THE CONNECTICUT
ECONOMIC DIGEST

Vol.11 No.2 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

FEBRUARY 2006

IN THIS ISSUE...

In December...

Nonfarm Employment
Connecticut 1,675,300
Change over month ..... -0.02%
Change over year 0.6%

United States 134,468,000
Change over month 0.08%
Change over year 1.5%

Unemployment Rate
Connecticut 4.8%
United States 4.9%

Consumer Price Index
United States 196.8
Change over year 3.4%

Stamford tops in labor force and establishments

By Jungmin Charles Joo and Dana Placzek, Research Analysts, DOL

The table on page three profiles all of Connecticut's 169 cities and towns using five economic indicators for 2004. Below are brief highlights from the latest annual average data prepared by the Connecticut Department of Labor's Office of Research.

Labor Force

Stamford once again had the largest resident labor force of 65,138, while the smallest was Union with 449 persons in 2004. Only about one out of five towns experienced increases in labor force from 2003. Overall, the statewide labor force fell by 0.4 percent from a year earlier.

Unemployment Rate

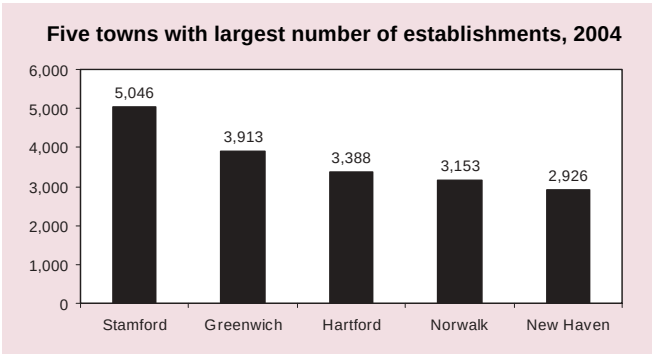
Hartford's 9.9 percent was again the highest unemployment rate last year, but that was down from 11.3 percent in 2003. Colebrook posted the lowest jobless rate of 2.4 percent in 2004. The statewide rate decreased from 5.5 percent in 2003 to 4.9 percent in 2004.

Establishments

The total number of business establishments in Connecticut rose by 0.5 percent to 109,644 last year. Stamford continued to have the largest number of establishments, with 5,046 units in 2004, an increase of 0.2 percent over the year. As the chart shows, Greenwich, Hartford, Norwalk, and New Haven rounded the top five with the greatest number of firms.

Employment

Last year's average statewide employment rose by 0.4 percent. Stamford, Norwalk and Waterbury were among 104 cities and towns that experienced employment gains over the year.



Wages

The highest annual wage was paid to employees of firms located in Greenwich, $105,362, a 9.2 percent increase from 2003. Hartford placed fifth, the only city among the top five not located in Fairfield County. The statewide average was $50,992 per worker, a 5.5 percent increase over 2003. ■

Data for previous years appeared in the July 1999, July 2001, September 2002, October 2003, and October 2004 issues of the Digest, which can be accessed through Connecticut Department of Labor's Web site, http://www.ctdol.state.ct.us/lmi/misc/ctdigest.htm.

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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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Occupation Profile: Mechanical Engineers

By Brandon T. Hooker, M.P.A., Research Analyst, DOL

Achievements in mechanical engineering influence the lives of Connecticut's residents on a daily basis. Whether it is the development of the Connecticut Convention Center or cutting edge advances in nanotechnology, mechanical engineers have had a hand in all of them. This engineering discipline is in demand across various industries because its principles carry over into other fields such as: architecture, chemistry, and computer science. This year's crop of mechanical engineering college graduates will enter a healthy labor market that presents them with employment opportunities in both large, established firms and small, fast paced start-ups.

