

ECONOMIC DIGEST

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In June...

Nonfarm Employment

Connecticut 1,698,800
 Change over month +0.36%
 Change over year +0.88%

United States 148,912,000
 Change over month +0.14%
 Change over year +1.62%

Unemployment Rate

Connecticut 4.4%
 United States 4.0%

Consumer Price Index

United States 251.989
 Change over year +2.9%

Covered Employment and Wages: A 2017 Annual Review

By Jonathan Kuchta, Research Analyst, DOL, jonathan.kuchta@ct.gov

According to the most recent data published by the Quarterly Census of Employment and Wages (QCEW) program, the number of jobs in Connecticut increased by 0.2 percent during 2017.¹ This is now the seventh consecutive year of employment growth since the Great Recession. Total private industry employment, constituting 86.4 percent of the state’s employment total, increased by 0.5 percent. Total government employment decreased by 1.6 percent year-over-year.

Average annual wages for all Connecticut jobs increased by 1.2 percent, to \$66,648, double the increase in 2016. In 2017, private sector wages increased

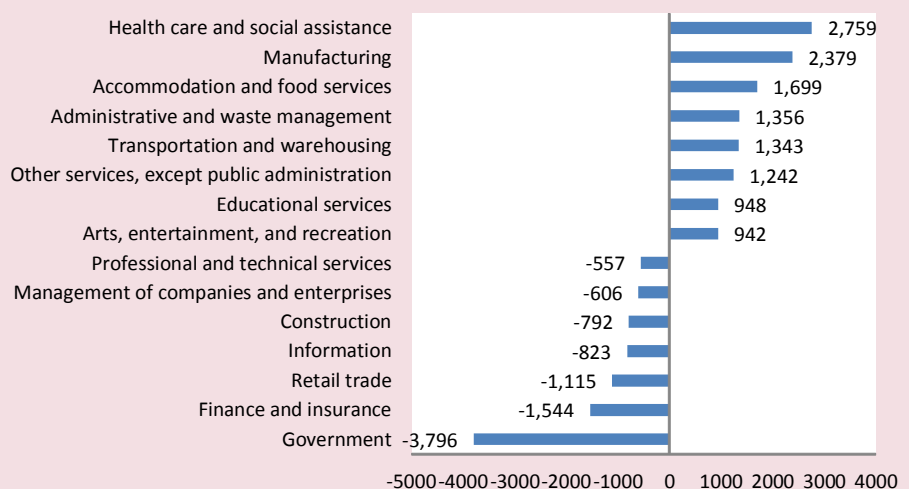
by 1.0 percent to \$67,278; government wages increased 1.9 percent to \$62,648.

The number of business establishments expanded for the sixth consecutive year, with a new total of 119,669, an increase of 2.0 percent over 2016. Total private establishments represented the entirety of the increase, reaching 116,295 in 2017. Government worksites decreased 0.6 percent in the state, from 3,393 in 2016 to 3,374 in 2017.

Employment

Looking at the sectors with notable gains in 2017, several industries continued to improve from their 2016 levels. The health care and social assistance,

Chart 1: Industry Employment Change by Sector, 2016-17



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manufacturing, and accommodation and food services sectors all showed solid increases. Health care and social services was the largest gainer last year, expanding by 2,759 jobs (Chart 1). Manufacturing showed a substantive improvement in 2017, thanks to the hiring actions of multiple large firms, gaining 2,379 jobs. Also notably showing improvement were the accommodations and transportation sectors, with 1,699 and 1,343 more jobs than in 2016, respectively.

For sectors that declined in 2017, government once again dropped the most, with a loss of 3,796 jobs, and finance and insurance with a drop of 1,544 jobs. Retail trade also continues to shrink in the state, down by 1,115 jobs. See pages 3 and 4 for data on other industry sectors and subsectors.

Much of the loss in government was due to retirements and hiring freezes; this trend is expected to continue into the 2018 annual data. While the drop in state government was similar from year to year, local government employment dropped by 1,430, a nearly three-fold decrease (Chart 2). Within local government, these losses are

found primarily in education and public administration.

The Bureau of Labor Statistics (BLS) aggregates the North American Industrial Classification System (NAICS) sectors to form the top level goods-producing and service-providing “domains”. Goods-producing sectors include agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing. The remaining sectors are aggregated into the service-providing domain.

