THE CONNECTICUT
ECONOMIC DIGEST

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NOVEMBER 2007

IN THIS ISSUE...

In September...

Nonfarm Employment

Connecticut	1,702,800
Change over month	0.04%
Change over year	1.2%
United States	138,265,000
Change over month	0.08%
Change over year	1.2%

Unemployment Rate

Connecticut	4.5%
United States	4.7%

Consumer Price Index

United States	208.5
Change over year	2.8%

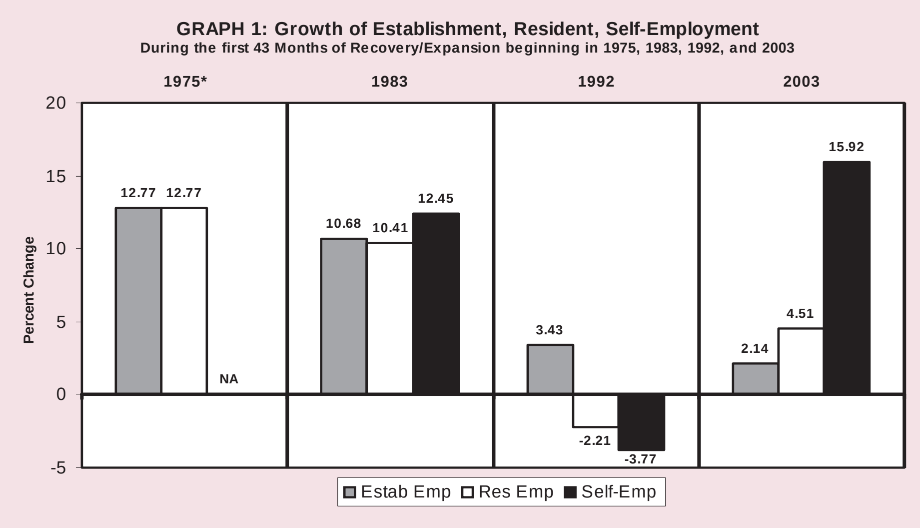
The Growth of Self-Employment

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

The *Current Population Survey* (CPS) is a survey of households, conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS). It produces data on the employment status of residents, both full- and part-time, and includes data on the labor force, unemployment, and self-employment. At the state level, these labor market data are produced in conjunction with BLS using time-series models that incorporate the CPS data.

Graph 1 shows the growth rates in Connecticut annual nonfarm jobs from the establishment survey, along with resident nonagricultural employment from the household survey broken out by wage and salary employment and self-employment. The growth rates shown are for the first 43 months of recovery/expansion beginning from the month of the trough for each of the four recovery/expansion periods since 1975. Household survey data for Connecticut are incomplete for the 1975 cycle as data on the self-employed are not available. However, data on establishment and resident wage and salary employment is available and, as illustrated in Graph 1, the growth in state jobs and resident employment was in sync over the 1975 cycle, as well as over the 1983 cycle. Though there is no data on self-employment for the 1975 cycle, it is apparent that self-employment outpaced even the strong growth in establishment and resident wage and salary employment over the recovery/expansion that began, for Connecticut, in 1983.

Both resident wage and salary employment and self-employment declined over the 1990s recovery/expansion. However, the pattern over the 1990s was not uniform. There were significant differences in performance during the beginning, the middle, and the end of the decade. To see that, Graph 2 tracks the behavior of



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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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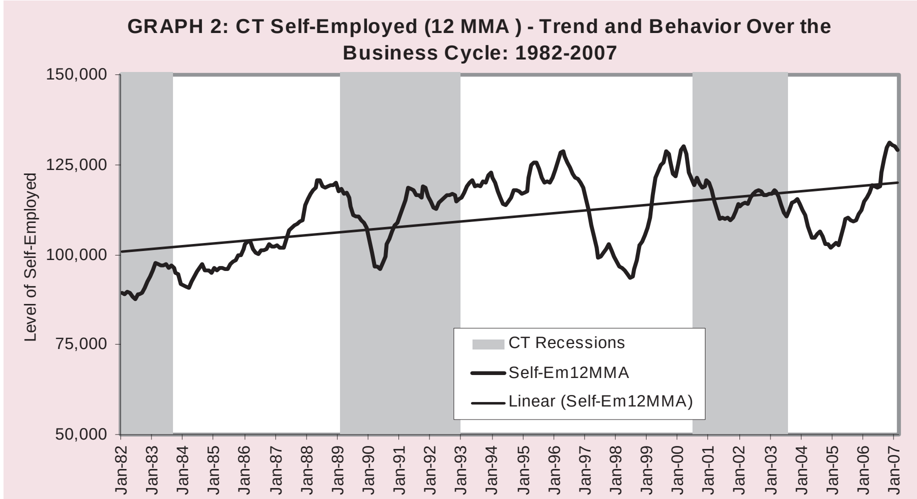
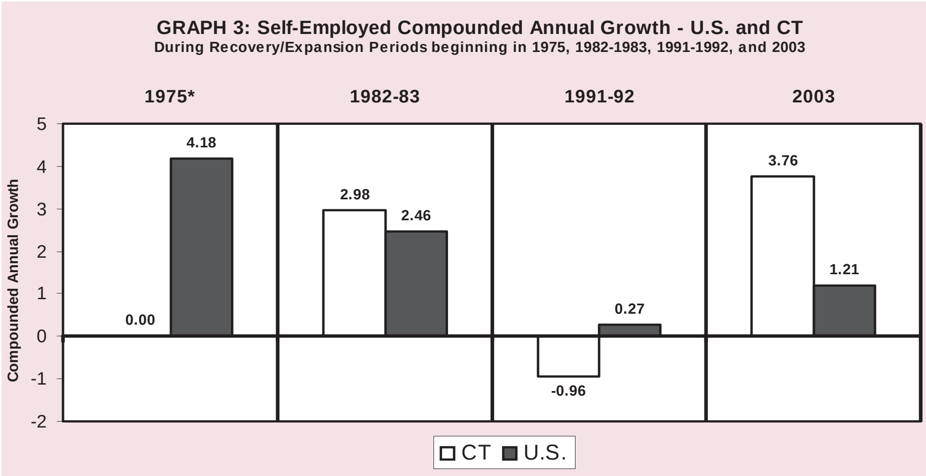


Connecticut's self-employment over the state's business cycle from 1982 to 2007. A linear trend is superimposed on the 12-month moving average (MMA) of self-employment in Graph 2, with Connecticut recessions shaded in grey.[1] As is apparent, the self-employment cycle is not necessarily in sync with the state's business cycle. Further, the self-employment cycle has a much higher frequency. Since 1980, the state's economy has experienced three complete business cycles (measured trough-to-trough), using establishment employment as the reference series. Over the same period, self-employment has gone through eight complete cycles. The average recovery/expansion of the state business cycle has lasted 1.74 times longer than a recession, but an expansion in self-employment has only lasted 1.39 times as long as a contraction. Though the long-run trend is upward for self-employment, it waxes and wanes around that trend at a high frequency.

There are three periods, in particular, that appear to have produced interesting patterns in the behavior of self-employment: the "Great Recession" (February 1989-December 1992), the mid-to-late 1990s, and the current cycle, which began in 2003. During the "Great Recession," self-employment declined, but after two years into that recession, self-employment turned around and began growing again. This is probably related to the massive restructuring that occurred in the state's economy over this period. This is consistent with research that has found that growth of self-employment in recessions, as opposed to expansions, is more likely to be related to serving as a path out of unemployment in an atmosphere of limited employment opportunities.[2] Self-employment growth in expansions is more likely to be related to entrepreneurial, risk-taking behavior. It is an economic environment more conducive to "taking a chance."

During the next period of interest, the mid-1990s, there was a steep decline in self-employment between April 1996 and July 1998. Over this 15-month period, self-employment declined from its peak to its lowest level since the early 1980s. What happened? This is about the time that the late-nineties boom in the economy was underway. Connecticut nonfarm employment grew at a rate of 30,500 new jobs per year between 1996 and 1998, based on the annual average. If, in fact, Connecticut's self-employment growth was due to a lack of job opportunities during, and immediately following, the Great Recession, then the boom in nonfarm employment growth over this period could account for the steep, and rapid, decline in self-employment.

Then the trend reversed between July1998 and March 2000. Over this period, nonfarm employ-



GRAPH 3: Self-Employed Compounded Annual Growth - U.S. and CT
During Recovery/Expansion Periods beginning in 1975, 1982-1983, 1991-1992, and 2003

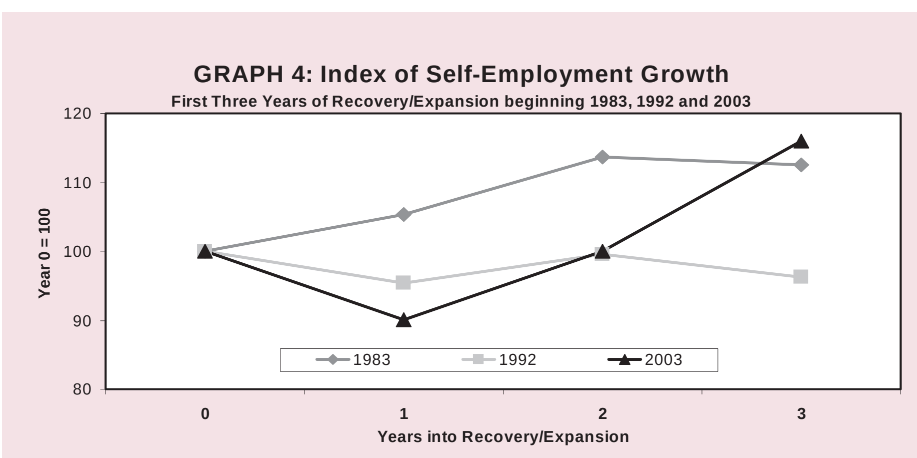
ment growth decelerated to a rate of 18,850 jobs per year as the expansion ended and Connecticut entered its next recession in July 2000. Over the current cycle, there has been another round of restructuring in the national and state economies that, once again, has changed the behavior of the growth in self-employment.

What is notable is the strength in the growth of self-employment during each of these periods, and that in the beginning stages of the last recession self-employment behaved in a fashion similar to that of the 1981-83 and 1989-92 recessions. In both 1983 and 1992, the decline in self-employment recovered as the recoveries progressed. However, over the 2003 recovery/expansion, the decline in self-employment was steeper and went through two complete cycles (measured peak-to-peak), and during the last cycle recovery in self-employment was much stronger (see Graph 2). In fact, self-employment grew from its last trough of 101,920 in December 2004 to 131,214 at its last peak in November 2006. Despite the anemic growth in both establishment and resident wage and salary employment, self-employment has put in a strong performance, though by February 2007 it had declined from its peak to 120,132.

