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In June...

Nonfarm Employment

- Connecticut 1,616,000
- Change over month -0.25%
- Change over year +0.5%
- United States 131,017,000
- Change over month +0.01%
- Change over year +0.8%

Unemployment Rate

- Connecticut 9.1%
- United States 9.2%

Consumer Price Index

- United States 225.7
- Change over year 3.6%

Covered Employment and Wages: 2010 Annual Review

By Edward T. Doukas, Jr., Research Analyst, DOL, Edward.Doukas@ct.gov

Employment in Connecticut covered by Unemployment Insurance (UI) decreased by 1.2 percent during 2010, according to preliminary figures that recently became available through the Quarterly Census of Employment and Wages (QCEW) program. While 2010 recorded the second consecutive drop in annual average employment, the rate of decline was less than in 2009 when covered employment dropped by 4.3 percent. Total private industry employment, constituting 84.8 percent of the State's employment total, decreased by 1.1 percent, while government employment fell by 1.7 percent.

The average annual wage of all Connecticut workers increased by 2.9 percent to \$59,463 in 2010. The annual pay of private industry workers grew 3.5 percent in 2010 to \$60,395, while pay for a government sector employee was \$54,257, a decrease of 0.3 percent. While it might seem counterintuitive that average wages can increase during a recessionary period, it's important to remember we are measuring the wages of people who are still working.

The number of business establishments dropped slightly in 2010. Total business establishments totaled 111,294 at the end of 2010, compared with 111,448 at the end of 2009. Total private establishments numbered 107,652 in 2010, versus 107,783 in 2009. Government work sites equaled 3,642 in 2010, while adding up to 3,665 at the end of 2009.

Employment

Reviewing detailed annual employment shows that several industry sectors experienced job

growth during 2010. The health care and social assistance sector led the way expanding by 3,123. The other industry sectors to show increased employment during 2010 were administrative and waste management, educational services, agriculture, forestry, fishing and hunting, and management of companies and enterprises. Conversely, the average annual employment figure for construction fell by 4,533, while the government sector employment number dropped by 4,262. However, the manufacturing sector had the largest employment decline, 5,585.

The Bureau of Labor Statistics (BLS) groups North American Industry Classification System (NAICS) related industry sectors to form aggregations referred to as "domains." The goods-producing domain is composed of the four NAICS sectors: agriculture, forestry, fishing, and hunting, mining, construction, and manufacturing. The service-providing domain encompasses the remaining NAICS sectors. The goods-producing domain made up 16.3 percent, while 83.7 percent of the total employment was in the service-providing domain. An even closer look highlights that the goods-producing domain's annual average employment number declined by 10,105 during 2010, while it dropped by 4,904 in the service-providing domain.

Wages

Average annual pay levels for Connecticut varied greatly by industry. However, the pay level among industry sectors are affected by various factors including hours worked (full or part-time), the

--Continued on page 5--

Connecticut Industry - 2009 and 2010* (continued)

