THE CONNECTICUT
ECONOMIC DIGEST

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SEPTEMBER 2006

IN THIS ISSUE...

In July...

Nonfarm Employment

Connecticut 1,672,300
- Change over month 0.04%
- Change over year 0.5%

United States 135,354,000
- Change over month 0.08%
- Change over year 1.3%

Unemployment Rate

Connecticut 4.3%
United States 4.8%

Consumer Price Index

United States 203.5
- Change over year 4.1%

Connecticut's Housing Market Remains Healthy

By Kolie Sun, Senior Research Analyst, DECD

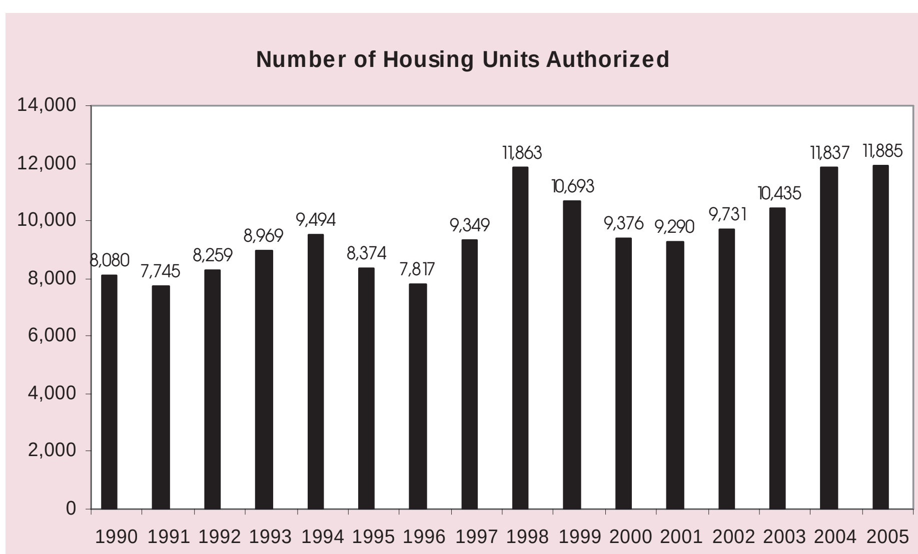
Relatively low mortgage rates, a growing population, new household formations, and the desire to upgrade current homes created strong demand within Connecticut's housing market in 2005.

Can the pace of housing construction be sustained? Will home prices rise? This article, by examining housing market performance in 2005, will attempt to provide some answers to these questions.

Housing Contribution to the Economy

The housing sector, through private investment and consumption spending on housing services, has been a vital part of both the national and state economies during the last few years. According to statistics published by the National Association of Home Builders (NAHB), the total value of housing activities contributed nearly 16 percent to the U.S. economy (measured by Gross Domestic Product, GDP) in 2002, the latest year for which estimates are available. Connecticut's housing share accounted for more than 15 percent of Gross State Product (GSP), just as significant as the finance and insurance industry.

NAHB has calculated residential construction jobs and wages for each state. In 2003, Connecticut employed 25,900 residential construction workers. This total accounts for 1.6 percent of all jobs in the State, with average annual pay at $41,100 per worker. In comparison to other states, Connecticut ranked 32nd in total residential construc-



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Year	# of sales	Median Home sales prices	% change
2001	72,452	150,000	
2002	76,332	165,000	10.0%
2003	76,810	189,900	15.1%
2004	83,272	219,900	15.8%
2005	81,733	247,400	12.5%

Source: Warren Group/CERC

tion jobs, 45th in the industry's share of all jobs, and 5th in average wages in the industry.

Housing Production, Demolition, Inventory

In 2005, the State authorized 11,885 new housing units according to the Bureau of the Census. As the chart on the front page shows, the level of production achieved in 2005 represents the highest total since 1989. Danbury led all municipalities with 598 units authorized in 2005, followed by Shelton with 474 units and Hartford with 353 units.

At the county level, Fairfield County authorized the most units (3,119), and experienced the largest percentage increase (25 percent) from a year earlier. Hartford County authorized the second largest number of units (2,487), a 4.1 percent gain compared to 2004.

DECD surveyed all towns in Connecticut for demolition information and the 127 municipalities that responded reported that 1,386 units were demolished last year. Just like in 2004, more than half of the units demolished occurred in Fairfield County to make way for bigger and more expensive houses.

The balance of new authorizations and demolitions for the year yields a net gain of 10,499 housing units in 2005 bringing Connecticut's total housing stock to an estimated 1,431,569 units.

The relationship between building permits, housing starts and completions is a frequently asked question. There are several factors affecting the permit-start-completion relationship, such as housing starts in non-permit areas, permits abandoned before start, and design change and misclassification. According to the Census Bureau, in general, the number of housing starts is two and half percent lower than permits, and housing completions are four percent lower than starts. That means approximately 94 percent of permits issued will turn into completed housing units.

Home Sales and Prices

The number of home sales is another indicator of housing activity, and mortgage rates directly affect consumers' home buying. Influenced by the Federal Reserve Bank's raising of interest rates, mortgage rates were on the rise in 2005. Consequently, according to the Warren Group/CERC, there were 81,733 all-unit transactions in 2005, showing a bit slower pace in comparison to the level of 83,272 in 2004, although significantly higher (12%) than the 72,452 transactions in 2001. This level of activity suggests that the housing market remained healthy and robust last year. (See table above.)

For the fourth year in a row, Connecticut's median home price registered a double-digit gain, rising 12.5 percent from $219,900 in 2004 to $247,400 in 2005. All counties, except Fairfield and Middlesex, experienced a median home price growth rate higher than the State as a whole. Sales prices of existing one-family houses averaged $356,000 in Connecticut, as reported by the National Association of Realtors.

Why do home prices continue to rise? Rising costs of building material, land and labor caused the total valuations of residential

--Continued on page 5--

OCCUPATION PROFILE

REAL ESTATE BROKERS AND SALES AGENTS

By Michael H. Zotos, ED.D., Associate Research Analyst, DOL

Introduction

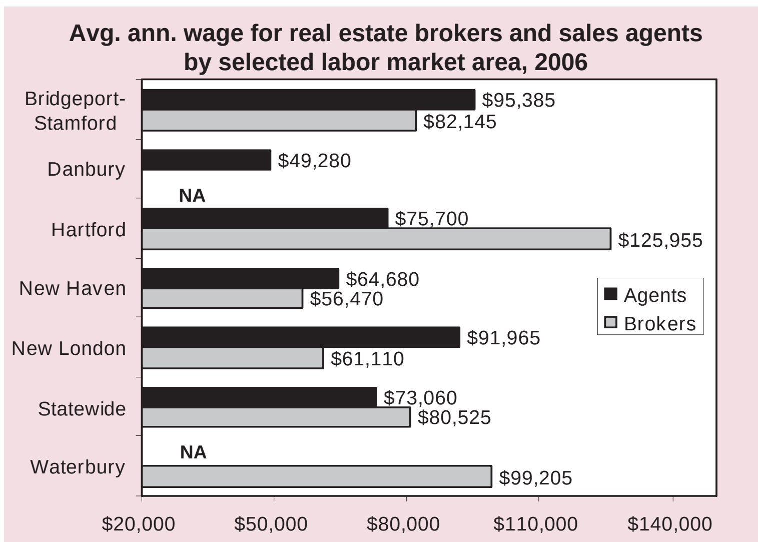
Despite the softer sales recently in the real estate market, employment of real estate brokers and sales agents continues to be relatively stable. The increase in prices and a spike in interest rates are beginning to take their toll on housing. The surplus of newly constructed homes, together with longer selling periods, are creating a changing market for buyers, sellers, and real estate agents. It appears that the market for existing homes is somewhat better. Overall, these observations do not affect housing as a basic necessity. People will be starting new families, be relocating for various reasons, and some will be moving into higher economic levels resulting in bigger and newer homes.

In today's highly technical business climate, the buying and selling of homes and real estate in general is undergoing significant changes. Real estate websites are becoming the initial contact for buyers and sellers. Virtual tours, pictures, descriptions, and pricing are now computerized and are easily accessed by the public. Newspaper ads, flyers, and other publications are secondary sources of advertising. The role of the broker and agent is changing as a result of this process.

What do they do?

According to the Bureau of Labor Statistics' Occupational Outlook Handbook, 2006-07 edition, "Brokers supervise agents who may have many of the same job duties." Brokers often have their own offices and deal with other duties such as mortgage procedures, staff meetings, training, and other business matters. Real estate agents are independent sales workers who are licensed to sell real estate. Agents work on a pre-approved commission based on the selling price of the property.

The selling of commercial and residential real estate properties is the responsibility of brokers and agents. Listings of properties originate with homeowners and commercial sources who are classified as sellers. An agent will meet with a prospective client for purposes of discussing price, time lines, commissions, closing dates, and other essentials resulting in the final sale. If properties are sold under multiple listing conditions, where another agent sells the property, the commission is usually halved. A full commission is granted when the original listing agent sells the property.



Working conditions

A state license is required to sell real estate in all states including the District of Columbia. An examination is required which includes certain legal, financial, and a technical understanding of real estate. Periodically, a license must be renewed which enables agents to update their skills and understanding of their occupation.

The conditions of work can be very stressful. Long hours, evenings, weekends and holidays are common. Successful closings can be elusive at times depending on mortgage approvals, inspections, and other factors. Competition for listings is also difficult. There are only a certain number of homes for sale during a particular period of time. Because of this, many agents are attempting to get the listing.

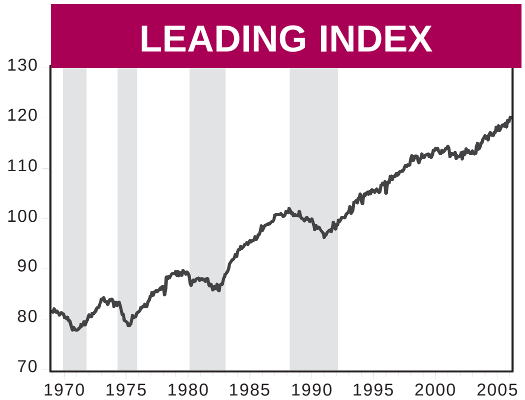
For those who wish to aspire to higher levels in this occupation, there are opportunities for starting your own business, becoming an appraiser, mortgage officer or property manager. Earnings will probably increase as experience and time come into play.

