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IN THIS ISSUE...

Connecticut Exports At Record High 1-3

Complete Streets are Sweet 4-5

Economic Indicators

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

In February...

Nonfarm Employment

Connecticut 1,693,900
 Change over month -0.02%
 Change over year +0.27%

United States 150,606,000
 Change over month +0.01%
 Change over year +1.69%

Unemployment Rate

Connecticut 3.8%
 United States 3.8%

Consumer Price Index

United States 252.776
 Change over year +1.5%

Connecticut Exports At Record High

By Laura Jaworski, Office of International and Domestic Business Development, DECD

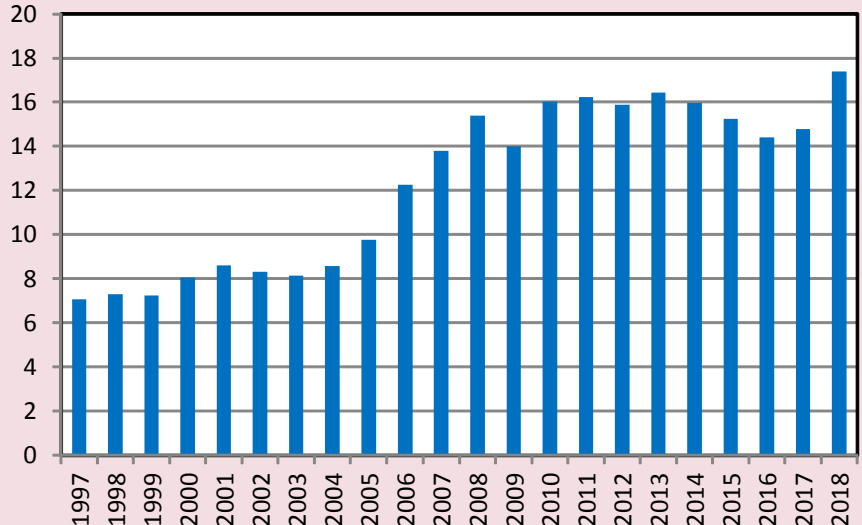
The dynamics of international trade is multifaceted and intertwined with geopolitics, the relative strength of the U.S. dollar, U.S. demand for imported goods, tariffs and free trade agreements (new and revised). Trade’s importance as a driver of economic growth is significant, as exports contribute to economic health and job creation.

To assess Connecticut’s export status, *The Connecticut Economic Digest* conducts an annual review of the state’s export performance. A review of the state’s 2018 export position follows.

Annual Export Figures

In 2018, Connecticut’s commodity exports totaled \$17.39 billion, a 17.70% increase and positive upswing from the \$14.78 billion registered in 2017. It is important to note, as significant as commodity exports are, they omit service exports, for which the collection of data is inexact and unavailable at the state level. All U.S. states face this data gap. This means that export figures for a state like Connecticut, with a large concentration of insurance, financial and other services, understate the true magnitude of its overall export value.¹

Connecticut Exports, 1997-2018 (\$ in billions)



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Managing Editor: Jungmin Charles Joo

Associate Editor: Erin C. Wilkins

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**Connecticut
Department of Labor**

Kurt Westby, Commissioner
Danté Bartolomeo, Deputy Commissioner
Daryle Dudzinski, Deputy Commissioner

Andrew Condon, Ph.D., Director
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114
Phone: (860) 263-6275
Fax: (860) 263-6263

E-Mail: dol.econdigest@ct.gov
Website: <http://www.ctdol.state.ct.us/lmi>



**Connecticut Department
of Economic and
Community Development**

David Lehman, Commissioner
David Kooris, Deputy Commissioner

450 Columbus Boulevard
Suite 5
Hartford, CT 06103
Phone: (860) 500-2300
Fax: (860) 500-2440
E-Mail: decdd@ct.gov
Website: <http://www.decdd.org>



Data indicates that 5,566 companies exported from Connecticut in 2015. Of these companies, 89% were small and medium-sized enterprises (SMEs) with fewer than 500 employees. In 2016, 65,140 U.S. jobs were supported by goods exported from Connecticut.²

Connecticut's export ranking among the states has held steady for many years. As in previous years, in 2018 Connecticut ranked 27th in the U.S. Texas, California, New York, Washington and Louisiana were the top five export states in 2018, ranked in terms of export commodity dollars. Among the 50 states, Maryland experienced the greatest percentage increase in 2018 at 29.60%, largely driven by a surge in coal exports.

U.S. Exports

U.S. commodity exports experienced continued growth in 2018 and totaled more than \$1.66 trillion in 2018, representing a 7.62% increase over the \$1.54 trillion recorded in 2017. Due to geographic proximity and NAFTA, it should come as no surprise that Canada and Mexico were the top two destinations for U.S. exports in 2018, followed by China, Japan and the United Kingdom.

New England Exports

In New England in 2018, only Massachusetts' exports value ranked higher than Connecticut's, as has been the case since 2005. As a regional trading block, New England's commodity exports totaled more than \$57.97 billion in 2018, a 4.68% increase from 2017. The top five export destinations for New England commodities were Canada, Germany, China, France and Mexico.

