THE CONNECTICUT
ECONOMIC DIGEST

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NOVEMBER 2005

IN THIS ISSUE...

In September...

Nonfarm Employment
Connecticut 1,670,100
Change over month ..... -0.1%
Change over year 1.1%

United States 134,041,000
Change over month ..... -0.03%
Change over year 1.6%

Unemployment Rate
Connecticut 5.2%
United States 5.1%

Consumer Price Index
United States 198.8
Change over year 4.7%

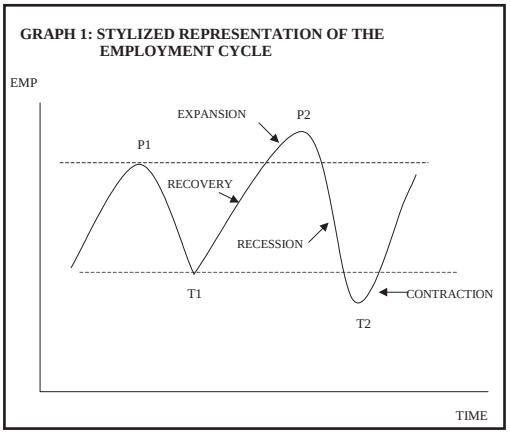
JOBS AND CYCLES: Historical Patterns in Connecticut's Employment Behavior

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

In keeping with its historical pattern, Connecticut lagged the U.S. in the current jobs recovery. And, as after the 1990-91 recession, job growth has been slow. Connecticut's current recovery has been underway for 23 months. More than 33,000 net, new jobs have been added between September 2003 and August 2005 (the latest data at the time of writing). That represents a 2.01% growth, or a 1.05% compounded, annualized growth-rate. Once again, however, Connecticut lags behind the U.S. Since the U.S. jobs recovery began 27 months ago, U.S. employment has grown by 3.21%, which represents a compounded, annualized rate of 1.42%. Once again, Connecticut led the U.S. in the employment downturn after the bubble burst in 2000, lagged the U.S. in the recent jobs recovery, and has had weaker job growth.

The aim here is not to rehash what has already been written, said, or thought about this problem. Two earlier articles in this publication briefly summarized the history of Connecticut's employment cycle. What follows is based on new research and newly available data that has shed some new light on Connecticut's jobs conundrum. In addition, this analysis also compares the Connecticut and U.S. employment cycles. Newly available data reveals the churning below the surface that exposes the, heretofore, unobserved job flows that produce the net outcomes observed as employment cycles. First, some issues not addressed in this paper should be mentioned before proceeding.

GRAPH 1: STYLIZED REPRESENTATION OF THE EMPLOYMENT CYCLE



The most obvious difference between Connecticut's job growth and the Nation's lies, of course, in regional differences. Since World War II, the population of the South and Southwest has been growing rapidly, while the North and Northeast have been growing slowly, at best. For '*boom towns*' or boom regions and states, trend forces dominate, thus cyclical forces may be minimally felt (although, they are by no means immune from the effects of a severe national recession). The focus here is on the diverging dynamics between the Connecticut and National economic bases. Save the discussion on job flows, which uses quarterly employment data from unemployment insurance program

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reports, the employment series used in this analysis is the monthly nonfarm employment survey series. Finally, this article is a summary of a longer study that will soon be available on the CTDOL website.

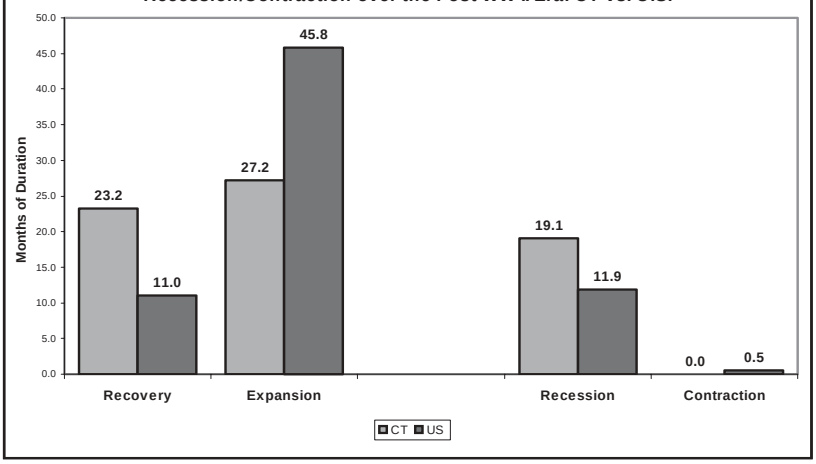
Some Preliminaries. Graph 1 depicts a stylized representation of the employment cycle. The components identified will be referred to throughout this analysis[1]. There are two ways to measure a complete cycle: peak-to-peak, or trough-to-trough. Since the current recovery has not peaked, the trough-to-trough measurement of the complete cycles was used for the following analysis. Finally, three major, distinct periods emerge over the 1945-2003 era. The first, the Post World War II-Cold War Period, began with the end of World War II and lasted until the *de facto* collapse of the Bretton Woods System in 1971. The Post Bretton Woods-Cold War Period ends with the fall of the Berlin Wall in 1989. The current, Post Cold War Period is dated from the fall of the Berlin Wall in 1989 to 2003. This partitioning will be used to provide the context for what follows.

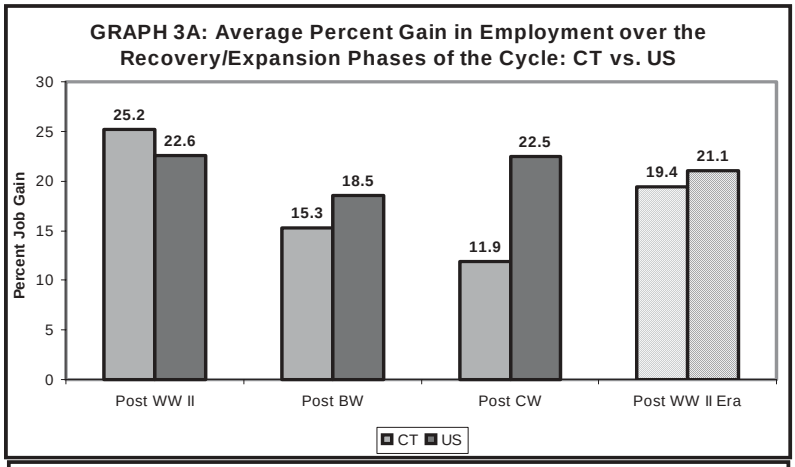
The Typical Cycle. Graph 2 summarizes the 'typical' durations for the various phases of the average employment cycle for Connecticut and the U.S. over the Post World War II era (1945-2003). The average recovery phase for Connecticut was 23.2 months, twice as long as the 11.0 months the U.S. economy spent recovering jobs lost in the recessions. In addition, in the 'typical' cycle since World War II, the U.S. economy had 45.8 months of expansion (i.e., adding net, new employment), compared to only 27.2 months for Connecticut. Connecticut's average recession was 19.1 months in duration, compared to 11.9 for the U.S. Interestingly, while the U.S. typically experienced one-half month of contraction, Connecticut experienced *no* contraction phase over its employment cycles.

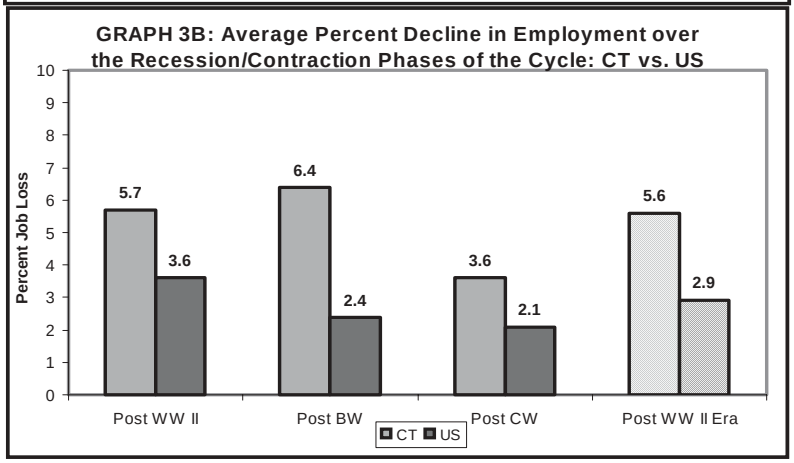
Two Steps Forward, Two Steps Backward. For the entire 58-year span, Connecticut averaged 2.6 months in the recovery/expansion phases for every month spent in the recession/contraction phases, compared to 4.6 months for the U.S. However, though Connecticut has consistently had shorter expansions than the U.S., it did not always lag in job creation. Graph 3-A shows that in the Post World War II-Cold War Period (October 1945 to August 1971), Connecticut, on average, added 25.2% to its job base over the recovery and expansion phases, compared to 22.6% for the U.S. This period included the Korean War and the Vietnam War, both stimulants to Connecticut's defense-based economy.

The 1970's brought the collapse of the Bretton Woods System, oil embargos, cost-push inflation, worldwide recession, and challenges to U.S. competitiveness. Consequently, both the U.S. and Connecticut economies faltered. However, Connecticut's job creation ability suffered a bigger setback than the U.S. Consequently, long-term job growth declined more for Connecticut than it did for the U.S. This relative decline in

GRAPH 2: Average or 'Typical' Recovery/Expansion and Recession/Contraction over the Post WW II Era: CT vs. U.S.







Connecticut's job creation during recovery/expansions resulted in a lower rate of job creation during the average recovery/expansion for the entire Post World War II Era. Connecticut's average job-gain for a 'typical' recovery/expansion phases was 19.4%, compared to 21.1% for the U.S. (see Graph 3-A).

However, critical for the State's job-creation performance has been the tendency for Connecticut's economy to, in each recession, take back more of the jobs gained in the previous recovery/expansion phases than the U.S. This is apparent in Graph 3-B. Though Connecticut's recovery/expansion phases were stronger than those for the U.S. in the Post World War II-Cold War period (1945-1971), its employment recessions were steeper. Over this period, on average, Connecticut's employment base would contract by 5.7% during a recession, compared to only 3.6% for the U.S. From 1971 through the new century, covering the Post Bretton Woods and Post Cold War periods, the development of two mutually reinforcing trends in Connecticut's employment cycle significantly impacted the State's ability to create net, new job growth. Steeper contractions in Connecticut's employment in each downturn, compared to the U.S., exacerbated over the Post Bretton Woods period, and then abated somewhat over the Post Cold War period, but downturns still remained steeper than U.S. employment contractions. The result was that for the entire Post World War II Era, in the average employment downturn, Connecticut shed 5.6% of its jobs, compared to 2.9% for the U.S. (see Graph 3-B). In addition, Connecticut's recovery and expansion phases became progressively weaker than those of the U.S. (see Graph 3-A).