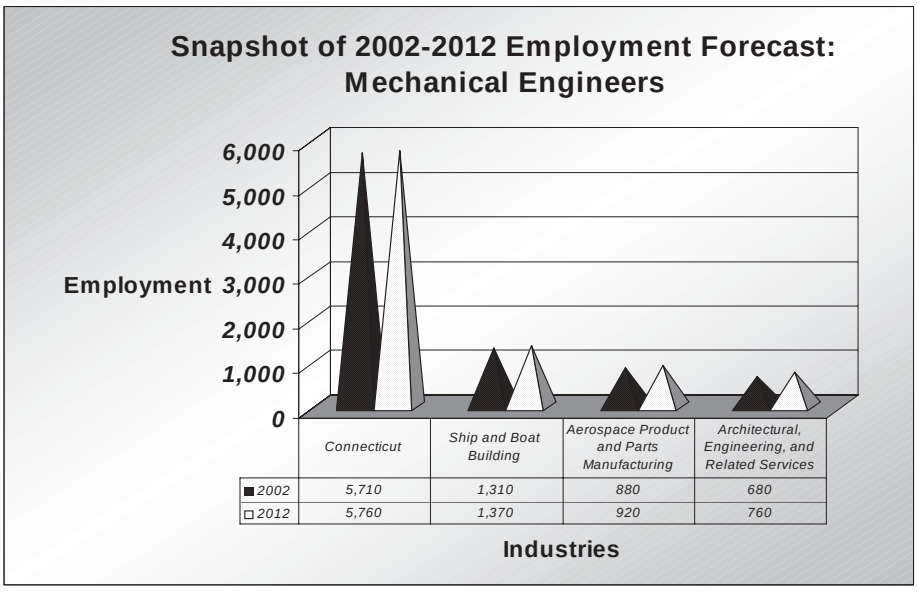
Nature of the Job

The daily responsibilities of a mechanical engineer can vary, depending upon the industry and function of the job. For example, those employed in the Transportation Equipment Manufacturing industry are often involved in the design, development, and/or sale of aerospace materials, alternative energy systems (i.e., fuel cells), and/or jet turbine engines, just to name a few. Engineers may also apply their knowledge of Computer-Aided Design (CAD) or Computer-Aided Manufacturing (CAM) to transform their ideas into marketable products for the Construction and Metal Manufacturing industries. Engineering professionals in Connecticut's burgeoning nanotechnology industry are also involved in creating high-performance materials and components by manipulating atoms and molecules.

Education and Skills Necessary for Employment

For most entry-level positions, those aspiring to work in this field must attain a bachelor's of science degree in mechanical engineering. Once hired, employees are encouraged to enhance their knowledge of the subject area through a master's or doctorate program.