NAICS Description	Establishments			Employment				Wages		
	2009	2010	09-10 % Chg	2009	2010	09-10 Chg		2009	2010	09-10 % Chg
						No.	%			
487 Scenic and sightseeing transportation.....	19	19	0.0	109	124	15	13.8	21,537	21,073	-2.2
488 Support activities for transportation.....	353	348	-1.4	3,505	3,441	-64	-1.8	74,555	70,015	-6.1
491 Postal service.....	n	n	n	n	n	n	n	n	n	n
492 Couriers and messengers.....	182	204	12.1	6,418	6,206	-212	-3.3	40,783	41,503	1.8
493 Warehousing and storage.....	127	125	-1.6	8,074	7,920	-154	-1.9	45,978	46,686	1.5
51 Information	1,816	1,773	-2.4	34,964	31,735	-3,229	-9.2	71,256	77,196	8.3
511 Publishing industries, except Internet.....	479	453	-5.4	9,517	8,739	-778	-8.2	65,225	67,028	2.8
512 Motion picture and sound recording industries.....	362	361	-0.3	3,236	3,246	10	0.3	58,562	64,810	10.7
515 Broadcasting, except Internet.....	98	95	-3.1	5,322	5,378	56	1.1	84,433	91,507	8.4
517 Telecommunications.....	464	461	-0.6	12,187	9,944	-2,243	-18.4	72,156	79,083	9.6
518 ISPs, search portals, and data processing.....	153	149	-2.6	2,122	1,971	-151	-7.1	64,991	69,918	7.6
519 Other information services.....	260	254	-2.3	2,582	2,457	-125	-4.8	83,129	96,602	16.2
52 Finance and insurance	7,197	7,170	-0.4	118,362	115,608	-2,754	-2.3	130,799	144,677	10.6
521 Monetary authorities - central bank.....	n	n	n	n	n	n	n	n	n	n
522 Credit intermediation and related activities.....	2,399	2,294	-4.4	27,866	27,092	-774	-2.8	87,543	86,983	-0.6
523 Securities, commodity contracts, investments.....	2,317	2,359	1.8	21,984	22,553	569	2.6	285,772	326,240	14.2
524 Insurance carriers and related activities.....	2,361	2,397	1.5	64,014	60,974	-3,040	-4.7	97,377	104,719	7.5
525 Funds, trusts, and other financial vehicles.....	n	n	n	n	n	n	n	n	n	n
53 Real estate and rental and leasing	3,617	3,534	-2.3	19,193	19,024	-169	-0.9	51,774	54,293	4.9
531 Real estate.....	2,943	2,891	-1.8	13,685	13,736	51	0.4	52,176	54,738	4.9
532 Rental and leasing services.....	n	n	n	n	n	n	n	n	n	n
533 Lessors of nonfinancial intangible assets.....	n	n	n	n	n	n	n	n	n	n
54 Professional and technical services	12,780	12,883	0.8	87,138	85,910	-1,228	-1.4	85,433	88,482	3.6
541 Professional and technical services.....	12,780	12,883	0.8	87,138	85,910	-1,228	-1.4	85,433	88,482	3.6
55 Management of companies and enterprises	746	768	2.9	27,611	27,658	47	0.2	135,787	135,522	-0.2
551 Management of companies and enterprises.....	746	768	2.9	27,611	27,658	47	0.2	135,787	135,522	-0.2
56 Administrative and waste management	6,749	6,807	0.9	75,684	77,699	2,015	2.7	38,306	39,987	4.4
561 Administrative and support activities.....	6,275	6,328	0.8	70,007	72,138	2,131	3.0	37,260	38,994	4.7
562 Waste management and remediation services.....	474	479	1.1	5,678	5,560	-118	-2.1	51,203	52,876	3.3
61 Educational services	1,489	1,556	4.5	51,888	52,882	994	1.9	52,924	53,515	1.1
611 Educational services.....	1,489	1,556	4.5	51,888	52,882	994	1.9	52,924	53,515	1.1
62 Health care and social assistance	9,813	9,955	1.4	243,217	246,340	3,123	1.3	46,725	47,258	1.1
621 Ambulatory health care services.....	6,548	6,624	1.2	78,226	79,810	1,584	2.0	58,897	59,787	1.5
622 Hospitals.....	49	52	6.1	60,605	61,005	400	0.7	59,444	60,320	1.5
623 Nursing and residential care facilities.....	1,215	1,253	3.1	60,968	61,319	351	0.6	34,208	34,047	-0.5
624 Social assistance.....	2,001	2,026	1.2	43,419	44,207	788	1.8	24,619	24,940	1.3
71 Arts, entertainment, and recreation	1,680	1,695	0.9	23,542	23,463	-79	-0.3	26,498	26,128	-1.4
711 Performing arts and spectator sports.....	505	497	-1.6	3,737	3,569	-168	-4.5	46,656	44,833	-3.9
712 Museums, historical sites, zoos, and parks.....	114	116	1.8	2,084	2,076	-8	-0.4	28,982	28,951	-0.1
713 Amusement, gambling, and recreation.....	1,061	1,082	2.0	17,722	17,818	96	0.5	21,955	22,053	0.4
72 Accommodation and food services	7,567	7,723	2.1	110,094	110,068	-26	0.0	18,066	18,526	2.5
721 Accommodation.....	487	475	-2.5	11,045	10,808	-237	-2.1	25,191	25,498	1.2
722 Food services and drinking places.....	7,080	7,248	2.4	99,049	99,260	211	0.2	17,271	17,767	2.9
81 Other services, except public administration	13,632	13,895	1.9	56,813	56,637	-176	-0.3	30,155	30,309	0.5
811 Repair and maintenance.....	2,615	2,619	0.2	13,575	13,348	-227	-1.7	39,792	39,797	0.0
812 Personal and laundry services.....	3,142	3,144	0.1	18,364	18,432	68	0.4	24,360	24,690	1.4
813 Membership associations and organizations.....	2,051	2,060	0.4	15,703	15,377	-326	-2.1	33,452	33,865	1.2
814 Private households.....	5,824	6,072	4.3	9,171	9,480	309	3.4	21,853	22,108	1.2
Total government	3,665	3,642	-0.6	246,387	242,125	-4,262	-1.7	54,409	\$54,257	-0.3
Federal.....	565	566	0.2	19,265	19,649	384	2.0	64,154	65,263	1.7
State.....	798	766	-4.0	69,399	67,800	-1,599	-2.3	63,634	60,466	-5.0
Local.....	2,302	2,310	0.3	157,723	154,676	-3,047	-1.9	49,160	50,137	2.0

