

# ECONOMIC DIGEST

Vol.28 No.4 A joint publication of Connecticut Department of Labor & Connecticut Department of Economic and Community Development

**APRIL 2023**

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**In February...**

**Nonfarm Employment**

Connecticut ..... 1,687,500  
 Change over month ..... +0.33%  
 Change over year ..... +1.73%

United States ..... 155,350,000  
 Change over month ..... +0.20%  
 Change over year ..... +2.87%

**Unemployment Rate**

Connecticut ..... 4.0%  
 United States ..... 3.6%

**Consumer Price Index**

United States ..... 300.840  
 Change over year ..... +6.0%

## Short-Term Employment Projections Through 2024

*By Matthew Krzyzek, Economist, Department of Labor*

Connecticut's economy is projected to add jobs through the end of the short-term projections period. Each year, the Office of Research at the Connecticut Department of Labor produces short-term employment projections by industry and occupation. The current round spans the second quarter of 2022 to the second quarter of 2024. Through 2024Q2, we project overall employment in Connecticut to increase by 2.5% from 1,800,395 to 1,845,444 including self-employment and unpaid family

workers (UFW). The Goods-Producing sector is projected to grow by 3.7% and the Service-Providing Sector is projected to grow by 2.2% over two years. This latter sector represents 86.7% of industry employment in the state.

**Projections by Industry**

Among the 20 industry groups shown in figure 1, 16 are projected to increase over two years and 4 are projected to decline. The largest increases are expected in Health Care (+6,156), Accommodation & Food

FIGURE 1

Industry	2022 Q2 Base	2024 Q2 Projections	Emp Change	% Change
<b>Total All Industries</b>	1,800,395	1,845,444	45,049	2.5%
<b>Self Employed and Unpaid Family Workers, All Jobs</b>	116,667	120,750	4,083	3.5%
<b>Goods Producing</b>	224,320	232,683	8,363	3.7%
Natural Resources and Mining	5,726	6,419	693	12.1%
Construction	62,318	64,510	2,192	3.5%
Manufacturing	156,276	161,754	5,478	3.5%
<b>Services Providing</b>	1,459,408	1,492,011	32,603	2.2%
Wholesale Trade	60,291	61,492	1,201	2.0%
Retail Trade	169,861	166,727	-3,134	-1.8%
Transportation and Warehousing	66,452	71,095	4,643	7.0%
Utilities	4,971	4,870	-101	-2.0%
Information	33,111	34,839	1,728	5.2%
Finance and Insurance	98,712	96,525	-2,187	-2.2%
Real Estate and Rental and Leasing	19,377	18,656	-721	-3.7%
Professional, Scientific, and Technical Services	98,815	102,148	3,333	3.4%
Management of Companies and Enterprises	30,948	31,926	978	3.2%
Administrative and Support and Waste Management	93,657	95,750	2,093	2.2%
Educational Services	186,848	189,851	3,003	1.6%
Health Care	218,704	224,860	6,156	2.8%
Social Assistance	70,781	74,878	4,097	5.8%
Arts, Entertainment, and Recreation	27,760	28,825	1,065	3.8%
Accommodation and Food Services	132,477	137,970	5,493	4.1%
Other Services (except Government)	65,919	69,077	3,158	4.8%
Government*	80,724	82,522	1,798	2.2%

\*Government excludes education, hospitals, and gambling industries

*The Connecticut Economic Digest* is published monthly by the Connecticut Department of Labor, Office of Research, and the Connecticut Department of Economic and Community Development. Its purpose is to regularly provide users with a comprehensive source for the most current, up-to-date data available on the workforce and economy of the state, within perspectives of the region and nation.

The annual subscription is \$50. Send subscription requests to: *The Connecticut Economic Digest*, Connecticut Department of Labor, Office of Research, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114. Make checks payable to the Connecticut Department of Labor. Back issues are \$4 per copy. The Digest can be accessed free of charge from the DOL Web site. Articles from *The Connecticut Economic Digest* may be reprinted if the source is credited. Please send copies of the reprinted material to the Managing Editor. The views expressed by the authors are theirs alone and may not reflect those of the DOL or DECD.

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We would like to acknowledge the contributions of many DOL Research and DECD staff and Rob Damroth to the publication of the Digest.

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Services (+5,493), Manufacturing (+5,478), and Transportation & Warehousing (+4,643). These four industries account for more than half of the projected overall growth across all industries. The projected Health Care growth will bring that industry to early 2020 pre-pandemic employment levels. Accommodation & Food Services was one of the hardest hit industries during the COVID-19 lockdown and fell by almost 50% during the first half of 2020 from 134,000 to 71,000. That industry is projected to increase to almost 138,000 workers by the second quarter of 2024, exceeding 2020 pre-pandemic levels but still down from a series high of 144,000 reached in late 2019. The gains in Manufacturing are driven in large part by Transportation Equipment Manufacturing (NAICS 336), which is projected to account for 2,957 of the 5,478 job increase projected for the overall sector. Transportation & Warehousing quickly rebounded from the COVID-19 lockdown and added jobs throughout the recovery. The industry was up 14,500 jobs or 25% from 2020Q2 to 2022Q2 and is expected to continue to grow by 7% through 2024Q2.

Four major sectors projected to lose employment through 2024 are Utilities (-101), Retail Trade (-3,134), Finance & Insurance (-2,187), and Real Estate & Rental (-721). Utilities is projected to decrease by just over 100 jobs or -2% which continues long-term trends. Retail Trade is projected to fall by 1.8% through mid-2024, with most of that decline being driven by Clothing Stores (NAICS 4481), with expected declines of 1,292 jobs. Finance & Insurance is expected to fall by 2.2% over the two-year projection period, continuing a longer-term trend of decline that began during the 2007-09 recession. The expectations for a 3.7% decline in Real Estate reflects the housing market shift that occurred during interest rate increases over the past year.

