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In July...

Nonfarm Employment

Connecticut 1,714,400
 Change over month +0.04%
 Change over year +1.04%

United States 158,723,000
 Change over month +0.07%
 Change over year +1.61%

Unemployment Rate

Connecticut 3.6%
 United States 4.3%

Consumer Price Index

United States 314.540
 Change over year +2.9%

Connecticut Town Economic Indexes Grew in 2023

By Jungmin Charles Joo and Dana Placzek, Department of Labor

Connecticut's overall economy grew last year with nearly all towns seeing increases. Fully 136 of Connecticut's 169 cities and towns were above pre-COVID-19 pandemic (2019) levels in 2023. The indexes on page 3 give a broad measure of business and resident economic well-being of each town, allowing comparisons among them.

The CTEI Methodology

The Connecticut Town Economic Indexes (CTEI) were introduced in 2015 and are released annually. The Connecticut Department of Labor's Office of Research developed the composite indexes of all 169 municipalities in the state to measure each town or city's overall economic health, which then can be ranked and compared to others to gain perspective. The four annual average town economic indicators used as components are total covered business establishments, total covered employment, inflation-adjusted covered annual average wages, and the unemployment rate.

Establishments are the physical work units located in the municipality. Employment is the number of payroll employees in establishments that are located in

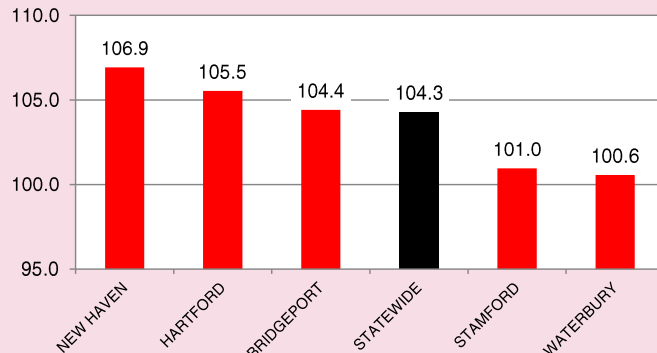
the town. Wages are the aggregate payroll pay divided by the total average employment. These three measures come from the Quarterly Census of Employment and Wages (QCEW) program and include all those who are covered under unemployment insurance law, thus capturing nearly 100 percent of all payroll employees in each town.

Establishments, employment and wages are proxy for each municipality's business activities and its overall economic strength, while the unemployment rate measures the overall economic health of its residents. Each of the four components was given a 25 percent weight. To compare the economic performance since the pandemic of 2020, the CTEI's base year is changed from 2010 to 2019, which equals 100. The wage component was also adjusted to 2019 dollars and unemployment rate changes were inverted to reflect the right economic direction. By combining these four major economic indicators, the index allows comparisons among towns.

CTEI: 2022 to 2023

Most of the cities and towns saw business and labor market conditions continue to improve.

Chart 1. 2023 CTEI of Largest Cities (2019=100)



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Managing Editor: Jungmin Charles Joo

Associate Editor: Erin C. Wilkins

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**Connecticut
Department of Labor**

Danté Bartolomeo, Commissioner
Daryle Dudzinski, Deputy Commissioner
Mark Polzella, Deputy Commissioner

Patrick J. Flaherty, Director
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114
Phone: (860) 263-6255
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**

Daniel O’Keefe, Commissioner
Paul O. Robertson, Deputy Commissioner
Matthew J. Pugliese, Deputy Commissioner

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



Because the town sizes can vary greatly, a same change in one index value of a small town would not necessarily mean the same degree of economic growth as a large city. Therefore, the comparisons were grouped in three categories: towns with a population (2023) under 25,000, towns or cities with a population between 25,000 and 100,000, and cities with over 100,000.

Among the towns with a population under 25,000, Eastford and Hartland’s overall economy expanded the fastest from 2022 to 2023. Enfield and Groton had the two fastest increases over the year among the towns or cities with a population between 25,000 and 100,000, while Westport and South Windsor indexes had slight declines but remained well above 2021 levels. All five largest cities with a population of 100,000 or more experienced overall economic growth over the year, with New Haven and Hartford faring the best.