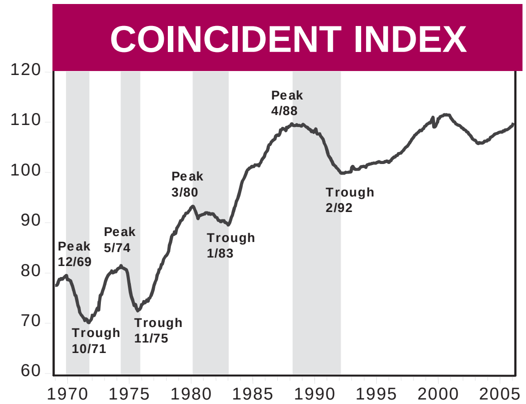
Earnings

Real estate agents in Connecticut earn an average annual wage of $73,060 statewide, according to the Connecticut Department of Labor. Real estate brokers reported higher wages at $80,525 statewide. Real estate agents working in the Bridgeport-Stamford, Hartford, New Haven, and New London regions had earnings ranging from $64,680 in New Haven to $95,385 in Bridgeport-Stamford. The Danbury labor market area ranked below the range at $49,280. (See chart). The variance in wages throughout the State is related to the residential, commercial, and industrial properties purchased or sold.

Employment outlook

In Connecticut, job openings for real estate brokers is forecasted at 26 annually, on average, through 2012. Overall employment of brokers is expected to be relatively stable between 2002 and 2012. However, the employment of real estate agents over the same period is expected to grow by 4.1 percent. At present, openings for agents are projected at 56 jobs annually. Should the State population increase at a greater rate than present, more jobs would be created since housing and other services would be in higher demand.





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.

A Robust First Half of 2006 for Connecticut

At its August 8 meeting, the Federal Open Market Committee (FOMC) decided to keep its target federal funds rate at 5.25%, thus breaking the string of seventeen consecutive quarter-point increases in this key interest rate. The committee cited moderating economic growth due to a slowing housing market, which in turn is due to past policy actions and higher energy costs, as well as expectations that inflation will moderate over time, due to past policy actions and other unspecified factors, as the basis for its decision. Interestingly, the financial press reported the FOMC's decision as a "pause" and not as an "end" to the current cycle of interest rate hikes. Quite clearly, no one is ruling out future hikes in the federal funds rate target. This "pause" is welcome news to many, especially in the financial markets. I, on the other hand, am somewhat confused by the signal being sent by the FOMC. For example, it is not entirely clear to me whether the current "pause" is motivated by a slowing economy or by a moderating inflation outlook. In any event, the FOMC's meeting on September 20 will be eagerly anticipated by many in the U.S., and indeed, around the world.

The revised CCEA-ECRI Connecticut *coincident employment index* rose on a year-to-year basis from 108.47 in June 2005 to 110.74 in June 2006. All four components of this index are positive contributors, with a lower insured unemployment rate, a lower total unemployment rate, higher total non-farm employment, and higher total employment. On a sequential month-to-month basis, this index rose from 110.69 in May 2006 to 110.74 in June 2006. In this case, a marginally higher total unemployment rate is the sole negative contributor to the index. The revised Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank also rose from 151.61 in June 2005 to 156.21 in June 2006. On a sequential month-to-month basis, the Philadelphia Federal Reserve Bank's revised Connecticut Coincident Index also rose from 155.88 in May to 156.21 in June 2006. Thus, both the CCEA-ECRI and the Philadelphia Federal Reserve Bank indexes are in agreement on a year-to-year basis and on a month-to-month basis.

The revised CCEA-ECRI Connecticut *leading employment index rose* from 118.63 in June 2005 to 119.70 in June 2006. A higher Moody's Baa corporate bond yield, lower total housing permits, an increase in initial claims for unemployment insurance, and lower average weekly hours worked in manufacturing and construction are the four negative contributors. A lower short duration (less than 15 weeks) unemployment rate and a higher Hartford help-wanted advertising index are the two positive contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut *leading employment index* rose from 119.30 in May 2006 to 119.70 in June 2006. The negative contributors are a higher Moody's Baa corporate bond yield, lower total housing permits, and a marginally higher short duration (less than 15 weeks) unemployment rate. Lower initial claims for unemployment insurance, a higher Hartford help-wanted advertising index, and higher average weekly hours worked in manufacturing and construction are the three positive contributors.

Connecticut turned in quite a robust performance for the first six months of 2006. Total employment (State residents holding jobs) increased by 24,699, the unemployment rate fell from 4.6% to 4.1%, and the average work week in manufacturing and construction remained relatively stable at 41.51 hours, up slightly from 41.49 hours from December 2005. In comparison, for all of 2005 employment of Connecticut residents increased by 15,483, by 10,351 in 2004, and by 2,749 in 2003. At this current pace, 2006 may turn out to be a very good year for Connecticut indeed. Going forward, there are encouraging signs on the horizon. For one thing, the State has recently announced a $22 million commitment to develop Rentschler Field and a Cabela's store in East Hartford, which may turn into a top tourist attraction in Connecticut. Furthermore, the developer of the Utopia Studio plans to add a marina and two luxury condominiums to the project. All these bode well for the future of Connecticut.

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Leading and coincident employment indexes were developed by Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute. Components of the indexes are described in the Technical Notes on page 23.

--Continued from page 2--

construction for all units in 2005 to be $2.2 billion, a 54 percent increase from $1.4 billion in 2000. The construction value represents only basic construction costs because it excludes plumbing, electrical wiring, outside improvements, etc. The steep increase in construction costs is one of the reasons that home prices are much higher in Connecticut than other states that have lower land and labor costs. The State average construction value for a new single-family home was $216,836 in 2005, an 8.6 percent increase from $199,730 the previous year.

Characteristics of New Housing

Based on data released in June 2006 by the Bureau of Census, the majority of new one-family houses built in 2005 were an average size of 2,414 square feet, 33.3 percent bigger than the 1,810 square foot homes built in 1978. The Northeast had the largest average new-home size for any region last year, at 2,556 square feet. Central air was in 89 percent of all new homes in 2005, compared to 49 percent in 1978. For almost all new homes in the southern regions of the U.S., a cooling system has become one of the must-have features. In Connecticut the percentage of "Energy Star" homes that meet high efficiency standards was 15 percent of all new single-family homes built in 2005, ranking the state 12th among all states.

In 1978, nearly two-thirds of houses were built with three bedrooms and 23 percent with four bedrooms. In 2005, the share of 3-BR homes decreased to just under half while the share of 4-BR increased to 39 percent of all new homes. Numbers of bedrooms and bathrooms are correlated. The data show 80 percent of homes built in 1978 had two or fewer bathrooms, while today one-third of new homes come with two and a half baths and another quarter of new homes have three.

Over half of all new homes now have fireplaces versus 44 percent in 1978. Homes with three or more garages totaled about 20 percent of all new homes built in 2005, while 64 percent of homes have a two-car garage, compared to 39 percent in 1971.

In recent years, vinyl siding has become much more popular, gracing the exterior of an estimated 34 percent of homes built in 2005. Conventional type mortgages (30 or 15 years with a fixed rate) remained the principal financing method for the vast majority of homebuyers.

Conclusion

Rising energy prices, more expensive materials, higher labor costs and higher interest rates will surely cause the Connecticut housing market to slow in 2006. Pent up demand and the critical need for more affordable housing should ensure that these negative forces don't completely dampen the housing sector in the State. Levels for 2006 will be lower than those achieved in 2005, however the housing market in 2006 will make a respectable showing. Frank Nothaft, chief economist at Freddie Mac, summed up the outlook for the housing market in the U.S. and Connecticut for 2006 when he stated recently that "2006 may not be a record-setting year, but the housing sector will still be a powerful engine that continues to fuel the nation's economy." ■

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2006	2Q 2005	CHANGE NO.	CHANGE %	1Q 2006
Employment Indexes (1992=100)*					
Leading	119.2	118.2	0.9	0.8	120.3
Coincident	110.8	108.3	2.5	2.3	109.6
General Drift Indicator (1986=100)*					
Leading	NA	NA	NA	NA	NA
Coincident	NA	NA	NA	NA	NA
Banknorth Business Barometer (1992=100)**	120.4	119.7	0.7	0.5	120.8

*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)	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM	1,672.3	1,663.8	8.5	0.5	1,671.6
Natural Res & Mining (Not Sea. Adj.)	0.8	0.8	0.0	0.0	0.8
Construction	63.7	65.9	-2.2	-3.3	63.7
Manufacturing	194.9	196.2	-1.3	-0.7	195.0
Trade, Transportation & Utilities	309.8	311.0	-1.2	-0.4	310.2
Information	37.6	38.1	-0.5	-1.3	37.7
Financial Activities	144.0	143.0	1.0	0.7	143.8
Professional and Business Services	204.2	200.6	3.6	1.8	203.1
Educational and Health Services	276.7	273.1	3.6	1.3	275.5
Leisure and Hospitality Services	132.1	129.1	3.0	2.3	131
Other Services	63.4	62.9	0.5	0.8	63.3
Government*	245.1	243.1	2.0	0.8	247.5

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

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
Unemployment Rate, resident (%)	4.3	4.9	-0.6	---	4.1
Labor Force, resident (000s)	1,838.3	1,818.1	20.2	1.1	1,834.8
Employed (000s)	1,758.4	1,728.6	29.8	1.7	1,759.7
Unemployed (000s)	79.9	89.5	-9.6	-10.8	75.0
Average Weekly Initial Claims	4,140	4,160	-20	-0.5	4,180
Help Wanted Index -- Htfd. (1987=100)	11	10	1	10.0	14
Avg. Insured Unemp. Rate (%)	2.58	2.56	0.02	---	2.45

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006	MAY 2006
Average Weekly Hours	42.4	42.1	0.3	0.7	42.2	--
Average Hourly Earnings	19.55	18.76	0.79	4.2	19.73	--
Average Weekly Earnings	828.92	789.80	39.12	5.0	832.61	--
CT Mfg. Production Index (2000=100)	104.2	105.3	-1.1	-1.1	106.3	102.6
Production Worker Hours (000s)	4,920	4,925	-5	-0.1	4,950	--
Industrial Electricity Sales (mil kWh)*	439	458	-18.8	-4.1	452	433

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

Personal income for fourth quarter 2006 is forecasted to increase 3.4 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	4Q* 2006	4Q 2005	CHANGE NO.	CHANGE %	3Q* 2006
Personal Income	$175,074	$169,308	$5,766	3.4	$173,659
UI Covered Wages	$90,009	$87,930	$2,079	2.4	$90,318

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

BUSINESS ACTIVITY

New auto registrations decreased over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
New Housing Permits*	JUL 2006	807	-17.9	5,655	6,390	-11.5
Electricity Sales (mil kWh)	MAY 2006	2,436	2.2	12,648	13,010	-2.8
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	JUL 2006	476.1	24.5	---	---	---
New Auto Registrations	JUL 2006	18,717	-17.1	122,558	132,577	-7.6
Air Cargo Tons	JUL 2006	12,360	-4.1	90,820	90,718	0.1
Exports (Bil. $)	2Q 2006	3.22	37.0	5.99	4.66	28.5

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 Department of Labor, was up last year.