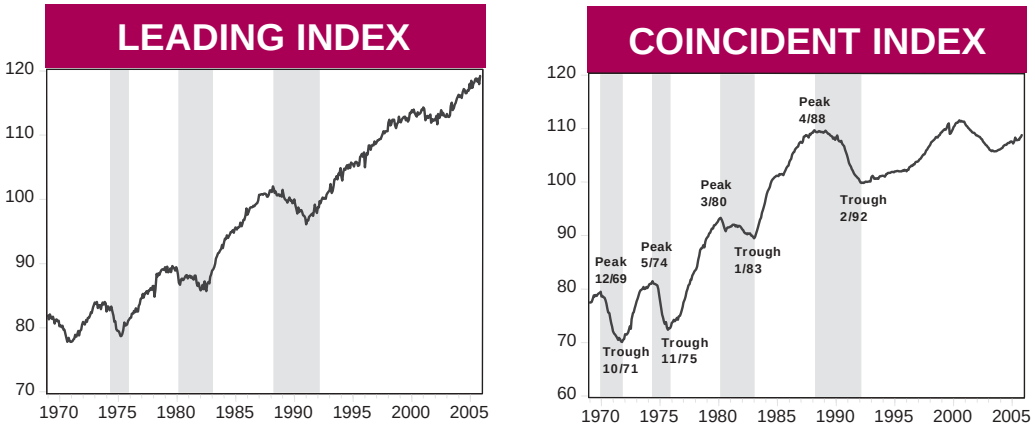
--Continued on page 5--



2004 Connecticut town economic data and 2003 to 2004 percent changes

Town	By Place of Residence				By Place of Work						Town	By Place of Residence				By Place of Work					
	Labor Force		Unemp. Rate		Establishments		Employment		Avg. Wage			Labor Force		Unemp. Rate		Establishments		Employment		Avg. Wage	
	2004	%	2003	2004	2004	%	2004	%	2004	%		2004	%	2003	2004	2004	%	2004	%	2004	%
Connecticut	1,797,344	-0.4	5.5	4.9	109,644	0.5	1,631,743	0.4	$50,992	5.5	Monroe	10,351	-0.8	4.4	3.5	635	0.0	6,984	2.2	$34,468	1.1
Andover	1,899	-0.7	4.5	3.5	59	-1.7	527	62.7	$27,597	-2.9	Montville	10,729	-0.5	4.7	4.2	305	1.0	14,732	-2.1	$34,327	6.6
Ansonia	9,769	-1.3	7.1	5.8	337	-3.4	3,744	0.4	$36,108	9.2	Morris	1,309	0.5	4.4	4.2	74	8.8	370	7.9	$23,304	-2.5
Ashford	2,460	-0.3	4.4	3.7	59	-1.7	469	0.6	$24,985	0.8	Naugatuck	16,877	-0.7	6.6	5.6	560	1.6	7,835	0.6	$35,730	3.0
Avon	8,651	0.1	3.6	3.4	727	-0.5	8,864	0.3	$38,128	1.3	New Britain	34,063	-0.3	8.3	7.7	1,113	-0.4	23,249	0.0	$44,009	3.6
Barkhamsted	2,158	0.5	5.0	5.1	84	6.3	624	3.1	$33,108	2.8	New Canaan	8,628	-0.3	3.2	2.9	928	-0.4	6,380	5.5	$60,924	11.1
Beacon Falls	3,156	-0.5	5.5	4.8	105	2.9	906	-0.8	$39,674	1.6	New Fairfield	7,496	-0.2	3.9	3.4	238	-0.4	1,560	1.8	$38,659	-1.0
Berlin	10,565	-0.3	4.7	4.1	669	0.1	11,378	2.2	$45,664	2.5	New Hartford	3,606	0.6	4.5	4.7	162	2.5	1,370	-11.4	$30,921	5.3
Bethany	2,918	0.1	3.8	3.6	130	0.0	1,068	6.4	$41,097	0.9	New Haven	53,916	-0.4	7.7	7.0	2,926	-0.5	73,834	-1.1	$49,414	3.6
Bethel	10,701	-0.1	4.0	3.7	589	-0.7	6,619	1.8	$46,713	3.0	New London	13,469	-0.2	6.3	6.0	819	-0.5	16,002	0.3	$47,823	2.5
Bethlehem	2,018	0.0	4.2	3.6	101	0.0	604	2.7	$26,847	-4.7	New Milford	15,988	0.0	4.0	3.7	801	1.1	8,720	-1.7	$39,708	3.0
Bloomfield	9,447	-0.4	6.9	6.2	793	-1.9	15,840	-1.2	$58,912	7.1	Newington	16,202	-0.3	5.0	4.3	921	-0.6	16,478	1.6	$39,340	3.2
Bolton	2,985	-0.3	4.0	3.4	114	-0.9	1,092	0.0	$33,528	3.7	Newtown	13,601	-0.3	3.7	3.5	722	4.9	7,588	2.7	$42,801	0.2
Bozrah	1,438	-0.4	4.9	4.5	79	8.2	1,100	6.2	$35,172	3.1	Norfolk	958	1.2	3.9	4.4	96	7.9	431	7.8	$27,750	2.3