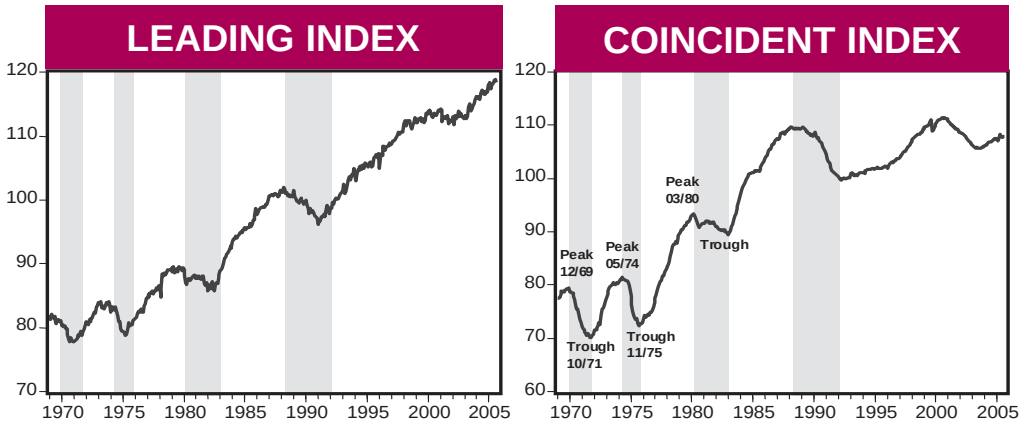
Divergent Paths. At first glance, it would appear that Connecticut has surpassed the U.S. in transforming into the so-called 'Service Economy'. Based on annual data since 1994, Connecticut's share of service-providing employment surpassed that of the U.S. However, different dynamics can produce the same, observed outcome. And, paradoxically, Connecticut's employment growth displays much more volatility than does the U.S., despite its larger share of service employment. The divergence in their behavior has increased progressively throughout the Post World War II Era, even after Connecticut's share of service-providing employment surpassed that of the U.S. The flip side of the smaller service-providing sector for the U.S. is a larger share of goods-producing employment.

However, a larger share of U.S. goods-producing employment is in construction and mining. Consequently, Connecticut's share of manufacturing employment remains much higher than that for the U.S., even after the hemorrhaging of manufacturing jobs in Connecticut, following the end of the Cold War. In 1990, 83% of Connecticut's goods-producing employment was in manufacturing, compared to 75% for the U.S. By 2004, Connecticut still had three-quarters of its goods-producing employment in manufacturing, compared to two-thirds for the U.S. Further, Connecticut's share of durable goods manufacturing employment has been consistently higher over the 14-year period. In 2004, 9.0% of Connecticut's total nonfarm employment was in the durable goods sector of manufacturing employment, compared to 6.8% for the U.S. That is significant because the variance in the monthly growth rate in durable goods employment is twice that of non-durable goods and *seven* times that of total nonfarm employment, which contributes considerably to the volatility in Connecticut's employment cycle. Further, Connecticut's service-providing employment contracted by 0.3% between 2000 and 2004 (on an annual basis), while it expanded by 2.3% in the U.S. economy.

Tug-of-War. A new piece to the puzzle comes from newly available job flow data, which provide a glimpse into the churning below the surface of the private segment of the State's economy. Since job creation and destruction data for Connecticut only goes back to 1992[2], what follows is restricted to exploring the job creation and job

--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.

Slow But Steady Progress in August 2005

The long anticipated pickup in inflation appeared in the latest report on both the Consumer Price Index (CPI) and the Producer Price Index (PPI). The CPI jumped by 1.2% in September, the largest monthly change in twenty-five years, while the PPI surged by 1.9% in September, the largest monthly increase in fifteen years. The core inflation rate (CPI excluding the food and energy components), rose only 0.1% in September, however. On the other hand, initial reports indicate that the damage done by Hurricane Katrina was less than expected. It is too early to tell whether the recent inflation picture represents the beginning of a trend as energy prices have been moderating recently. But, it is an almost forgone conclusion that the FOMC will raise the Federal Funds rate by another 25 basis points at its next meeting on November 1. President Bush nominated Ben Bernanke to replace Alan Greenspan, whose term will end January 31, 2006, as the next Chairman of the Federal Reserve System. Ben Bernanke, an economics professor at Princeton University, is currently the Chairman of the president's Council of Economic Advisers and is widely considered to be an inflation hawk. While I expect Ben Bernanke to win confirmation, it will be interesting to hear him present his view on the economy and monetary policy during his confirmation hearing. I will have more to say about the many challenges that a new chairman of the Federal Reserve will face in the coming months.

Turning now to closer to home, in August, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 107.49 in August 2004 to 107.93 in August 2005. Three components of this index are positive contributors, with a lower insured unemployment rate, higher total non-farm employment, and higher total employment. A higher total unemployment rate is the sole negative contributor. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index rose from 107.87 in July 2005 to 107.93 in August 2005. The same three components that contributed positively to this index on a year-to-year basis also contributed positively on a month-to-month basis. Total unemployment rate is again the sole negative contributor. I do not like what I am seeing in the total unemployment rate. It jumped from 5.1% in July to 5.4% in August. Moreover, it has been trending up consistently since December 2004. The Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank also shows an increase from 147.61 in August 2004 to 152.72 in August 2005, and an increase from 152.39 in July to 152.72 in August.

The revised CCEA-ECRI Connecticut leading employment index provided us with mixed news. It rose from 116.52 in August 2004 to 118.38 in August 2005. A lower Moody's Baa corporate bond yield, a lower short duration (less than 15 weeks) unemployment rate, and higher average weekly hours worked in manufacturing and construction are positive contributors to this index. A decrease in total housing permits, higher initial claims for unemployment insurance, and a lower Hartford help-wanted advertising index are the three negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 118.82 in July to 118.38 in August 2005. An increase in total housing permits is the only positive contributor, while the remaining five components are negative contributors.

I am glad to see that the anemic job growth in Connecticut is beginning to receive attention both in the popular press and in the Governor's office. I hope that the timing of this has nothing to do with the political election next year, but has everything to do with a renewed focus on job growth in Connecticut.

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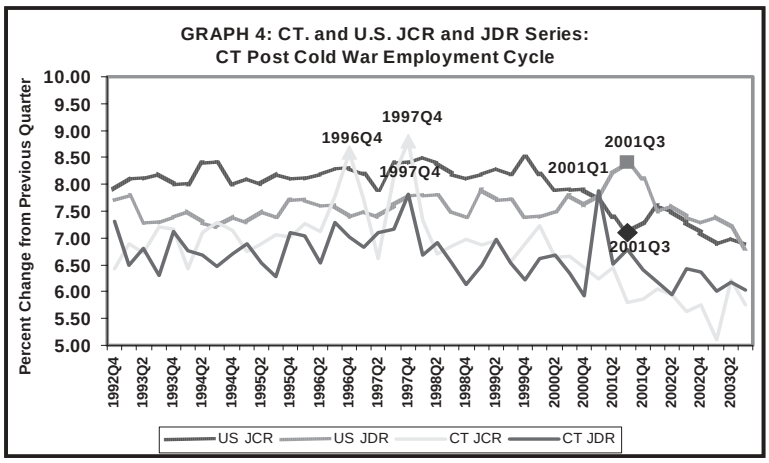
--Continued from page 3--

destruction data over Connecticut's post-Cold War employment cycle.

In graph 4, job creation and destruction behavior for U.S. and Connecticut are clearly quite different. These differences in the *Job Creation Rate* (JCR) and *Job Destruction Rate* (JDR)[3] over the post Cold War employment cycle for Connecticut and the U.S. indicate different underlying dynamics for the two economies. There are two spikes in the Connecticut JCR, at1996:Q4 and 1997:Q4[4], as well as a sudden drop in job creation in 2003:Q1 (not shown). For the Connecticut JDR, there are two spikes: 1997:Q4 and 2001:Q1. The spikes in the U.S. JCR (down) and JDR (up) during the 2001 recession are what would be expected, but the 1996:Q4 and 1997:Q4 spikes in the Connecticut JCR do not appear in the U.S. JCR.

Also, unlike the U.S., the Connecticut JCR and JDR track each other very closely. Thus, the slightest disturbance can upset the balance between the JCR and JDR and send the Net Employment Growth (NEG) rate into negative territory. The U.S. economy has more of a cushion. Save the jobless recovery at the initial period, and the recession and second jobless recovery toward the terminal period of the cycle, the JCR path is considerably higher than the JDR path for the U.S. The JCR for the U.S. averaged 7.95%, on a quarterly basis, and the JDR averaged 7.56%, for an average NEG of 0.38%. For Connecticut, the JCR averaged 6.80%, and the JDR averaged 6.66%, resulting in a 0.14% average NEG over the cycle. This result provides some new insight into the dynamics driving Connecticut's muted job growth performance, compared to the U.S.



The Next Step. Future research will track job creation and destruction down to the industry level to trace the specific sources of the more intense churning that characterizes the State's economy and contributes to the volatile nature of its employment cycles and the anemic job creation performance. Further, the causes of the anomalous spikes in the fourth quarters of 1996 and 1997 (phenomena not observed in the U.S. data) will be investigated, as they appear to play a significant role in Connecticut's job creation pattern over the post Cold War cycle. ■

[1]For a detailed explanation of the components of the cycle, see Kennedy, Daniel W., .*The Connecticut Business Cycle: A Short History (1939 - 2002)*, CONNECTICUT ECONOMIC DIGEST (June 2002).

[2] The U.S. data also go back to 1992, which means that the entire U.S. post-Cold War employment cycle cannot be compared, as its initial trough is in the second quarter of 1991. Therefore, the U.S. data must be compared over Connecticut's cycle definition, which could influence the results.

[3] It should be noted that *rate* has a special meaning here that departs from the conventional definition. This issue is addressed in Appendix A in the complete report.

[4] The implications of these spikes are discussed in the complete report.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2005	2Q 2004	CHANGE NO.	CHANGE %	1Q 2005
Employment Indexes (1992=100)*					
Leading	118.3	116.6	1.7	1.5	117.7
Coincident	108.0	107.0	1.0	0.9	107.4
General Drift Indicator (1986=100)*					
Leading	103.5	102.9	0.6	0.6	103.9
Coincident	103.2	101.9	1.3	1.3	103.1
Banknorth Business Barometer (1992=100)**	117.1	114.4	2.7	2.4	116.9

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

The Connecticut Economy's **General Drift Indicators** are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and four leading (housing permits, manufacturing average weekly hours, Hartford help-wanted advertising, and initial unemployment claims) economic variables, and are indexed so 1986 = 100.

The **Banknorth Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production.

STATE ECONOMIC INDICATORS

EMPLOYMENT BY INDUSTRY SECTOR

Total nonfarm employment increased over the year.

(Seasonally adjusted; 000s)	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM	1670.1	1,652.4	17.7	1.1	1,671.2
Construction	70.8	66.5	4.3	6.5	71.1
Manufacturing	196.7	197.0	-0.3	-0.2	196.8
Trade, Transportation and Utilities	315.7	308.9	6.8	2.2	317.2
Information	38.7	38.8	-0.1	-0.3	39.1
Financial Activities	141.4	140.7	0.7	0.5	141.2
Professional and Business Services	198.7	198.0	0.7	0.4	199.1
Leisure and Hospitality	131.2	128.9	2.3	1.8	131.1
Government*	241.9	241.6	0.3	0.1	244.5

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

UNEMPLOYMENT

Initial claims for unemployment insurance fell from a year ago.