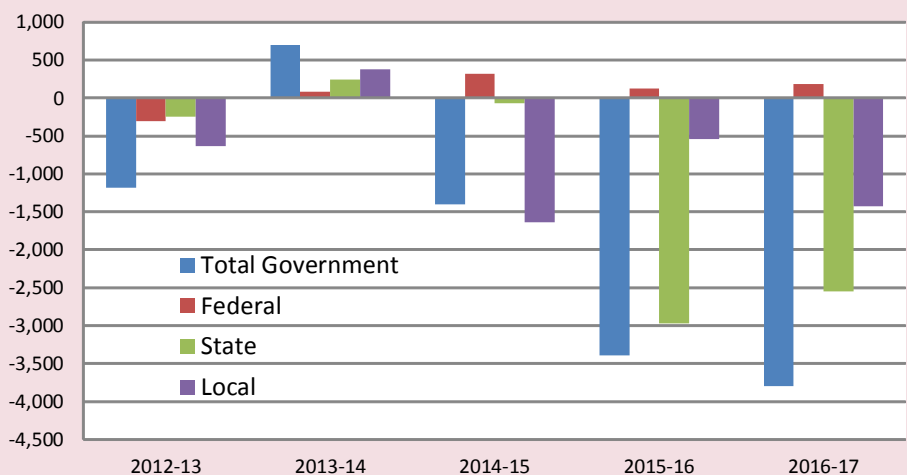
For 2017, the goods-producing domain encompassed 13.5 percent of total covered employment, with the remaining 86.5 percent in the service-providing domain. The goods-producing employment grew by 5,460, or 2.5 percent, with service-providing employment shrinking by 0.2 percent, or 2,274, at the same time.

Wages

Connecticut average annual wages varied greatly between industries and within each sector in 2017. It should be noted that much of this difference in pay level can be attributed to factors such as