How does the state's experience compare to the U.S.? Graph 3 presents the answer to that question. Since the U.S. recovery/expansions have historically started before Connecticut's, there is a difference in the "comparable" periods over the two sets of expansions. To put the comparison on a standardized basis, Graph 3 shows the compounded, annual growth rates of U.S. and Connecticut self-employment over their respective recovery/expansions over the post-1975 era. Connecticut outperformed the U.S. in self-employment growth over the recovery/expansion that began in 1982 for the U.S., and in 1983 for Connecticut. Again, Connecticut's self-employment contracted in the 1990s, but when compared to the U.S., the growth in self-employment over Connecticut's current recovery/expansion is three times that of the U.S. on a compounded, annual basis.

Most of the current growth in Connecticut's self-employed has been over the last two years of this recovery/expansion. After contracting by nearly 10%, or 11,000, in 2004, the self-employed grew by 11,000, or 11%, in 2005. In 2006, the growth in the number of self-employed jumped by 18,000, or 16%. This is highlighted in Graph 4, which tracks an index of self-employment growth over the first three years of recovery for the 1983, 1992, and current recovery/expansion (again, no data is available for 1975). The surge in the growth in self-employment can be seen for Year 2 (2005) and Year 3 (2006), where Year 0 is 2003, the year Connecticut's (and the U.S.) recovery in employment began.

However, many of these newly self-employed do not seem to be growing to the point where they are adding employees; that is, the number of businesses, as measured by registrations with the unemployment insurance (UI) system, has had much lower growth rates over the same period. During the boom/bubble years of the late 1990s, Connecticut's net growth in establishments (measured fourth quarter-to-fourth quarter) was averaging 1,100 per year, or 1.09%, compounded annually. Over the three years after the bust (2000 to 2003), annual net growth in new establishments dropped to 221 per year, 0.39%, compounded annually. This improved somewhat between 2003 and 2005, the first two years of Connecticut's employment recovery. Net new establishment formation averaged 795 per year, or 0.75% compounded annual growth, and net new establishment growth



GRAPH 4: Index of Self-Employment Growth
First Three Years of Recovery/Expansion beginning 1983, 1992 and 2003

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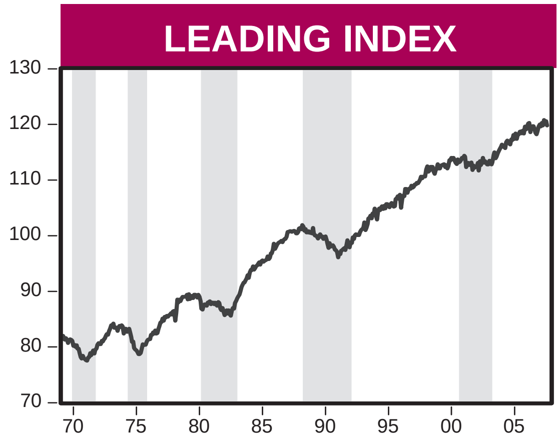
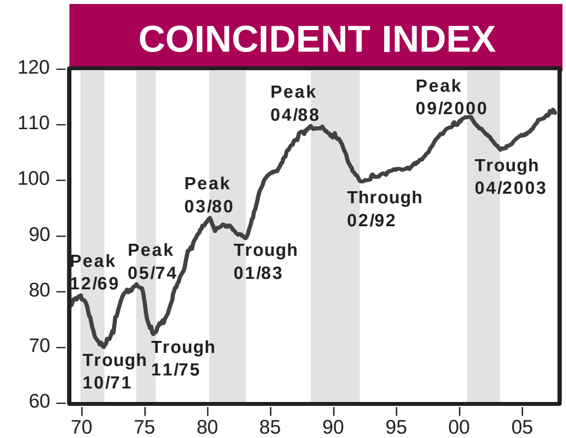




The distance from peak to trough, indicated by the shaded areas, measures the duration of an employment cycle recession. The vertical scale in both charts is an index with 1992=100.

Slow and Slower in August 2007

The National Outlook

The Philadelphia Fed's quarterly Survey of Professional Forecasters projects that core inflation during the next three years will remain roughly steady but at a lower level than forecast in the last survey. Over the next five years, headline CPI inflation will average 2.45%, unchanged from the forecasters' previous estimate.

The forecasters reduced their estimates for growth, but their revision is minor and largely confined to this year's fourth quarter and next year's first quarter. Growth this quarter will average 2.5% (annual rate), down 0.1 percentage point from the previous estimate of 2.6%. Downward revisions to output growth are not translating into deteriorating conditions in the labor market.

The forecasters expect the unemployment rate to average 4.6% this year, unchanged from the estimate in the last survey, and 4.7% next year, down from 4.8% previously. Moreover, the forecasters are raising their estimate for monthly job gains this year, to 156,000 from 151,000 previously. Next year, payrolls will increase at a rate of 118,000 per month, down just a bit from the estimate of three months ago.

These projections are consistent with others made earlier this year…we are into a period of low inflation and slow output growth. Let's hope slow growth doesn't turn negative.

Connecticut Employment Indexes

The DECD-ECRI Connecticut coincident employment index is a measure of contemporaneous activity and rose on a year-to-year basis from 111.1 in August 2006 to 112.1 in August 2007. Total employment (from the household survey) increased 0.87% or 15,507 persons and nonfarm employment (from the employer survey) rose 0.98% since July 2006 and contributed positively to the annual change in this index. The total unemployment rate (4.6% vs. 4.46% a year ago) contributes negatively while the insured unemployment rate (2.40% vs. 2.44% a year ago) contributes positively to the annual change in this index.

On a month-to-month basis, the August 2007 coincident employment index declined to 112.1 from 112.5 a month earlier. This reflects a decelerating 12-month moving average growth rate of this index (0.4% vs. 1.2% last month). Total employment increased by 2,100 persons and nonfarm employment increased by 1,200 jobs as both contributed positively to this month's index. The total insured employment rate inched upward from 2.37% last month to 2.4% in August and the total unemployment rate worsened slightly from 4.5% to 4.6% as both contributed negatively to the monthly change in this index.

The DECD-ECRI Connecticut leading employment index that estimates future activity improved from 119.2 in August 2006 to 119.8 in August 2007. Manufacturing employment decreased by 1,800 jobs from 193,900 a year ago, while construction gained 1,300 jobs over the year (offsetting contributors). Average weekly hours increased slightly in manufacturing and were unchanged in construction from a year ago. Positive contributors include the short duration unemployment rate that decreased from 1.53% to 1.48% over the year, and initial claims for unemployment insurance that decreased by 2.6% from 17,912 a year ago. Negative contributors include the Hartford help-wanted index that declined slightly from a year ago; Moody's Baa bond yield that worsened from 6.59% to 6.65%; and, housing permits that decreased from 695 last August to 667 in August 2007.

On a month-to-month basis, the leading employment index fell from 120.6 to 119.8. Manufacturing employment declined by 300 jobs (negative contributor) while construction employment was unchanged (neutral). Average weekly hours decreased slightly in manufacturing and increased in construction (offsetting contributors). In addition, short duration unemployment inched up, the Hartford help-wanted index declined, and housing permits declined by 194 or 22.5% for the month (each a negative contributor). Initial claims declined by 1,003, contributing positively to this index.

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

--Continued from page 3--

increased to 1,023, or nearly 1% in 2005.

However, this falls far short of the growth of 11,000 self-employed in 2005, an 11% increase. That would require the average newly UI registered establishment to create, on average, 11 new jobs. That would seem rather high for establishments with zero employment for the previous year given that seasonal employment has been accounted for by measuring growth from the same quarter, year-to-year. A more likely scenario is that many of these newly self-employed are those who were unemployed due to their jobs being downsized or outsourced. Consulting would be a way out of unemployment, and is consistent with research findings on job-loss and self-employment.[3] Anecdotal evidence suggests that, in many instances, those providing technical, professional, and managerial services may be consultants to their former employers. Another explanation lies in the smaller, one-person operation in the construction industry, especially in the skilled trades, and particularly on the residential side where "firms" tend to be smaller and quickly assembled and disassembled at the beginning and end of projects. In fact, industry sectors with large numbers of self-employed, like construction, played a significant role in the 2007 benchmark revisions of Connecticut nonfarm employment. Understandably, the larger numbers of self-employed in some industry sectors, and the varying cycles in which self-employment grows and wanes in relation to the business cycle, presents an added challenge to estimating total payroll employment in those sectors.

In summary, there are four points that come out of this discussion:

(1) Over the long-term, self-employment is growing slowly in Connecticut, but as a percentage of resident wage and salary employment, it has remained fairly constant, except during the early 1990s when, in level and as a percent, it increased, probably due to its serving as a path out of unemployment;

(2) When establishment employment was strong in the late 1990s, self-employment declined steeply, again reinforcing the "path-out-of-unemployment" hypothesis;

(3) The self-employment cycle has a much higher frequency than the state's overall business cycle; and

(4) Connecticut's growth in self-employment over the last two years has been strong, and may be related to the strong growth in industry sectors that typically have large numbers of self-employed, such as administrative and support services, professional and technical services, construction, and health care and social assistance services. ■

[1] State business cycles are defined in terms of the behavior of the nonfarm, or establishment survey, employment series. It is the *reference series* most frequently used to define sub-national business cycles.

[2] See Audretsch, David B., Max C. Keilbach, and Erik E. Lehmann, ENTREPRENEURSHIP AND ECONOMIC GROWTH (2006) Oxford University Press: New York.

