haven	7	34	32	North Canaan	1	9	7	Westbrook	3	31	30
East Lyme	9	73	50	North Haven	6	60	44	Weston	1	10	9
East Windsor	4	59	27	North Stonington	5	23	18	Westport	12	96	92
Eastford	2	19	9	Norwalk	4	236	95	Wethersfield	0	5	17
Easton	0	7	5	Norwich	24	164	78	Willington	1	21	18
Ellington	9	50	91	Old Lyme	3	26	23	Wilton	2	31	20
Enfield	9	47	35	Old Saybrook	17	38	21	Winchester	1	28	13
Essex	0	15	24	Orange	1	23	34	Windham	1	14	13
Fairfield	11	149	59	Oxford	35	182	108	Windsor	3	62	52
Farmington	5	105	85	Plainfield	4	39	36	Windsor Locks	7	45	43
Franklin	1	5	9	Plainville	3	23	38	Wolcott	7	53	66
Glastonbury	12	89	45	Plymouth	4	43	22	Woodbridge	0	9	16
Goshen	5	42	34	Pomfret	4	23	28	Woodbury	7	34	42
Granby	6	54	44	Portland	14	131	35	Woodstock	3	69	41
Greenwich	11	128	107								

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ECONOMIC INDICATORS AT A GLANCE

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

Leading Employment Index	**+2.1**
Coincident Employment Index	**+1.5**
Leading General Drift Indicator	**+1.4**
Coincident General Drift Indicator	**+0.3**
Banknorth Business Barometer	**+1.6**
Total Nonfarm Employment	**+0.3**
Unemployment	**-0.8**
Labor Force	-0.5
Employed	+0.3
Unemployed	-15.4
Average Weekly Initial Claims	**-14.6**
Help Wanted Index -- Hartford	**+12.5**
Average Ins. Unempl. Rate	**-1.03***
Average Weekly Hours, Mfg	**-1.0**
Average Hourly Earnings, Mfg	**+4.0**
Average Weekly Earnings, Mfg	**+3.0**
CT Mfg. Production Index	**-4.6**
Production Worker Hours	-2.0
Industrial Electricity Sales	-8.8
Personal Income	**+4.0**
UI Covered Wages	**+0.2**

Business Activity	
New Housing Permits	+25.5
Electricity Sales	+7.5
Retail Sales	-0.6
Construction Contracts Index	-8.8
New Auto Registrations	-20.3
Air Cargo Tons	+10.8
Exports	+3.3
Business Starts	
Secretary of the State	-2.3
Dept. of Labor	-1.3
Business Terminations	
Secretary of the State	-25.1
Dept. of Labor	-30.9
State Revenues	**NA**
Corporate Tax	NA
Personal Income Tax	NA
Real Estate Conveyance Tax	NA
Sales & Use Tax	NA
Indian Gaming Payments	+12.0

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

Tourism and Travel	
Info Center Visitors	-3.1
Attraction Visitors	+9.2
Air Passenger Count	+11.5
Indian Gaming Slots	+10.4
Travel and Tourism Index	-1.0
Employment Cost Index (U.S.)	
Total	+3.7
Wages & Salaries	+2.6
Benefit Costs	+6.8
Consumer Prices	
Connecticut	NA
U.S. City Average	+2.5
Northeast Region	+3.2
NY-NJ-Long Island	+3.2
Boston-Brockton-Nashua	+1.5
Consumer Confidence	
Connecticut	+32.1
New England	+5.3
U.S.	+25.7
Interest Rates	
Prime	+0.58*
Conventional Mortgage	-0.39*

THE CONNECTICUT
ECONOMIC DIGEST

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

Mailing address:

Connecticut Economic Digest
Connecticut Department of Labor
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114

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

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