(Seasonally adjusted)	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
Unemployment Rate, resident (%)	5.2	4.7	0.5	---	5.4
Labor Force, resident (000s)	1,822.2	1,795.5	26.7	1.5	1,813.7
Employed (000s)	1,727.1	1,710.8	16.3	1.0	1,716.4
Unemployed (000s)	95.1	84.7	10.4	12.3	97.4
Average Weekly Initial Claims	3,907	4,060	-153	-3.8	4,261
Help Wanted Index -- Htfd. (1987=100)	9	9	0	0.0	8
Avg. Insured Unemp. Rate (%)	2.40	2.60	-0.20	---	2.27

Sources: Connecticut Department of Labor; The Conference Board

MANUFACTURING ACTIVITY

The production worker weekly earnings rose over the year.

(Not seasonally adjusted)	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005	JUL 2005
Average Weekly Hours	42.0	41.5	0.5	1.2	41.8	--
Average Hourly Earnings	19.21	18.69	0.52	2.8	18.92	--
Average Weekly Earnings	806.82	775.64	31.18	4.0	790.86	--
CT Mfg. Production Index (1986=100)*	116.6	113.1	3.5	3.1	116.1	121.5
Production Worker Hours (000s)	4,964	4,915	49	1.0	4,932	--
Industrial Electricity Sales (mil kWh)**	425	419	5.7	1.4	461	458

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

INCOME

Personal income for first quarter 2006 is forecasted to increase 4.1 percent from a year earlier.

(Seasonally adjusted) (Annualized; $ Millions)	1Q* 2006	1Q 2005	CHANGE NO.	CHANGE %	4Q* 2005
Personal Income	$172,810	$166,079	$6,731	4.1	$171,669
UI Covered Wages	$87,116	$86,606	$510	0.6	$87,195

Source: Bureau of Economic Analysis: September 2005 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

New auto registrations increased from a year ago.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Electricity Sales (mil kWh)	JUL 2005	3,179	9.5	18,996	18,667	1.8
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	SEP 2005	323.1	-2.7	---	---	---
New Auto Registrations	SEP 2005	22,590	30.9	184,078	176,750	4.1
Air Cargo Tons	SEP 2005	13,943	3.4	118,056	113,848	3.7
Exports (Bil. $)	2Q 2005	2.35	8.3	4.66	4.33	7.6

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

BUSINESS STARTS AND TERMINATIONS

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

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	SEP 2005	2,400	9.7	22,980	22,098	4.0
Department of Labor*	1Q 2005	2,685	-6.5	2,685	2,873	-6.5
TERMINATIONS						
Secretary of the State	SEP 2005	619	21.1	6,265	6,320	-0.9
Department of Labor*	1Q 2005	1,149	-35.6	1,149	1,783	-35.6

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

STATE REVENUES

Gaming payments were down from a year ago.

(Millions of dollars)	SEP 2005	SEP 2004	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	1,071.9	935.5	81.6	NA	NA	NA
Corporate Tax	82.5	81.6	1.1	NA	NA	NA
Personal Income Tax	575.6	464.4	23.9	NA	NA	NA
Real Estate Conv. Tax	19.3	17.4	10.9	NA	NA	NA
Sales & Use Tax	260.0	250.3	3.9	NA	NA	NA
Indian Gaming Payments**	36.0	36.2	-0.6	319.2	311.1	2.6

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

TOURISM AND TRAVEL

Gaming slots fell over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	SEP 2005	50,013	-16.9	300,119	340,859	-12.0
Major Attraction Visitors	SEP 2005	106,371	-9.7	1,390,111	1,502,169	-7.5
Air Passenger Count	SEP 2005	559,680	15.2	5,550,612	4,968,413	11.7
Indian Gaming Slots (Mil.$)*	SEP 2005	1,686	-3.3	14,927	15,306	-2.5
Travel and Tourism Index**	2Q 2005	---	5.9	---	---	---

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

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

EMPLOYMENT COST INDEX

	Seasonally Adjusted			Not Seasonally Adjusted		
Private Industry Workers	**SEP**	**JUN**	**3-Mo**	**SEP**	**SEP**	**12-Mo**
(June 1989=100)	**2005**	**2005**	**% Chg**	**2005**	**2004**	**% Chg**
UNITED STATES TOTAL	179.8	178.4	0.8	179.6	174.4	3.0
Wages and Salaries	169.4	168.4	0.6	169.5	165.9	2.2
Benefit Costs	206.2	203.6	1.3	206.4	196.9	4.8
NORTHEAST TOTAL	---	---	---	178.9	173.7	3.0
Wages and Salaries	---	---	---	168.5	164.9	2.2

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

U.S. inflation rate increased 4.7 percent over the year.

CONSUMER NEWS

			% CHANGE	
(Not seasonally adjusted)	**MO/QTR**	**LEVEL**	**Y/Y**	**P/P***
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	SEP 2005	198.8	4.7	1.2
Purchasing Power of $ (1982-84=$1.00)	SEP 2005	$0.503	-4.5	-1.2
Northeast Region	SEP 2005	210.8	4.8	1.0
NY-Northern NJ-Long Island	SEP 2005	215.8	4.8	0.8
Boston-Brockton-Nashua**	SEP 2005	220.1	4.9	1.3
CPI-W (1982-84=100)				
U.S. City Average	SEP 2005	195.0	5.2	1.5
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2005	87.2	-17.3	4.8
New England	SEP 2005	68.1	-11.7	-32.4
U.S.	SEP 2005	86.6	-10.4	-17.9

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

30-year conventional mortgage rate fell to 5.77 percent over the month.

INTEREST RATES

	SEP	AUG	SEP
(Percent)	**2005**	**2005**	**2004**
Prime	6.59	6.44	4.58
Federal Funds	3.62	3.50	1.61
3 Month Treasury Bill	3.42	3.52	1.65
6 Month Treasury Bill	3.67	3.78	1.87
1 Year Treasury Bill	3.85	3.87	2.12
3 Year Treasury Note	3.96	4.08	2.83
5 Year Treasury Note	4.01	4.12	3.36
7 Year Treasury Note	4.08	4.18	3.75
10 Year Treasury Note	4.20	4.26	4.13
20 Year Treasury Note	4.51	4.53	4.89
Conventional Mortgage	5.77	5.82	5.76

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
Connecticut	1,670.1	1,652.4	17.7	1.1	1,671.2
Maine	616.4	614.3	2.1	0.3	620.6
Massachusetts	3,209.1	3,180.4	28.7	0.9	3,209.8
New Hampshire	643.2	629.9	13.3	2.1	644.7
New Jersey	4,066.0	4,017.9	48.1	1.2	4,058.9
New York	8,552.2	8,466.5	85.7	1.0	8,535.5
Pennsylvania	5,720.9	5,646.6	74.3	1.3	5,712.6
Rhode Island	495.1	489.0	6.1	1.2	495.6
Vermont	309.5	304.1	5.4	1.8	308.8
United States	134,041.0	131,880.0	2,161.0	1.6	134,076.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
Connecticut	1,822.2	1,795.5	26.7	1.5	1,813.7
Maine	717.1	701.3	15.8	2.3	712.4
Massachusetts	3,381.6	3,389.2	-7.6	-0.2	3,365.3
New Hampshire	742.0	724.0	18.0	2.5	740.6
New Jersey	4,485.7	4,391.9	93.8	2.1	4,441.8
New York	9,493.5	9,368.6	124.9	1.3	9,361.6
Pennsylvania	6,340.6	6,300.4	40.2	0.6	6,290.3
Rhode Island	579.3	561.9	17.4	3.1	573.6
Vermont	355.7	353.5	2.2	0.6	352.4
United States	150,093.0	147,531.0	2,562.0	1.7	149,841.0

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

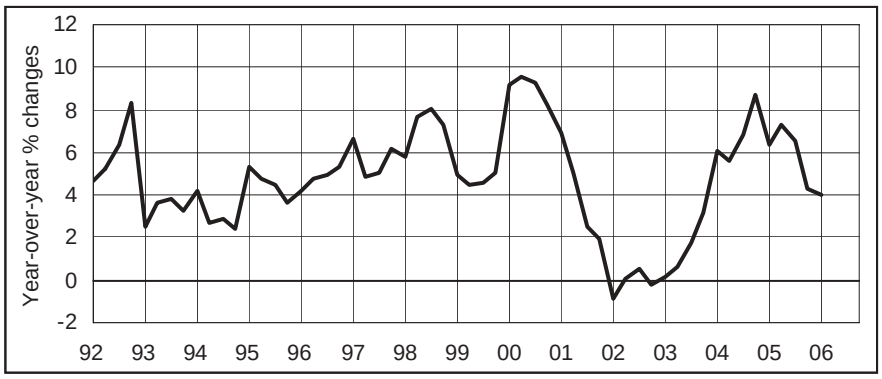
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	SEP 2005	SEP 2004	CHANGE	AUG 2005
Connecticut	5.2	4.7	0.5	5.4
Maine	5.3	4.7	0.6	5.0
Massachusetts	4.7	4.9	-0.2	4.2
New Hampshire	3.8	3.5	0.3	3.5
New Jersey	4.3	4.6	-0.3	4.2
New York	5.2	5.6	-0.4	4.7
Pennsylvania	4.8	5.6	-0.8	5.0
Rhode Island	5.6	5.0	0.6	5.1
Vermont	3.7	3.5	0.2	3.5
United States	5.1	5.4	-0.3	4.9

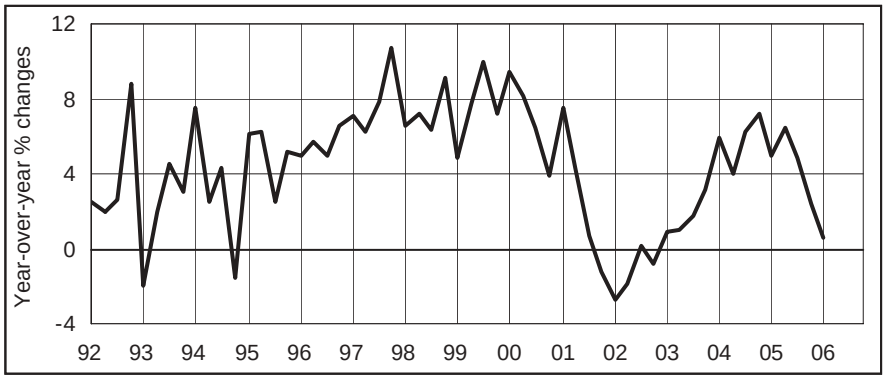
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



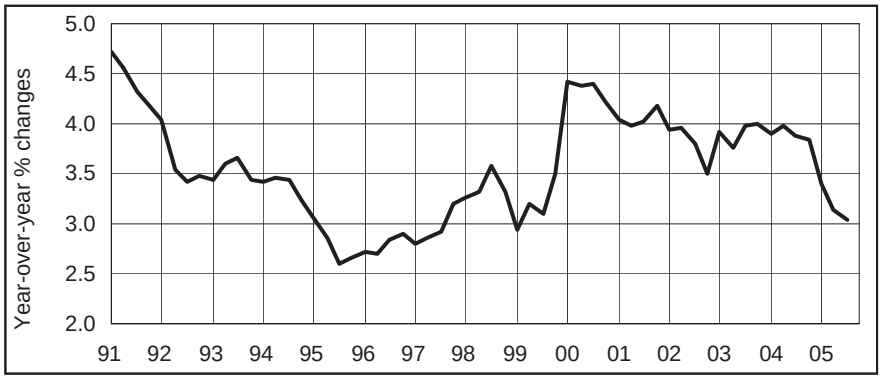
Quarter	2004	2005	2006
First	6.1	6.4	4.1
Second	5.6	7.3	
Third	6.8	6.6	
Fourth	8.7	4.3	