[3] Again, see Audretsch, David B., Max C. Keilbach, and Erik E. Lehmann.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2007	2Q 2006	CHANGE NO.	CHANGE %	1Q 2007
Employment Indexes (1992=100)*					
Leading	120.4	119.2	1.1	1.0	120.0
Coincident	112.4	110.9	1.4	1.3	112.0
General Drift Indicator (1986=100)*					
Leading	108.5	108.3	0.2	0.2	108.9
Coincident	112.0	110.0	2.0	1.8	111.9
Banknorth Business Barometer (1992=100)**	122.1	120.1	2.0	1.7	123.6

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

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

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

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM	1,702.8	1,683.0	19.8	1.2	1,702.2
Natural Res & Mining (Not Sea. Adj.)	0.8	0.8	0.0	0.0	0.8
Construction	68.6	67.1	1.5	2.2	68.4
Manufacturing	191.8	193.6	-1.8	-0.9	192.6
Trade, Transportation & Utilities	312.6	310.1	2.5	0.8	312.2
Information	37.4	37.5	-0.1	-0.3	37.5
Financial Activities	144.9	144.6	0.3	0.2	144.8
Professional and Business Services	209.5	204.9	4.6	2.2	208.9
Educational and Health Services	288.0	281.8	6.2	2.2	288.0
Leisure and Hospitality Services	135.5	132.7	2.8	2.1	135.2
Other Services	65.2	63.7	1.5	2.4	64.5
Government*	248.5	246.2	2.3	0.9	249.3

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

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
Unemployment Rate, resident (%)	4.5	4.4	0.1	---	4.6
Labor Force, resident (000s)	1,891.1	1,853.9	37.2	2.0	1,871.3
Employed (000s)	1,805.7	1,771.7	34.1	1.9	1,784.7
Unemployed (000s)	85.4	82.3	3.1	3.8	86.7
Average Weekly Initial Claims	3,944	4,032	-88	-2.2	3,918
Help Wanted Index -- Htfd. (1987=100)	10	11	-1	-9.1	8
Avg. Insured Unemp. Rate (%)	2.59	2.78	-0.19	---	2.47

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007	JUL 2007
Average Weekly Hours	42.6	42.4	0.2	0.5	42.1	--
Average Hourly Earnings	20.91	19.96	0.95	4.8	20.74	--
Average Weekly Earnings	890.77	846.30	44.47	5.3	873.15	--
CT Mfg. Production Index (2000=100)	104.6	100.9	3.7	3.7	109.0	103.5
Production Worker Hours (000s)	4,856	4,906	-50	-1.0	4,830	--
Industrial Electricity Sales (mil kWh)*	426	413	12.9	3.1	453	421

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

Personal income for first quarter 2008 is forecasted to increase 1.7 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	1Q* 2008	1Q 2007	CHANGE NO.	CHANGE %	4Q* 2007
Personal Income	$190,955	$187,829	3,126	1.7	$188,636
UI Covered Wages	$100,147	$102,002	-1,854	-1.8	$95,039

Source: Bureau of Economic Analysis: September 2007 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

New auto registrations increased over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
New Housing Permits*	SEP 2007	553	-31.0	5,829	7,197	-19.0
Electricity Sales (mil kWh)	JUL 2007	3,218	-1.0	19,675	18,642	5.5
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	SEP 2007	483.3	-46.6	---	---	---
New Auto Registrations	SEP 2007	17,567	19.2	158,669	158,696	0.0
Air Cargo Tons	SEP 2007	13,172	-6.3	119,349	119,337	0.0
Exports (Bil. $)	2Q 2007	3.48	7.9	6.70	5.99	12.0

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

* Estimated by the Bureau of the Census

BUSINESS STARTS AND TERMINATIONS

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

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
STARTS						
Secretary of the State	SEP 2007	2,230	-6.9	23,930	23,683	1.0
Department of Labor*	1Q2007	2,670	-11.3	2,670	3,011	-11.3
TERMINATIONS						
Secretary of the State	SEP 2007	780	11.6	7,513	6,822	10.1
Department of Labor*	1Q2007	1,052	-32.8	1,052	1,566	-32.8

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

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

STATE REVENUES

Total revenues were up from a year ago.

(Millions of dollars)	SEP 2007	SEP 2006	% CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
TOTAL ALL REVENUES*	1,059.3	1,012.4	4.6	10,537.3	9,733.9	8.3
Corporate Tax	92.8	112.5	-17.5	634.3	622.7	1.9
Personal Income Tax	650.9	579.8	12.3	5,619.0	5,012.4	12.1
Real Estate Conv. Tax	14.2	15.4	-7.8	172.5	145.4	18.6
Sales & Use Tax	175.1	180.8	-3.2	2,629.4	2,477.8	6.1
Indian Gaming Payments**	36.1	36.8	-1.8	325.0	327.3	-0.7

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	PRIOR	% CHG
Info Center Visitors	SEP 2007	41,563	-8.2	319,286	331,781	-3.8
Major Attraction Visitors	SEP 2007	121,863	10.1	1,397,124	1,374,799	1.6
Air Passenger Count	SEP 2007	494,486	-2.4	4,910,424	5,281,253	-7.0
Indian Gaming Slots (Mil.$)*	SEP 2007	1,668	-1.2	14,966	14,978	-0.1
Travel and Tourism Index**	2Q 2007	---	2.0	---	---	---

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

Compensation cost for the nation rose 3.1 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted SEP 2007	JUN 2007	3-Mo % Chg	Not Seasonally Adjusted SEP 2007	SEP 2006	12-Mo % Chg
UNITED STATES TOTAL	105.6	104.8	0.8	105.7	102.5	3.1
Wages and Salaries	105.9	105.1	0.8	106.0	102.5	3.4
Benefit Costs	105.0	104.2	0.8	105.0	102.5	2.4
NORTHEAST TOTAL	---	---	---	106.2	102.5	3.6
Wages and Salaries	---	---	---	106.1	102.5	3.5

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

U.S. inflation rate increased 2.8 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	SEP 2007	208.5	2.8	0.3
Purchasing Power of $ (1982-84=$1.00)	SEP 2007	$0.480	-2.7	-0.3
Northeast Region	SEP 2007	221.4	2.4	0.0
NY-Northern NJ-Long Island	SEP 2007	228.3	2.4	-0.2
Boston-Brockton-Nashua**	SEP 2007	227.9	1.5	0.4
CPI-W (1982-84=100)				
U.S. City Average	SEP 2007	203.9	2.8	0.3
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2007	NA	NA	NA
New England	SEP 2007	NA	NA	NA
U.S.	SEP 2007	NA	NA	NA

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

Conventional mortgage rate fell to 6.38 percent over the month.

INTEREST RATES

(Percent)	SEP 2007	AUG 2007	SEP 2006
Prime	8.03	8.25	8.25
Federal Funds	4.94	5.02	5.25
3 Month Treasury Bill	3.99	4.32	4.93
6 Month Treasury Bill	4.20	4.55	5.08
1 Year Treasury Note	4.14	4.47	4.97
3 Year Treasury Note	4.06	4.34	4.69
5 Year Treasury Note	4.20	4.43	4.67
7 Year Treasury Note	4.33	4.53	4.68
10 Year Treasury Note	4.52	4.67	4.72
20 Year Treasury Note	4.84	5.00	4.93
Conventional Mortgage	6.38	6.57	6.40

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 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
Connecticut	1,702.8	1,683.0	19.8	1.2	1,702.2
Maine	617.6	614.4	3.2	0.5	618.1
Massachusetts	3,284.6	3,247.2	37.4	1.2	3,286.7
New Hampshire	649.1	640.9	8.2	1.3	652.7
New Jersey	4,105.0	4,075.5	29.5	0.7	4,100.1
New York	8,714.3	8,634.0	80.3	0.9	8,705.9
Pennsylvania	5,805.9	5,760.2	45.7	0.8	5,802.6
Rhode Island	499.8	495.5	4.3	0.9	499.5
Vermont	309.4	307.4	2.0	0.7	308.8
United States	138,265.0	136,636.0	1,629.0	1.2	138,155.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
Connecticut	1,891.1	1,853.9	37.2	2.0	1,871.3
Maine	709.1	713.9	-4.8	-0.7	707.1
Massachusetts	3,406.9	3,413.2	-6.3	-0.2	3,384.6
New Hampshire	747.8	738.1	9.7	1.3	744.7
New Jersey	4,513.0	4,527.7	-14.7	-0.3	4,475.4
New York	9,474.9	9,499.1	-24.2	-0.3	9,430.6
Pennsylvania	6,328.5	6,316.8	11.7	0.2	6,262.1
Rhode Island	580.6	579.0	1.6	0.3	571.0
Vermont	357.9	362.3	-4.4	-1.2	356.8
United States	153,464.0	151,818.0	1,646.0	1.1	152,891.0

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

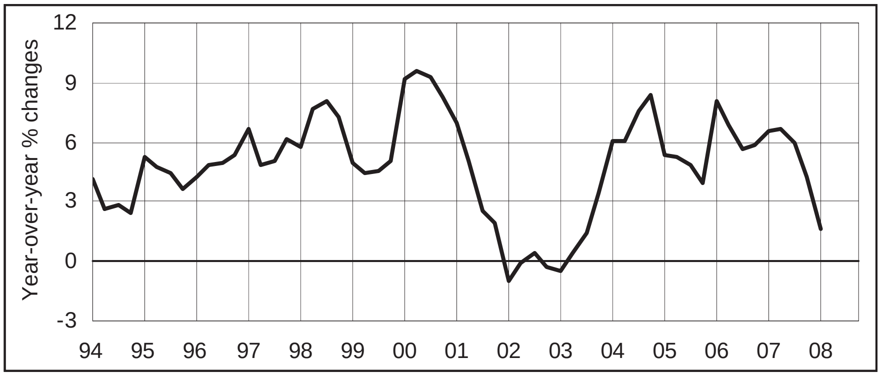
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	SEP 2007	SEP 2006	CHANGE	AUG 2007
Connecticut	4.5	4.4	0.1	4.6
Maine	4.8	4.7	0.1	4.8
Massachusetts	4.4	5.1	-0.7	4.5
New Hampshire	3.5	3.4	0.1	3.6
New Jersey	4.3	4.6	-0.3	4.3
New York	4.6	4.3	0.3	4.9
Pennsylvania	4.5	4.7	-0.2	4.5
Rhode Island	4.9	5.1	-0.2	5.1
Vermont	4.2	3.7	0.5	4.0
United States	4.7	4.6	0.1	4.6

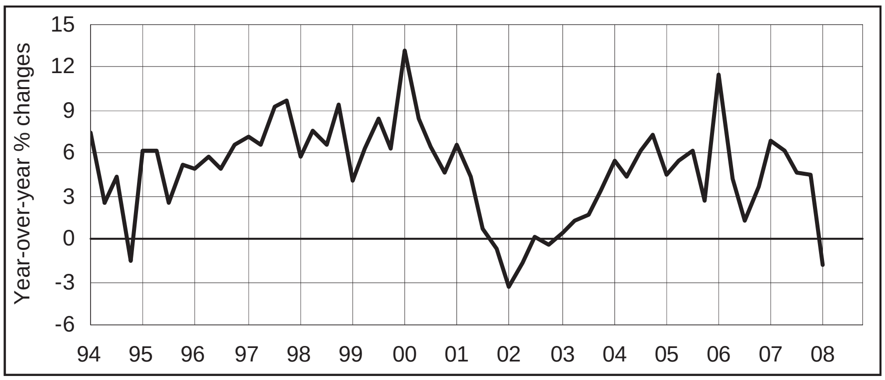
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