**Connecticut Export
Composition**

Connecticut's top export commodities mirror the state's

advanced manufacturing strengths and there is a demonstrated consistency among the state's top exports. 2018 was no exception. Last year at the two-digit Harmonized System (HS) commodity code level, Connecticut's top five export commodities were (1) aircraft, spacecraft and parts thereof; (2) industrial machinery, including computers; (3) optic, photo, medical or surgical instruments; (4) electric machinery, sound equipment, TV equipment, parts and (5) special classification provisions, not elsewhere specified or indicated (Nesoi). The bulk of special classification provisions were composed of exports of repaired imports. *Please refer to the associated charts for greater detail on the state's export strengths and composition.*

Drilling down an additional layer into the HS commodity codes for greater export insight reveals the transportation sector's dominance of Connecticut exports in the aerospace and defense industry. At the four-digit HS level, the state's top exports included civilian aircraft, engines, parts; exports of repaired imports; and turbojets, turbopropellers.

To put these figures into national and regional context, the U.S. and New England states' top export commodities were similar to Connecticut's. In 2018, the top five U.S. export commodities were (1) industrial machinery, including computers; (2) mineral fuel, oil, bitumen substances, mineral wax; (3) electric machinery, sound equipment, TV equipment, parts; (4) aircraft, spacecraft and parts thereof and (5) vehicles, except railway or tramway, and parts. In 2018, the New England region's top five export commodities were (1) industrial machinery, including computers; (2) electric

Connecticut Exports by Commodity

Rank	Description	ANNUAL 2017	ANNUAL 2018	%2017- 2018
	TOTAL ALL COMMODITIES	14,783,749,496	17,399,913,482	17.7
1	Aircraft, Spacecraft, And Parts Thereof	5,677,098,480	7,176,873,817	26.42
2	Industrial Machinery, Including Computers	2,596,056,075	3,011,107,504	15.99
3	Optic, Photo Etc, Medic Or Surgical Instrments Etc	1,217,588,294	1,397,749,651	14.8
4	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	1,138,116,536	1,073,359,983	-5.69
5	Special Classification Provisions, Nesoi	796,158,412	934,877,936	17.42
6	Plastics And Articles Thereof	404,177,316	440,377,224	8.96
7	Pharmaceutical Products	35,554,520	271,737,699	664.28
8	Inorg Chem; Prec & Rare-Earth Met & Radioact Compd	227,274,056	223,758,725	-1.55
9	Miscellaneous Chemical Products	153,592,403	197,874,383	28.83
10	Vehicles, Except Railway Or Tramway, And Parts Etc	123,401,739	158,089,563	28.11

CT Exports by Country

Rank	Description	ANNUAL 2017	ANNUAL 2018	%2017- 2018
	TOTAL ALL PARTNER COUNTRIES	14,783,749,496	17,399,913,482	17.7
1	France	2,114,066,967	3,178,215,217	50.34
2	Germany	1,824,686,109	2,332,009,685	27.8
3	Canada	1,906,951,049	1,952,280,492	2.38
4	United Kingdom	1,300,057,528	1,485,638,498	14.27
5	Mexico	1,036,231,921	948,479,594	-8.47
6	China	795,096,015	943,670,037	18.69
7	Netherlands	619,400,713	771,225,904	24.51
8	Japan	546,683,110	629,046,651	15.07
9	Singapore	399,476,163	623,280,855	56.02
10	Korea, Republic Of	539,062,782	422,934,953	-21.54

machinery, sound equipment, TV equipment, parts; (3) aircraft, spacecraft, and parts thereof; (4) optic, photo, medical or surgical instruments and (5) natural or cultured pearls, precious stones, precious metal clad materials, imitation jewelry and coins.

State Export Partners

The state's top ten commodity export destinations were France, Germany, Canada, the United Kingdom, Mexico, China, the Netherlands, Japan, Singapore and Korea. Connecticut exported over \$1 billion to each of its top four trade partners in 2018, with over \$3.17 billion directed to France. Among the state's top ten partners, all but two experienced export increases, the most significant percentage

increases belonging to Singapore (56.02%) and Germany (27.80%). Among the state's top ten commodity exports, Connecticut exports of vehicles, except railway or tramway, and aircraft, spacecraft, parts increased to both Singapore and Germany. Singapore is notably a significant market for aerospace maintenance, repair and overhaul.

State Trade Expansion Promotion (STEP) Grant

The state and federal government continue to partner to help Connecticut companies take advantage of export opportunities. For example, DECD administers a State Trade Expansion Promotion (STEP)

grant award from the U.S. Small Business Administration (SBA). The program's goals are to increase the number of small business exporters and increase export sales. In conjunction with organizations such as the Connecticut Center for Advanced Technology (CCAT), local U.S. Department of Commerce Export Assistance Center (USEAC), Connecticut Economic Resource Center (CERC) and others, DECD directs STEP funds towards small businesses for export development and training opportunities, company participation in foreign and domestic trade shows and trade missions, website translation, as well as other export initiatives and events.

For more information about DECD's international programs and services, including STEP grant activities, eligibility standards, program guidelines and application procedures, please contact Laura Jaworski at 860-500-2368 or laura.jaworski@ct.gov. ■

1 WISER database, <http://www.wisertrade.org>.

2 "Connecticut Exports, Jobs, & Foreign Investment," U.S. Department of Commerce International Trade Administration, <https://www.trade.gov/mas/ian/statereports/states/ct.pdf>, February 2018.