UI COVERED WAGES *(Seasonally adjusted)*



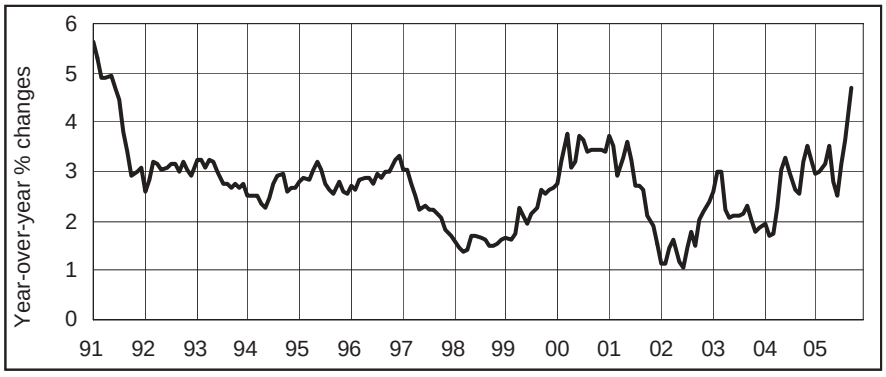
Quarter	2004	2005	2006
First	5.9	5.0	0.6
Second	4.0	6.4	
Third	6.2	4.9	
Fourth	7.2	2.4	

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



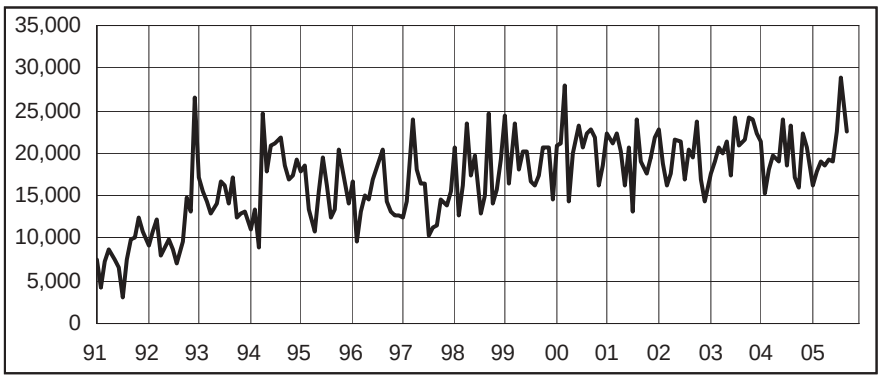
Quarter	2003	2004	2005
First	3.9	3.9	3.4
Second	3.8	4.0	3.1
Third	4.0	3.9	3.0
Fourth	4.0	3.8	

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



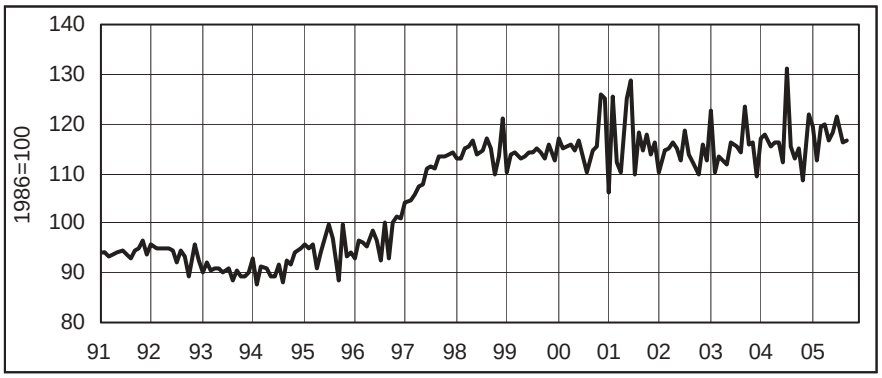
Month	2003	2004	2005
Jan	2.6	1.9	3.0
Feb	3.0	1.7	3.0
Mar	3.0	1.7	3.1
Apr	2.2	2.3	3.5
May	2.1	3.1	2.8
Jun	2.1	3.3	2.5
Jul	2.1	3.0	3.2
Aug	2.2	2.7	3.6
Sep	2.3	2.5	4.7
Oct	2.0	3.2	
Nov	1.8	3.5	
Dec	1.9	3.3	

NEW AUTO REGISTRATIONS PROCESSED *(Not seasonally adjusted)*



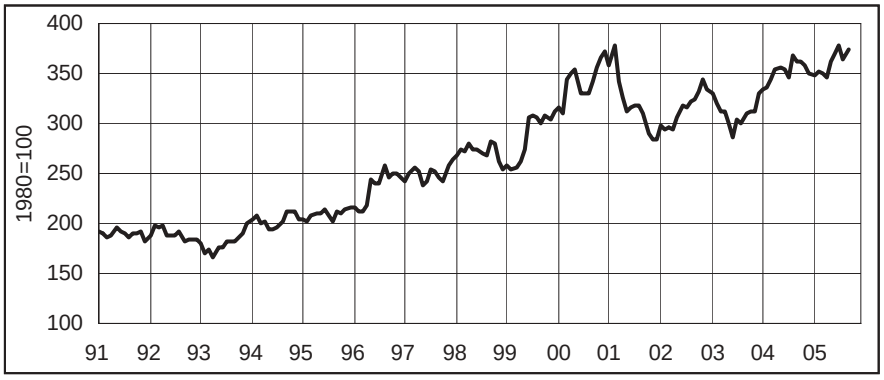
Month	2003	2004	2005
Jan	17,598	21,377	16,156
Feb	18,956	15,354	17,903
Mar	20,777	18,072	19,019
Apr	19,972	19,687	18,576
May	21,302	19,117	19,330
Jun	17,304	23,904	19,005
Jul	24,240	18,633	22,588
Aug	20,830	23,343	28,911
Sep	21,649	17,263	22,590
Oct	24,130	15,896	
Nov	23,988	22,202	
Dec	22,430	20,739	

CT MANUFACTURING PRODUCTION INDEX *(Seasonally adjusted)*



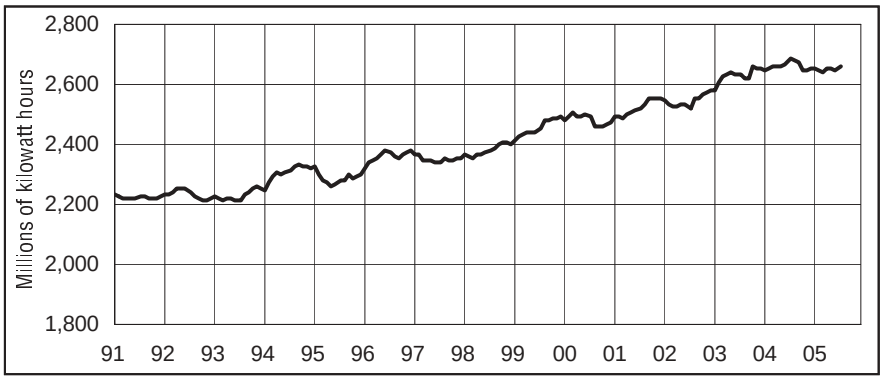
Month	2003	2004	2005
Jan	122.6	117.2	119.5
Feb	110.1	117.9	112.5
Mar	113.5	115.3	119.6
Apr	112.8	116.3	119.8
May	112.0	116.3	116.8
Jun	116.1	112.2	118.1
Jul	115.3	131.1	121.5
Aug	114.3	115.3	116.1
Sep	123.4	113.1	116.6
Oct	115.7	115.1	
Nov	116.2	108.7	
Dec	109.3	121.7	

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



Month	2003	2004	2005
Jan	330.6	333.6	347.3
Feb	320.3	335.3	353.0
Mar	312.6	345.0	349.9
Apr	311.9	354.9	346.5
May	299.9	356.1	361.4
Jun	286.0	353.2	369.1
Jul	303.8	345.6	377.1
Aug	299.2	367.1	364.1
Sep	309.6	362.9	373.1
Oct	312.7	361.7	
Nov	312.9	358.0	
Dec	329.3	350.2	

ELECTRICITY SALES *(12-month moving average)*



Month	2003	2004	2005
Jan	2,582	2,649	2,656
Feb	2,607	2,657	2,650
Mar	2,626	2,659	2,643
Apr	2,635	2,661	2,652
May	2,637	2,660	2,651
Jun	2,634	2,670	2,647
Jul	2,632	2,686	2,661
Aug	2,623	2,682	
Sep	2,623	2,674	
Oct	2,658	2,645	
Nov	2,654	2,646	
Dec	2,652	2,651	