-continued on page 5-

Chart 2: Government Employment Change



CT UI Covered Employment and Wages by NAICS Sector for 2016 and 2017**

NAICS Description	Establishments			Employment				Wages		
	2016	2017	16-17 % Chg	2016	2017	16-17 Chg		2016	2017	16-17 % Chg
						No.	%			
Statewide	117,337	119,669	2.0	1,666,580	1,669,766	3,186	0.2	\$65,869	\$66,648	1.2
Total private	113,944	116,295	2.1	1,435,545	1,442,528	6,983	0.5	\$66,579	\$67,278	1.0
Goods-producing	14,299	14,420	0.8	221,163	226,623	5,460	2.5	\$75,141	\$73,331	-2.4
Service-providing	103,038	105,249	2.1	1,445,417	1,443,143	-2,274	-0.2	\$64,465	\$64,990	0.8
11 Agriculture, forestry, fishing and hunting	386	388	0.5	4,738	4,767	29	0.6	\$34,514	\$35,886	4.0
111 Crop production.....	197	196	-0.5	3,262	3,226	-36	-1.1	\$32,241	\$33,748	4.7
112 Animal production.....	102	106	3.9	1,105	1,183	78	7.1	\$40,441	\$41,684	3.1
113 Forestry and logging.....	7	7	0.0	9	7	-2	-22.2	\$22,447	\$29,266	30.4
114 Fishing, hunting and trapping.....	10	9	-10.0	52	42	-10	-19.2	\$65,569	\$74,832	14.1
115 Agriculture and forestry support activities.....	70	70	0.0	311	309	-2	-0.6	\$32,510	\$30,938	-4.8
21 Mining	49	47	-4.1	556	538	-18	-3.2	\$71,940	\$76,733	6.7
212 Mining, except oil and gas.....	42	41	-2.4	527	510	-17	-3.2	\$71,807	\$73,352	2.2
213 Support activities for mining.....	7	6	-14.3	29	28	-1	-3.4	\$74,349	\$139,102	87.1
22 Utilities	137	145	5.8	5,626	5,333	-293	-5.2	\$111,987	\$124,209	10.9
221 Utilities.....	137	145	5.8	5,626	5,333	-293	-5.2	\$111,987	\$124,209	10.9
23 Construction	9,385	9,381	0.0	59,103	58,311	-792	-1.3	\$66,552	\$68,629	3.1
236 Construction of buildings.....	2,475	2,457	-0.7	11,143	10,865	-278	-2.5	\$70,705	\$73,562	4.0
237 Heavy and civil engineering construction.....	444	444	0.0	6,460	6,942	482	7.5	\$93,209	\$95,190	2.1
238 Specialty trade construction.....	6,466	6,480	0.2	41,501	40,504	-997	-2.4	\$61,288	\$62,753	2.4
31-33 Manufacturing	4,474	4,431	-1.0	156,431	158,810	2,379	1.5	\$79,462	\$81,874	3.0
311 Food manufacturing.....	348	350	0.6	7,803	8,128	325	4.2	\$43,788	\$44,028	0.5
312 Beverage and tobacco product manufacturing.....	89	103	15.7	1,703	1,920	217	12.7	\$55,820	\$53,525	-4.1
313 Textile mills.....	22	20	-9.1	699	695	-4	-0.6	\$64,060	\$57,531	-10.2
314 Textile product mills.....	84	84	0.0	1,212	1,202	-10	-0.8	\$54,655	\$57,346	4.9
315 Apparel manufacturing.....	11	13	18.2	128	124	-4	-3.1	\$33,520	\$33,811	0.9
316 Leather and allied product manufacturing.....	*	*	*	*	*	*	*	*	*	*
321 Wood product manufacturing.....	105	101	-3.8	1,188	1,174	-14	-1.2	\$46,172	\$46,217	0.1
322 Paper manufacturing.....	73	69	-5.5	2,973	2,904	-69	-2.3	\$69,455	\$72,350	4.2
323 Printing and related support activities.....	347	347	0.0	5,331	5,406	75	1.4	\$58,176	\$57,685	-0.8
324 Petroleum and coal products manufacturing.....	*	*	*	*	*	*	*	*	*	*
325 Chemical manufacturing.....	170	170	0.0	7,597	7,795	198	2.6	\$122,918	\$136,935	11.4
326 Plastics and rubber products manufacturing.....	159	161	1.3	5,635	5,711	76	1.3	\$59,192	\$62,169	5.0
327 Nonmetallic mineral product manufacturing.....	141	142	0.7	2,312	2,283	-29	-1.3	\$60,138	\$62,413	3.8
331 Primary metal manufacturing.....	75	74	-1.3	3,662	3,648	-14	-0.4	\$67,786	\$71,160	5.0