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	JUN 2006	2,653	1.8	16,530	15,862	4.2
Department of Labor*	4Q 2005	1,838	-3.7	9,328	9,353	-0.3
TERMINATIONS						
Secretary of the State	JUN 2006	659	1.9	4,722	4,431	6.6
Department of Labor*	4Q 2005	2,120	-31.0	6,867	8,624	-20.4

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

STATE REVENUES

Gaming payments were up from a year ago.

(Millions of dollars)	JUL 2006	JUL 2005	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	NA	NA	NA	NA	NA	NA
Corporate Tax	NA	NA	NA	NA	NA	NA
Personal Income Tax	NA	NA	NA	NA	NA	NA
Real Estate Conv. Tax	NA	NA	NA	NA	NA	NA
Sales & Use Tax	NA	NA	NA	NA	NA	NA
Indian Gaming Payments**	40.1	40.1	0.1	252.2	245.7	2.7

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	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	JUL 2006	56,626	-7.3	216,644	203,416	6.5
Major Attraction Visitors	JUL 2006	260,417	-2.5	976,390	996,419	-2.0
Air Passenger Count	JUL 2006	638,605	-5.3	4,146,326	4,321,018	-4.0
Indian Gaming Slots (Mil.$)*	JUL 2006	1,836	-2.3	11,538	11,473	0.6
Travel and Tourism Index**	2Q 2006	---	NA	---	---	---

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 2.8 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted JUN 2006	MAR 2006	3-Mo % Chg	Not Seasonally Adjusted JUN 2006	JUN 2005	12-Mo % Chg
UNITED STATES TOTAL	101.6	100.8	0.8	101.7	98.9	2.8
Wages and Salaries	101.7	100.8	0.9	101.7	98.9	2.8
Benefit Costs	101.5	100.8	0.7	101.7	99.0	2.7
NORTHEAST TOTAL	---	---	---	101.8	98.5	3.4
Wages and Salaries	---	---	---	101.7	98.6	3.1

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

U.S. inflation rate increased 4.1 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	JUL 2006	203.5	4.1	0.3
Purchasing Power of $ (1982-84=$1.00)	JUL 2006	$0.491	-4.0	-0.3
Northeast Region	JUL 2006	217.5	4.6	0.4
NY-Northern NJ-Long Island	JUL 2006	223.1	5.0	0.2
Boston-Brockton-Nashua**	JUL 2006	225.1	3.6	1.0
CPI-W (1982-84=100)				
U.S. City Average	JUL 2006	199.2	4.3	0.3
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2006	NA	NA	NA
New England	JUL 2006	NA	NA	NA
U.S.	JUL 2006	NA	NA	NA

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

Conventional mortgage rate rose to 6.76 percent over the month.

INTEREST RATES

(Percent)	JUL 2006	JUN 2006	JUL 2005
Prime	8.25	8.02	6.25
Federal Funds	5.24	4.99	3.26
3 Month Treasury Bill	5.08	4.92	3.29
6 Month Treasury Bill	5.27	5.17	3.53
1 Year Treasury Note	5.22	5.16	3.64
3 Year Treasury Note	5.07	5.09	3.91
5 Year Treasury Note	5.04	5.07	3.98
7 Year Treasury Note	5.05	5.08	4.06
10 Year Treasury Note	5.09	5.11	4.18
20 Year Treasury Note	5.25	5.29	4.48
Conventional Mortgage	6.76	6.68	5.70

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
Connecticut	1,672.3	1,663.8	8.5	0.5	1,671.6
Maine	614.9	611.6	3.3	0.5	613.7
Massachusetts	3,225.1	3,196.7	28.4	0.9	3,221.1
New Hampshire	642.6	635.3	7.3	1.1	639.5
New Jersey	4,080.2	4,051.1	29.1	0.7	4,084.0
New York	8,608.5	8,531.6	76.9	0.9	8,599.3
Pennsylvania	5,757.9	5,713.3	44.6	0.8	5,751.1
Rhode Island	494.8	493.2	1.6	0.3	494.4
Vermont	308.0	305.2	2.8	0.9	307.6
United States	135,354.0	133,617.0	1,737.0	1.3	135,241.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
Connecticut	1,838.3	1,818.1	20.2	1.1	1,834.8
Maine	713.4	713.4	0.0	0.0	714.8
Massachusetts	3,367.9	3,363.3	4.6	0.1	3,370.1
New Hampshire	740.9	732.6	8.3	1.1	738.8
New Jersey	4,474.1	4,437.2	36.9	0.8	4,466.7
New York	9,500.4	9,421.5	78.9	0.8	9,544.5
Pennsylvania	6,284.3	6,295.1	-10.8	-0.2	6,305.4
Rhode Island	580.6	570.5	10.1	1.8	579.8
Vermont	363.0	355.7	7.3	2.1	361.9
United States	151,534.0	149,605.0	1,929.0	1.3	151,321.0

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

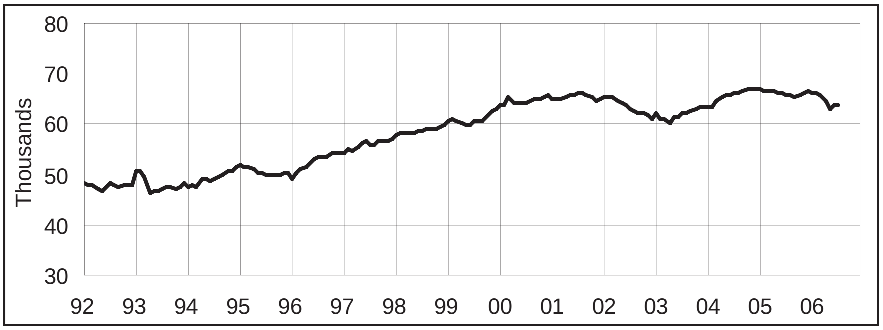
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	JUL 2006	JUL 2005	CHANGE	JUN 2006
Connecticut	4.3	4.9	-0.6	4.1
Maine	4.8	4.9	-0.1	4.6
Massachusetts	4.7	4.7	0.0	5.0
New Hampshire	3.6	3.6	0.0	3.3
New Jersey	5.1	4.4	0.7	4.9
New York	5.1	5.0	0.1	4.6
Pennsylvania	4.8	4.9	-0.1	4.7
Rhode Island	5.6	5.0	0.6	5.5
Vermont	3.5	3.5	0.0	3.3
United States	4.8	5.0	-0.2	4.6

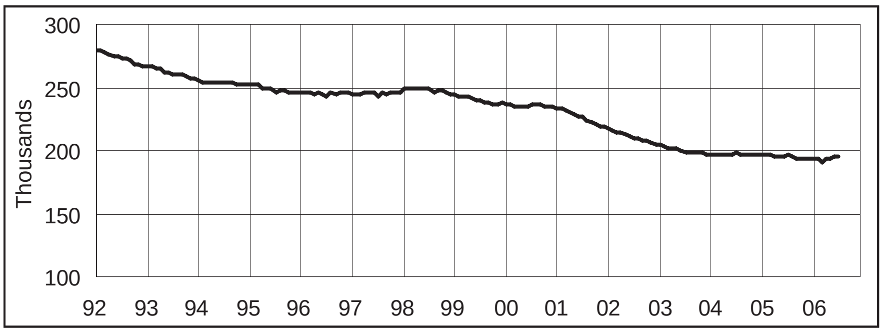
Source: U.S. Department of Labor, Bureau of Labor Statistics

CONSTRUCTION EMPLOYMENT *(Seasonally adjusted)*



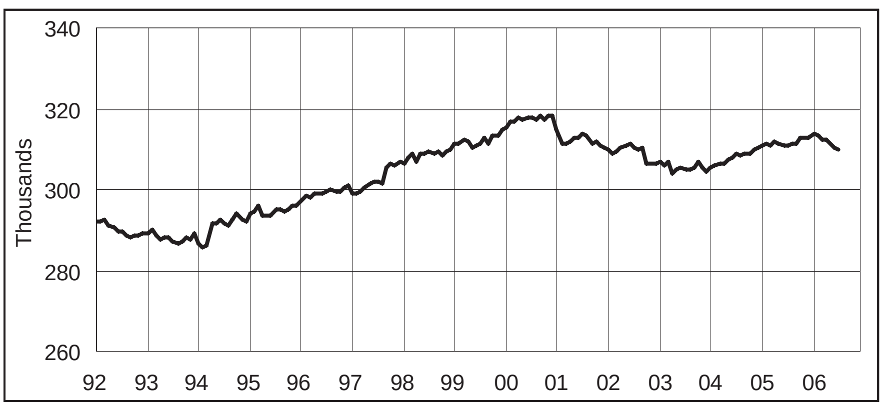
Month	2004	2005	2006
Jan	63.4	66.8	66.2
Feb	63.3	66.6	66.1
Mar	64.5	66.4	65.6
Apr	65.5	66.4	64.6
May	65.8	66.0	62.9
Jun	65.9	66.2	63.7
Jul	66.0	65.9	63.7
Aug	66.3	65.8	
Sep	66.7	65.5	
Oct	66.9	65.9	
Nov	66.8	66.2	
Dec	67.0	66.4	

MANUFACTURING EMPLOYMENT *(Seasonally adjusted)*



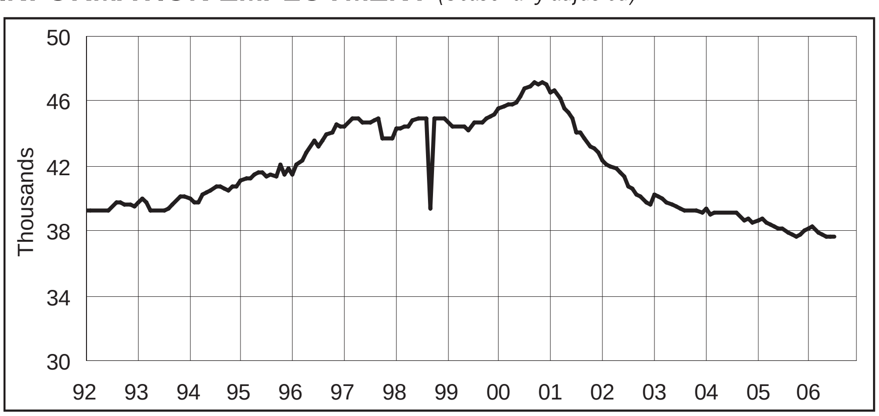
Month	2004	2005	2006
Jan	197.2	196.6	193.9
Feb	197.2	196.5	193.6
Mar	197.3	196.1	189.9
Apr	197.2	195.8	193.4
May	197.0	195.8	193.6
Jun	197.0	195.8	195.0
Jul	198.2	196.2	194.9
Aug	197.3	194.9	
Sep	197.1	194.3	
Oct	197.0	194.3	
Nov	197.0	194.2	
Dec	196.7	194.0	