STATE NONFARM EMPLOYMENT ESTIMATES

CONNECTICUT

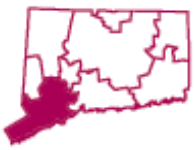
Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**1,673,300**	**1,655,900**	**17,400**	**1.1**	**1,661,700**
GOODS PRODUCING INDUSTRIES	**271,600**	**267,700**	**3,900**	**1.5**	**272,500**
CONSTRUCTION, NAT. RES. & MINING	**74,800**	**70,500**	**4,300**	**6.1**	**76,100**
MANUFACTURING	**196,800**	**197,200**	**-400**	**-0.2**	**196,400**
Durable Goods	**147,000**	**146,800**	**200**	**0.1**	**146,700**
Fabricated Metal	34,100	33,900	200	0.6	33,800
Machinery	18,500	18,700	-200	-1.1	18,500
Computer and Electronic Product	15,100	15,400	-300	-1.9	15,200
Electrical Equipment	10,500	10,300	200	1.9	10,400
Transportation Equipment	43,400	43,300	100	0.2	43,500
Aerospace Product and Parts	30,100	30,000	100	0.3	30,100
Non-Durable Goods	**49,800**	**50,400**	**-600**	**-1.2**	**49,700**
Printing and Related	8,000	8,200	-200	-2.4	8,100
Chemical	17,000	17,100	-100	-0.6	17,100
Plastics and Rubber Products	7,500	7,600	-100	-1.3	7,500
SERVICE PROVIDING INDUSTRIES	**1,401,700**	**1,388,200**	**13,500**	**1.0**	**1,389,200**
TRADE, TRANSPORTATION, UTILITIES	**313,100**	**307,400**	**5,700**	**1.9**	**310,700**
Wholesale Trade	66,900	65,700	1,200	1.8	67,300
Retail Trade	194,300	191,500	2,800	1.5	196,300
Motor Vehicle and Parts Dealers	23,100	23,000	100	0.4	23,300
Building Material	16,500	15,900	600	3.8	17,200
Food and Beverage Stores	43,800	43,600	200	0.5	44,000
General Merchandise Stores	25,900	25,400	500	2.0	26,100
Transportation, Warehousing, & Utilities	51,900	50,200	1,700	3.4	47,100
Utilities	8,600	8,700	-100	-1.1	8,600
Transportation and Warehousing	43,300	41,500	1,800	4.3	38,500
INFORMATION	**38,700**	**38,700**	**0**	**0.0**	**39,300**
Telecommunications	13,100	13,700	-600	-4.4	13,100
FINANCIAL ACTIVITIES	**141,500**	**140,800**	**700**	**0.5**	**142,500**
Finance and Insurance	120,700	120,500	200	0.2	121,500
Credit Intermediation	31,700	31,600	100	0.3	32,000
Securities and Commodity Contracts	19,600	18,700	900	4.8	19,800
Insurance Carriers & Related Activities	64,500	65,500	-1,000	-1.5	64,800
Real Estate and Rental and Leasing	20,800	20,300	500	2.5	21,000
PROFESSIONAL & BUSINESS SERVICES	**200,700**	**200,100**	**600**	**0.3**	**200,700**
Professional, Scientific	86,300	86,900	-600	-0.7	86,800
Legal Services	14,700	14,700	0	0.0	14,900
Computer Systems Design	18,700	18,500	200	1.1	18,700
Management of Companies	24,500	25,500	-1,000	-3.9	24,600
Administrative and Support	89,900	87,700	2,200	2.5	89,300
Employment Services	31,700	31,200	500	1.6	31,000
EDUCATIONAL AND HEALTH SERVICES	**271,700**	**268,300**	**3,400**	**1.3**	**265,000**
Educational Services	50,200	49,000	1,200	2.4	44,300
Health Care and Social Assistance	221,500	219,300	2,200	1.0	220,700
Hospitals	56,300	55,700	600	1.1	56,300
Nursing & Residential Care Facilities	57,500	57,700	-200	-0.3	57,300
Social Assistance	35,600	34,400	1,200	3.5	35,200
LEISURE AND HOSPITALITY	**132,900**	**131,400**	**1,500**	**1.1**	**138,700**
Arts, Entertainment, and Recreation	26,000	25,800	200	0.8	29,800
Accommodation and Food Services	106,900	105,600	1,300	1.2	108,900
Food Serv., Restaurants, Drinking Places	94,800	94,100	700	0.7	95,700
OTHER SERVICES	**62,800**	**62,500**	**300**	**0.5**	**64,200**
GOVERNMENT	**240,300**	**239,000**	**1,300**	**0.5**	**228,100**
Federal Government	20,100	20,100	0	0.0	20,200
State Government	63,300	63,000	300	0.5	58,900
**Local Government	156,900	155,900	1,000	0.6	149,000

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.

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

BRIDGEPORT - STAMFORD LMA

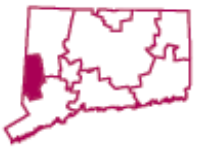


Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**413,300**	**411,400**	**1,900**	**0.5**	**409,700**
GOODS PRODUCING INDUSTRIES	**55,900**	**57,100**	**-1,200**	**-2.1**	**55,800**
CONSTRUCTION, NAT. RES. & MINING	**15,300**	**15,300**	**0**	**0.0**	**15,400**
MANUFACTURING	**40,600**	**41,800**	**-1,200**	**-2.9**	**40,400**
Durable Goods	**29,400**	**30,200**	**-800**	**-2.6**	**29,100**
SERVICE PROVIDING INDUSTRIES	**357,400**	**354,300**	**3,100**	**0.9**	**353,900**
TRADE, TRANSPORTATION, UTILITIES	**74,400**	**74,500**	**-100**	**-0.1**	**73,600**
Wholesale Trade	14,600	14,800	-200	-1.4	14,700
Retail Trade	49,500	49,300	200	0.4	49,500
Transportation, Warehousing, & Utilities	10,300	10,400	-100	-1.0	9,400
INFORMATION	**11,900**	**11,900**	**0**	**0.0**	**12,100**
FINANCIAL ACTIVITIES	**42,700**	**41,900**	**800**	**1.9**	**43,000**
Finance and Insurance	36,100	35,400	700	2.0	36,300
PROFESSIONAL & BUSINESS SERVICES	**69,600**	**70,200**	**-600**	**-0.9**	**69,200**
EDUCATIONAL AND HEALTH SERVICES	**60,400**	**59,400**	**1,000**	**1.7**	**59,100**
Health Care and Social Assistance	51,500	50,900	600	1.2	51,300
LEISURE AND HOSPITALITY	**34,000**	**33,300**	**700**	**2.1**	**35,700**
Accommodation and Food Services	24,100	24,000	100	0.4	24,000
OTHER SERVICES	**17,000**	**16,700**	**300**	**1.8**	**17,600**
GOVERNMENT	**47,400**	**46,400**	**1,000**	**2.2**	**43,600**
Federal	3,600	3,600	0	0.0	3,600
State & Local	43,800	42,800	1,000	2.3	40,000

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

DANBURY LMA



Not Seasonally Adjusted

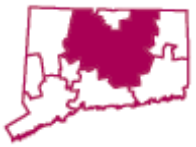
	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**68,400**	**68,700**	**-300**	**-0.4**	**67,700**
GOODS PRODUCING INDUSTRIES	**13,300**	**13,400**	**-100**	**-0.7**	**13,300**
SERVICE PROVIDING INDUSTRIES	**55,100**	**55,300**	**-200**	**-0.4**	**54,400**
TRADE, TRANSPORTATION, UTILITIES	**15,800**	**15,600**	**200**	**1.3**	**15,600**
Retail Trade	11,800	11,800	0	0.0	11,800
PROFESSIONAL & BUSINESS SERVICES	**8,800**	**8,400**	**400**	**4.8**	**8,700**
LEISURE AND HOSPITALITY	**5,200**	**5,200**	**0**	**0.0**	**5,500**
GOVERNMENT	**7,900**	**7,900**	**0**	**0.0**	**6,800**
Federal	600	600	0	0.0	600
State & Local	7,300	7,300	0	0.0	6,200

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 2004.
**Total excludes workers idled due to labor-management disputes.*

LMA NONFARM EMPLOYMENT ESTIMATES

HARTFORD LMA



Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**542,000**	**539,700**	**2,300**	**0.4**	**533,900**
GOODS PRODUCING INDUSTRIES	**86,300**	**86,600**	**-300**	**-0.3**	**86,300**
CONSTRUCTION, NAT. RES. & MINING	**22,200**	**22,500**	**-300**	**-1.3**	**22,400**
MANUFACTURING	**64,100**	**64,100**	**0**	**0.0**	**63,900**
Durable Goods	**53,700**	**53,800**	**-100**	**-0.2**	**53,700**
Transportation Equipment	18,500	18,400	100	0.5	18,800
SERVICE PROVIDING INDUSTRIES	**455,700**	**453,100**	**2,600**	**0.6**	**447,600**
TRADE, TRANSPORTATION, UTILITIES	**89,300**	**89,000**	**300**	**0.3**	**87,800**
Wholesale Trade	18,500	19,000	-500	-2.6	18,700
Retail Trade	56,200	55,400	800	1.4	56,000
Transportation, Warehousing, & Utilities	14,600	14,600	0	0.0	13,100
Transportation and Warehousing	10,900	11,000	-100	-0.9	9,400
INFORMATION	**11,700**	**11,300**	**400**	**3.5**	**11,800**
FINANCIAL ACTIVITIES	**67,600**	**68,200**	**-600**	**-0.9**	**68,200**
Depository Credit Institutions	7,900	7,900	0	0.0	8,000
Insurance Carriers & Related Activities	44,600	46,100	-1,500	-3.3	45,000
PROFESSIONAL & BUSINESS SERVICES	**58,900**	**57,800**	**1,100**	**1.9**	**58,700**
Professional, Scientific	27,300	26,600	700	2.6	27,300
Administrative and Support	26,000	25,500	500	2.0	25,700
EDUCATIONAL AND HEALTH SERVICES	**84,700**	**83,700**	**1,000**	**1.2**	**82,900**
Health Care and Social Assistance	73,700	73,000	700	1.0	73,400
Ambulatory Health Care	22,400	22,100	300	1.4	22,300
LEISURE AND HOSPITALITY	**38,800**	**38,400**	**400**	**1.0**	**39,700**
Accommodation and Food Services	31,800	31,300	500	1.6	31,600
OTHER SERVICES	**20,700**	**20,600**	**100**	**0.5**	**20,900**
GOVERNMENT	**84,000**	**84,100**	**-100**	**-0.1**	**77,600**
Federal	6,100	6,100	0	0.0	6,200
State & Local	77,900	78,000	-100	-0.1	71,400

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Productivity in retail trade, 2004**

  Productivity, as measured by output per hour, increased 6.1 percent in retail trade in 2004 (in U.S.). Output rose by 6.5 percent while hours increased by 0.4 percent. Labor productivity rose in 21 of the 27 detailed retail trade industries in 2004. The largest increases were 18.1 percent in sporting goods and musical instrument stores and 17.2 percent in electronic shopping and mail order houses. From 1987 to 2004, labor productivity in retail trade increased 3.4 percent per year, while output increased 4.3 percent, and hours increased 0.8 percent per year. This information is from the BLS Productivity and Costs Program. Productivity data are subject to revision. Additional information is available from "Productivity and Costs by Industry: Wholesale Trade, Retail Trade, and Food Services and Drinking Places, 2004," news release USDL 05-1820. (The Editor's Desk, Bureau of Labor Statistics, September 29, 2005)

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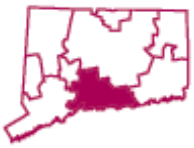
NEW HAVEN LMA



Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**271,900**	**270,300**	**1,600**	**0.6**	**268,400**
GOODS PRODUCING INDUSTRIES	**46,400**	**46,100**	**300**	**0.7**	**46,600**
CONSTRUCTION, NAT. RES. & MINING	**12,100**	**12,200**	**-100**	**-0.8**	**12,700**
MANUFACTURING	**34,300**	**33,900**	**400**	**1.2**	**33,900**
Durable Goods	**22,800**	**23,200**	**-400**	**-1.7**	**22,900**
SERVICE PROVIDING INDUSTRIES	**225,500**	**224,200**	**1,300**	**0.6**	**221,800**
TRADE, TRANSPORTATION, UTILITIES	**50,500**	**49,700**	**800**	**1.6**	**50,200**
Wholesale Trade	11,400	11,400	0	0.0	11,500
Retail Trade	32,000	31,200	800	2.6	32,100
Transportation, Warehousing, & Utilities	7,100	7,100	0	0.0	6,600
INFORMATION	**8,800**	**8,600**	**200**	**2.3**	**9,000**
Telecommunications	5,200	5,300	-100	-1.9	5,200
FINANCIAL ACTIVITIES	**13,200**	**14,000**	**-800**	**-5.7**	**13,300**
Finance and Insurance	9,000	10,400	-1,400	-13.5	9,200
PROFESSIONAL & BUSINESS SERVICES	**25,100**	**26,000**	**-900**	**-3.5**	**25,300**
Administrative and Support	12,200	12,100	100	0.8	12,400
EDUCATIONAL AND HEALTH SERVICES	**61,700**	**61,200**	**500**	**0.8**	**59,100**
Educational Services	20,900	20,800	100	0.5	18,600
Health Care and Social Assistance	40,800	40,400	400	1.0	40,500
LEISURE AND HOSPITALITY	**22,500**	**20,900**	**1,600**	**7.7**	**23,400**
Accommodation and Food Services	18,800	17,300	1,500	8.7	19,500
OTHER SERVICES	**10,900**	**10,500**	**400**	**3.8**	**11,100**
GOVERNMENT	**32,800**	**33,300**	**-500**	**-1.5**	**30,400**
Federal	5,500	5,500	0	0.0	5,400
State & Local	27,300	27,800	-500	-1.8	25,000