CTEI: 2019 to 2023

When compared with 2019, before the pandemic downturn, 136 cities and towns’ indexes showed increases in 2023, while 33 declined. Among the small towns with residents fewer than 25,000, Andover and Lyme experienced the fastest economic increase between 2019 and 2023. Conversely, Ledyard and Union are still below 2019 levels despite strong gains in 2023. Fairfield and Greenwich index figures grew the fastest among those with a population between 25,000 and 100,000, while Norwalk and Mansfield have yet to return to pre-pandemic levels after gains in 2021 and 2022.

Among the largest cities (population over 100,000), as Chart 1 shows, New Haven and Hartford’s economy grew the most since 2019. In fact, all five cities have fully recovered to pre-pandemic levels. The map on page 4 shows the different ranges of economic recovery rate of each municipality in the state.

LMA Indexes: 2019-2023

The index by Labor Market Area (LMA) is the average of all town indexes that make up that labor market area. The index in all nine regions in Connecticut grew from

2019 to 2023. The Danielson-Northeast and Torrington-Northwest areas’ overall economy continued to grow the fastest.

The Components of CTEI:

Establishments

The total number of business establishments in Connecticut rose by 4.9% to 149,796 in 2023, slower growth than the 6.6% from the year before. Stamford continued to dominate, with the largest number of businesses (7,280) of the 169 cities and towns. Since 2019, Connecticut’s overall number of businesses increased 21.8%. Overall, 93% of the total municipalities added new establishments over the year, and 98% since 2019.

Employment

Last year’s average statewide employment grew further by 1.6%, after having risen 3.2% in 2022. About 74% of the cities and towns in the state experienced job recovery over the year, after 92% added jobs in 2022. All in all, half of the municipalities in the state have added jobs since 2019, while the statewide annual average employment in 2023 was slightly (-0.1%) below the 2019 level.

Real Wages

In 2023, 74 of all cities and towns in the state posted inflation-adjusted (in 2019 dollar) wage gains over the year, significantly up from 35 in 2022 when inflation was much higher than in 2023. While lower, inflation continued to cut into wage gains in 2023. The statewide real annual average wage was \$70,289 per worker, a 1.0% decline over 2022 but up 0.7% from 2019. The highest real average wages were in businesses located in Greenwich at \$166,653 last year.

Unemployment Rate

Waterbury posted the highest unemployment rate (5.9%) last year, dipping from 6.2% in 2022. Overall, the statewide rate fell from 4.1% in 2022 to 3.8% in 2023. For a detailed analysis and the complete table of unemployment rates for all 169 municipalities, see “Most Towns Experienced Decreases in the Unemployment Rate in 2023” in