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



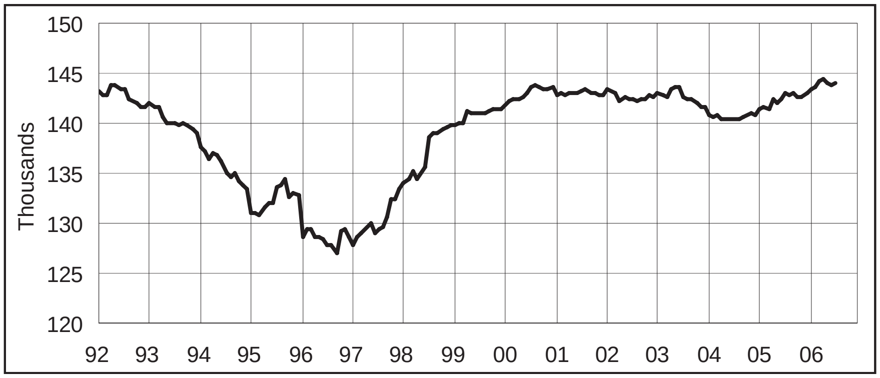
Month	2004	2005	2006
Jan	305.4	310.7	313.8
Feb	305.9	311.2	313.4
Mar	306.5	310.8	312.5
Apr	306.4	311.7	312.2
May	307.3	311.3	311.4
Jun	307.8	311.1	310.2
Jul	308.7	311.0	309.8
Aug	308.4	311.3	
Sep	308.9	311.2	
Oct	308.9	312.6	
Nov	310.1	312.9	
Dec	310.2	312.9	

INFORMATION EMPLOYMENT *(Seasonally adjusted)*



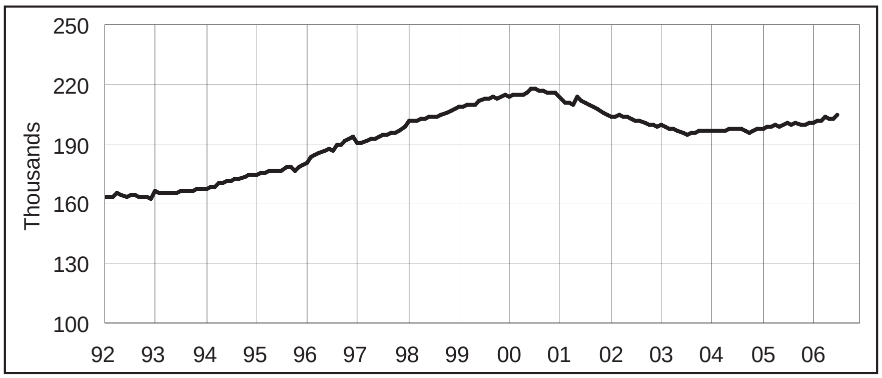
Month	2004	2005	2006
Jan	39.4	38.7	38.2
Feb	39.0	38.8	38.3
Mar	39.1	38.5	37.9
Apr	39.1	38.4	37.8
May	39.1	38.3	37.7
Jun	39.1	38.2	37.7
Jul	39.1	38.1	37.6
Aug	39.1	37.9	
Sep	38.9	37.8	
Oct	38.7	37.6	
Nov	38.8	37.8	
Dec	38.5	38.0	

FINANCIAL ACTIVITIES EMPLOYMENT *(Seasonally adjusted)*



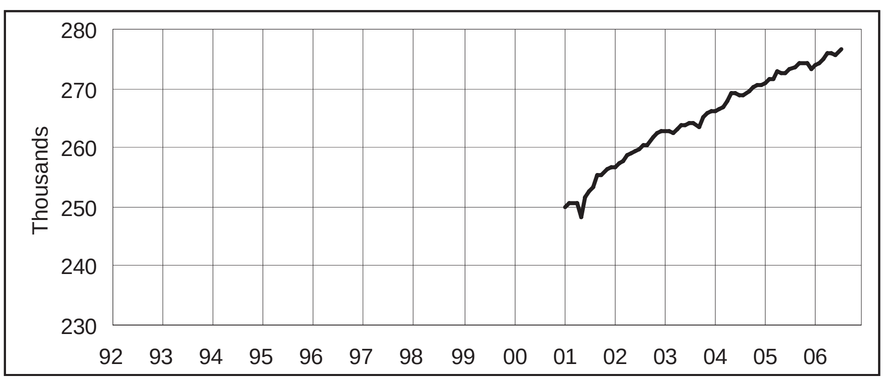
Month	2004	2005	2006
Jan	140.8	141.3	143.4
Feb	140.7	141.7	143.6
Mar	140.8	141.5	144.2
Apr	140.4	142.4	144.3
May	140.5	142.0	143.9
Jun	140.5	142.3	143.8
Jul	140.4	143.0	144.0
Aug	140.5	142.8	
Sep	140.6	142.9	
Oct	140.8	142.6	
Nov	141.0	142.7	
Dec	140.8	143.0	

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



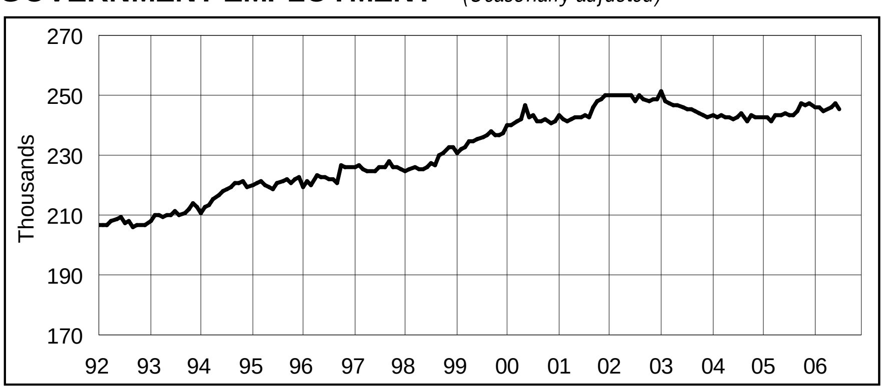
Month	2004	2005	2006
Jan	197.0	197.7	200.4
Feb	196.6	198.5	201.7
Mar	196.8	198.7	202.1
Apr	196.8	199.4	203.3
May	197.2	199.0	202.3
Jun	197.5	200.0	203.1
Jul	197.6	200.6	204.2
Aug	197.5	200.1	
Sep	197.1	200.8	
Oct	195.9	199.2	
Nov	196.9	199.9	
Dec	197.8	200.9	

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



Month	2004	2005	2006
Jan	266.3	271.0	273.8
Feb	266.6	271.6	274.4
Mar	266.7	271.7	275.1
Apr	267.9	272.9	276.1
May	269.1	272.6	276.1
Jun	269.1	272.5	275.5
Jul	268.9	273.1	276.7
Aug	268.9	273.6	
Sep	269.6	274.2	
Oct	270.3	274.4	
Nov	270.5	274.1	
Dec	270.5	273.2	

GOVERNMENT EMPLOYMENT* *(Seasonally adjusted)*



*Includes Indian tribal government employment

Month	2004	2005	2006
Jan	243.2	242.4	245.8
Feb	242.9	242.5	246.0
Mar	243.2	241.1	244.5
Apr	243.0	243.3	245.5
May	242.6	243.4	246.0
Jun	241.8	244.2	247.5
Jul	242.8	243.1	245.1
Aug	243.8	243.6	
Sep	241.5	244.4	
Oct	243.1	247.1	
Nov	243.0	247.0	
Dec	242.9	247.2	

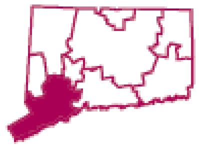
CONNECTICUT

Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT	**1,664,300**	**1,655,300**	**9,000**	**0.5**	**1,689,300**
GOODS PRODUCING INDUSTRIES	**262,400**	**265,600**	**-3,200**	**-1.2**	**263,200**
CONSTRUCTION, NAT. RES. & MINING	**68,600**	**70,600**	**-2,000**	**-2.8**	**67,700**
MANUFACTURING	**193,800**	**195,000**	**-1,200**	**-0.6**	**195,500**
Durable Goods	**145,300**	**145,600**	**-300**	**-0.2**	**146,200**
Fabricated Metal	33,700	33,400	300	0.9	34,100
Machinery	17,800	18,100	-300	-1.7	17,900
Computer and Electronic Product	14,500	15,000	-500	-3.3	14,700
Electrical Equipment	10,500	10,500	0	0.0	10,600
Transportation Equipment	44,300	43,900	400	0.9	44,400
Aerospace Product and Parts	31,300	30,500	800	2.6	31,400
Non-Durable Goods	**48,500**	**49,400**	**-900**	**-1.8**	**49,300**
Printing and Related	7,900	8,000	-100	-1.3	8,000
Chemical	16,600	16,900	-300	-1.8	16,900
Plastics and Rubber Products	7,200	7,300	-100	-1.4	7,500
SERVICE PROVIDING INDUSTRIES	**1,401,900**	**1,389,700**	**12,200**	**0.9**	**1,426,100**
TRADE, TRANSPORTATION, UTILITIES	**306,700**	**306,600**	**100**	**0.0**	**313,000**
Wholesale Trade	67,600	66,800	800	1.2	67,600
Retail Trade	190,200	190,900	-700	-0.4	192,300
Motor Vehicle and Parts Dealers	23,300	23,100	200	0.9	23,300
Building Material	16,300	16,600	-300	-1.8	16,900
Food and Beverage Stores	40,800	41,600	-800	-1.9	42,500
General Merchandise Stores	25,300	25,400	-100	-0.4	25,400
Transportation, Warehousing, & Utilities	48,900	48,900	0	0.0	53,100
Utilities	7,900	8,600	-700	-8.1	8,000
Transportation and Warehousing	41,000	40,300	700	1.7	45,100
INFORMATION	**37,800**	**38,300**	**-500**	**-1.3**	**38,000**
Telecommunications	12,600	12,800	-200	-1.6	12,700
FINANCIAL ACTIVITIES	**145,100**	**144,700**	**400**	**0.3**	**144,700**
Finance and Insurance	123,200	123,200	0	0.0	123,000
Credit Intermediation	32,200	32,600	-400	-1.2	32,200
Securities and Commodity Contracts	20,200	19,800	400	2.0	20,000
Insurance Carriers & Related Activities	65,700	65,800	-100	-0.2	65,700
Real Estate and Rental and Leasing	21,900	21,500	400	1.9	21,700
PROFESSIONAL & BUSINESS SERVICES	**205,300**	**202,400**	**2,900**	**1.4**	**205,800**
Professional, Scientific	89,200	88,200	1,000	1.1	89,000
Legal Services	14,600	14,800	-200	-1.4	14,500
Computer Systems Design	19,300	19,000	300	1.6	19,100
Management of Companies	25,300	25,300	0	0.0	25,400
Administrative and Support	90,800	88,900	1,900	2.1	91,400
Employment Services	32,800	31,400	1,400	4.5	33,500
EDUCATIONAL AND HEALTH SERVICES	**272,400**	**268,300**	**4,100**	**1.5**	**273,400**
Educational Services	47,300	46,400	900	1.9	48,400
Health Care and Social Assistance	225,100	221,900	3,200	1.4	225,000
Hospitals	57,200	56,400	800	1.4	56,800
Nursing & Residential Care Facilities	57,900	57,300	600	1.0	57,900
Social Assistance	36,700	35,800	900	2.5	37,000
LEISURE AND HOSPITALITY	**142,400**	**140,100**	**2,300**	**1.6**	**139,800**
Arts, Entertainment, and Recreation	30,600	29,900	700	2.3	28,600
Accommodation and Food Services	111,800	110,200	1,600	1.5	111,200
Food Serv., Restaurants, Drinking Places	98,000	96,900	1,100	1.1	98,600
OTHER SERVICES	**64,700**	**64,400**	**300**	**0.5**	**64,300**
GOVERNMENT	**227,500**	**224,900**	**2,600**	**1.2**	**247,100**