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

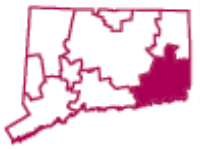
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

- **The average day in 2004**

  On an "average day" in the U.S. in 2004, persons age 15 and older slept about 8.6 hours, spent 5.2 hours doing leisure and sports activities, worked for 3.7 hours, and spent 1.8 hours doing household activities. The remaining 4.7 hours were spent in a variety of other activities, including eating and drinking, attending school, and shopping. The American Time Use Survey collects data about daily activities from all segments of the population age 15 and over, including persons who are employed, unemployed, or not in the labor force (such as students or retirees). Data are collected for both weekdays and weekends. Thus, "average day" measures developed for the entire population reflect the average distribution of time across all persons and days. On an average weekday, in comparison, persons employed full time spent 9.2 hours working, 7.5 hours sleeping, 3.0 hours doing leisure and sports activities, and 0.9 hour doing household activities. The remaining 3.4 hours were spent in other activities, such as those described above. The American Time Use Survey is the source of these data on time use. You can find out more about how various segments of population spent their time in American Time Use Survey - 2004, news release USDL 05-1766. These data are for persons 15 years old and over. (The Editor's Desk, Bureau of Labor Statistics, September 22, 2005)

NORWICH - NEW LONDON LMA

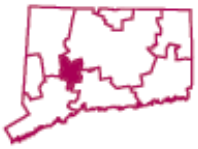


Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**137,100**	**135,500**	**1,600**	**1.2**	**138,200**
GOODS PRODUCING INDUSTRIES	**22,900**	**22,200**	**700**	**3.2**	**23,100**
CONSTRUCTION, NAT. RES. & MINING	**5,000**	**4,700**	**300**	**6.4**	**5,100**
MANUFACTURING	**17,900**	**17,500**	**400**	**2.3**	**18,000**
Durable Goods	**11,300**	**11,000**	**300**	**2.7**	**11,300**
Non-Durable Goods	**6,600**	**6,500**	**100**	**1.5**	**6,700**
SERVICE PROVIDING INDUSTRIES	**114,200**	**113,300**	**900**	**0.8**	**115,100**
TRADE, TRANSPORTATION, UTILITIES	**22,500**	**22,200**	**300**	**1.4**	**22,400**
Wholesale Trade	1,900	1,900	0	0.0	1,900
Retail Trade	16,200	16,100	100	0.6	16,400
Transportation, Warehousing, & Utilities	4,400	4,200	200	4.8	4,100
INFORMATION	**2,000**	**2,100**	**-100**	**-4.8**	**2,000**
FINANCIAL ACTIVITIES	**3,400**	**3,300**	**100**	**3.0**	**3,400**
PROFESSIONAL & BUSINESS SERVICES	**10,200**	**10,100**	**100**	**1.0**	**10,200**
EDUCATIONAL AND HEALTH SERVICES	**18,300**	**17,800**	**500**	**2.8**	**18,000**
Health Care and Social Assistance	15,900	15,400	500	3.2	15,900
LEISURE AND HOSPITALITY	**14,600**	**14,400**	**200**	**1.4**	**15,900**
Accommodation and Food Services	12,000	11,800	200	1.7	13,000
Food Serv., Restaurants, Drinking Places	9,600	9,400	200	2.1	10,400
OTHER SERVICES	**3,900**	**3,900**	**0**	**0.0**	**4,000**
GOVERNMENT	**39,300**	**39,500**	**-200**	**-0.5**	**39,200**
Federal	2,300	2,400	-100	-4.2	2,300
**State & Local	37,000	37,100	-100	-0.3	36,900

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

WATERBURY LMA



Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**69,500**	**69,500**	**0**	**0.0**	**68,200**
GOODS PRODUCING INDUSTRIES	**14,100**	**13,900**	**200**	**1.4**	**14,300**
CONSTRUCTION, NAT. RES. & MINING	**3,100**	**3,100**	**0**	**0.0**	**3,200**
MANUFACTURING	**11,000**	**10,800**	**200**	**1.9**	**11,100**
SERVICE PROVIDING INDUSTRIES	**55,400**	**55,600**	**-200**	**-0.4**	**53,900**
TRADE, TRANSPORTATION, UTILITIES	**13,300**	**13,500**	**-200**	**-1.5**	**13,000**
Wholesale Trade	2,100	2,100	0	0.0	2,100
Retail Trade	8,900	9,100	-200	-2.2	8,900
Transportation, Warehousing, & Utilities	2,300	2,300	0	0.0	2,000
INFORMATION	**1,100**	**1,100**	**0**	**0.0**	**1,100**
FINANCIAL ACTIVITIES	**2,800**	**2,800**	**0**	**0.0**	**2,800**
PROFESSIONAL & BUSINESS SERVICES	**6,000**	**6,200**	**-200**	**-3.2**	**5,900**
EDUCATIONAL AND HEALTH SERVICES	**14,500**	**14,000**	**500**	**3.6**	**14,200**
Health Care and Social Assistance	13,300	12,800	500	3.9	13,000
LEISURE AND HOSPITALITY	**5,000**	**5,000**	**0**	**0.0**	**5,000**
OTHER SERVICES	**2,800**	**2,800**	**0**	**0.0**	**2,900**
GOVERNMENT	**9,900**	**10,200**	**-300**	**-2.9**	**9,000**
Federal	600	600	0	0.0	600
State & Local	9,300	9,600	-300	-3.1	8,400

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**44,300**	**46,000**	**-1,700**	**-3.7**	**43,900**
TORRINGTON LMA	**35,900**	**37,300**	**-1,400**	**-3.8**	**35,400**
WILLIMANTIC - DANIELSON LMA	**36,800**	**36,400**	**400**	**1.1**	**35,700**

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

	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
TOTAL NONFARM EMPLOYMENT	**297,800**	**297,100**	**700**	**0.2**	**292,800**
GOODS PRODUCING INDUSTRIES	**51,300**	**51,100**	**200**	**0.4**	**51,800**
CONSTRUCTION, NAT. RES. & MINING	**11,400**	**11,400**	**0**	**0.0**	**11,800**
MANUFACTURING	**39,900**	**39,700**	**200**	**0.5**	**40,000**
Durable Goods	**25,100**	**25,000**	**100**	**0.4**	**25,200**
Non-Durable Goods	**14,800**	**14,700**	**100**	**0.7**	**14,800**
SERVICE PROVIDING INDUSTRIES	**246,500**	**246,000**	**500**	**0.2**	**241,000**
TRADE, TRANSPORTATION, UTILITIES	**60,600**	**59,900**	**700**	**1.2**	**59,800**
Wholesale Trade	11,700	10,900	800	7.3	11,800
Retail Trade	36,100	35,800	300	0.8	36,100
Transportation, Warehousing, & Utilities	12,800	13,200	-400	-3.0	11,900
INFORMATION	**4,300**	**4,600**	**-300**	**-6.5**	**4,300**
FINANCIAL ACTIVITIES	**16,200**	**16,300**	**-100**	**-0.6**	**16,300**
Finance and Insurance	12,200	12,400	-200	-1.6	12,300
Insurance Carriers & Related Activities	7,700	7,800	-100	-1.3	7,800
PROFESSIONAL & BUSINESS SERVICES	**24,400**	**24,300**	**100**	**0.4**	**24,400**
EDUCATIONAL AND HEALTH SERVICES	**54,300**	**53,600**	**700**	**1.3**	**52,100**
Educational Services	11,600	11,500	100	0.9	9,700
Health Care and Social Assistance	42,700	42,100	600	1.4	42,400
LEISURE AND HOSPITALITY	**28,400**	**28,000**	**400**	**1.4**	**28,900**
OTHER SERVICES	**11,500**	**11,300**	**200**	**1.8**	**11,500**
GOVERNMENT	**46,800**	**48,000**	**-1,200**	**-2.5**	**43,700**
Federal	7,000	6,800	200	2.9	7,000
State & Local	39,800	41,200	-1,400	-3.4	36,700

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

LMA LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	SEP 2005	SEP 2004	CHANGE NO.	CHANGE %	AUG 2005
CONNECTICUT	Civilian Labor Force	1,810,800	1,778,600	32,200	1.8	1,840,600
	Employed	1,721,600	1,700,800	20,800	1.2	1,743,100
	Unemployed	89,200	77,800	11,400	14.7	97,500
	Unemployment Rate	4.9	4.4	0.5	---	5.3
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	461,500	453,000	8,500	1.9	470,200
	Employed	440,300	434,700	5,600	1.3	446,900
	Unemployed	21,200	18,300	2,900	15.8	23,300
	Unemployment Rate	4.6	4.0	0.6	---	5.0
DANBURY LMA	Civilian Labor Force	89,200	88,200	1,000	1.1	90,900
	Employed	85,800	85,200	600	0.7	87,100
	Unemployed	3,400	3,000	400	13.3	3,800
	Unemployment Rate	3.8	3.4	0.4	---	4.1
ENFIELD LMA	Civilian Labor Force	47,900	46,800	1,100	2.4	48,300
	Employed	45,700	44,900	800	1.8	45,900
	Unemployed	2,300	2,000	300	15.0	2,400
	Unemployment Rate	4.7	4.2	0.5	---	4.9
HARTFORD LMA	Civilian Labor Force	565,700	556,000	9,700	1.7	573,200
	Employed	536,700	530,000	6,700	1.3	541,500
	Unemployed	29,000	25,900	3,100	12.0	31,700
	Unemployment Rate	5.1	4.7	0.4	---	5.5
NEW HAVEN LMA	Civilian Labor Force	301,400	295,300	6,100	2.1	306,300
	Employed	286,100	282,200	3,900	1.4	289,400
	Unemployed	15,400	13,000	2,400	18.5	16,900
	Unemployment Rate	5.1	4.4	0.7	---	5.5
NORWICH - NEW LONDON LMA	Civilian Labor Force	150,400	146,600	3,800	2.6	154,800
	Employed	143,500	140,800	2,700	1.9	147,400
	Unemployed	6,800	5,800	1,000	17.2	7,400
	Unemployment Rate	4.5	4.0	0.5	---	4.8
TORRINGTON LMA	Civilian Labor Force	52,500	53,600	-1,100	-2.1	53,300
	Employed	50,200	51,400	-1,200	-2.3	50,600
	Unemployed	2,300	2,200	100	4.5	2,600
	Unemployment Rate	4.4	4.1	0.3	---	4.9
WATERBURY LMA	Civilian Labor Force	100,200	98,200	2,000	2.0	101,400
	Employed	93,900	92,800	1,100	1.2	94,700
	Unemployed	6,300	5,500	800	14.5	6,700
	Unemployment Rate	6.3	5.6	0.7	---	6.6
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	55,400	54,000	1,400	2.6	56,000
	Employed	52,300	51,400	900	1.8	52,800
	Unemployed	3,100	2,600	500	19.2	3,200
	Unemployment Rate	5.6	4.8	0.8	---	5.8
UNITED STATES	Civilian Labor Force	149,838,000	147,186,000	2,652,000	1.8	150,469,000
	Employed	142,579,000	139,641,000	2,938,000	2.1	143,142,000
	Unemployed	7,259,000	7,545,000	-286,000	-3.8	7,327,000
	Unemployment Rate	4.8	5.1	-0.3	---	4.9