332 Fabricated metal product manufacturing.....	1,171	1,148	-2.0	29,183	29,413	230	0.8	\$67,821	\$70,596	4.1
333 Machinery manufacturing.....	427	416	-2.6	13,543	13,402	-141	-1.0	\$85,009	\$87,289	2.7
334 Computer and electronic product manufacturing.....	297	295	-0.7	11,644	11,236	-408	-3.5	\$73,858	\$76,404	3.4
335 Electrical equipment and appliance manufacturing.....	151	138	-8.6	8,253	7,993	-260	-3.2	\$88,838	\$76,231	-14.2
336 Transportation equipment manufacturing.....	239	235	-1.7	41,756	43,975	2,219	5.3	\$98,875	\$101,997	3.2
337 Furniture and related product manufacturing.....	216	224	3.7	2,611	2,634	23	0.9	\$52,100	\$53,249	2.2
339 Miscellaneous manufacturing.....	322	316	-1.9	8,654	8,623	-31	-0.4	\$66,449	\$70,034	5.4
42 Wholesale trade	10,255	10,213	-0.4	62,527	62,553	26	0.0	\$93,658	\$94,622	1.0
423 Merchant wholesalers, durable goods.....	2,854	3,392	18.9	29,119	29,972	853	2.9	\$86,107	\$84,939	-1.4
424 Merchant wholesalers, nondurable goods.....	1,323	1,596	20.6	19,624	20,149	525	2.7	\$76,290	\$80,021	4.9
425 Electronic markets and agents and brokers.....	6,078	5,225	-14.0	13,784	12,432	-1,352	-9.8	\$134,334	\$141,632	5.4
44-45 Retail trade	12,696	12,689	-0.1	184,616	183,501	-1,115	-0.6	\$33,228	\$33,492	0.8
441 Motor vehicle and parts dealers.....	1,169	1,163	-0.5	21,434	21,517	83	0.4	\$53,550	\$53,916	0.7
442 Furniture and home furnishings stores.....	653	638	-2.3	6,173	6,159	-14	-0.2	\$40,595	\$41,529	2.3
443 Electronics and appliance stores.....	592	569	-3.9	5,959	5,853	-106	-1.8	\$45,291	\$46,264	2.1
444 Building material and garden supply stores.....	814	806	-1.0	15,272	15,124	-148	-1.0	\$38,236	\$38,517	0.7
445 Food and beverage stores.....	2,414	2,453	1.6	44,025	43,892	-133	-0.3	\$26,415	\$26,953	2.0
446 Health and personal care stores.....	1,327	1,378	3.8	13,384	13,675	291	2.2	\$38,134	\$37,951	-0.5
447 Gasoline stations.....	1,043	1,086	4.1	6,273	6,238	-35	-0.6	\$23,900	\$24,748	3.5
448 Clothing and clothing accessories stores.....	1,654	1,588	-4.0	17,650	17,248	-402	-2.3	\$22,426	\$22,434	0.0
451 Sporting goods, hobby, book and music stores.....	678	663	-2.2	7,047	6,820	-227	-3.2	\$20,484	\$20,848	1.8
452 General merchandise stores.....	482	494	2.5	29,010	28,428	-582	-2.0	\$22,446	\$23,159	3.2
453 Miscellaneous store retailers.....	1,187	1,172	-1.3	9,380	9,731	351	3.7	\$24,013	\$24,488	2.0
454 Nonstore retailers.....	683	679	-0.6	9,009	8,817	-192	-2.1	\$71,309	\$67,433	-5.4
48-49 Transportation and warehousing	1,943	2,010	3.4	44,669	46,012	FALSE	3.0	\$47,677	\$47,366	-0.7
481 Air transportation.....	57	56	-1.8	982	1,028	46	4.7	\$78,382	\$78,072	-0.4
482 Rail transportation.....	*	*	*	*	*	*	*	*	*	*
483 Water transportation.....	33	33	0.0	760	827	67	8.8	\$89,469	\$88,972	-0.6
484 Truck transportation.....	725	763	5.2	7,112	7,100	-12	-0.2	\$54,822	\$55,742	1.7
485 Transit and ground passenger transportation.....	415	433	4.3	14,601	14,526	-75	-0.5	\$33,942	\$34,709	2.3
486 Pipeline transportation.....	4	4	0.0	166	166	0	0.0	\$124,549	\$121,850	-2.2
487 Scenic and sightseeing transportation.....	21	21	0.0	174	184	10	5.7	\$21,388	\$21,879	2.3
488 Support activities for transportation.....	335	343	2.4	3,429	3,469	40	1.2	\$84,677	\$82,970	-2.0
491 Postal service.....	*	*	*	*	*	*	*	*	*	*