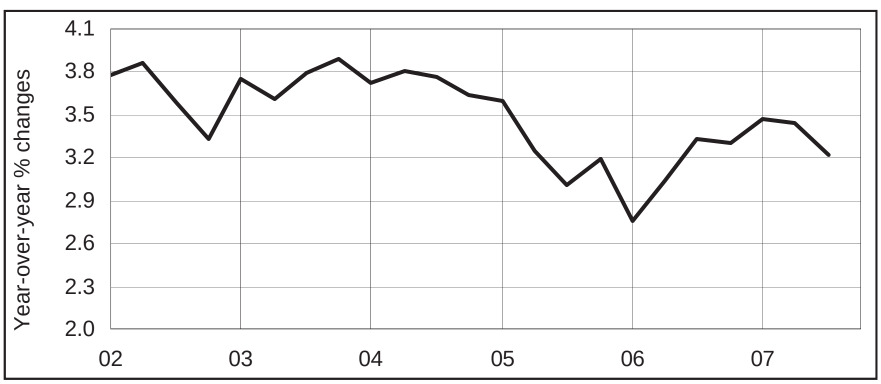
Quarter	2006	2007	2008
First	8.1	6.6	1.7
Second	6.8	6.7	
Third	5.7	5.9	
Fourth	5.9	4.2	

UI COVERED WAGES *(Seasonally adjusted)*



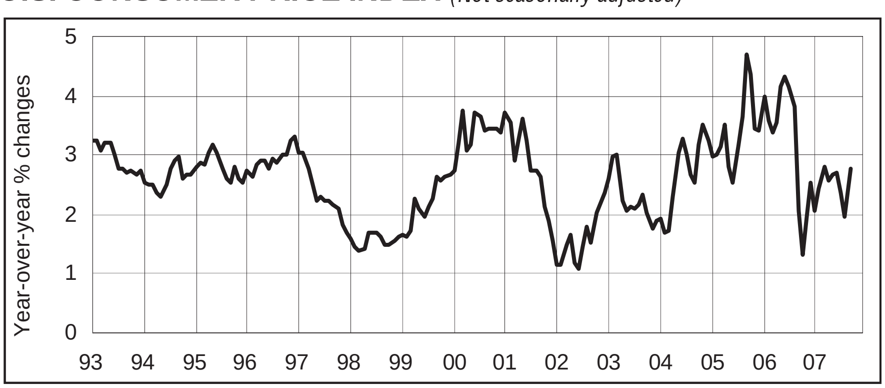
Quarter	2006	2007	2008
First	11.5	6.8	-1.8
Second	4.2	6.2	
Third	1.2	4.7	
Fourth	3.6	4.5	

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



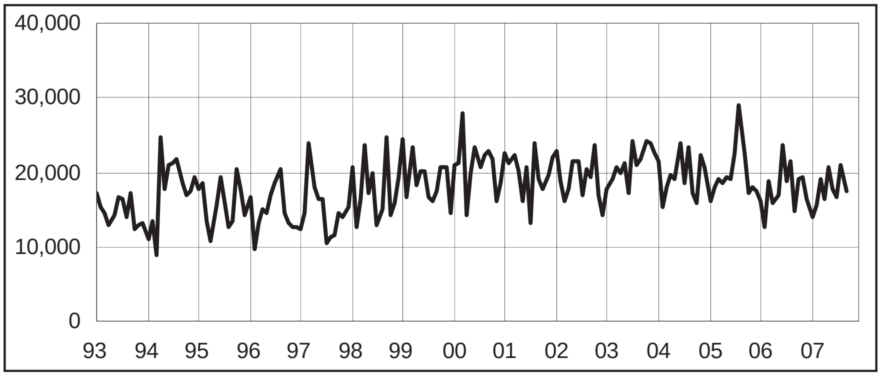
Quarter	2005	2006	2007
First	3.6	2.8	3.5
Second	3.2	3.0	3.4
Third	3.0	3.3	3.2
Fourth	3.2	3.3	

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



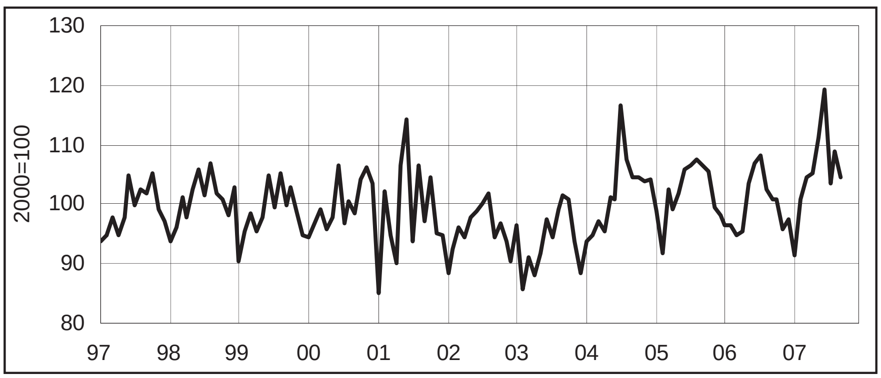
Month	2005	2006	2007
Jan	3.0	4.0	2.1
Feb	3.0	3.6	2.4
Mar	3.1	3.4	2.8
Apr	3.5	3.5	2.6
May	2.8	4.2	2.7
Jun	2.5	4.3	2.7
Jul	3.2	4.1	2.4
Aug	3.6	3.8	2.0
Sep	4.7	2.1	2.8
Oct	4.3	1.3	
Nov	3.5	2.0	
Dec	3.4	2.5	

NEW AUTO REGISTRATIONS PROCESSED *(Not seasonally adjusted)*



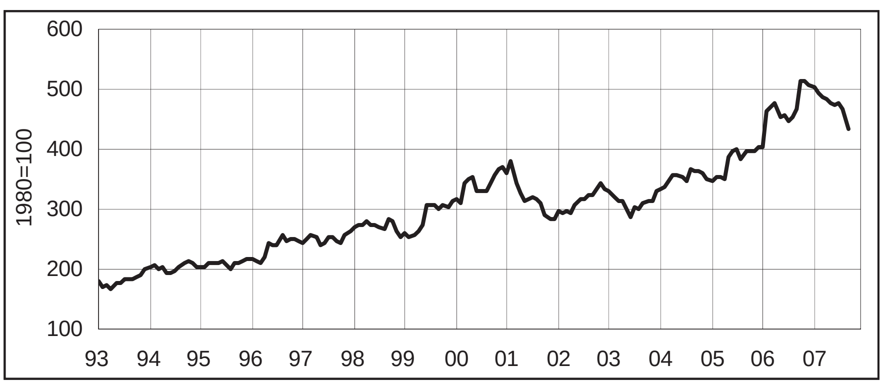
Month	2005	2006	2007
Jan	16,156	16,166	13,895
Feb	17,903	12,710	15,622
Mar	19,019	18,850	18,958
Apr	18,576	15,744	16,357
May	19,330	16,823	20,690
Jun	19,005	23,548	17,791
Jul	22,588	18,717	16,763
Aug	28,911	21,399	21,026
Sep	22,590	14,739	17,567
Oct	17,148	19,014	
Nov	18,004	19,226	
Dec	17,456	16,427	

CT MANUFACTURING PRODUCTION INDEX *(Not seasonally adjusted)*



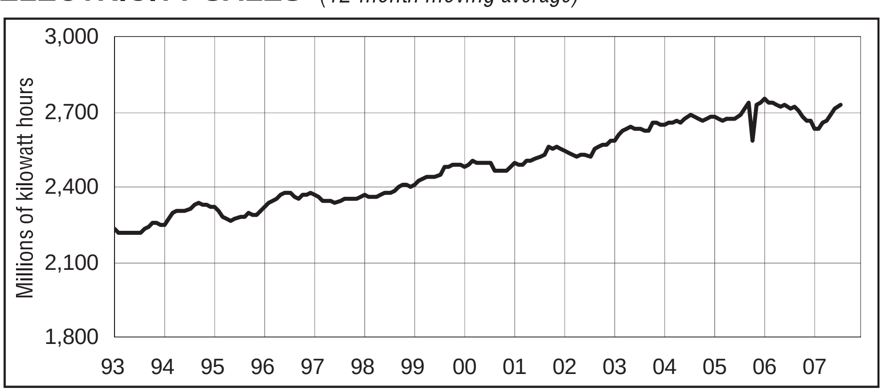
Month	2005	2006	2007
Jan	98.9	96.5	91.6
Feb	91.7	96.5	100.8
Mar	102.4	94.9	104.6
Apr	99.1	95.3	105.2
May	101.7	103.4	111.3
Jun	105.8	106.8	119.1
Jul	106.5	108.1	103.5
Aug	107.6	102.5	109.0
Sep	106.6	100.9	104.6
Oct	105.5	100.8	
Nov	99.5	95.9	
Dec	98.3	97.4	

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



Month	2005	2006	2007
Jan	348.2	404.3	504.6
Feb	354.8	463.2	494.8
Mar	353.7	469.5	487.4
Apr	349.8	476.8	481.9
May	387.3	453.1	476.1
Jun	395.5	456.1	474.1
Jul	399.7	445.8	477.9
Aug	383.2	454.9	466.3
Sep	396.0	465.8	434.8
Oct	395.2	514.3	
Nov	397.6	512.6	
Dec	404.4	508.0	

ELECTRICITY SALES *(12-month moving average)*



Month	2005	2006	2007
Jan	2,677	2,755	2,636
Feb	2,671	2,740	2,634
Mar	2,666	2,736	2,655
Apr	2,676	2,729	2,667
May	2,675	2,722	2,690
Jun	2,671	2,727	2,714
Jul	2,686	2,715	2,724
Aug	2,710	2,720	
Sep	2,739	2,702	
Oct	2,586	2,677	
Nov	2,732	2,666	
Dec	2,738	2,662	