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

BRIDGEPORT - STAMFORD LMA

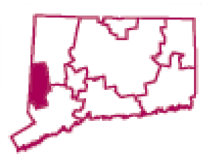


Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT...............	**416,800**	**414,900**	**1,900**	**0.5**	**418,800**
GOODS PRODUCING INDUSTRIES...........	**57,200**	**57,100**	**100**	**0.2**	**57,100**
CONSTRUCTION, NAT. RES. & MINING.....	**16,500**	**16,000**	**500**	**3.1**	**16,100**
MANUFACTURING................................	**40,700**	**41,100**	**-400**	**-1.0**	**41,000**
Durable Goods....................................	**29,600**	**29,800**	**-200**	**-0.7**	**29,800**
SERVICE PROVIDING INDUSTRIES..........	**359,600**	**357,800**	**1,800**	**0.5**	**361,700**
TRADE, TRANSPORTATION, UTILITIES.....	**73,700**	**73,800**	**-100**	**-0.1**	**74,900**
Wholesale Trade..................................	14,700	14,700	0	0.0	14,800
Retail Trade..	49,000	49,300	-300	-0.6	49,400
Transportation, Warehousing, & Utilities....	10,000	9,800	200	2.0	10,700
INFORMATION......................................	**11,200**	**11,500**	**-300**	**-2.6**	**11,200**
FINANCIAL ACTIVITIES.........................	**45,800**	**44,100**	**1,700**	**3.9**	**45,000**
Finance and Insurance..........................	38,800	37,500	1,300	3.5	38,200
PROFESSIONAL & BUSINESS SERVICES	**70,800**	**70,200**	**600**	**0.9**	**71,100**
EDUCATIONAL AND HEALTH SERVICES	**59,500**	**59,200**	**300**	**0.5**	**59,200**
Health Care and Social Assistance...........	51,400	50,900	500	1.0	51,400
LEISURE AND HOSPITALITY...................	**36,500**	**36,000**	**500**	**1.4**	**35,700**
Accommodation and Food Services..........	25,400	24,800	600	2.4	25,500
OTHER SERVICES................................	**17,600**	**17,500**	**100**	**0.6**	**17,300**
GOVERNMENT	**44,500**	**45,500**	**-1,000**	**-2.2**	**47,300**
Federal..	3,500	3,500	0	0.0	3,500
State & Local..	41,000	42,000	-1,000	-2.4	43,800

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

DANBURY LMA



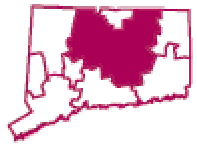
Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT...............	**69,300**	**68,400**	**900**	**1.3**	**70,900**
GOODS PRODUCING INDUSTRIES............	**12,800**	**12,900**	**-100**	**-0.8**	**13,100**
SERVICE PROVIDING INDUSTRIES...........	**56,500**	**55,500**	**1,000**	**1.8**	**57,800**
TRADE, TRANSPORTATION, UTILITIES.....	**15,600**	**15,400**	**200**	**1.3**	**15,700**
Retail Trade..	11,600	11,600	0	0.0	11,700
PROFESSIONAL & BUSINESS SERVICES	**8,500**	**8,600**	**-100**	**-1.2**	**8,600**
LEISURE AND HOSPITALITY..................	**5,400**	**5,400**	**0**	**0.0**	**5,300**
GOVERNMENT	**7,300**	**7,300**	**0**	**0.0**	**8,400**
Federal..	600	600	0	0.0	600
State & Local.......................................	6,700	6,700	0	0.0	7,800

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

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

HARTFORD LMA



Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT	**547,700**	**539,800**	**7,900**	**1.5**	**555,600**
GOODS PRODUCING INDUSTRIES	**87,100**	**86,900**	**200**	**0.2**	**87,400**
CONSTRUCTION, NAT. RES. & MINING	**23,200**	**23,000**	**200**	**0.9**	**23,200**
MANUFACTURING	**63,900**	**63,900**	**0**	**0.0**	**64,200**
Durable Goods	**53,700**	**53,500**	**200**	**0.4**	**54,000**
Transportation Equipment	18,500	18,500	0	0.0	18,500
SERVICE PROVIDING INDUSTRIES	**460,600**	**452,900**	**7,700**	**1.7**	**468,200**
TRADE, TRANSPORTATION, UTILITIES	**89,600**	**88,400**	**1,200**	**1.4**	**91,300**
Wholesale Trade	19,800	19,400	400	2.1	19,700
Retail Trade	55,900	55,200	700	1.3	56,300
Transportation, Warehousing, & Utilities	13,900	13,800	100	0.7	15,300
Transportation and Warehousing	10,500	10,200	300	2.9	11,800
INFORMATION	**11,600**	**11,500**	**100**	**0.9**	**11,600**
FINANCIAL ACTIVITIES	**68,600**	**68,300**	**300**	**0.4**	**68,600**
Depository Credit Institutions	7,600	7,700	-100	-1.3	7,500
Insurance Carriers & Related Activities	46,200	46,100	100	0.2	46,400
PROFESSIONAL & BUSINESS SERVICES	**61,000**	**59,500**	**1,500**	**2.5**	**60,700**
Professional, Scientific	28,100	27,700	400	1.4	27,900
Administrative and Support	27,100	25,700	1,400	5.4	27,100
EDUCATIONAL AND HEALTH SERVICES	**84,600**	**83,300**	**1,300**	**1.6**	**85,400**
Health Care and Social Assistance	75,100	73,600	1,500	2.0	75,600
Ambulatory Health Care	22,700	22,300	400	1.8	22,900
LEISURE AND HOSPITALITY	**42,900**	**41,400**	**1,500**	**3.6**	**42,700**
Accommodation and Food Services	34,100	33,000	1,100	3.3	34,200
OTHER SERVICES	**20,900**	**21,000**	**-100**	**-0.5**	**21,000**
GOVERNMENT	**81,400**	**79,500**	**1,900**	**2.4**	**86,900**
Federal	6,000	6,000	0	0.0	5,900
State & Local	75,400	73,500	1,900	2.6	81,000

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

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

BUSINESS AND ECONOMIC NEWS

- **Service jobs most likely to pay minimum wage**
  The share of hourly workers reporting earnings at or below the Federal minimum wage of $5.15 per hour in 2005 (in U.S.) ranged from less than 1 percent of workers in management, professional, and related occupations and in natural resources, construction, and maintenance occupations to about 8 percent of service workers. Within the service occupations, about 17 percent of food preparation and serving related workers had earnings at or below $5.15 per hour. About three in four workers earning $5.15 or less in 2005 were employed in service occupations, mostly in food preparation and serving jobs. These data are derived from the Current Population Survey. To learn more about workers paid at or below the minimum wage, see Characteristics of Minimum Wage Workers: 2005. It should be noted that the presence of workers with wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions, such as tip credits, to the minimum wage provision of the law. (The Editor's Desk, Bureau of Labor Statistics, July 7, 2006)

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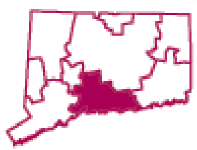
NEW HAVEN LMA



Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT	**268,800**	**270,300**	**-1,500**	**-0.6**	**275,000**
GOODS PRODUCING INDUSTRIES	**45,000**	**45,300**	**-300**	**-0.7**	**44,700**
CONSTRUCTION, NAT. RES. & MINING	**11,500**	**11,700**	**-200**	**-1.7**	**11,300**
MANUFACTURING	**33,500**	**33,600**	**-100**	**-0.3**	**33,400**
Durable Goods	**23,000**	**23,000**	**0**	**0.0**	**22,900**
SERVICE PROVIDING INDUSTRIES	**223,800**	**225,000**	**-1,200**	**-0.5**	**230,300**
TRADE, TRANSPORTATION, UTILITIES	**50,900**	**50,700**	**200**	**0.4**	**51,700**
Wholesale Trade	11,300	11,500	-200	-1.7	11,400
Retail Trade	30,500	30,100	400	1.3	30,900
Transportation, Warehousing, & Utilities	9,100	9,100	0	0.0	9,400
INFORMATION	**8,400**	**8,500**	**-100**	**-1.2**	**8,500**
FINANCIAL ACTIVITIES	**14,000**	**14,300**	**-300**	**-2.1**	**14,200**
Finance and Insurance	10,600	10,500	100	1.0	10,800
PROFESSIONAL & BUSINESS SERVICES	**25,800**	**26,200**	**-400**	**-1.5**	**25,800**
Administrative and Support	12,800	12,800	0	0.0	13,000
EDUCATIONAL AND HEALTH SERVICES	**61,800**	**61,600**	**200**	**0.3**	**62,300**
Educational Services	20,400	20,400	0	0.0	21,100
Health Care and Social Assistance	41,400	41,200	200	0.5	41,200
LEISURE AND HOSPITALITY	**21,900**	**22,200**	**-300**	**-1.4**	**21,600**
Accommodation and Food Services	17,300	18,200	-900	-4.9	17,400
OTHER SERVICES	**10,600**	**11,100**	**-500**	**-4.5**	**10,800**
GOVERNMENT	**30,400**	**30,400**	**0**	**0.0**	**35,400**
Federal	5,400	5,400	0	0.0	5,300
State & Local	25,000	25,000	0	0.0	30,100

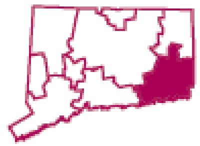
For further information on the New Haven Labor Market Area contact Joseph Slepski at (860) 263-6278.