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005	AVG WEEKLY HOURS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005	AVG HOURLY EARNINGS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005
MANUFACTURING	**$806.82**	**$775.64**	**$31.18**	**$790.86**	**42.0**	**41.5**	**0.5**	**41.8**	**$19.21**	**$18.69**	**$0.52**	**$18.92**
DURABLE GOODS	**835.69**	**803.81**	**31.87**	**824.04**	**42.1**	**41.8**	**0.3**	**42.0**	**19.85**	**19.23**	**0.62**	**19.62**
Fabricated Metal	750.61	712.66	37.95	734.58	42.6	42.7	-0.1	42.0	17.62	16.69	0.93	17.49
Machinery	808.96	801.75	7.20	789.58	41.4	41.2	0.2	40.7	19.54	19.46	0.08	19.40
Computer & Electronic	651.08	628.40	22.68	630.82	39.7	40.0	-0.3	39.5	16.40	15.71	0.69	15.97
Transport. Equipment	1,052.64	1,012.65	39.99	1,034.05	43.0	42.8	0.2	42.8	24.48	23.66	0.82	24.16
NON-DUR. GOODS	**729.66**	**707.57**	**22.09**	**707.94**	**41.6**	**40.9**	**0.7**	**41.4**	**17.54**	**17.30**	**0.24**	**17.10**
CONSTRUCTION	**906.71**	**870.12**	**36.60**	**925.49**	**38.6**	**37.7**	**0.9**	**39.5**	**23.49**	**23.08**	**0.41**	**23.43**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005	AVG WEEKLY HOURS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005	AVG HOURLY EARNINGS SEP 2005	SEP 2004	CHG Y/Y	AUG 2005
Bridgeport - Stamford	$789.42	$849.86	-$60.44	$781.34	40.4	40.8	-0.4	40.4	$19.54	$20.83	-$1.29	$19.34
Hartford	939.46	862.97	76.49	914.73	43.9	42.7	1.2	43.6	21.40	20.21	1.19	20.98
New Haven	676.23	616.86	59.37	683.88	40.3	41.4	-1.1	41.7	16.78	14.90	1.88	16.40
Norwich - New London	805.37	785.17	20.20	778.32	42.1	42.1	0.0	41.4	19.13	18.65	0.48	18.80
Waterbury	813.63	704.85	108.78	821.18	42.8	38.1	4.7	41.6	19.01	18.50	0.51	19.74

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- September 2005 had the announcement that Goodwin College will spend $80 million to expand their East Hartford campus, with 300 new jobs being created when this project is completed in the fall of 2007. C&M Screw Machine Products will be moving their operations from New Britain to Bristol and add 25 new jobs in the process. Stamford will pick up 800 new jobs in 2008 when the Royal Bank of Scotland moves into a new building. Perry Technology Corp, a manufacturer of gears, will add 30 new employees when they move into a larger building in New Hartford in 2006.

- September 2005 had no new major job loss announcements. Previously announced layoffs at Purdue Pharma of Stamford (290 workers) and Premcor, Inc. of Greenwich (225 employees) are ongoing and should be completed within the next month.

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

Town LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD				
	461,486	**440,283**	**21,203**	**4.6**
Ansonia	9,883	9,267	616	6.2
Bridgeport	62,098	57,347	4,751	7.7
Darien	8,860	8,532	328	3.7
Derby	6,818	6,421	397	5.8
Easton	3,695	3,574	121	3.3
Fairfield	28,151	27,040	1,111	3.9
Greenwich	29,700	28,669	1,031	3.5
Milford	30,508	29,191	1,317	4.3
Monroe	10,435	10,055	380	3.6
New Canaan	8,734	8,439	295	3.4
Newtown	13,747	13,220	527	3.8
Norwalk	47,633	45,687	1,946	4.1
Oxford	6,211	5,976	235	3.8
Redding	4,461	4,302	159	3.6
Ridgefield	11,564	11,163	401	3.5
Seymour	8,931	8,523	408	4.6
Shelton	21,955	21,055	900	4.1
Southbury	8,725	8,385	340	3.9
Stamford	65,680	62,933	2,747	4.2
Stratford	25,909	24,481	1,428	5.5
Trumbull	17,525	16,839	686	3.9
Weston	4,842	4,678	164	3.4
Westport	12,355	11,929	426	3.4
Wilton	8,234	7,925	309	3.8
Woodbridge	4,831	4,651	180	3.7
DANBURY	**89,222**	**85,838**	**3,384**	**3.8**
Bethel	10,699	10,312	387	3.6
Bridgewater	1,021	991	30	2.9
Brookfield	8,780	8,473	307	3.5
Danbury	43,075	41,376	1,699	3.9
New Fairfield	7,559	7,248	311	4.1
New Milford	15,979	15,404	575	3.6
Sherman	2,108	2,033	75	3.6
ENFIELD	**47,923**	**45,665**	**2,258**	**4.7**
East Windsor	5,889	5,584	305	5.2
Enfield	23,683	22,510	1,173	5.0
Somers	4,620	4,406	214	4.6
Suffield	6,909	6,650	259	3.7
Windsor Locks	6,822	6,515	307	4.5
HARTFORD	**565,717**	**536,747**	**28,970**	**5.1**
Andover	1,936	1,845	91	4.7
Ashford	2,470	2,384	86	3.5
Avon	8,672	8,417	255	2.9
Barkhamsted	2,134	2,061	73	3.4
Berlin	10,664	10,202	462	4.3
Bloomfield	9,500	8,926	574	6.0
Bolton	3,021	2,905	116	3.8
Bristol	33,237	31,462	1,775	5.3
Burlington	5,031	4,868	163	3.2

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,267	5,084	183	3.5
Colchester	8,455	8,085	370	4.4
Columbia	2,923	2,815	108	3.7
Coventry	6,818	6,531	287	4.2
Cromwell	7,598	7,281	317	4.2
East Granby	2,814	2,708	106	3.8
East Haddam	4,967	4,784	183	3.7
East Hampton	6,488	6,094	394	6.1
East Hartford	25,191	23,536	1,655	6.6
Ellington	8,281	7,970	311	3.8
Farmington	12,416	11,929	487	3.9
Glastonbury	17,701	17,054	647	3.7
Granby	5,992	5,793	199	3.3
Haddam	4,574	4,411	163	3.6
Hartford	47,913	43,245	4,668	9.7
Hartland	1,161	1,127	34	2.9
Harwinton	3,041	2,925	116	3.8
Hebron	5,302	5,081	221	4.2
Lebanon	4,127	3,944	183	4.4
Manchester	31,248	29,665	1,583	5.1
Mansfield	12,018	11,561	457	3.8
Marlborough	3,419	3,296	123	3.6
Middlefield	2,359	2,249	110	4.7
Middletown	25,605	24,441	1,164	4.5
New Britain	34,157	31,663	2,494	7.3
New Hartford	3,594	3,462	132	3.7
Newington	16,355	15,606	749	4.6
Plainville	9,964	9,458	506	5.1
Plymouth	6,641	6,294	347	5.2
Portland	5,094	4,872	222	4.4
Rocky Hill	10,364	9,935	429	4.1
Simsbury	11,780	11,351	429	3.6
Southington	23,187	22,244	943	4.1
South Windsor	14,056	13,548	508	3.6
Stafford	6,663	6,319	344	5.2
Thomaston	4,508	4,279	229	5.1
Tolland	7,962	7,694	268	3.4
Union	447	438	9	2.0
Vernon	16,729	15,948	781	4.7
West Hartford	29,063	27,685	1,378	4.7
Wethersfield	13,288	12,625	663	5.0
Willington	3,832	3,689	143	3.7
Windsor	15,690	14,958	732	4.7

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

LABOR FORCE CONCEPTS

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

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

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

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**301,436**	**286,080**	**15,356**	**5.1**
Bethany	2,928	2,823	105	3.6
Branford	16,957	16,252	705	4.2
Cheshire	14,362	13,812	550	3.8
Chester	2,222	2,146	76	3.4
Clinton	7,760	7,468	292	3.8
Deep River	2,540	2,445	95	3.7
Durham	4,035	3,900	135	3.3
East Haven	15,758	14,894	864	5.5
Essex	3,709	3,576	133	3.6
Guilford	12,518	12,082	436	3.5
Hamden	30,316	28,977	1,339	4.4
Killingworth	3,475	3,358	117	3.4
Madison	9,770	9,457	313	3.2
Meriden	30,706	28,772	1,934	6.3
New Haven	54,370	50,276	4,094	7.5
North Branford	8,084	7,724	360	4.5
North Haven	12,632	12,101	531	4.2
Old Saybrook	5,336	5,146	190	3.6
Orange	6,969	6,699	270	3.9
Wallingford	24,402	23,378	1,024	4.2
Westbrook	3,587	3,432	155	4.3
West Haven	28,997	27,361	1,636	5.6
*NORWICH-NEW LONDON				
	136,891	**130,571**	**6,320**	**4.6**
Bozrah	1,490	1,403	87	5.8
Canterbury	3,124	2,959	165	5.3
East Lyme	9,678	9,321	357	3.7
Franklin	1,186	1,144	42	3.5
Griswold	7,046	6,693	353	5.0
Groton	19,359	18,454	905	4.7
Ledyard	8,504	8,191	313	3.7
Lisbon	2,605	2,467	138	5.3
Lyme	1,150	1,117	33	2.9
Montville	10,966	10,500	466	4.2
New London	13,767	12,925	842	6.1
No. Stonington	3,248	3,133	115	3.5
Norwich	20,585	19,467	1,118	5.4
Old Lyme	4,256	4,113	143	3.4
Preston	2,843	2,704	139	4.9
Salem	2,571	2,469	102	4.0
Sprague	1,827	1,706	121	6.6
Stonington	10,462	10,131	331	3.2
Voluntown	1,613	1,530	83	5.1
Waterford	10,610	10,143	467	4.4

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

NORWICH-NEW LONDON				
	150,360	**143,536**	**6,824**	**4.5**
Westerly, RI	13,469	12,965	504	3.7