-continued on page 5-

CONNECTICUT TOWN ECONOMIC INDEXES (2019=100), 2020-2023*

Town/City	2020	2021	2022	2023	Town/City	2020	2021	2022	2023	Town/City	2020	2021	2022	2023
Andover	90.5	96.7	121.0	124.5	Griswold	84.0	89.8	100.9	107.9	Prospect	88.5	93.6	99.6	102.7
Ansonia	87.7	91.4	99.8	106.1	Groton	84.9	89.4	98.2	102.6	Putnam	85.6	89.6	96.0	100.0
Ashford	86.7	92.1	102.8	112.0	Guilford	88.1	97.8	103.2	104.4	Redding	88.3	100.4	103.5	104.3
Avon	87.0	90.2	96.2	99.5	Haddam	87.1	94.4	103.3	109.4	Ridgefield	89.1	93.7	101.1	102.0
Barkhamsted	86.0	93.1	105.5	110.7	Hamden	86.3	90.7	99.2	102.5	Rocky Hill	85.9	89.8	96.2	100.3
Beacon Falls	89.0	98.8	102.9	105.3	Hampton	96.8	104.0	114.0	119.7	Roxbury	90.3	99.6	114.6	119.2
Bethlehem	87.7	90.6	98.0	100.4	Hartford	87.6	90.4	102.2	105.5	Salem	87.7	95.1	103.6	108.9
Berlin	87.3	94.3	100.5	103.3	Hartland	88.3	92.9	100.0	114.8	Salisbury	90.4	95.9	100.5	106.3
Bethany	85.2	89.0	95.4	99.1	Harwinton	85.3	94.4	101.1	110.2	Scotland	86.4	87.5	98.3	101.8
Bethel	93.4	99.3	107.0	111.7	Hebron	86.6	89.5	99.8	105.6	Seymour	89.5	94.4	101.5	103.7
Bloomfield	87.2	89.9	95.1	102.4	Kent	87.6	94.6	98.5	106.4	Sharon	89.7	92.7	98.4	98.8
Bolton	88.6	87.7	94.3	96.6	Killingly	85.2	87.6	96.8	98.0	Shelton	88.1	91.8	99.2	101.7
Bozrah	86.6	88.5	98.1	102.9	Killingworth	87.5	91.9	98.7	105.6	Sherman	86.0	95.1	103.7	107.2
Branford	86.4	90.9	100.1	101.0	Lebanon	87.0	88.3	98.4	102.9	Simsbury	88.1	92.4	99.3	100.8
Bridgeport	86.5	90.0	101.7	104.4	Ledyard	75.8	82.8	89.6	95.3	Somers	87.9	90.9	94.9	97.7
Bridgewater	86.5	92.8	104.1	115.3	Lisbon	86.5	90.6	95.2	103.2	South Windsor	87.1	93.1	102.2	101.7
Bristol	85.9	88.4	97.0	99.4	Litchfield	88.8	92.4	101.0	106.7	Southbury	86.2	92.0	97.2	98.7
Brookfield	87.1	95.1	103.6	104.7	Lyme	89.4	102.3	116.7	121.4	Southington	89.9	94.4	101.5	103.7
Brooklyn	87.9	94.5	114.8	116.2	Madison	87.3	94.2	101.2	102.3	Sprague	87.1	87.4	98.1	103.4
Burlington	86.1	89.9	104.8	111.6	Manchester	85.5	90.3	99.5	103.9	Stafford	87.9	88.6	100.0	107.3
Canaan	83.7	87.6	96.0	97.4	Mansfield	94.3	93.0	97.0	97.4	Stamford	85.4	91.2	98.3	101.0
Canterbury	88.3	101.6	109.2	117.5	Marlborough	89.1	94.0	105.5	108.5	Sterling	84.1	89.3	102.7	108.5
Canton	87.3	92.8	100.8	103.0	Meriden	87.6	90.1	99.2	101.9	Stonington	84.8	91.6	99.4	102.4
Chaplin	87.2	90.2	99.7	101.2	Middlebury	83.9	87.9	95.6	98.5	Stratford	86.8	91.7	100.0	101.9
Cheshire	87.0	88.5	95.9	98.5	Middlefield	87.6	93.5	101.2	103.6	Suffield	88.7	94.1	101.0	106.1
Chester	86.0	92.3	100.8	102.9	Middletown	87.1	89.4	97.4	101.5	Thomaston	88.5	92.1	98.4	98.6
Clinton	86.3	92.7	99.6	102.9	Milford	86.0	90.5	100.6	101.6	Thompson	87.5	91.5	99.1	102.8
Colchester	86.9	91.3	98.5	101.4	Monroe	86.6	92.9	101.3	104.0	Tolland	84.8	86.9	91.5	98.9