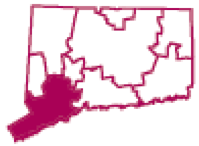
CONNECTICUT

Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**1,704,200**	**1,684,700**	**19,500**	**1.2**	**1,689,800**
GOODS PRODUCING INDUSTRIES	**264,000**	**264,200**	**-200**	**-0.1**	**265,600**
CONSTRUCTION, NAT. RES. & MINING	**72,500**	**71,000**	**1,500**	**2.1**	**73,500**
MANUFACTURING	**191,500**	**193,200**	**-1,700**	**-0.9**	**192,100**
Durable Goods	**144,500**	**145,200**	**-700**	**-0.5**	**144,900**
Fabricated Metal	33,500	33,900	-400	-1.2	33,700
Machinery	18,300	18,100	200	1.1	18,300
Computer and Electronic Product	14,200	14,400	-200	-1.4	14,300
Transportation Equipment	43,200	43,600	-400	-0.9	43,500
Aerospace Product and Parts	31,500	31,300	200	0.6	31,800
Non-Durable Goods	**47,000**	**48,000**	**-1,000**	**-2.1**	**47,200**
Chemical	15,500	16,400	-900	-5.5	15,800
SERVICE PROVIDING INDUSTRIES	**1,440,200**	**1,420,500**	**19,700**	**1.4**	**1,424,200**
TRADE, TRANSPORTATION, UTILITIES	**310,800**	**308,500**	**2,300**	**0.7**	**306,800**
Wholesale Trade	68,800	67,500	1,300	1.9	69,100
Retail Trade	188,600	188,300	300	0.2	189,200
Motor Vehicle and Parts Dealers	21,700	22,200	-500	-2.3	21,800
Building Material	17,200	16,500	700	4.2	17,700
Food and Beverage Stores	42,400	41,600	800	1.9	42,700
General Merchandise Stores	23,700	24,300	-600	-2.5	23,400
Transportation, Warehousing, & Utilities	53,400	52,700	700	1.3	48,500
Utilities	8,000	8,100	-100	-1.2	8,000
Transportation and Warehousing	45,400	44,600	800	1.8	40,500
INFORMATION	**37,300**	**37,200**	**100**	**0.3**	**37,700**
Telecommunications	13,000	12,500	500	4.0	13,000
FINANCIAL ACTIVITIES	**144,900**	**144,600**	**300**	**0.2**	**146,000**
Finance and Insurance	123,900	123,500	400	0.3	124,900
Credit Intermediation	31,300	32,200	-900	-2.8	31,500
Securities and Commodity Contracts	21,900	20,900	1,000	4.8	22,100
Insurance Carriers & Related Activities	65,900	65,500	400	0.6	66,400
Real Estate and Rental and Leasing	21,000	21,100	-100	-0.5	21,100
PROFESSIONAL & BUSINESS SERVICES	**211,800**	**207,200**	**4,600**	**2.2**	**210,900**
Professional, Scientific	94,900	91,200	3,700	4.1	95,300
Legal Services	14,200	14,400	-200	-1.4	14,400
Computer Systems Design	21,600	20,500	1,100	5.4	21,700
Management of Companies	24,500	24,700	-200	-0.8	24,600
Administrative and Support	92,400	91,300	1,100	1.2	91,000
Employment Services	34,700	34,200	500	1.5	33,000
EDUCATIONAL AND HEALTH SERVICES	**286,700**	**280,600**	**6,100**	**2.2**	**279,700**
Educational Services	55,700	53,400	2,300	4.3	48,500
Health Care and Social Assistance	231,000	227,200	3,800	1.7	231,200
Hospitals	58,400	57,600	800	1.4	58,400
Nursing & Residential Care Facilities	58,100	57,900	200	0.3	58,100
Social Assistance	40,200	38,100	2,100	5.5	40,400
LEISURE AND HOSPITALITY	**138,100**	**135,700**	**2,400**	**1.8**	**144,100**
Arts, Entertainment, and Recreation	24,900	24,400	500	2.0	29,300
Accommodation and Food Services	113,200	111,300	1,900	1.7	114,800
Food Serv., Restaurants, Drinking Places	100,600	99,000	1,600	1.6	100,900
OTHER SERVICES	**64,500**	**63,400**	**1,100**	**1.7**	**65,500**
GOVERNMENT	**246,100**	**243,300**	**2,800**	**1.2**	**233,500**
Federal Government	19,300	19,600	-300	-1.5	19,400
State Government	67,800	65,200	2,600	4.0	63,600
Local Government**	159,000	158,500	500	0.3	150,500

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

BRIDGEPORT - STAMFORD LMA

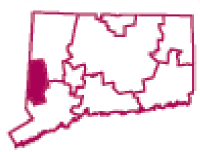


Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT...............	**422,600**	**416,400**	**6,200**	**1.5**	**421,500**
GOODS PRODUCING INDUSTRIES............	**58,400**	**57,100**	**1,300**	**2.3**	**58,800**
CONSTRUCTION, NAT. RES. & MINING.....	**17,500**	**16,200**	**1,300**	**8.0**	**17,800**
MANUFACTURING................................	**40,900**	**40,900**	**0**	**0.0**	**41,000**
Durable Goods....................................	**30,400**	**30,000**	**400**	**1.3**	**30,500**
SERVICE PROVIDING INDUSTRIES...........	**364,200**	**359,300**	**4,900**	**1.4**	**362,700**
TRADE, TRANSPORTATION, UTILITIES.....	**76,300**	**74,800**	**1,500**	**2.0**	**75,400**
Wholesale Trade..................................	14,500	14,400	100	0.7	14,500
Retail Trade..	50,300	49,300	1,000	2.0	50,400
Transportation, Warehousing, & Utilities....	11,500	11,100	400	3.6	10,500
INFORMATION......................................	**11,100**	**11,300**	**-200**	**-1.8**	**11,200**
FINANCIAL ACTIVITIES..........................	**45,400**	**44,200**	**1,200**	**2.7**	**45,900**
Finance and Insurance..........................	39,000	37,700	1,300	3.4	39,300
PROFESSIONAL & BUSINESS SERVICES	**72,700**	**71,500**	**1,200**	**1.7**	**72,700**
EDUCATIONAL AND HEALTH SERVICES	**60,100**	**60,100**	**0**	**0.0**	**59,200**
Health Care and Social Assistance...........	51,100	51,200	-100	-0.2	51,100
LEISURE AND HOSPITALITY...................	**34,500**	**34,000**	**500**	**1.5**	**36,700**
Accommodation and Food Services..........	25,900	25,300	600	2.4	26,300
OTHER SERVICES.................................	**16,700**	**16,900**	**-200**	**-1.2**	**17,200**
GOVERNMENT	**47,400**	**46,500**	**900**	**1.9**	**44,400**
Federal..	3,300	3,400	-100	-2.9	3,300
State & Local...	44,100	43,100	1,000	2.3	41,100

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

DANBURY LMA



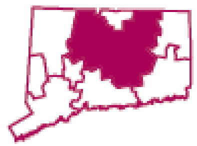
Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT...............	**69,700**	**69,200**	**500**	**0.7**	**69,300**
GOODS PRODUCING INDUSTRIES............	**13,500**	**13,300**	**200**	**1.5**	**13,500**
SERVICE PROVIDING INDUSTRIES...........	**56,200**	**55,900**	**300**	**0.5**	**55,800**
TRADE, TRANSPORTATION, UTILITIES.....	**15,300**	**15,300**	**0**	**0.0**	**15,400**
Retail Trade..	11,400	11,500	-100	-0.9	11,500
PROFESSIONAL & BUSINESS SERVICES	**8,700**	**8,700**	**0**	**0.0**	**8,700**
LEISURE AND HOSPITALITY...................	**5,700**	**5,600**	**100**	**1.8**	**6,000**
GOVERNMENT	**8,000**	**8,000**	**0**	**0.0**	**7,300**
Federal..	600	600	0	0.0	600
State & Local...	7,400	7,400	0	0.0	6,700

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes.*

HARTFORD LMA



Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**556,200**	**552,900**	**3,300**	**0.6**	**548,500**
GOODS PRODUCING INDUSTRIES	**88,000**	**88,100**	**-100**	**-0.1**	**88,600**
CONSTRUCTION, NAT. RES. & MINING	**23,300**	**23,400**	**-100**	**-0.4**	**23,800**
MANUFACTURING	**64,700**	**64,700**	**0**	**0.0**	**64,800**
Durable Goods	**53,800**	**54,000**	**-200**	**-0.4**	**53,800**
Transportation Equipment	18,600	18,700	-100	-0.5	18,800
SERVICE PROVIDING INDUSTRIES	**468,200**	**464,800**	**3,400**	**0.7**	**459,900**
TRADE, TRANSPORTATION, UTILITIES	**89,300**	**89,200**	**100**	**0.1**	**87,800**
Wholesale Trade	19,800	19,800	0	0.0	19,900
Retail Trade	54,500	54,700	-200	-0.4	54,400
Transportation, Warehousing, & Utilities	15,000	14,700	300	2.0	13,500
Transportation and Warehousing	12,200	11,700	500	4.3	10,700
INFORMATION	**11,900**	**11,900**	**0**	**0.0**	**12,100**
FINANCIAL ACTIVITIES	**67,200**	**67,400**	**-200**	**-0.3**	**67,800**
Depository Credit Institutions	7,700	7,700	0	0.0	7,700
Insurance Carriers & Related Activities	46,200	45,300	900	2.0	46,600
PROFESSIONAL & BUSINESS SERVICES	**62,400**	**61,000**	**1,400**	**2.3**	**62,300**
Professional, Scientific	30,000	28,800	1,200	4.2	30,100
Administrative and Support	26,500	26,100	400	1.5	26,300
EDUCATIONAL AND HEALTH SERVICES	**88,500**	**86,400**	**2,100**	**2.4**	**87,000**
Health Care and Social Assistance	77,900	75,600	2,300	3.0	77,800
Ambulatory Health Care	22,900	22,700	200	0.9	23,000
LEISURE AND HOSPITALITY	**41,300**	**40,700**	**600**	**1.5**	**42,700**
Accommodation and Food Services	35,800	33,800	2,000	5.9	35,700
OTHER SERVICES	**20,900**	**20,900**	**0**	**0.0**	**21,100**
GOVERNMENT	**86,700**	**87,300**	**-600**	**-0.7**	**79,100**
Federal	5,900	6,000	-100	-1.7	6,000
State & Local	80,800	81,300	-500	-0.6	73,100

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Employment and earnings in air travel jobs**
  Air travel occupations include aircraft and avionics equipment mechanics and service technicians, airline pilots and flight engineers, flight attendants, and air traffic controllers. In May 2006, employment in those four occupations totaled more than 350,000. Aircraft and avionics equipment mechanics and service technicians held about 133,570 jobs. Aviation maintenance departments comprise several different specialists, including airframe mechanics, power plant technicians, instrument repairmen, and avionics technicians. Aircraft pilots and flight engineers held about 102,930 jobs. Of those, about 75,810 worked as airline pilots, copilots, and flight engineers. The rest were commercial pilots, who may work as flight instructors or as corporate, charter, test, or agricultural pilots. Flight attendants held about 96,760 jobs. Most of them were with commercial airlines. Flight attendants assist passengers and ensure their safety throughout the flight. There were about 23,240 air traffic controllers. Nearly all of them were employed by the FAA-part of the Federal Government. Air traffic controllers work at airports, Air Route Traffic Control Centers, or Flight Service Stations.