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

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
TORRINGTON	**52,467**	**50,155**	**2,312**	**4.4**
Bethlehem	1,971	1,913	58	2.9
Canaan	592	574	18	3.0
Colebrook	806	788	18	2.2
Cornwall	801	779	22	2.7
Goshen	1,472	1,424	48	3.3
Kent	1,539	1,495	44	2.9
Litchfield	4,244	4,075	169	4.0
Morris	1,281	1,233	48	3.7
Norfolk	926	900	26	2.8
North Canaan	1,685	1,632	53	3.1
Roxbury	1,320	1,282	38	2.9
Salisbury	1,945	1,880	65	3.3
Sharon	1,524	1,478	46	3.0
Torrington	18,521	17,499	1,022	5.5
Warren	693	672	21	3.0
Washington	1,910	1,848	62	3.2
Winchester	5,917	5,558	359	6.1
Woodbury	5,318	5,125	193	3.6
WATERBURY	**100,226**	**93,894**	**6,332**	**6.3**
Beacon Falls	3,177	3,031	146	4.6
Middlebury	3,638	3,504	134	3.7
Naugatuck	16,949	16,066	883	5.2
Prospect	5,185	4,981	204	3.9
Waterbury	50,160	46,185	3,975	7.9
Watertown	12,274	11,694	580	4.7
Wolcott	8,844	8,433	411	4.6
WILLIMANTIC-DANIELSON				
	55,447	**52,334**	**3,113**	**5.6**
Brooklyn	3,632	3,490	142	3.9
Chaplin	1,351	1,287	64	4.7
Eastford	935	887	48	5.1
Hampton	1,106	1,038	68	6.1
Killingly	9,074	8,507	567	6.2
Plainfield	8,255	7,715	540	6.5
Pomfret	2,174	2,084	90	4.1
Putnam	5,054	4,778	276	5.5
Scotland	945	912	33	3.5
Sterling	1,837	1,740	97	5.3
Thompson	5,237	4,969	268	5.1
Windham	11,487	10,745	742	6.5
Woodstock	4,362	4,183	179	4.1

Not Seasonally Adjusted:				
CONNECTICUT	**1,810,800**	**1,721,600**	**89,200**	**4.9**
UNITED STATES	**149,838,000**	**142,579,000**	**7,259,000**	**4.8**
Seasonally Adjusted:				
CONNECTICUT	**1,822,200**	**1,727,100**	**95,100**	**5.2**
UNITED STATES	**150,093,000**	**142,432,000**	**7,661,000**	**5.1**

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 HOUSING PERMIT ACTIVITY BY TOWN

TOWN	Sept 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	Sept 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	Sept 2005	YR TO DATE 2005	YR TO DATE 2004
Andover	1	11	18	Griswold	na	na	60	Preston	4	24	17
Ansonia	0	12	10	Groton	8	134	252	Prospect	na	na	28
Ashford	0	11	23	Guilford	8	58	61	Putnam	3	29	39
Avon	6	60	76	Haddam	6	41	49	Redding	na	na	14
Barkhamsted	na	na	12	Hamden	2	21	32	Ridgefield	2	27	33
Beacon Falls	na	na	21	Hampton	2	17	22	Rocky Hill	5	66	74
Berlin	2	51	63	Hartford	22	123	108	Roxbury	na	na	9
Bethany	na	na	28	Hartland	na	na	9	Salem	3	23	25
Bethel	3	9	24	Harwinton	2	14	25	Salisbury	na	na	9
Bethlehem	na	na	6	Hebron	na	na	27	Scotland	2	8	12
Bloomfield	na	na	101	Kent	2	11	12	Seymour	38	83	33
Bolton	1	4	12	Killingly	14	92	71	Sharon	1	10	16
Bozrah	0	10	11	Killingworth	na	na	20	Shelton	10	98	99
Branford	na	na	36	Lebanon	4	31	70	Sherman	na	na	19
Bridgeport	13	189	61	Ledyard	6	37	57	Simsbury	8	37	82
Bridgewater	na	na	7	Lisbon	2	14	15	Somers	2	21	33
Bristol	5	89	92	Litchfield	na	na	25	South Windsor	15	58	87
Brookfield	na	na	64	Lyme	1	8	5	Southbury	6	60	75
Brooklyn	1	51	36	Madison	11	34	36	Southington	10	127	130
Burlington	2	27	39	Manchester	116	241	128	Sprague	1	16	8
Canaan	1	4	1	Mansfield	5	44	35	Stafford	na	na	60
Canterbury	2	19	15	Marlborough	4	25	33	Stamford	24	222	160
Canton	4	87	117	Meriden	9	97	120	Sterling	na	na	32
Chaplin	2	15	18	Middlebury	na	na	47	Stonington	17	61	71
Cheshire	6	34	44	Middlefield	0	2	7	Stratford	2	26	38
Chester	na	na	9	Middletown	20	194	171	Suffield	8	79	48
Clinton	1	24	41	Milford	27	240	244	Thomaston	na	na	30
Colchester	8	63	60	Monroe	3	35	20	Thompson	na	na	35
Colebrook	2	6	6	Montville	8	64	56	Tolland	4	80	67
Columbia	1	29	24	Morris	1	7	7	Torrington	9	74	84
Cornwall	1	7	10	Naugatuck	9	72	62	Trumbull	4	34	56
Coventry	5	32	38	New Britain	na	na	27	Union	1	5	2
Cromwell	1	11	45	New Canaan	6	49	44	Vernon	18	164	146
Danbury	61	405	338	New Fairfield	na	na	34	Voluntown	1	5	9
Darien	na	na	125	New Hartford	5	31	37	Wallingford	14	124	157
Deep River	0	3	11	New Haven	22	100	127	Warren	1	10	12
Derby	na	na	13	New London	8	58	31	Washington	na	na	6
Durham	5	37	35	New Milford	6	63	93	Waterbury	12	112	56
East Granby	3	21	13	Newington	3	33	35	Waterford	6	33	27
East Haddam	7	40	42	Newtown	9	87	113	Watertown	6	51	50
East Hampton	11	113	124	Norfolk	2	5	3	West Hartford	1	15	35
East Hartford	na	na	10	North Branford	na	na	43	West Haven	na	na	18
East Haven	3	58	34	North Canaan	0	7	9	Westbrook	2	28	31
East Lyme	8	74	73	North Haven	13	128	60	Weston	na	na	10
East Windsor	14	69	59	North Stonington	3	23	23	Westport	11	89	96
Eastford	2	13	19	Norwalk	10	108	236	Wethersfield	na	na	5
Easton	3	10	7	Norwich	30	260	164	Willington	4	13	21
Ellington	12	64	50	Old Lyme	na	na	26	Wilton	na	na	31
Enfield	na	na	47	Old Saybrook	5	44	38	Winchester	3	32	28
Essex	2	8	15	Orange	na	na	23	Windham	5	57	14
Fairfield	26	110	149	Oxford	21	189	182	Windsor	na	na	62
Farmington	16	87	105	Plainfield	1	40	39	Windsor Locks	na	na	45
Franklin	0	2	5	Plainville	0	14	23	Wolcott	5	43	53
Glastonbury	5	55	89	Plymouth	1	15	43	Woodbridge	na	na	9
Goshen	5	35	42	Pomfret	1	11	23	Woodbury	5	30	34
Granby	4	51	54	Portland	5	39	131	Woodstock	5	55	69
Greenwich	22	155	128								

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

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

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

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

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

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

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

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

LABOR FORCE ESTIMATES
Labor force estimates are a measure of the work status of people who live in Connecticut. Prepared under the direction of the U.S. Bureau of Labor Statistics, the statewide estimates are the product of a signal-plus noise model, which uses results from the Current Population Survey (CPS), a monthly survey of Connecticut households, counts of claimants for unemployment benefits, and establishment employment estimates. Beginning with the publication of January 2005 data, an improved methodology is being used to develop labor force estimates, by which monthly state model-based employment and unemployment estimates are controlled to add to the national CPS levels. This will ensure that national economic events are reflected in the state estimates, and it will significantly reduce end-of-year revisions. (For more information, please see the Connecticut Economic Digest, December 2004 issue.) Labor force data, reflecting persons employed by place of residence, are not directly comparable to the place-of-work industry employment series. In the labor force estimates, workers involved in labor disputes are counted as employed. The labor force data also includes agricultural workers, unpaid family workers, domestics and the self-employed. Because of these conceptual differences, total labor force employment is almost always different from nonfarm wage and salary employment.

LABOR MARKET AREAS
All Labor Market Areas (LMAs) in Connecticut except three are federally-designated areas for developing labor statistics. For the sake of simplicity, the federal Bridgeport-Norwalk-Stamford Metropolitan Statistical Area (MSA) is referred to in Connecticut Department of Labor publications as the Bridgeport-Stamford LMA, and the Hartford-West Hartford-East Hartford MSA is called the Hartford LMA. The Bureau of Labor Statistics has identified the 17 towns in the in the northwestern part of the state as a separate area for reporting labor force data. For the convenience of our data users, data for these towns are included in the Torrington LMA. For the same purpose, data for the towns of East Windsor, Enfield, Somers, Suffield and Windsor Locks, which are officially part of the Springfield MSA, are published as the Enfield LMA. Similarly, the towns of Putnam, Thompson and Woodstock - part of the Worcester MSA - are included in the Willimantic-Danielson LMA. Also, data for Westerly, Rhode Island are included in the Norwich-New London LMA. Industry employment and labor force data estimates contained in Connecticut Department of Labor publications are prepared following the same statistical procedures developed by the U.S. Department of Labor, Bureau of Labor Statistics, whether for federally designated or state-determined areas.

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

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

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

ECONOMIC INDICATORS AT A GLANCE

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

Leading Employment Index ..... +1.6
Coincident Employment Index ..... +0.4
Leading General Drift Indicator ..... +0.6
Coincident General Drift Indicator +1.3
Banknorth Business Barometer ... +2.4

Total Nonfarm Employment ..... +1.1

Unemployment Rate ..... +0.5
Labor Force ..... +1.5
Employed ..... +1.0
Unemployed ..... +12.3

Average Weekly Initial Claims ..... -3.8
Help Wanted Index -- Hartford 0.0
Average Ins. Unempl. Rate ..... -0.20*

Average Weekly Hours, Mfg ..... +1.2
Average Hourly Earnings, Mfg ..... +2.8
Average Weekly Earnings, Mfg ..... +4.0
CT Mfg. Production Index ..... +3.1
Production Worker Hours ..... +1.0
Industrial Electricity Sales ..... +1.4

Personal Income ..... +4.1
UI Covered Wages ..... +0.6

Business Activity
Electricity Sales ..... +9.5
Retail Sales ..... -0.6
Construction Contracts Index ..... -2.7
New Auto Registrations ..... +30.9
Air Cargo Tons ..... +3.4
Exports ..... +8.3

Business Starts
Secretary of the State ..... +9.7
Dept. of Labor ..... -6.5

Business Terminations
Secretary of the State ..... +21.1
Dept. of Labor ..... -35.6

State Revenues ..... +81.6
Corporate Tax ..... +1.1
Personal Income Tax ..... +23.9
Real Estate Conveyance Tax ..... +10.9
Sales & Use Tax ..... +3.9
Indian Gaming Payments ..... -0.6

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

Tourism and Travel
Info Center Visitors ..... -16.9
Attraction Visitors ..... -9.7
Air Passenger Count ..... +15.2
Indian Gaming Slots ..... -3.3
Travel and Tourism Index ..... +5.9

Employment Cost Index (U.S.)
Total ..... +3.0
Wages & Salaries ..... +2.2
Benefit Costs ..... +4.8

Consumer Prices
U.S. City Average ..... +4.7
Northeast Region ..... +4.8
NY-NJ-Long Island ..... +4.8
Boston-Brockton-Nashua ..... +4.9

Consumer Confidence
Connecticut ..... -17.3
New England ..... -11.7
U.S. ..... -10.4

Interest Rates
Prime ..... +2.01*
Conventional Mortgage ..... +0.01*

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o What additional data would you like to see included in the Digest?

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