Colebrook**	ND	ND	ND	ND	Montville	79.8	87.5	95.0	99.5	Torrington	87.1	90.6	99.0	102.9
Columbia	88.9	94.5	108.4	110.9	Morris	90.8	94.1	97.4	103.4	Trumbull	86.5	91.6	99.8	101.1
Cornwall	88.8	94.7	101.4	107.2	Naugatuck	85.5	90.5	99.3	101.8	Union	88.0	92.0	94.2	96.2
Coventry	88.4	92.0	98.2	101.8	New Britain	87.2	89.6	100.0	104.0	Vernon	85.6	90.5	99.6	102.9
Cromwell	85.4	91.2	96.6	100.0	New Canaan	90.1	99.9	105.9	105.5	Voluntown	90.6	94.0	104.3	109.5
Danbury	85.8	90.4	97.0	100.2	New Fairfield	86.5	94.2	102.3	104.8	Wallingford	85.8	88.5	94.5	98.2
Darien	90.5	97.8	105.9	104.8	New Hartford	86.0	89.0	100.2	102.2	Warren	87.7	94.5	117.1	113.1
Deep River	84.1	88.4	95.1	99.4	New Haven	88.7	92.0	102.7	106.9	Washington	88.6	92.1	110.1	115.4
Derby	87.5	92.8	102.1	104.9	New London	83.7	86.4	96.5	100.7	Waterbury	87.2	89.6	99.1	100.6
Durham	89.5	95.8	103.6	107.3	New Milford	86.3	91.1	98.9	102.8	Waterford	85.9	88.8	96.6	100.9
East Granby	84.3	88.4	97.1	97.9	Newington	85.8	89.8	97.9	101.4	Watertown	88.9	93.5	102.0	102.2
East Haddam	85.4	93.3	101.5	106.0	Newtown	88.1	93.1	102.1	104.3	West Hartford	86.9	91.7	99.5	104.0
East Hampton	89.0	93.7	101.6	110.2	Norfolk	90.0	98.3	107.6	114.2	West Haven	87.3	92.6	100.3	104.0
East Hartford	85.1	86.9	97.7	101.6	North Branford	87.9	91.4	96.3	99.7	Westbrook	85.1	87.8	96.7	98.9
East Haven	87.2	91.3	99.8	102.7	North Canaan	85.6	88.9	97.7	100.4	Weston	88.9	101.7	116.6	117.4
East Lyme	87.7	93.0	102.6	109.1	North Haven	89.2	94.9	102.4	105.4	Westport	87.7	92.7	101.3	100.7
East Windsor	86.6	90.0	105.6	111.5	North Stonington	84.5	89.7	96.2	100.7	Wethersfield	86.9	89.9	97.8	101.6
Eastford	83.0	88.6	94.5	109.1	Norwalk	82.2	87.9	95.5	95.7	Willington	89.8	93.4	99.4	102.6
Easton	87.2	95.2	107.3	113.9	Norwich	81.1	85.9	96.1	98.7	Wilton	89.0	92.4	99.9	100.3
Ellington	89.0	91.9	100.1	103.6	Old Lyme	87.4	92.2	99.7	103.0	Winchester	88.2	90.1	95.8	98.1
Enfield	87.1	91.1	97.8	102.5	Old Saybrook	83.7	87.2	96.0	98.8	Windham	88.2	90.7	98.7	103.4
Essex	86.8	92.1	100.1	102.0	Orange	87.4	95.0	103.5	105.9	Windsor	87.0	88.3	96.3	98.8
Fairfield	87.7	95.2	104.0	105.9	Oxford	88.7	93.6	104.7	113.5	Windsor Locks	85.9	88.3	97.8	99.8
Farmington	86.8	89.4	95.3	98.3	Plainfield	90.8	95.8	105.7	106.0	Wolcott	86.2	90.1	96.9	98.3
Franklin	86.2	89.6	98.0	101.8	Plainville	85.3	88.4	95.0	98.8	Woodbridge	86.9	91.5	98.4	100.0
Glastonbury	85.9	92.3	99.1	101.8	Plymouth	89.1	94.6	104.1	107.4	Woodbury	89.6	93.7	100.2	103.7
Goshen	86.5	98.3	109.4	113.9	Pomfret	88.1	92.0	99.5	103.9	Woodstock	86.0	92.5	100.6	106.0
Granby	88.1	94.2	102.5	104.7	Portland	88.6	92.2	102.2	106.3					
Greenwich	88.0	95.3	102.5	104.7	Preston	84.0	91.3	101.3	104.7	CONNECTICUT	86.5	91.4	101.0	104.3