Branford	16,885	-0.1	4.5	4.0	1,134	-0.3	12,967	-1.5	$39,438	2.7	North Branford	8,023	-0.2	4.6	4.0	359	-0.3	4,686	1.4	$42,538	5.5
Bridgeport	61,738	-1.4	9.0	7.8	2,385	-2.2	45,568	-2.3	$43,171	3.6	North Canaan	1,730	0.3	4.4	4.0	136	9.7	2,099	12.1	$38,648	4.5
Bridgewater	1,021	0.0	3.2	2.9	54	-6.9	244	1.2	$49,494	-7.5	North Haven	12,557	0.0	4.2	3.9	1,039	0.2	20,721	2.9	$45,445	3.1
Bristol	33,052	-0.3	6.1	5.5	1,245	1.5	21,284	4.2	$42,192	3.0	North Stonington	3,185	-0.1	3.8	3.6	126	-8.0	1,288	-3.7	$34,837	2.1
Brookfield	8,776	-0.2	4.0	3.5	665	1.2	7,429	3.1	$39,056	7.4	Norwalk	47,394	-0.5	4.8	4.3	3,153	-0.5	42,465	0.5	$55,752	3.2
Brooklyn	3,590	-0.3	4.5	4.5	135	0.0	1,344	2.0	$31,031	2.3	Norwich	20,172	-0.6	6.1	5.5	988	-2.3	16,865	-4.5	$37,917	5.5
Burlington	5,031	0.0	4.3	3.9	149	-1.3	1,176	1.6	$34,190	2.4	Old Lyme	4,162	-0.5	3.8	3.2	256	2.8	2,491	3.2	$35,453	5.5
Canaan	609	0.7	4.1	4.1	82	-9.9	766	-13.5	$33,920	1.4	Old Saybrook	5,327	-0.3	4.3	3.7	599	0.7	5,773	0.1	$34,581	7.0
Canterbury	3,043	0.0	4.8	4.8	74	10.4	571	-3.9	$31,473	8.1	Orange	6,913	0.1	3.7	3.4	585	2.3	9,972	3.7	$34,406	-5.0
Canton	5,253	-0.1	4.3	3.9	360	3.4	2,703	16.1	$35,369	-4.5	Oxford	6,166	-1.0	4.7	3.7	275	1.9	2,183	10.3	$41,195	0.3
Chaplin	1,345	0.4	4.9	5.0	39	5.4	298	15.5	$27,938	-0.9	Plainfield	8,093	-1.0	7.0	6.4	317	2.9	3,851	-7.1	$29,104	-0.9
Cheshire	14,318	0.2	4.0	3.8	899	0.9	14,568	-2.1	$47,694	6.0	Plainville	9,900	-0.7	6.1	5.1	557	-2.1	9,132	0.4	$44,150	0.4
Chester	2,216	0.0	3.8	3.4	139	-3.5	1,976	1.3	$35,777	0.4	Plymouth	6,605	-0.9	6.6	5.4	224	0.0	2,048	1.1	$36,991	4.8
Clinton	7,743	-0.1	4.2	3.8	405	1.3	4,135	-4.7	$49,637	8.9	Pomfret	2,132	-0.6	4.3	4.0	129	0.8	1,516	-3.2	$34,042	5.0
Colchester	8,397	0.1	4.6	4.4	347	0.0	3,460	-0.2	$34,091	2.6	Portland	5,054	-0.5	5.1	4.3	251	0.4	2,883	-5.1	$38,485	-2.6
Colebrook	822	0.4	2.8	2.4	29	-12.1	211	-2.8	$27,032	9.7	Preston	2,750	-0.5	4.3	3.7	102	3.0	785	0.8	$31,597	0.9
Columbia	2,913	0.5	3.9	4.0	123	4.2	1,097	11.3	$35,613	1.2	Prospect	5,153	-0.7	5.1	4.1	219	3.8	2,121	-0.6	$32,749	5.4