CT UI Covered Employment and Wages by NAICS Sector for 2016 and 2017** (Cont.)

NAICS Description	Establishments			Employment				Wages		
	2016	2017	16-17 % Chg	2016	2017	16-17 Chg		2016	2017	16-17 % Chg
						No.	%			
492 Couriers and messengers.....	202	205	1.5	7,231	7,587	356	4.9	\$42,680	\$43,094	1.0
493 Warehousing and storage.....	145	147	1.4	10,191	11,098	907	8.9	\$46,553	\$43,701	-6.1
51 Information	2,020	2,216	9.7	32,336	31,513	-823	-2.5	\$102,317	\$103,192	0.9
511 Publishing industries, except Internet.....	687	831	21.0	8,667	8,648	-19	-0.2	\$97,676	\$98,583	0.9
512 Motion picture and sound recording industries.....	348	353	1.4	4,441	4,690	249	5.6	\$94,610	\$92,249	-2.5
515 Broadcasting, except Internet.....	97	101	4.1	6,187	6,116	-71	-1.1	\$133,331	\$128,473	-3.6
517 Telecommunications.....	300	297	-1.0	8,764	7,293	-1,471	-16.8	\$96,658	\$104,958	8.6
518 ISPs, search portals, and data processing.....	161	182	13.0	1,493	1,500	7	0.5	\$88,329	\$92,054	4.2
519 Other information services.....	427	452	5.9	2,784	3,266	482	17.3	\$85,443	\$84,935	-0.6
52 Finance and insurance	7,104	7,255	2.1	107,751	106,207	-1,544	-1.4	\$165,271	\$168,959	2.2
521 Monetary authorities - central bank.....	nd	nd	0.0	nd	nd	0	0.0	nd	nd	0.0
522 Credit intermediation and related activities.....	2,134	2,195	2.9	24,888	24,337	-551	-2.2	\$115,556	\$111,193	-3.8
523 Securities, commodity contracts, investments.....	2,403	2,497	3.9	26,049	23,495	-2,554	-9.8	\$294,735	\$316,419	7.4
524 Insurance carriers and related activities.....	2,530	2,499	-1.2	56,813	58,375	1,562	2.7	\$127,678	\$133,638	4.7
525 Funds, trusts, and other financial vehicles.....	37	64	73.0	0	0	0	0.0	\$0	\$0	0.0
53 Real estate and rental and leasing	3,551	3,614	1.8	20,007	19,864	-143	-0.7	\$70,617	\$66,281	-6.1
531 Real estate.....	2,985	3,054	2.3	14,937	14,814	-123	-0.8	\$71,174	\$67,732	-4.8
532 Rental and leasing services.....	*	*	*	*	*	*	*	*	*	*
533 Lessors of nonfinancial intangible assets.....	*	*	*	*	*	*	*	*	*	*
54 Professional and technical services	13,825	14,002	1.3	96,911	96,354	-557	-0.6	\$101,263	\$103,531	2.2
541 Professional and technical services.....	13,825	14,002	1.3	96,911	96,354	-557	-0.6	\$101,263	\$103,531	2.2
55 Management of companies and enterprises	1,129	1,235	9.4	32,915	32,309	-606	-1.8	\$163,372	\$154,167	-5.6
551 Management of companies and enterprises.....	1,129	1,235	9.4	32,915	32,309	-606	-1.8	\$163,372	\$154,167	-5.6
56 Administrative and waste management	7,638	7,776	1.8	88,351	89,707	1,356	1.5	\$44,010	\$45,568	3.5
561 Administrative and support activities.....	7,153	7,284	1.8	82,502	83,745	1,243	1.5	\$42,944	\$44,418	3.4
562 Waste management and remediation services.....	485	492	1.4	5,849	5,962	113	1.9	\$59,048	\$61,722	4.5
61 Educational services	1,863	1,888	1.3	56,912	57,860	948	1.7	\$62,765	\$64,844	3.3
611 Educational services.....	1,863	1,888	1.3	56,912	57,860	948	1.7	\$62,765	\$64,844	3.3
62 Health care and social assistance	10,712	10,914	1.9	264,831	267,590	2,759	1.0	\$51,053	\$51,629	1.1
621 Ambulatory health care services.....	6,915	7,059	2.1	88,681	90,605	1,924	2.2	\$67,077	\$67,760	1.0
622 Hospitals.....	67	89	32.8	58,371	58,876	505	0.9	\$66,176	\$66,453	0.4
623 Nursing and residential care facilities.....	1,384	1,366	-1.3	62,686	61,645	-1,041	-1.7	\$35,680	\$36,031	1.0
624 Social assistance.....	2,346	2,400	2.3	55,093	56,465	1,372	2.5	\$26,728	\$27,317	2.2
71 Arts, entertainment, and recreation	1,831	1,852	1.1	27,343	28,285	942	3.4	\$28,179	\$28,603	1.5
711 Performing arts and spectator sports.....	556	542	-2.5	4,148	4,076	-72	-1.7	\$47,209	\$46,579	-1.3
712 Museums, historical sites, zoos, and parks.....	123	126	2.4	2,263	2,740	477	21.1	\$32,934	\$37,333	13.4
713 Amusement, gambling, and recreation.....	1,152	1,184	2.8	20,932	21,468	536	2.6	\$23,894	\$24,075	0.8
72 Accommodation and food services	8,418	8,633	2.6	126,536	128,235	1,699	1.3	\$21,284	\$21,839	2.6
721 Accommodation.....	475	477	0.4	11,660	11,895	235	2.0	\$28,760	\$28,133	-2.2
722 Food services and drinking places.....	7,943	8,156	2.7	114,876	116,341	1,465	1.3	\$20,525	\$21,196	3.3
81 Other services, except public administration	15,945	16,906	6.0	63,042	64,284	1,242	2.0	\$32,808	\$33,409	1.8
811 Repair and maintenance.....	2,550	2,552	0.1	13,619	13,576	-43	-0.3	\$44,721	\$45,882	2.6
812 Personal and laundry services.....	3,549	3,600	1.4	21,576	21,883	307	1.4	\$26,410	\$26,864	1.7
813 Membership associations and organizations.....	2,169	2,216	2.2	15,083	15,214	131	0.9	\$40,471	\$42,455	4.9
814 Private households.....	7,677	8,538	11.2	12,764	13,611	847	6.6	\$21,856	\$21,380	-2.2
Total government	3,393	3,374	-0.6	231,034	227,238	-3,796	-1.6	\$61,458	\$62,648	1.9
Federal.....	543	548	0.9	17,841	18,023	182	1.0	\$73,242	\$74,530	1.8
State.....	653	636	-2.6	64,029	61,481	-2,548	-4.0	\$69,953	\$70,884	1.3
Local.....	2,197	2,190	-0.3	149,164	147,734	-1,430	-1.0	\$56,402	\$57,771	2.4