* 2019 = 100 for all 69 cities and towns 2005-2023 CTEI is available upon request

** Non-disclosable due to our confidentiality guidelines

Source: Connecticut Department of Labor, Office of Research

Connecticut Town Economic Indexes, 2023

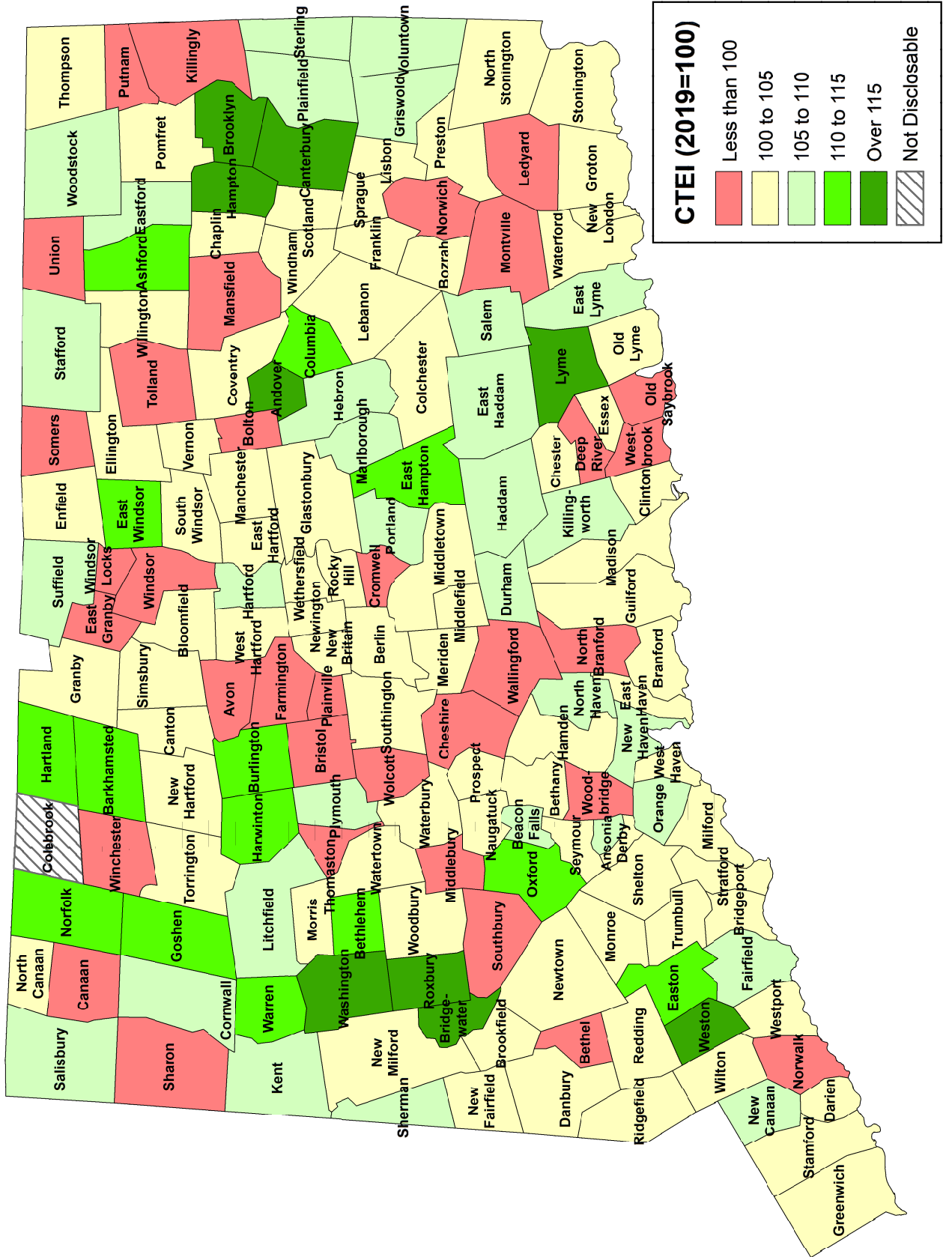
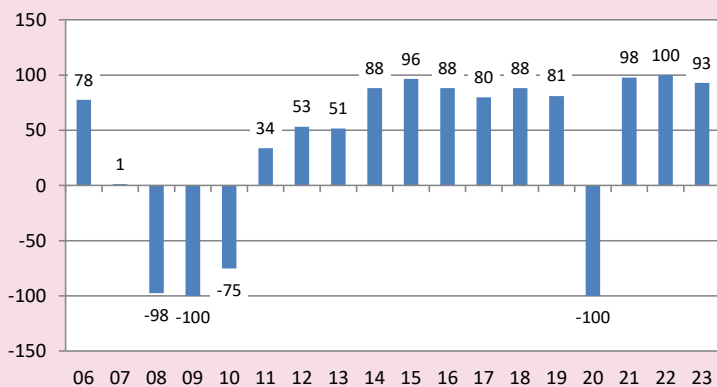