Cornwall	816	-0.2	3.8	2.8	101	-2.9	448	-4.3	$27,565	11.1	Putnam	4,961	-0.4	6.0	5.5	342	-0.9	6,193	2.6	$38,118	-9.4
Coventry	6,773	-0.2	4.8	4.2	181	0.0	1,275	5.6	$31,662	-2.4	Redding	4,414	-0.5	3.7	3.2	244	-4.3	1,572	17.4	$33,458	-15.0
Cromwell	7,545	-0.2	4.7	4.2	385	1.6	6,147	0.0	$31,635	4.6	Ridgefield	11,455	-0.1	3.4	3.2	972	-0.7	9,099	0.4	$61,069	6.4
Danbury	43,068	-0.2	4.5	4.0	2,469	0.2	42,708	-0.2	$49,752	5.4	Rocky Hill	10,298	-0.3	4.8	4.2	742	3.8	12,371	-2.0	$47,528	3.2
Darien	8,748	-0.5	3.7	3.1	899	-1.5	7,186	-4.9	$58,494	8.2	Roxbury	1,340	0.8	2.6	2.7	96	6.7	301	5.6	$33,806	-7.1
Deep River	2,536	-0.3	4.5	3.9	127	1.6	1,351	-2.7	$37,482	8.5	Salem	2,502	-0.8	4.2	3.4	94	6.8	730	-5.6	$27,826	-5.2
Derby	6,776	-0.8	6.7	5.9	346	2.1	5,329	7.6	$30,968	-1.2	Salisbury	1,985	1.4	3.0	3.6	230	-2.5	2,038	-2.0	$33,939	7.5
Durham	4,021	-0.5	4.2	3.3	168	5.0	1,723	1.4	$39,421	0.9	Scotland	930	-0.1	3.1	2.6	29	0.0	136	-4.9	$27,132	3.4
East Granby	2,791	-0.3	4.3	3.6	203	-0.5	2,892	10.5	$48,380	4.4	Seymour	8,870	-0.9	5.4	4.6	321	-0.3	4,406	0.5	$37,677	5.7
East Haddam	4,950	-0.1	4.5	4.0	158	-4.8	1,419	-1.3	$30,523	3.6	Sharon	1,546	0.6	2.9	2.7	156	-4.3	1,198	5.1	$42,861	-1.3
East Hampton	6,389	-0.6	6.2	5.3	217	0.5	1,839	0.5	$32,155	7.1	Shelton	21,872	-0.8	5.2	4.4	1,142	2.3	20,490	-3.8	$64,928	-0.8
East Hartford	25,007	-0.6	7.4	6.5	1,189	-0.8	29,121	0.4	$54,525	2.3	Sherman	2,092	0.3	2.8	2.9	100	2.0	460	9.3	$35,406	2.9
East Haven	15,682	-0.1	5.7	5.3	555	1.3	6,912	2.8	$34,088	3.3	Simsbury	11,680	0.1	3.8	3.5	637	-1.1	11,172	0.0	$54,068	7.3
East Lyme	9,474	-0.4	4.1	3.7	461	-1.1	4,806	-1.6	$36,623	7.5	Somers	4,546	-1.2	5.1	4.4	216	4.9	2,216	3.2	$41,594	5.2
East Windsor	5,810	-1.4	6.1	5.2	418	-1.9	6,637	0.9	$34,456	3.0	South Windsor	13,968	-0.1	4.2	3.7	844	2.6	11,580	0.5	$45,349	0.2
Eastford	916	-0.1	4.3	3.8	44	-2.2	474	8.2	$38,852	3.5	Southbury	8,674	-0.3	4.3	4.0	583	2.6	9,627	1.0	$57,073	3.3
Easton	3,666	-0.3	3.5	3.2	207	2.5	874	5.3	$37,533	6.1	Southington	23,132	-0.2	5.0	4.5	1,102	1.0	15,301	-0.9	$37,131	4.4
Ellington	8,238	0.3	4.0	3.9	273	4.2	2,535	0.2	$37,007	7.0	Sprague	1,777	-0.3	6.3	6.0	53	-3.6	722	-5.7	$39,881	6.2