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

BUSINESS AND ECONOMIC NEWS (Cont.)

- **Productivity growth in second quarter 2006**
  Productivity-as measured by output per hour of all persons-increased at a seasonally adjusted annual rate of 1.1 percent in the nonfarm business sector (in U.S.) during the second quarter of 2006. Output increased 2.5 percent and hours of all persons rose 1.4 percent. In the first quarter of 2006, output per hour grew at a 4.3 percent annual rate, as output grew 6.7 percent and hours increased 2.3 percent. Hourly compensation in the nonfarm business sector increased 5.4 percent in the second quarter of 2006, less than the 6.9-percent rise one quarter earlier. When the rise in consumer prices is taken into account, real hourly compensation rose 0.4 percent in the second quarter after increasing 4.7 percent in the first quarter. Unit labor costs increased 4.2 percent in the second quarter, and 2.5 percent in the first quarter, of 2006. These data are from the BLS Productivity and Costs program. Data are subject to revision. For more information, see "Productivity and Costs, Second Quarter 2006, Preliminary," news release USDL 06-1351. (The Editor's Desk, Bureau of Labor Statistics, August 9, 2006)

NORWICH - NEW LONDON LMA

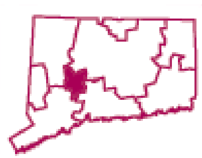


Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT...............	**137,700**	**137,400**	**300**	**0.2**	**137,500**
GOODS PRODUCING INDUSTRIES............	**22,500**	**22,900**	**-400**	**-1.7**	**22,500**
CONSTRUCTION, NAT. RES. & MINING.....	**4,700**	**4,800**	**-100**	**-2.1**	**4,700**
MANUFACTURING...............................	**17,800**	**18,100**	**-300**	**-1.7**	**17,800**
Durable Goods...................................	**11,400**	**11,500**	**-100**	**-0.9**	**11,400**
Non-Durable Goods.............................	**6,400**	**6,600**	**-200**	**-3.0**	**6,400**
SERVICE PROVIDING INDUSTRIES...........	**115,200**	**114,500**	**700**	**0.6**	**115,000**
TRADE, TRANSPORTATION, UTILITIES.....	**22,500**	**22,300**	**200**	**0.9**	**22,900**
Wholesale Trade.................................	2,100	2,000	100	5.0	2,100
Retail Trade.......................................	16,300	16,200	100	0.6	16,400
Transportation, Warehousing, & Utilities....	4,100	4,100	0	0.0	4,400
INFORMATION.....................................	**2,000**	**2,000**	**0**	**0.0**	**2,000**
FINANCIAL ACTIVITIES.........................	**3,700**	**3,600**	**100**	**2.8**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**9,900**	**9,900**	**0**	**0.0**	**9,900**
EDUCATIONAL AND HEALTH SERVICES	**18,800**	**18,400**	**400**	**2.2**	**19,100**
Health Care and Social Assistance..........	16,400	16,200	200	1.2	16,500
LEISURE AND HOSPITALITY..................	**15,500**	**15,400**	**100**	**0.6**	**14,800**
Accommodation and Food Services.........	12,600	12,500	100	0.8	12,100
Food Serv., Restaurants, Drinking Places.	10,100	10,000	100	1.0	9,800
OTHER SERVICES...............................	**3,900**	**3,800**	**100**	**2.6**	**3,800**
GOVERNMENT	**38,900**	**39,100**	**-200**	**-0.5**	**38,900**
Federal...	2,600	2,400	200	8.3	2,600
**State & Local......................................	36,300	36,700	-400	-1.1	36,300

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

WATERBURY LMA



Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT...............	**67,500**	**68,000**	**-500**	**-0.7**	**69,900**
GOODS PRODUCING INDUSTRIES............	**12,900**	**13,200**	**-300**	**-2.3**	**13,000**
CONSTRUCTION, NAT. RES. & MINING.....	**3,000**	**3,000**	**0**	**0.0**	**2,900**
MANUFACTURING...............................	**9,900**	**10,200**	**-300**	**-2.9**	**10,100**
SERVICE PROVIDING INDUSTRIES...........	**54,600**	**54,800**	**-200**	**-0.4**	**56,900**
TRADE, TRANSPORTATION, UTILITIES.....	**13,300**	**13,300**	**0**	**0.0**	**13,800**
Wholesale Trade.................................	2,200	2,300	-100	-4.3	2,200
Retail Trade.......................................	9,400	9,200	200	2.2	9,600
Transportation, Warehousing, & Utilities....	1,700	1,800	-100	-5.6	2,000
INFORMATION.....................................	**900**	**900**	**0**	**0.0**	**900**
FINANCIAL ACTIVITIES.........................	**2,700**	**2,600**	**100**	**3.8**	**2,700**
PROFESSIONAL & BUSINESS SERVICES	**6,700**	**6,300**	**400**	**6.3**	**7,200**
EDUCATIONAL AND HEALTH SERVICES	**14,000**	**14,200**	**-200**	**-1.4**	**14,200**
Health Care and Social Assistance..........	12,800	13,000	-200	-1.5	13,000
LEISURE AND HOSPITALITY..................	**5,000**	**5,300**	**-300**	**-5.7**	**5,200**
OTHER SERVICES...............................	**2,700**	**2,800**	**-100**	**-3.6**	**2,700**
GOVERNMENT	**9,300**	**9,400**	**-100**	**-1.1**	**10,200**
Federal...	600	600	0	0.0	600
State & Local......................................	8,700	8,800	-100	-1.1	9,600

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

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

SMALLER LMAS

Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**46,500**	**46,400**	**100**	**0.2**	**47,800**
TORRINGTON LMA	**37,000**	**37,000**	**0**	**0.0**	**38,000**
WILLIMANTIC - DANIELSON LMA	**35,600**	**35,000**	**600**	**1.7**	**37,300**

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

SPRINGFIELD, MA-CT NECTA*

Not Seasonally Adjusted

	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
TOTAL NONFARM EMPLOYMENT	**294,000**	**293,100**	**900**	**0.3**	**300,100**
GOODS PRODUCING INDUSTRIES	**50,200**	**50,000**	**200**	**0.4**	**50,500**
CONSTRUCTION, NAT. RES. & MINING	**12,100**	**12,000**	**100**	**0.8**	**11,800**
MANUFACTURING	**38,100**	**38,000**	**100**	**0.3**	**38,700**
Durable Goods	**24,200**	**23,900**	**300**	**1.3**	**24,400**
Non-Durable Goods	**13,900**	**14,100**	**-200**	**-1.4**	**14,300**
SERVICE PROVIDING INDUSTRIES	**243,800**	**243,100**	**700**	**0.3**	**249,600**
TRADE, TRANSPORTATION, UTILITIES	**61,000**	**60,700**	**300**	**0.5**	**62,100**
Wholesale Trade	11,900	11,400	500	4.4	11,600
Retail Trade	36,000	36,400	-400	-1.1	36,700
Transportation, Warehousing, & Utilities	13,100	12,900	200	1.6	13,800
INFORMATION	**4,400**	**4,600**	**-200**	**-4.3**	**4,400**
FINANCIAL ACTIVITIES	**16,000**	**16,300**	**-300**	**-1.8**	**15,900**
Finance and Insurance	12,400	12,300	100	0.8	12,300
Insurance Carriers & Related Activities	7,300	7,500	-200	-2.7	7,300
PROFESSIONAL & BUSINESS SERVICES	**24,700**	**24,300**	**400**	**1.6**	**25,000**
EDUCATIONAL AND HEALTH SERVICES	**54,000**	**52,800**	**1,200**	**2.3**	**53,800**
Educational Services	11,400	10,900	500	4.6	11,200
Health Care and Social Assistance	42,600	41,900	700	1.7	42,600
LEISURE AND HOSPITALITY	**28,100**	**28,100**	**0**	**0.0**	**27,900**
OTHER SERVICES	**11,800**	**11,900**	**-100**	**-0.8**	**11,900**
GOVERNMENT	**43,800**	**44,400**	**-600**	**-1.4**	**48,600**
Federal	6,700	6,800	-100	-1.5	6,600
State & Local	37,100	37,600	-500	-1.3	42,000

* New England City and Town Area

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

(Not seasonally adjusted)	EMPLOYMENT STATUS	JUL 2006	JUL 2005	CHANGE NO.	CHANGE %	JUN 2006
CONNECTICUT	Civilian Labor Force	1,877,800	1,855,200	22,600	1.2	1,859,400
	Employed	1,790,700	1,758,600	32,100	1.8	1,778,200
	Unemployed	87,200	96,600	-9,400	-9.7	81,200
	Unemployment Rate	4.6	5.2	-0.6	---	4.4
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	479,900	475,200	4,700	1.0	471,700
	Employed	459,300	452,000	7,300	1.6	452,700
	Unemployed	20,600	23,200	-2,600	-11.2	19,000
	Unemployment Rate	4.3	4.9	-0.6	---	4.0
DANBURY LMA	Civilian Labor Force	93,300	91,700	1,600	1.7	92,500
	Employed	89,800	87,900	1,900	2.2	89,400
	Unemployed	3,500	3,800	-300	-7.9	3,100
	Unemployment Rate	3.7	4.2	-0.5	---	3.4
ENFIELD LMA	Civilian Labor Force	49,200	48,500	700	1.4	49,600
	Employed	47,100	46,400	700	1.5	47,200
	Unemployed	2,000	2,200	-200	-9.1	2,400
	Unemployment Rate	4.2	4.4	-0.2	---	4.8
HARTFORD LMA	Civilian Labor Force	589,400	578,600	10,800	1.9	583,700
	Employed	560,900	546,900	14,000	2.6	557,300
	Unemployed	28,500	31,700	-3,200	-10.1	26,400
	Unemployment Rate	4.8	5.5	-0.7	---	4.5
NEW HAVEN LMA	Civilian Labor Force	309,900	308,100	1,800	0.6	308,600
	Employed	294,800	291,500	3,300	1.1	294,800
	Unemployed	15,100	16,600	-1,500	-9.0	13,800
	Unemployment Rate	4.9	5.4	-0.5	---	4.5
NORWICH - NEW LONDON LMA	Civilian Labor Force	155,800	154,200	1,600	1.0	152,200
	Employed	149,000	146,900	2,100	1.4	145,800
	Unemployed	6,800	7,300	-500	-6.8	6,500
	Unemployment Rate	4.4	4.7	-0.3	---	4.3
TORRINGTON LMA	Civilian Labor Force	55,300	55,100	200	0.4	55,500
	Employed	53,000	52,500	500	1.0	53,400
	Unemployed	2,300	2,600	-300	-11.5	2,100
	Unemployment Rate	4.2	4.8	-0.6	---	3.8
WATERBURY LMA	Civilian Labor Force	102,000	101,500	500	0.5	101,700
	Employed	95,900	94,800	1,100	1.2	96,200
	Unemployed	6,100	6,700	-600	-9.0	5,400
	Unemployment Rate	5.9	6.6	-0.7	---	5.3
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	56,900	55,800	1,100	2.0	57,400
	Employed	53,900	52,800	1,100	2.1	54,400
	Unemployed	3,000	3,100	-100	-3.2	3,100
	Unemployment Rate	5.2	5.5	-0.3	---	5.4
UNITED STATES	Civilian Labor Force	153,208,000	151,122,000	2,086,000	1.4	152,557,000
	Employed	145,606,000	143,283,000	2,323,000	1.6	145,216,000
	Unemployed	7,602,000	7,839,000	-237,000	-3.0	7,341,000
	Unemployment Rate	5.0	5.2	-0.2	---	4.8