## **Projections by Occupation**

The occupational distribution of projected growth reflects the projected industry growth, although the occupational group (Management occupations) that adds the most jobs has workers in every industry. Management occupations are up 5,139 or +3.5%. Transportation & Material Moving occupations are projected to increase by 4,387 or 3.5%, consistent with the growth in the Transportation and Warehousing industry sector. Food Preparation & Serving (+4,383 or +3.4%), Healthcare Support Occupations (+3,688 or +4.1%), and Healthcare Practitioners & Technical Occupations (+3,622 or +3.3%) all grow along with the Accommodations & Food Services and Healthcare industries (Figure 2).

Each occupation is assigned an education value based on the minimum education necessary to enter an occupation (Figure 3). Over the two years, 40% of job growth will be in occupations that require a bachelor's or more, 15% will be in occupations that on average require an associate's, postsecondary non-degree award, or some training beyond high school, and 44% will be in occupations that generally require a high school diploma or no educational credential. This distribution differs greatly from that of last year's 2021-2023 projections, which had more employment growth within industries and occupations heavily impacted by the COVID-recession, many of which required lower levels of educational attainment. The current attainment distribution more closely matches those found during pre-pandemic projection rounds.

## **Risks to Projection**

The projections referenced in this article were produced during the first two months of 2023 using the most recently available QCEW employment

**FIGURE 2**

SOC	Occupational Group	2022 Q2	2024 Q2	Emp	%
		Base	Proj.	Change	Change
<b>00-0000</b>	<b>Total, All Occupations</b>	1,800,395	1,845,444	45,049	2.5%
11-0000	Management	147,935	153,074	5,139	3.5%
13-0000	Business and Financial Operations	108,196	110,595	2,399	2.2%
15-0000	Computer and Mathematical	55,098	56,888	1,790	3.2%
17-0000	Architecture and Engineering	34,714	36,620	1,906	5.5%
19-0000	Life, Physical, and Social Science	13,825	14,525	700	5.1%
21-0000	Community and Social Service	35,799	37,226	1,427	4.0%
23-0000	Legal	16,094	16,246	152	0.9%
25-0000	Educational Instruction and Library	138,971	142,416	3,445	2.5%
27-0000	Arts, Design, Entertainment, Sports, and Media	33,392	34,970	1,578	4.7%
29-0000	Healthcare Practitioners and Technical	110,558	114,180	3,622	3.3%
31-0000	Healthcare Support	89,567	93,255	3,688	4.1%
33-0000	Protective Service	35,123	36,071	948	2.7%
35-0000	Food Preparation and Serving Related	127,207	131,590	4,383	3.4%
37-0000	Building and Grounds Cleaning and Maintenance	70,805	72,702	1,897	2.7%
39-0000	Personal Care and Service	54,111	56,233	2,122	3.9%
41-0000	Sales and Related	155,670	153,635	-2,035	-1.3%
43-0000	Office and Administrative Support	227,377	228,445	1,068	0.5%
45-0000	Farming, Fishing, and Forestry	4,106	4,531	425	10.4%
47-0000	Construction and Extraction	62,655	64,723	2,068	3.3%
49-0000	Installation, Maintenance, and Repair	58,351	59,832	1,481	2.5%
51-0000	Production	95,661	98,120	2,459	2.6%
53-0000	Transportation and Material Moving	125,180	129,567	4,387	3.5%

data from the second quarter of 2022. As COVID-19’s potential social and economic impact lessens compared to recent years, geopolitical uncertainty and rising interest rates to curb inflation are variables that have the potential to influence labor market growth in unforeseen ways.

**Conclusions**

Connecticut’s short-term projections show that the state is expected to grow by 2.5% over the two-year period from the second quarter of 2022 to the second quarter of 2024. This projected growth rate is slower than the rates projected in 2021 and 2022 as the state recovered from steep 2020 job losses, but more than double growth rates projected before the pandemic. Overall

employment is expected to reach and slightly exceed pre-pandemic levels and many industries are expected to shift back to pre-pandemic trends. Connecticut’s unemployment rate is 4.0% as of February 2023 and has been 4.0% or below since June 2022. Job openings in the state have been over 100,000 for 14 of the past 16 months ending January 2023. As of February 2023, Connecticut’s employment is at 99% of peak February 2020 pre-pandemic levels. The projections through the second quarter of 2024 indicate that the state will continue to add jobs and continue its economic recovery. ■

**Data Limitations:** The Department of Labor’s short-term projections in this report have been carefully prepared to ensure accuracy, but by nature are subject to error. For more detail on the short-term occupational projections, visit <https://projectionscentral.org/Projections/ShortTerm>

**FIGURE 3**

Level of Educational Attainment	2022Q2	2024Q2	Emp. Change	% Change
<b>Total All Occupations</b>	<b>1,800,395</b>	<b>1,845,444</b>	<b>45,049</b>	<b>2.5%</b>
No formal educational credential	359,221	366,007	6,786	1.9%
High school diploma or equivalent	649,325	662,506	13,181	2.0%
Postsecondary non-degree award	118,500	121,860	3,360	2.8%
Some college, no degree	58,619	60,752	2,133	3.6%
Associate's degree	38,304	39,699	1,395	3.6%
Bachelor's degree	485,460	501,115	15,655	3.2%
Master's degree	36,210	37,608	1,398	3.9%
Doctoral or professional degree	54,756	55,897	1,141	2.1%