Enfield	23,401	-1.0	5.7	5.1	945	1.5	18,862	1.5	$39,735	6.9	Stafford	6,596	-0.1	5.3	4.9	238	-5.6	3,964	0.0	$33,772	5.2
Essex	3,698	0.1	3.8	3.6	386	-0.5	3,566	3.0	$41,325	6.8	Stamford	65,138	-0.5	4.6	4.1	5,046	0.2	76,260	0.6	$100,739	10.2
Fairfield	27,941	-0.5	4.4	3.9	2,140	-0.2	23,147	0.9	$51,402	0.4	Sterling	1,797	-1.4	6.0	4.9	56	3.7	392	-0.8	$31,743	4.4
Farmington	12,334	-0.2	4.5	3.9	1,186	1.3	28,358	-1.6	$49,805	4.0	Stonington	10,241	-0.5	3.7	3.1	692	2.2	6,939	1.0	$31,603	3.5
Franklin	1,161	-0.6	4.1	3.5	76	7.0	1,294	2.0	$36,905	5.6	Stratford	25,638	-0.7	5.9	5.2	1,333	-0.2	24,813	2.1	$49,229	0.9
Glastonbury	17,513	-0.2	3.9	3.3	1,227	0.1	14,940	1.1	$45,715	1.0	Suffield	6,859	-0.6	4.6	4.4	325	1.9	4,036	3.8	$35,150	2.2
Goshen	1,515	0.7	4.3	4.4	112	-0.9	406	-4.7	$32,755	5.8	Thomaston	4,482	-0.4	5.9	5.2	232	0.0	2,892	-2.9	$40,874	3.9
Granby	5,963	-0.2	4.0	3.5	234	1.7	2,072	0.8	$30,675	4.5	Thompson	5,136	-0.7	5.8	5.1	152	1.3	1,412	-0.9	$30,578	3.0
Greenwich	29,377	-0.4	3.5	3.1	3,913	0.1	34,814	-4.1	$105,362	9.2	Tolland	7,922	0.1	3.8	3.5	293	1.0	3,816	12.7	$40,841	-1.8
Griswold	6,884	-0.5	5.4	4.8	171	9.6	1,867	2.9	$27,721	0.9	Torrington	18,956	-0.2	6.4	6.0	1,017	1.5	15,753	0.3	$37,394	1.1
Groton	18,946	-0.4	5.0	4.6	981	1.3	25,723	-2.3	$59,049	8.9	Trumbull	17,400	-0.5	4.3	3.9	953	1.1	16,618	0.9	$59,125	25.4
Guilford	12,441	0.1	3.4	3.2	721	-0.1	6,524	-0.8	$35,593	1.9	Union	449	0.0	3.6	3.1	20	11.1	125	0.8	$22,900	0.2
Haddam	4,538	-0.1	3.9	3.5	185	0.5	1,422	11.4	$43,305	8.0	Vernon	16,607	-0.2	5.2	4.6	689	-1.4	9,232	0.4	$32,542	1.1
Hamden	30,238	-0.2	5.0	4.5	1,509	0.0	20,394	3.3	$38,039	3.2	Voluntown	1,574	-0.1	4.9	4.8	48	4.3	292	-5.8	$27,597	10.0
Hampton	1,080	-0.6	5.5	4.5	32	-5.9	501	-8.2	$28,664	14.4	Wallingford	24,315	-0.4	4.9	4.1	1,432	0.6	26,394	2.0	$47,664	5.9
Hartford	47,686	-1.1	11.3	9.9	3,388	1.0	113,220	-1.0	$65,252	12.7	Warren	706	0.4	3.3	3.1	41	2.5	158	12.9	$42,042	7.3
Hartland	1,165	0.3	4.0	3.9	43	7.5	133	-0.7	$35,678	0.3	Washington	1,953	0.5	4.0	3.7	228	-1.7	1,530	-0.6	$37,197	2.0