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

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006	AVG WEEKLY HOURS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006	AVG HOURLY EARNINGS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006
MANUFACTURING	**$828.92**	**$789.80**	**$39.12**	**$832.61**	**42.4**	**42.1**	**0.3**	**42.2**	**$19.55**	**$18.76**	**$0.79**	**$19.73**
DURABLE GOODS	**855.82**	**816.06**	**39.76**	**864.73**	**42.2**	**42.0**	**0.2**	**42.1**	**20.28**	**19.43**	**0.85**	**20.54**
Fabricated Metal	766.89	728.89	38.01	776.74	42.7	42.6	0.1	43.2	17.96	17.11	0.85	17.98
Machinery	809.93	784.57	25.36	812.03	40.7	40.4	0.3	40.5	19.90	19.42	0.48	20.05
Computer & Electronic	667.20	632.02	35.18	669.67	40.0	39.6	0.4	40.1	16.68	15.96	0.72	16.70
Transport. Equipment	1,067.04	1,020.57	46.47	1,066.18	43.2	42.4	0.8	43.2	24.70	24.07	0.63	24.68
NON-DUR. GOODS	**755.42**	**721.22**	**34.20**	**745.33**	**42.8**	**42.3**	0.5	**42.3**	**17.65**	**17.05**	**0.60**	**17.62**
CONSTRUCTION	**902.87**	**932.14**	**-29.28**	**911.79**	**38.9**	**39.1**	**-0.2**	**39.2**	**23.21**	**23.84**	**-0.63**	**23.26**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006	AVG WEEKLY HOURS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006	AVG HOURLY EARNINGS JUL 2006	JUL 2005	CHG Y/Y	JUN 2006
Bridgeport - Stamford	$850.08	$804.27	$45.81	$815.27	42.0	41.5	0.5	40.3	$20.24	$19.38	$0.86	$20.23
New Haven	759.87	718.25	41.62	722.18	41.5	42.5	-1.0	41.6	18.31	16.90	1.41	17.36
Norwich - New London	806.66	777.71	28.95	826.04	42.3	41.7	0.6	42.8	19.07	18.65	0.42	19.30

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 2005.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- July 2006 had the announcement that Advance Auto Parts, Inc. will open a new store in Watertown, in August, which will employ 12 people. As a result of an increase in demand, Comcast Corp. will be adding 40 jobs in Connecticut over the summer. Thomaston Savings Bank plans to open a branch in Middlebury, in January 2007, which will employ 10 people. Citing an increase in business and profits, insurance giant St. Paul Travelers will create 600 new jobs in Hartford and Windsor.

- In July, Lincoln National Corp. told its Hartford employees that it will cut 75 jobs by the end of the year as a result of a merger with Jefferson-Pilot Corporation. New Haven Copper Co. laid off 10-12 workers at their Seymour plant in July, citing a slowdown in business as the reason. Familymeds Group, a pharmacy product company located in Farmington, laid off 20 employees in an attempt to cut costs.

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)

JULY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD				
	479,893	**459,279**	**20,614**	**4.3**
Ansonia	10,211	9,635	576	5.6
Bridgeport	64,128	59,647	4,481	7.0
Darien	9,409	9,119	290	3.1
Derby	7,059	6,675	384	5.4
Easton	3,837	3,718	119	3.1
Fairfield	28,954	27,788	1,166	4.0
Greenwich	30,924	29,895	1,029	3.3
Milford	31,899	30,654	1,245	3.9
Monroe	10,933	10,490	443	4.1
New Canaan	9,106	8,818	288	3.2
Newtown	14,494	13,989	505	3.5
Norwalk	49,405	47,568	1,837	3.7
Oxford	6,714	6,439	275	4.1
Redding	4,655	4,510	145	3.1
Ridgefield	12,052	11,641	411	3.4
Seymour	9,347	8,901	446	4.8
Shelton	22,929	21,973	956	4.2
Southbury	9,175	8,828	347	3.8
Stamford	68,009	65,408	2,601	3.8
Stratford	26,823	25,457	1,366	5.1
Trumbull	18,328	17,640	688	3.8
Weston	5,033	4,875	158	3.1
Westport	12,902	12,492	410	3.2
Wilton	8,560	8,266	294	3.4
Woodbridge	5,009	4,854	155	3.1
DANBURY	**93,288**	**89,826**	**3,462**	**3.7**
Bethel	11,207	10,787	420	3.7
Bridgewater	1,062	1,031	31	2.9
Brookfield	9,208	8,879	329	3.6
Danbury	45,060	43,333	1,727	3.8
New Fairfield	7,844	7,542	302	3.9
New Milford	16,711	16,123	588	3.5
Sherman	2,196	2,132	64	2.9
ENFIELD	**49,189**	**47,140**	**2,049**	**4.2**
East Windsor	6,025	5,777	248	4.1
Enfield	24,202	23,121	1,081	4.5
Somers	4,713	4,531	182	3.9
Suffield	7,234	6,986	248	3.4
Windsor Locks	7,014	6,725	289	4.1
HARTFORD	**589,431**	**560,947**	**28,484**	**4.8**
Andover	1,996	1,923	73	3.7
Ashford	2,631	2,514	117	4.4
Avon	9,190	8,915	275	3.0
Barkhamsted	2,261	2,162	99	4.4
Berlin	11,114	10,681	433	3.9
Bloomfield	10,136	9,564	572	5.6
Bolton	3,112	3,001	111	3.6
Bristol	34,503	32,826	1,677	4.9
Burlington	5,339	5,152	187	3.5

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,559	5,388	171	3.1
Colchester	8,861	8,515	346	3.9
Columbia	3,070	2,963	107	3.5
Coventry	7,100	6,813	287	4.0
Cromwell	7,896	7,596	300	3.8
East Granby	2,951	2,841	110	3.7
East Haddam	5,203	5,013	190	3.7
East Hampton	6,854	6,472	382	5.6
East Hartford	25,960	24,328	1,632	6.3
Ellington	8,732	8,395	337	3.9
Farmington	12,995	12,505	490	3.8
Glastonbury	18,375	17,781	594	3.2
Granby	6,307	6,092	215	3.4
Haddam	4,782	4,627	155	3.2
Hartford	49,574	45,076	4,498	9.1
Hartland	1,225	1,177	48	3.9
Harwinton	3,178	3,055	123	3.9
Hebron	5,502	5,309	193	3.5
Lebanon	4,339	4,149	190	4.4
Manchester	32,340	30,893	1,447	4.5
Mansfield	13,095	12,471	624	4.8
Marlborough	3,591	3,480	111	3.1
Middlefield	2,434	2,337	97	4.0
Middletown	26,649	25,512	1,137	4.3
New Britain	35,410	32,941	2,469	7.0
New Hartford	3,792	3,662	130	3.4
Newington	16,894	16,197	697	4.1
Plainville	10,236	9,773	463	4.5
Plymouth	6,907	6,560	347	5.0
Portland	5,286	5,093	193	3.7
Rocky Hill	10,786	10,396	390	3.6
Simsbury	12,209	11,792	417	3.4
Southington	24,259	23,307	952	3.9
South Windsor	14,837	14,282	555	3.7
Stafford	6,911	6,591	320	4.6
Thomaston	4,700	4,468	232	4.9
Tolland	8,376	8,088	288	3.4
Union	478	460	18	3.8
Vernon	17,364	16,622	742	4.3
West Hartford	30,089	28,672	1,417	4.7
Wethersfield	13,714	13,091	623	4.5
Willington	3,986	3,831	155	3.9
Windsor	16,343	15,595	748	4.6

All Labor Market Areas(LMAs) in Connecticut except three are federally-designated areas for developing labor statistics. For the sake of simplicity, the federal Bridgeport-Stamford-Norwalk NECTA is referred to in Connecticut DOL publications as the 'Bridgeport-Stamford LMA', and the Hartford-West Hartford-East Hartford NECTA is 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 purpose, five towns which are part of the Springfield, MA area are published as the 'Enfield LMA'. Similarly the towns of Putnam, Thompson and Woodstock (part of the Worcester, MA area), plus four towns estimated separately are included in the Willimantic-Danielson LMA.