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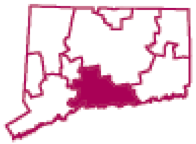
NEW HAVEN LMA



Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**277,100**	**277,300**	**-200**	**-0.1**	**271,300**
GOODS PRODUCING INDUSTRIES	**44,100**	**44,100**	**0**	**0.0**	**44,300**
CONSTRUCTION, NAT. RES. & MINING	**12,000**	**11,800**	**200**	**1.7**	**12,200**
MANUFACTURING	**32,100**	**32,300**	**-200**	**-0.6**	**32,100**
Durable Goods	**21,800**	**22,100**	**-300**	**-1.4**	**21,800**
SERVICE PROVIDING INDUSTRIES	**233,000**	**233,200**	**-200**	**-0.1**	**227,000**
TRADE, TRANSPORTATION, UTILITIES	**51,000**	**51,000**	**0**	**0.0**	**50,900**
Wholesale Trade	11,400	11,800	-400	-3.4	11,600
Retail Trade	30,900	30,500	400	1.3	31,200
Transportation, Warehousing, & Utilities	8,700	8,700	0	0.0	8,100
INFORMATION	**8,200**	**8,000**	**200**	**2.5**	**8,300**
FINANCIAL ACTIVITIES	**14,800**	**14,200**	**600**	**4.2**	**14,800**
Finance and Insurance	10,700	10,400	300	2.9	10,700
PROFESSIONAL & BUSINESS SERVICES	**25,700**	**26,200**	**-500**	**-1.9**	**25,800**
Administrative and Support	12,500	12,900	-400	-3.1	12,700
EDUCATIONAL AND HEALTH SERVICES	**67,700**	**67,300**	**400**	**0.6**	**63,800**
Educational Services	24,500	24,500	0	0.0	20,800
Health Care and Social Assistance	43,200	42,800	400	0.9	43,000
LEISURE AND HOSPITALITY	**21,100**	**21,600**	**-500**	**-2.3**	**22,100**
Accommodation and Food Services	18,100	18,300	-200	-1.1	18,500
OTHER SERVICES	**11,400**	**10,900**	**500**	**4.6**	**11,400**
GOVERNMENT	**33,100**	**34,000**	**-900**	**-2.6**	**29,900**
Federal	5,300	5,400	-100	-1.9	5,300
State & Local	27,800	28,600	-800	-2.8	24,600

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

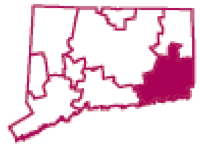
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

For most air travel occupations, there is an adventurous perk: the chance to fly for free or at substantially reduced rates. But what about the wages and salaries in those air travel jobs, which include mechanics and service technicians, airline pilots and flight engineers, flight attendants, and air traffic controllers? Pilots and flight engineers and air traffic controllers are among the highest paid occupations in the United States. Median annual salaries of pilots and flight engineers were $141,090 in May 2006; for air traffic controllers, the median was $117,240. Flight attendants had median annual salaries of $53,780. Flight attendant pay is based almost entirely on seniority and varies by airline, but attendants can increase their earnings by working additional hours and flights. Aircraft mechanics and service technicians had median hourly wages of $22.95, which converts to an annual wage of $47,740 based on a "year-round, full-time" hours figure of 2,080 hours. For avionics technicians, median hourly wages were $22.57, or $46,950 per year.

These data are from the Occupational Employment Statistics program. For more information, see "Sky-high careers: Jobs related to airlines," by Tamara Dillon, Occupational Outlook Quarterly, Summer 2007. (The Editor's Desk, Bureau of Labor Statistics, October 4 and 5, 2007)

NORWICH - NEW LONDON LMA

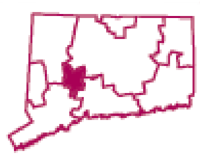


Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**137,400**	**136,800**	**600**	**0.4**	**138,000**
GOODS PRODUCING INDUSTRIES	**21,000**	**21,700**	**-700**	**-3.2**	**21,000**
CONSTRUCTION, NAT. RES. & MINING	**4,800**	**4,600**	**200**	**4.3**	**4,700**
MANUFACTURING	**16,200**	**17,100**	**-900**	**-5.3**	**16,300**
Durable Goods	**10,800**	**11,300**	**-500**	**-4.4**	**10,800**
Non-Durable Goods	**5,400**	**5,800**	**-400**	**-6.9**	**5,500**
SERVICE PROVIDING INDUSTRIES	**116,400**	**115,100**	**1,300**	**1.1**	**117,000**
TRADE, TRANSPORTATION, UTILITIES	**23,000**	**22,500**	**500**	**2.2**	**23,000**
Wholesale Trade	2,200	2,100	100	4.8	2,200
Retail Trade	16,200	16,000	200	1.3	16,500
Transportation, Warehousing, & Utilities	4,600	4,400	200	4.5	4,300
INFORMATION	**2,000**	**2,000**	**0**	**0.0**	**2,100**
FINANCIAL ACTIVITIES	**3,500**	**3,500**	**0**	**0.0**	**3,500**
PROFESSIONAL & BUSINESS SERVICES	**10,600**	**10,400**	**200**	**1.9**	**10,600**
EDUCATIONAL AND HEALTH SERVICES	**19,600**	**19,200**	**400**	**2.1**	**19,200**
Health Care and Social Assistance	16,900	16,500	400	2.4	16,900
LEISURE AND HOSPITALITY	**14,500**	**14,200**	**300**	**2.1**	**15,700**
Accommodation and Food Services	12,200	11,800	400	3.4	13,000
Food Serv., Restaurants, Drinking Places	9,900	9,500	400	4.2	10,700
OTHER SERVICES	**4,000**	**3,900**	**100**	**2.6**	**4,000**
GOVERNMENT	**39,200**	**39,400**	**-200**	**-0.5**	**38,900**
Federal	2,500	2,400	100	4.2	2,500
State & Local**	36,700	37,000	-300	-0.8	36,400

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

WATERBURY LMA



Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**70,000**	**69,200**	**800**	**1.2**	**68,100**
GOODS PRODUCING INDUSTRIES	**12,700**	**12,900**	**-200**	**-1.6**	**12,700**
CONSTRUCTION, NAT. RES. & MINING	**3,000**	**2,900**	**100**	**3.4**	**3,000**
MANUFACTURING	**9,700**	**10,000**	**-300**	**-3.0**	**9,700**
SERVICE PROVIDING INDUSTRIES	**57,300**	**56,300**	**1,000**	**1.8**	**55,400**
TRADE, TRANSPORTATION, UTILITIES	**13,700**	**13,600**	**100**	**0.7**	**13,400**
Wholesale Trade	2,100	2,200	-100	-4.5	2,100
Retail Trade	9,500	9,300	200	2.2	9,500
Transportation, Warehousing, & Utilities	2,100	2,100	0	0.0	1,800
INFORMATION	**900**	**900**	**0**	**0.0**	**900**
FINANCIAL ACTIVITIES	**2,500**	**2,600**	**-100**	**-3.8**	**2,500**
PROFESSIONAL & BUSINESS SERVICES	**6,800**	**6,700**	**100**	**1.5**	**6,500**
EDUCATIONAL AND HEALTH SERVICES	**14,700**	**14,500**	**200**	**1.4**	**14,700**
Health Care and Social Assistance	13,400	13,300	100	0.8	13,400
LEISURE AND HOSPITALITY	**5,800**	**5,100**	**700**	**13.7**	**5,900**
OTHER SERVICES	**2,800**	**2,800**	**0**	**0.0**	**2,900**
GOVERNMENT	**10,100**	**10,100**	**0**	**0.0**	**8,600**
Federal	600	600	0	0.0	600
State & Local	9,500	9,500	0	0.0	8,000

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 2006.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**47,600**	**48,700**	**-1,100**	**-2.3**	**46,800**
TORRINGTON LMA	**38,800**	**37,800**	**1,000**	**2.6**	**38,100**
WILLIMANTIC - DANIELSON LMA	**38,100**	**37,400**	**700**	**1.9**	**37,200**

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 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
TOTAL NONFARM EMPLOYMENT	**301,800**	**300,500**	**1,300**	**0.4**	**295,000**
GOODS PRODUCING INDUSTRIES	**47,300**	**48,800**	**-1,500**	**-3.1**	**47,400**
CONSTRUCTION, NAT. RES. & MINING	**11,900**	**11,700**	**200**	**1.7**	**11,900**
MANUFACTURING	**35,400**	**37,100**	**-1,700**	**-4.6**	**35,500**
Durable Goods	**22,600**	**23,600**	**-1,000**	**-4.2**	**22,700**
Non-Durable Goods	**12,800**	**13,500**	**-700**	**-5.2**	**12,800**
SERVICE PROVIDING INDUSTRIES	**254,500**	**251,700**	**2,800**	**1.1**	**247,600**
TRADE, TRANSPORTATION, UTILITIES	**62,200**	**61,600**	**600**	**1.0**	**61,200**
Wholesale Trade	12,100	11,800	300	2.5	12,000
Retail Trade	36,400	35,900	500	1.4	36,400
Transportation, Warehousing, & Utilities	13,700	13,900	-200	-1.4	12,800
INFORMATION	**4,300**	**4,300**	**0**	**0.0**	**4,300**
FINANCIAL ACTIVITIES	**17,300**	**17,300**	**0**	**0.0**	**17,400**
Finance and Insurance	13,200	13,400	-200	-1.5	13,200
Insurance Carriers & Related Activities	8,700	8,400	300	3.6	8,600
PROFESSIONAL & BUSINESS SERVICES	**25,100**	**24,400**	**700**	**2.9**	**25,000**
EDUCATIONAL AND HEALTH SERVICES	**56,800**	**55,500**	**1,300**	**2.3**	**55,100**
Educational Services	12,900	12,400	500	4.0	11,100
Health Care and Social Assistance	43,900	43,100	800	1.9	44,000
LEISURE AND HOSPITALITY	**27,900**	**27,800**	**100**	**0.4**	**28,900**
OTHER SERVICES	**11,300**	**11,500**	**-200**	**-1.7**	**11,800**
GOVERNMENT	**49,600**	**49,300**	**300**	**0.6**	**43,900**
Federal	6,700	6,700	0	0.0	6,700
State & Local	42,900	42,600	300	0.7	37,200