Chart 2. CTEI (2019=100) Diffusion Index, 2006-2023



-continued from page 2-

the June 2024 issue of the Connecticut Economic Digest.

CTEI Diffusion Index: 2006-2023

One way to measure aggregate performance of the CTEI of 169 cities and towns in Connecticut is to use a diffusion index. For each town, the index figure is up, down, or unchanged over the year. The diffusion index is calculated by subtracting the share of towns that

experienced decreases in their indexes from the share that had increases over the year.

As expected, during the 2008-2010 period, the index values were -98, -100, and -75, respectively, when Connecticut was in an employment downturn. The state economy gradually recovered from 2011, as the diffusion index

numbers indicate on Chart 2, and by 2015 nearly all towns were gaining (+96). The index remained at or above 80 from 2014 to 2019, before falling to -100 in 2020, when all 169 cities and towns' economies were inexorably affected by the pandemic. Then after the index almost fully turning around with +98 in 2021, the index hit 100 in 2022 when all towns gained as the state continued to bounce back from the pandemic. Last year the index was +93 as the economy returned to a more normal pace of growth. So far in 2024 Connecticut has seen continued job growth, low unemployment, and wage gains that have outpaced inflation. While there are ongoing uncertainties at the national and international levels that could affect Connecticut and its towns, Connecticut saw widespread growth in 2023 and all indicators suggest this is continuing in 2024. ■

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2024	2Q 2023	YoY CHG		1Q 2024	QoQ CHG	
			NO.	%		NO.	%
General Drift Indicator (2007=100)*							
Leading	112.5	111.0	1.4	1.3	109.9	2.6	2.37
Coincident	95.6	95.8	-0.2	-0.2	96.0	-0.3	-0.4
Real Gross Domestic Product** (Millions of chained 2017 dollars)	1Q 2024	1Q 2023	YoY CHG		4Q 2023	QoQ CHG	
			NO.	%		NO.	%
Connecticut	286,362	279,910	6,452	2.3	285,871	491	0.2
United States	22,758,752	22,112,329	646,423	2.9	22,679,255	79,497	0.4
New England	1,178,596	1,148,112	30,485	2.7	1,175,609	2,987	0.3
Per Capita Personal Income** (Current \$, SAAR)	1Q 2024	1Q 2023	YoY CHG		4Q 2023	QoQ CHG	
			NO.	%		NO.	%
Connecticut	89,242	86,632	2,610	3.0	87,974	1,268	1.4
United States	70,275	67,658	2,617	3.9	69,174	1,101	1.6
New England	83,823	81,202	2,621	3.2	82,596	1,227	1.5
Philadelphia Fed's Coincident Index (2007=100)***	Jul 2024	Jul 2023	YoY CHG		Jun 2024	MoM CHG	
			NO.	%		NO.	%
Connecticut	130.57	127.46	3.10	2.4	129.49	1.07	0.8
United States	144.25	140.90	3.34	2.4	144.15	0.10	0.1

Sources: *Dr. Steven P. Lanza, University of Connecticut, <https://steven-landa.uconn.edu/the-connecticut-green-sheet/>
 U.S. Bureau of Economic Analysis *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 2007 = 100.

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).