LABOR FORCE CONCEPTS

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

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

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

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

JULY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**309,864**	**294,769**	**15,095**	**4.9**
Bethany	3,063	2,951	112	3.7
Branford	17,405	16,728	677	3.9
Cheshire	14,867	14,271	596	4.0
Chester	2,283	2,207	76	3.3
Clinton	7,961	7,667	294	3.7
Deep River	2,603	2,503	100	3.8
Durham	4,196	4,049	147	3.5
East Haven	16,134	15,363	771	4.8
Essex	3,800	3,681	119	3.1
Guilford	12,921	12,527	394	3.0
Hamden	31,216	29,659	1,557	5.0
Killingworth	3,562	3,460	102	2.9
Madison	10,097	9,777	320	3.2
Meriden	31,432	29,646	1,786	5.7
New Haven	55,736	51,782	3,954	7.1
North Branford	8,340	7,986	354	4.2
North Haven	13,059	12,482	577	4.4
Old Saybrook	5,481	5,277	204	3.7
Orange	7,157	6,893	264	3.7
Wallingford	25,211	24,180	1,031	4.1
Westbrook	3,661	3,529	132	3.6
West Haven	29,683	28,153	1,530	5.2
***NORWICH-NEW LONDON**	**142,019**	**135,896**	**6,123**	**4.3**
Bozrah	1,531	1,462	69	4.5
Canterbury	3,260	3,115	145	4.4
East Lyme	10,049	9,668	381	3.8
Franklin	1,243	1,193	50	4.0
Griswold	7,298	6,972	326	4.5
Groton	20,204	19,286	918	4.5
Ledyard	8,904	8,544	360	4.0
Lisbon	2,687	2,562	125	4.7
Lyme	1,203	1,163	40	3.3
Montville	11,375	10,907	468	4.1
New London	14,147	13,389	758	5.4
No. Stonington	3,391	3,255	136	4.0
Norwich	21,361	20,306	1,055	4.9
Old Lyme	4,417	4,271	146	3.3
Preston	2,934	2,817	117	4.0
Salem	2,680	2,581	99	3.7
Sprague	1,865	1,769	96	5.1
Stonington	10,879	10,540	339	3.1
Voluntown	1,669	1,602	67	4.0
Waterford	10,919	10,491	428	3.9

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

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NORWICH-NEW LONDON	**155,792**	**149,012**	**6,780**	**4.4**
Westerly, RI	13,773	13,116	657	4.8

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	**55,272**	**52,976**	**2,296**	**4.2**
Bethlehem	2,060	1,993	67	3.3
Canaan	621	596	25	4.0
Colebrook	839	821	18	2.1
Cornwall	843	816	27	3.2
Goshen	1,568	1,518	50	3.2
Kent	1,611	1,562	49	3.0
Litchfield	4,419	4,253	166	3.8
Morris	1,338	1,281	57	4.3
Norfolk	973	939	34	3.5
North Canaan	1,773	1,698	75	4.2
Roxbury	1,385	1,347	38	2.7
Salisbury	2,033	1,959	74	3.6
Sharon	1,587	1,541	46	2.9
Torrington	19,815	18,837	978	4.9
Warren	738	711	27	3.7
Washington	1,987	1,915	72	3.6
Winchester	6,120	5,805	315	5.1
Woodbury	5,561	5,384	177	3.2
WATERBURY	**101,957**	**95,897**	**6,060**	**5.9**
Beacon Falls	3,250	3,100	150	4.6
Middlebury	3,746	3,616	130	3.5
Naugatuck	17,300	16,392	908	5.2
Prospect	5,329	5,098	231	4.3
Waterbury	50,765	47,097	3,668	7.2
Watertown	12,498	11,942	556	4.4
Wolcott	9,068	8,651	417	4.6
WILLIMANTIC-DANIELSON	**56,928**	**53,946**	**2,982**	**5.2**
Brooklyn	3,796	3,610	186	4.9
Chaplin	1,446	1,363	83	5.7
Eastford	986	949	37	3.8
Hampton	1,164	1,109	55	4.7
Killingly	9,246	8,736	510	5.5
Plainfield	8,351	7,890	461	5.5
Pomfret	2,259	2,154	105	4.6
Putnam	5,151	4,921	230	4.5
Scotland	992	963	29	2.9
Sterling	1,901	1,818	83	4.4
Thompson	5,316	5,095	221	4.2
Windham	11,830	10,996	834	7.0
Woodstock	4,489	4,342	147	3.3

Not Seasonally Adjusted:				
CONNECTICUT	**1,877,800**	**1,790,700**	**87,200**	**4.6**
UNITED STATES	**153,208,000**	**145,606,000**	**7,602,000**	**5.0**
Seasonally Adjusted:				
CONNECTICUT	**1,838,300**	**1,758,400**	**79,900**	**4.3**
UNITED STATES	**151,534,000**	**144,329,000**	**7,205,000**	**4.8**

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	JUL 2006	YR TO DATE 2006	YR TO DATE 2005
Andover	0	3	8
Ansonia	2	4	9
Ashford	2	12	10
Avon	6	41	49
Barkhamsted	na	na	na
Beacon Falls	na	na	na
Berlin	17	71	41
Bethany	na	na	na
Bethel	5	34	6
Bethlehem	na	na	na
Bloomfield	na	na	na
Bolton	1	8	3
Bozrah	0	8	9
Branford	na	na	na
Bridgeport	29	102	166
Bridgewater	na	na	na
Bristol	12	45	70
Brookfield	na	na	na
Brooklyn	3	43	44
Burlington	0	14	20
Canaan	0	1	3
Canterbury	0	16	15
Canton	1	20	69
Chaplin	2	11	11
Cheshire	5	46	27
Chester	na	na	na
Clinton	2	15	21
Colchester	7	49	50
Colebrook	1	3	4
Columbia	2	14	22
Cornwall	2	4	5
Coventry	7	39	23
Cromwell	6	15	8
Danbury	5	279	274
Darien	na	na	na
Deep River	0	4	2
Derby	na	na	na
Durham	3	24	28
East Granby	1	24	15
East Haddam	8	24	24
East Hampton	2	57	88
East Hartford	na	na	na
East Haven	5	30	49
East Lyme	9	72	62
East Windsor	1	47	51
Eastford	1	8	9
Easton	3	6	5
Ellington	7	64	46
Enfield	na	na	na
Essex	0	3	4
Fairfield	9	64	71
Farmington	6	76	70
Franklin	0	3	2
Glastonbury	8	76	45
Goshen	3	24	25
Granby	4	27	43
Greenwich	18	127	111
Griswold	na	na	na
Groton	9	38	120
Guilford	6	40	41
Haddam	4	30	31
Hamden	2	15	17
Hampton	2	14	12
Hartford	6	182	93
Hartland	na	na	na
Harwinton	0	16	11
Hebron	na	na	na
Kent	4	8	7
Killingly	13	69	56
Killingworth	na	na	na
Lebanon	6	28	26
Ledyard	1	25	29
Lisbon	0	11	11
Litchfield	na	na	na
Lyme	0	2	7
Madison	0	26	17
Manchester	15	96	113
Mansfield	7	41	34
Marlborough	2	16	18
Meriden	3	43	85
Middlebury	na	na	na
Middlefield	1	3	2
Middletown	16	125	155
Milford	21	169	186
Monroe	2	12	25
Montville	5	19	50
Morris	1	3	5
Naugatuck	3	46	49
New Britain	na	na	na
New Canaan	5	39	39
New Fairfield	na	na	na
New Hartford	2	11	24
New Haven	2	95	59
New London	5	41	42
New Milford	16	54	51
Newington	0	64	27
Newtown	2	23	72
Norfolk	1	3	3
North Branford	na	na	na
North Canaan	0	3	6
North Haven	1	20	115
North Stonington	1	7	17
Norwalk	4	48	96
Norwich	12	71	210
Old Lyme	na	na	na
Old Saybrook	2	13	34
Orange	na	na	na
Oxford	17	97	139
Plainfield	4	15	22
Plainville	6	7	11
Plymouth	1	14	10
Pomfret	2	9	9
Portland	1	13	31
Preston	3	19	17
Prospect	na	na	na
Putnam	3	19	22
Redding	na	na	na
Ridgefield	6	24	21
Rocky Hill	3	42	50
Roxbury	na	na	na
Salem	2	9	16
Salisbury	na	na	na
Scotland	2	6	6
Seymour	7	36	29
Sharon	4	5	6
Shelton	18	71	80
Sherman	na	na	na
Simsbury	13	59	22
Somers	2	16	16
South Windsor	0	48	40
Southbury	4	19	49
Southington	11	59	100
Sprague	0	4	15
Stafford	na	na	na
Stamford	13	156	162
Sterling	na	na	na
Stonington	6	41	39
Stratford	1	20	17
Suffield	1	18	49
Thomaston	na	na	na
Thompson	na	na	na
Tolland	3	37	71
Torrington	3	47	54
Trumbull	1	60	24
Union	1	3	4
Vernon	16	114	129
Voluntown	1	5	3
Wallingford	7	55	83
Warren	2	5	7
Washington	na	na	na
Waterbury	19	113	97
Waterford	3	22	25
Watertown	5	40	38
West Hartford	1	61	13
West Haven	na	na	na
Westbrook	13	23	23
Weston	na	na	na
Westport	8	56	67
Wethersfield	na	na	na
Willington	3	13	8
Wilton	na	na	na
Winchester	3	22	23
Windham	1	13	47
Windsor	na	na	na
Windsor Locks	na	na	na
Wolcott	1	33	35
Woodbridge	na	na	na
Woodbury	4	15	21
Woodstock	6	36	46

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	**+0.9**
Coincident Employment Index	**+2.1**
Leading General Drift Indicator	**NA**
Coincident General Drift Indicator	**NA**
Banknorth Business Barometer	**+0.5**
Total Nonfarm Employment	**+0.5**
Unemployment Rate	**-0.6**
Labor Force	+1.1
Employed	+1.7
Unemployed	-10.8
Average Weekly Initial Claims	**-0.5**
Help Wanted Index -- Hartford	**+10.0**
Avg Insured Unempl. Rate	**+0.02***
Average Weekly Hours, Mfg	**+0.7**
Average Hourly Earnings, Mfg	**+4.2**
Average Weekly Earnings, Mfg	**+5.0**
CT Mfg. Production Index	**-1.1**
Production Worker Hours	-0.1
Industrial Electricity Sales	-4.1
Personal Income	**+3.4**
UI Covered Wages	**+2.4**

Business Activity	
New Housing Permits	-17.9
Electricity Sales	+2.2
Retail Sales	-0.6
Construction Contracts Index	+24.5
New Auto Registrations	-17.1
Air Cargo Tons	-4.1
Exports	+37.0
Business Starts	
Secretary of the State	+1.8
Dept. of Labor	-3.7
Business Terminations	
Secretary of the State	+1.9
Dept. of Labor	-31.0
State Revenues	**NA**
Corporate Tax	NA
Personal Income Tax	NA
Real Estate Conveyance Tax	NA
Sales & Use Tax	NA
Indian Gaming Payments	+0.1

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

Tourism and Travel	
Info Center Visitors	-7.3
Attraction Visitors	-2.5
Air Passenger Count	-5.3
Indian Gaming Slots	-2.3
Travel and Tourism Index	NA
Employment Cost Index (U.S.)	
Total	+2.8
Wages & Salaries	+2.8
Benefit Costs	+2.7
Consumer Prices	
U.S. City Average	+4.1
Northeast Region	+4.6
NY-NJ-Long Island	+5.0
Boston-Brockton-Nashua	+3.6
Consumer Confidence	
Connecticut	NA
New England	NA
U.S.	NA
Interest Rates	
Prime	+2.00*
Conventional Mortgage	+1.06*

THE CONNECTICUT ECONOMIC DIGEST

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

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DECD

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- **What article topics would you like to see covered in future issues?**
- **What additional data would you like to see included in the Digest?**

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