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes.*

(Not seasonally adjusted)	EMPLOYMENT STATUS	SEP 2007	SEP 2006	CHANGE NO.	CHANGE %	AUG 2007
CONNECTICUT	Civilian Labor Force	1,878,400	1,840,500	37,900	2.1	1,894,100
	Employed	1,797,500	1,762,900	34,600	2.0	1,807,500
	Unemployed	80,900	77,600	3,300	4.3	86,600
	Unemployment Rate	4.3	4.2	0.1	---	4.6
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	478,400	466,200	12,200	2.6	486,000
	Employed	459,600	448,300	11,300	2.5	465,700
	Unemployed	18,800	17,900	900	5.0	20,300
	Unemployment Rate	3.9	3.8	0.1	---	4.2
DANBURY LMA	Civilian Labor Force	92,400	90,400	2,000	2.2	93,800
	Employed	89,300	87,500	1,800	2.1	90,400
	Unemployed	3,100	2,900	200	6.9	3,400
	Unemployment Rate	3.4	3.2	0.2	---	3.7
ENFIELD LMA	Civilian Labor Force	50,000	49,100	900	1.8	49,400
	Employed	47,800	47,000	800	1.7	47,300
	Unemployed	2,300	2,100	200	9.5	2,100
	Unemployment Rate	4.6	4.2	0.4	---	4.2
HARTFORD LMA	Civilian Labor Force	587,900	577,500	10,400	1.8	591,300
	Employed	562,000	552,500	9,500	1.7	563,200
	Unemployed	26,000	25,100	900	3.6	28,100
	Unemployment Rate	4.4	4.3	0.1	---	4.8
NEW HAVEN LMA	Civilian Labor Force	312,300	307,600	4,700	1.5	312,900
	Employed	298,000	293,700	4,300	1.5	297,500
	Unemployed	14,400	13,900	500	3.6	15,400
	Unemployment Rate	4.6	4.5	0.1	---	4.9
NORWICH - NEW LONDON LMA	Civilian Labor Force	153,000	150,800	2,200	1.5	155,900
	Employed	146,900	144,700	2,200	1.5	149,400
	Unemployed	6,100	6,000	100	1.7	6,500
	Unemployment Rate	4.0	4.0	0.0	---	4.2
TORRINGTON LMA	Civilian Labor Force	56,600	55,000	1,600	2.9	56,800
	Employed	54,500	53,000	1,500	2.8	54,500
	Unemployed	2,100	2,000	100	5.0	2,300
	Unemployment Rate	3.8	3.6	0.2	---	4.1
WATERBURY LMA	Civilian Labor Force	102,800	100,300	2,500	2.5	102,700
	Employed	97,100	95,000	2,100	2.2	96,600
	Unemployed	5,700	5,300	400	7.5	6,000
	Unemployment Rate	5.5	5.3	0.2	---	5.9
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	58,300	56,900	1,400	2.5	58,700
	Employed	55,300	54,000	1,300	2.4	55,800
	Unemployed	3,000	2,900	100	3.4	3,000
	Unemployment Rate	5.1	5.1	0.0	---	5.1
UNITED STATES	Civilian Labor Force	153,400,000	151,635,000	1,765,000	1.2	153,493,000
	Employed	146,448,000	145,010,000	1,438,000	1.0	146,406,000
	Unemployed	6,952,000	6,625,000	327,000	4.9	7,088,000
	Unemployment Rate	4.5	4.4	0.1	---	4.6

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

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007	AVG WEEKLY HOURS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007	AVG HOURLY EARNINGS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007
MANUFACTURING	**$890.77**	**$846.30**	**$44.46**	**$873.15**	**42.6**	**42.4**	**0.2**	**42.1**	**$20.91**	**$19.96**	**$0.95**	**$20.74**
DURABLE GOODS	**922.29**	**878.48**	**43.81**	**905.10**	**42.6**	**42.5**	**0.1**	**42.0**	**21.65**	**20.67**	**0.98**	**21.55**
Fabricated Metal	806.60	788.80	17.80	808.74	42.7	42.8	-0.1	42.1	18.89	18.43	0.46	19.21
Machinery	862.69	835.58	27.11	851.95	41.1	40.8	0.3	40.9	20.99	20.48	0.51	20.83
Computer & Electronic	711.20	677.61	33.59	716.19	40.0	40.6	-0.6	40.1	17.78	16.69	1.09	17.86
Transport. Equipment	1,160.78	1,103.66	57.12	1,134.75	43.2	43.4	-0.2	42.5	26.87	25.43	1.44	26.70
NON-DUR. GOODS	**803.25**	**763.94**	**39.31**	**784.08**	**42.5**	**42.3**	0.2	**42.2**	**18.90**	**18.06**	**0.84**	**18.58**
CONSTRUCTION	**964.71**	**913.74**	**50.97**	**943.20**	**39.2**	**38.8**	**0.4**	**39.3**	**24.61**	**23.55**	**1.06**	**24.00**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007	AVG WEEKLY HOURS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007	AVG HOURLY EARNINGS SEP 2007	SEP 2006	CHG Y/Y	AUG 2007
Bridgeport - Stamford	$904.54	$929.63	-$25.09	$839.34	43.3	43.4	-0.1	41.8	$20.89	$21.42	-$0.53	$20.08
New Haven	844.57	742.00	102.57	794.63	38.6	42.4	-3.8	37.5	21.88	17.50	4.38	21.19
Norwich - New London	867.15	829.79	37.36	848.22	42.3	42.1	0.2	41.6	20.50	19.71	0.79	20.39

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

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

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- In September 2007, plans were unveiled to build a Hilton Hotel at the Norwich Marina. Construction will begin in 2008 and 200 new jobs will be created. On November 8th, Hilton Homewood Suites will open in the former Bond Hotel in Hartford with 35 employees being hired. CT Biodiesel plans to build a renewable energy plant in Suffield that would create 25 to 30 jobs.

- In September 2007, HP Hood announced plans to lay off 80 workers at its ice cream plant in Suffield by November. Branford-based CuraGen, a developer of cancer drugs, will eliminate 15 jobs by the end of the year.

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.

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD	**478,402**	**459,573**	**18,829**	**3.9**
Ansonia	10,173	9,591	582	5.7
Bridgeport	63,417	59,304	4,113	6.5
Darien	9,360	9,101	259	2.8
Derby	6,999	6,641	358	5.1
Easton	3,837	3,717	120	3.1
Fairfield	28,814	27,810	1,004	3.5
Greenwich	30,869	29,915	954	3.1
Milford	32,012	30,855	1,157	3.6
Monroe	10,828	10,466	362	3.3
New Canaan	9,089	8,832	257	2.8
Newtown	14,516	14,099	417	2.9
Norwalk	49,400	47,621	1,779	3.6
Oxford	7,018	6,777	241	3.4
Redding	4,624	4,508	116	2.5
Ridgefield	11,983	11,637	346	2.9
Seymour	9,332	8,910	422	4.5
Shelton	22,962	22,076	886	3.9
Southbury	9,221	8,892	329	3.6
Stamford	67,730	65,356	2,374	3.5
Stratford	26,501	25,315	1,186	4.5
Trumbull	18,277	17,640	637	3.5
Weston	4,999	4,877	122	2.4
Westport	12,929	12,534	395	3.1
Wilton	8,511	8,258	253	3.0
Woodbridge	5,001	4,840	161	3.2
DANBURY	**92,397**	**89,296**	**3,101**	**3.4**
Bethel	11,002	10,672	330	3.0
Bridgewater	1,057	1,023	34	3.2
Brookfield	9,180	8,850	330	3.6
Danbury	44,673	43,133	1,540	3.4
New Fairfield	7,722	7,466	256	3.3
New Milford	16,572	16,031	541	3.3
Sherman	2,190	2,121	69	3.2
ENFIELD	**50,049**	**47,770**	**2,279**	**4.6**
East Windsor	6,202	5,939	263	4.2
Enfield	24,489	23,289	1,200	4.9
Somers	4,796	4,572	224	4.7
Suffield	7,416	7,131	285	3.8
Windsor Locks	7,148	6,840	308	4.3
HARTFORD	**587,930**	**561,958**	**25,972**	**4.4**
Andover	1,997	1,939	58	2.9
Ashford	2,628	2,541	87	3.3
Avon	9,256	8,984	272	2.9
Barkhamsted	2,246	2,168	78	3.5
Berlin	11,092	10,718	374	3.4
Bloomfield	10,126	9,612	514	5.1
Bolton	3,089	2,994	95	3.1
Bristol	34,527	32,941	1,586	4.6
Burlington	5,380	5,209	171	3.2

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,725	5,559	166	2.9
Colchester	8,805	8,505	300	3.4
Columbia	3,083	2,977	106	3.4
Coventry	7,086	6,813	273	3.9
Cromwell	7,894	7,614	280	3.5
East Granby	2,938	2,852	86	2.9
East Haddam	5,191	5,013	178	3.4
East Hampton	6,902	6,604	298	4.3
East Hartford	25,657	24,182	1,475	5.7
Ellington	8,695	8,415	280	3.2
Farmington	13,070	12,580	490	3.7
Glastonbury	18,421	17,834	587	3.2
Granby	6,329	6,123	206	3.3
Haddam	4,825	4,679	146	3.0
Hartford	48,863	44,815	4,048	8.3
Hartland	1,211	1,176	35	2.9
Harwinton	3,191	3,073	118	3.7
Hebron	5,554	5,353	201	3.6
Lebanon	4,341	4,195	146	3.4
Manchester	32,179	30,841	1,338	4.2
Mansfield	13,083	12,613	470	3.6
Marlborough	3,626	3,512	114	3.1
Middlefield	2,402	2,320	82	3.4
Middletown	26,769	25,608	1,161	4.3
New Britain	34,937	32,665	2,272	6.5
New Hartford	3,835	3,696	139	3.6
Newington	16,788	16,162	626	3.7
Plainville	10,176	9,756	420	4.1
Plymouth	6,918	6,584	334	4.8
Portland	5,414	5,200	214	4.0
Rocky Hill	10,810	10,425	385	3.6
Simsbury	12,222	11,843	379	3.1
Southington	24,351	23,429	922	3.8
South Windsor	14,920	14,437	483	3.2
Stafford	6,889	6,612	277	4.0
Thomaston	4,685	4,481	204	4.4
Tolland	8,398	8,144	254	3.0
Union	470	459	11	2.3
Vernon	17,430	16,687	743	4.3
West Hartford	29,757	28,572	1,185	4.0
Wethersfield	13,510	12,995	515	3.8
Willington	3,948	3,833	115	2.9
Windsor	16,291	15,616	675	4.1

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.