n = 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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composition of the workforce, and weather and seasonal influences. The highest average annual wage was earned in the finance and insurance sector, \$144,677. Workers in this industry sector earned an annual wage that was 140 percent higher than the State average for private sector employees in 2010. Within the finance and insurance sector, the highest industry wage was \$326,240 in securities, commodity contracts and investments. The next highest pay level was found in the management of companies and enterprises sector, \$135,522. Ranking third was the utilities sector, at \$103,468. Conversely, workers in the accommodation and food services sector, in which there are a high number of part-time workers, recorded the lowest pay, \$18,526. The next lowest pay was earned in the arts, entertainment, and recreation sector, \$26,128, and the agriculture, forestry, fishing and hunting sector, \$28,919. Workers in the goods-producing sectors earned \$69,080 during 2010. This represents an increase of 4.0 percent over the previous year. Goods producing workers earned an

annual wage that was 16.2 percent higher than the average for all Connecticut workers during 2010. Workers in the service-providing sectors earned \$58,701 for 2010, an increase of 3.5 percent over the previous year.

Labor Market Areas

Among Connecticut's nine Labor Market Areas (LMAs), none showed an increase in annual average employment during 2010. The Hartford area suffered the greatest decline in annual average employment during 2010, down 5,861, or 1.1 percent from the previous year. The New Haven LMA showed an employment decrease of 3,102, or 1.2 percent, while the employment figure in the Bridgeport-Stamford LMA declined 1,718, or 0.4 percent.

On a brighter note, every LMA posted increased wages during 2010. The Bridgeport-Stamford LMA had the greatest percentage increase in annual average wage, up 4.3 percent, to \$79,642. This earnings figure was the highest among all LMAs. The Enfield and Hartford LMAs had the next greatest percentage increases, 3.1 percent and 2.2 percent, respectively. ■

GENERAL ECONOMIC INDICATORS

	1Q	1Q	CHG		4Q
(Seasonally adjusted)	2011	2010	NO.	%	2010
Employment Indexes (1992=100)*					
Leading	116.0	114.9	1.1	0.9	116.4
Coincident	102.6	101.1	1.4	1.4	102.4
General Drift Indicator (1986=100)*					
Leading	104.9	105.0	-0.1	-0.1	105.9
Coincident	107.1	105.6	1.5	1.4	107.1
Farmington Bank Business Barometer (1992=100)**	124.5	122.0	2.5	2.0	124.8
Phil. Fed's Coincident Index (July 1992=100)***	JUN	JUN			MAY
(Not seasonally adjusted)	2011	2010			2011
Connecticut	155.4	151.7	3.7	2.4	155.2
United States	152.6	149.3	3.3	2.2	152.5

Sources: *The Connecticut Economy, University of Connecticut **Farmington Bank ***Federal Reserve Bank of Philadelphia

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 **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).