* Nondisclosable

** These data are derived from unemployment insurance program reports supplemented by other sources. The industry employment figures will differ from the monthly sample-based nonfarm employment estimates due to the differences in employment coverages and methods used to produce the data.

To view additional QCEW program data on a more detailed geographic level, visit the Connecticut Department of Labor's website for labor market information at <http://www.ctdol.state.ct.us/lmi>.

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hours worked (full- or part-time), workforce composition, wages, including bonuses or stock options, and seasonal and weather related influences.

The highest annual average wage, found in the finance and insurance sector, was \$168,959 - 2.5 times the state average. Those in the securities, commodity contracts and investments subsector earned an average of \$316,419 in 2017. The management sector was not far behind finance and insurance at \$154,167. Overall, wages showed improved growth over 2016, at 1.2%, with seven sectors showing more than three percent growth, while real estate and management of companies showing declines.

At the other end of the spectrum, accommodation and food services workers earned the

Table 1

State/Region	Annual Wage
New York	\$70,538
Massachusetts	\$69,942
Connecticut	\$66,648
New Jersey	\$64,014
U.S. TOTAL	\$55,375
New Hampshire	\$55,133
Rhode Island	\$52,820
Vermont	\$46,121
Maine	\$43,906

least, at \$21,839. This increase of 2.6% was greater than the state average, though it is heavily influenced by part-time workers. Next were arts, entertainment and recreation at \$28,603 and other services, except public administration at \$33,409 in annual wages.

2017 was a better year for wages in general, as most sectors experienced some wage growth. Goods-producing wages showed a decline of 2.4 percent compared to 2016, at \$73,331. They are 10.0 percent above the annual average for all industries. Service-providing wages experienced growth, rising to \$64,990, an increase of 0.8 percent on an annual basis. Connecticut continues to maintain comparable annual wages to nearby states in the Northeast, coming third behind only New York and Massachusetts (Table 1). Average wages in Connecticut are 20.4 percent above the U.S. average. ■

1 QCEW counts all jobs covered by Connecticut Unemployment Insurance (UI) - over 97 percent of all payroll jobs.

GENERAL ECONOMIC INDICATORS

<i>(Seasonally adjusted)</i>	1Q	1Q	CHANGE		4Q
	2018	2017	NO.	%	2017
General Drift Indicator (1996=100)*					
Leading	125.3	124.1	1.2	0.9	125.6
Coincident	115.4	114.9	0.5	0.4	115.0
Farmington Bank Business Barometer (1992=100)**	135.8	135.4	0.4	0.3	135.8
Philadelphia Fed's Coincident Index (2007=100)***					
<i>(Seasonally adjusted)</i>	Jun	Jun			May
	2018	2017			2018
Connecticut	123.60	119.99	3.6	3.0	122.96
United States	123.25	119.93	3.3	2.8	123.09

Sources: *Dr. Steven P. Lanza, University of Connecticut **Farmington Bank ***Federal Reserve Bank of Philadelphia

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 three leading (housing permits, manufacturing average weekly hours, and initial unemployment claims) economic variables, and are indexed so 1996 = 100.

The **Farmington Bank 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.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).