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**312,323**	**297,965**	**14,358**	**4.6**
Bethany	3,123	3,008	115	3.7
Branford	17,508	16,836	672	3.8
Cheshire	14,809	14,288	521	3.5
Chester	2,292	2,223	69	3.0
Clinton	8,003	7,730	273	3.4
Deep River	2,609	2,521	88	3.4
Durham	4,256	4,121	135	3.2
East Haven	16,282	15,479	803	4.9
Essex	3,824	3,702	122	3.2
Guilford	13,079	12,664	415	3.2
Hamden	31,192	29,838	1,354	4.3
Killingworth	3,598	3,501	97	2.7
Madison	10,164	9,873	291	2.9
Meriden	31,879	30,205	1,674	5.3
New Haven	56,154	52,284	3,870	6.9
North Branford	8,428	8,110	318	3.8
North Haven	13,195	12,705	490	3.7
Old Saybrook	5,521	5,328	193	3.5
Orange	7,396	7,156	240	3.2
Wallingford	25,458	24,480	978	3.8
Westbrook	3,687	3,569	118	3.2
West Haven	29,868	28,346	1,522	5.1
***NORWICH-NEW LONDON**	**139,669**	**134,040**	**5,629**	**4.0**
Bozrah	1,512	1,440	72	4.8
Canterbury	3,233	3,097	136	4.2
East Lyme	9,757	9,441	316	3.2
Franklin	1,208	1,169	39	3.2
Griswold	7,223	6,910	313	4.3
Groton	20,211	19,411	800	4.0
Ledyard	8,711	8,426	285	3.3
Lisbon	2,632	2,527	105	4.0
Lyme	1,176	1,139	37	3.1
Montville	11,082	10,623	459	4.1
New London	13,882	13,133	749	5.4
No. Stonington	3,314	3,220	94	2.8
Norwich	21,038	20,003	1,035	4.9
Old Lyme	4,316	4,187	129	3.0
Preston	2,887	2,787	100	3.5
Salem	2,649	2,565	84	3.2
Sprague	1,828	1,737	91	5.0
Stonington	10,703	10,379	324	3.0
Voluntown	1,649	1,577	72	4.4
Waterford	10,655	10,267	388	3.6

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

NORWICH-NEW LONDON	**153,032**	**146,944**	**6,088**	**4.0**
Westerly, RI	13,363	12,904	459	3.4

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	**56,590**	**54,459**	**2,131**	**3.8**
Bethlehem	2,113	2,044	69	3.3
Canaan	631	611	20	3.2
Colebrook	868	848	20	2.3
Cornwall	862	843	19	2.2
Goshen	1,658	1,600	58	3.5
Kent	1,664	1,613	51	3.1
Litchfield	4,579	4,412	167	3.6
Morris	1,373	1,314	59	4.3
Norfolk	996	961	35	3.5
North Canaan	1,813	1,745	68	3.8
Roxbury	1,433	1,393	40	2.8
Salisbury	2,085	2,025	60	2.9
Sharon	1,637	1,594	43	2.6
Torrington	20,133	19,243	890	4.4
Warren	766	739	27	3.5
Washington	2,025	1,964	61	3.0
Winchester	6,224	5,955	269	4.3
Woodbury	5,728	5,553	175	3.1
WATERBURY	**102,788**	**97,107**	**5,681**	**5.5**
Beacon Falls	3,312	3,164	148	4.5
Middlebury	3,869	3,732	137	3.5
Naugatuck	17,402	16,636	766	4.4
Prospect	5,373	5,172	201	3.7
Waterbury	51,019	47,478	3,541	6.9
Watertown	12,645	12,129	516	4.1
Wolcott	9,170	8,797	373	4.1
WILLIMANTIC-DANIELSON	**58,253**	**55,300**	**2,953**	**5.1**
Brooklyn	3,905	3,715	190	4.9
Chaplin	1,442	1,390	52	3.6
Eastford	992	966	26	2.6
Hampton	1,192	1,143	49	4.1
Killingly	9,560	9,026	534	5.6
Plainfield	8,573	8,117	456	5.3
Pomfret	2,311	2,232	79	3.4
Putnam	5,289	5,014	275	5.2
Scotland	1,002	979	23	2.3
Sterling	2,023	1,931	92	4.5
Thompson	5,473	5,203	270	4.9
Windham	11,809	11,090	719	6.1
Woodstock	4,682	4,494	188	4.0

Not Seasonally Adjusted:				
CONNECTICUT	1,878,400	1,797,500	80,900	4.3
UNITED STATES	153,400,000	146,448,000	6,952,000	4.5
Seasonally Adjusted:				
CONNECTICUT	1,891,100	1,805,700	85,400	4.5
UNITED STATES	153,464,000	146,257,000	7,207,000	4.7

LABOR FORCE CONCEPTS (Continued)

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

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

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

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	SEP 2007	YR TO DATE 2007	YR TO DATE 2006
Andover	1	6	5
Ansonia	3	10	7
Ashford	1	9	17
Avon	4	33	52
Barkhamsted	na	na	na
Beacon Falls	na	na	na
Berlin	5	83	104
Bethany	na	na	na
Bethel	0	6	41
Bethlehem	na	na	na
Bloomfield	na	na	na
Bolton	0	11	12
Bozrah	1	7	11
Branford	na	na	na
Bridgeport	4	85	155
Bridgewater	na	na	na
Bristol	23	90	53
Brookfield	na	na	na
Brooklyn	3	30	48
Burlington	0	20	18
Canaan	1	5	3
Canterbury	4	11	18
Canton	1	18	23
Chaplin	1	12	14
Cheshire	3	35	59
Chester	na	na	na
Clinton	0	5	19
Colchester	8	40	58
Colebrook	0	0	3
Columbia	1	7	17
Cornwall	2	7	7
Coventry	4	30	47
Cromwell	3	30	27
Danbury	34	229	291
Darien	na	na	na
Deep River	0	4	7
Derby	na	na	na
Durham	2	25	30
East Granby	2	16	30
East Haddam	2	29	30
East Hampton	5	58	69
East Hartford	na	na	na
East Haven	2	23	35
East Lyme	4	85	81
East Windsor	12	76	54
Eastford	1	5	9
Easton	0	4	6
Ellington	11	72	92
Enfield	na	na	na
Essex	15	25	7
Fairfield	4	71	88
Farmington	7	34	82
Franklin	1	5	4
Glastonbury	6	71	108
Goshen	3	27	31
Granby	2	24	35
Greenwich	13	146	163
Griswold	na	na	na
Groton	8	47	51
Guilford	3	26	45
Haddam	5	38	42
Hamden	2	17	19
Hampton	1	12	18
Hartford	5	111	291
Hartland	na	na	na
Harwinton	2	13	19
Hebron	na	na	na
Kent	0	6	8
Killingly	9	62	89
Killingworth	na	na	na
Lebanon	1	14	31
Ledyard	1	11	30
Lisbon	1	9	14
Litchfield	na	na	na
Lyme	0	6	3
Madison	4	19	29
Manchester	1	319	121
Mansfield	0	36	54
Marlborough	1	18	21
Meriden	4	46	51
Middlebury	na	na	na
Middlefield	1	4	4
Middletown	17	162	161
Milford	20	207	217
Monroe	2	17	18
Montville	4	27	23
Morris	0	4	4
Naugatuck	5	35	59
New Britain	na	na	na
New Canaan	3	35	48
New Fairfield	na	na	na
New Hartford	0	12	15
New Haven	2	32	114
New London	4	40	52
New Milford	8	31	67
Newington	2	50	92
Newtown	3	33	27
Norfolk	0	4	3
North Branford	na	na	na
North Canaan	1	5	3
North Haven	3	8	24
North Stonington	2	14	11
Norwalk	9	73	69
Norwich	11	73	84
Old Lyme	na	na	na
Old Saybrook	0	8	20
Orange	na	na	na
Oxford	1	51	116
Plainfield	1	9	23
Plainville	3	38	12
Plymouth	0	11	17
Pomfret	0	6	11
Portland	4	9	16
Preston	1	12	24
Prospect	na	na	na
Putnam	2	20	25
Redding	na	na	na
Ridgefield	0	81	36
Rocky Hill	3	24	48
Roxbury	na	na	na
Salem	0	7	11
Salisbury	na	na	na
Scotland	1	7	7
Seymour	4	25	41
Sharon	1	7	7
Shelton	3	65	110
Sherman	na	na	na
Simsbury	3	14	67
Somers	2	29	20
South Windsor	2	28	53
Southbury	0	26	23
Southington	2	88	71
Sprague	1	4	5
Stafford	na	na	na
Stamford	1	480	209
Sterling	na	na	na
Stonington	6	38	50
Stratford	4	41	24
Suffield	5	26	34
Thomaston	na	na	na
Thompson	na	na	na
Tolland	8	38	46
Torrington	3	53	64
Trumbull	3	23	64
Union	0	1	4
Vernon	14	141	146
Voluntown	1	8	6
Wallingford	3	63	76
Warren	1	9	7
Washington	na	na	na
Waterbury	2	119	153
Waterford	5	42	29
Watertown	4	37	50
West Hartford	10	71	64
West Haven	na	na	na
Westbrook	2	17	27
Weston	na	na	na
Westport	5	59	68
Wethersfield	na	na	na
Willington	0	3	14
Wilton	na	na	na
Winchester	0	19	29
Windham	4	13	14
Windsor	na	na	na
Windsor Locks	na	na	na
Wolcott	1	30	45
Woodbridge	na	na	na
Woodbury	1	21	18
Woodstock	2	21	42

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

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

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

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

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

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

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

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

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

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

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

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

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

ECONOMIC INDICATORS AT A GLANCE

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

Leading Employment Index	**+0.5**
Coincident Employment Index	**+0.9**
Leading General Drift Indicator	**+0.2**
Coincident General Drift Indicator	**+1.8**
Banknorth Business Barometer	**+1.7**
Total Nonfarm Employment	**+1.2**
Unemployment Rate	**+0.1**
Labor Force	+2.0
Employed	+1.9
Unemployed	+3.8
Average Weekly Initial Claims	**-2.2**
Help Wanted Index -- Hartford	**-9.1**
Avg Insured Unempl. Rate	**-0.19***
Average Weekly Hours, Mfg	**+0.5**
Average Hourly Earnings, Mfg	**+4.8**
Average Weekly Earnings, Mfg	**+5.3**
CT Mfg. Production Index	**+3.7**
Production Worker Hours	-1.0
Industrial Electricity Sales	+3.1
Personal Income	**+1.7**
UI Covered Wages	**-1.8**

Business Activity	
New Housing Permits	-31.0
Electricity Sales	-1.0
Retail Sales	-0.6
Construction Contracts Index	-46.6
New Auto Registrations	+19.2
Air Cargo Tons	-6.3
Exports	+7.9
Business Starts	
Secretary of the State	-6.9
Dept. of Labor	-11.3
Business Terminations	
Secretary of the State	+11.6
Dept. of Labor	-32.8
State Revenues	**+4.6**
Corporate Tax	-17.5
Personal Income Tax	+12.3
Real Estate Conveyance Tax	-7.8
Sales & Use Tax	-3.2
Indian Gaming Payments	-1.8

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

Tourism and Travel	
Info Center Visitors	-8.2
Attraction Visitors	+10.1
Air Passenger Count	-2.4
Indian Gaming Slots	-1.2
Travel and Tourism Index	+2.0
Employment Cost Index (U.S.)	
Total	+3.1
Wages & Salaries	+3.4
Benefit Costs	+2.4
Consumer Prices	
U.S. City Average	+2.8
Northeast Region	+2.4
NY-NJ-Long Island	+2.4
Boston-Brockton-Nashua	+1.5
Consumer Confidence	
Connecticut	NA
New England	NA
U.S.	NA
Interest Rates	
Prime	-0.22*
Conventional Mortgage	-0.02*

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