Harwinton	3,046	0.4	4.6	4.6	109	-0.9	609	6.8	$39,307	2.3	Waterbury	49,557	-1.0	8.7	7.6	2,380	-0.2	41,643	1.3	$38,478	2.8
Hebron	5,234	-0.1	4.0	3.6	189	1.1	1,692	2.8	$28,525	-3.1	Waterford	10,359	-0.4	4.5	4.1	605	3.2	11,131	1.8	$36,997	0.4
Kent	1,575	0.3	3.8	3.4	169	4.3	1,239	-0.2	$33,028	1.9	Watertown	12,171	-0.4	5.4	4.7	541	-3.2	8,824	-1.6	$38,160	1.1
Killingly	8,926	-1.5	7.5	6.4	470	2.2	8,065	2.9	$39,863	8.9	West Hartford	28,782	-0.1	4.9	4.5	1,828	-0.1	26,384	-0.4	$38,280	2.8
Killingworth	3,458	-0.1	3.6	3.2	144	7.5	618	-14.2	$42,879	-0.1	West Haven	28,834	-0.1	5.8	5.4	941	0.3	16,373	0.4	$44,264	4.1
Lebanon	4,087	0.0	4.5	4.2	100	8.7	1,230	3.7	$28,250	0.5	Westbrook	3,560	-0.3	4.6	3.9	244	4.3	3,336	12.1	$34,697	4.3
Ledyard	8,321	-0.4	4.0	3.6	219	3.8	14,603	1.2	$34,971	1.1	Weston	4,791	-0.3	3.3	3.0	308	2.0	1,419	7.7	$47,515	-1.3
Lisbon	2,520	-0.5	4.7	4.2	86	17.8	1,573	18.4	$23,121	-0.8	Westport	12,247	-0.3	3.6	3.3	1,909	-0.4	16,048	-0.9	$79,181	8.4
Litchfield	4,324	0.6	4.3	4.1	405	-1.7	3,442	2.8	$32,553	2.4	Wethersfield	13,150	0.0	5.0	4.7	703	-0.4	9,824	1.0	$42,793	4.4
Lyme	1,129	-0.7	3.8	3.1	52	-10.3	152	1.3	$42,295	0.7	Willington	3,804	0.0	4.0	3.7	111	3.7	864	-2.9	$30,586	1.9
Madison	9,728	0.2	3.2	3.1	605	0.0	5,126	-4.8	$36,510	7.3	Wilton	8,136	-0.4	3.7	3.3	920	2.1	10,130	2.6	$99,304	21.0
Manchester	30,926	-0.4	5.5	4.7	1,565	1.2	27,948	-0.4	$37,223	4.8	Winchester	6,034	-0.1	7.1	6.3	340	-0.6	3,585	-2.4	$34,541	-1.8
Mansfield	11,891	0.5	3.3	3.4	348	-1.4	10,465	0.5	$36,468	4.6	Windham	11,289	-0.6	6.6	6.3	557	1.3	10,216	-1.2	$34,352	4.5
Marlborough	3,404	-0.1	4.3	3.8	155	5.4	1,283	1.7	$32,247	3.5	Windsor	15,619	-0.4	5.7	4.9	739	2.2	18,431	-1.4	$58,555	12.1
Meriden	30,449	-0.6	6.7	5.8	1,329	1.8	24,929	4.0	$40,855	4.9	Windsor Locks	6,767	-1.0	5.6	5.0	428	0.7	14,708	0.8	$49,722	5.2
Middlebury	3,612	-0.2	4.3	3.8	230	-1.3	3,420	-1.3	$51,428	0.9	Wolcott	8,760	-0.5	5.3	4.5	316	-0.3	3,018	-0.4	$34,518	5.2
Middlefield	2,330	-0.8	5.3	4.2	132	-0.8	1,682	-0.6	$44,467	7.3	Woodbridge	4,776	-0.1	3.4	3.3	350	-2.8	3,640	6.7	$33,988	-5.5
Middletown	25,455	-0.5	5.5	4.6	1,199	3.3	29,988	3.1	$54,737	6.5	Woodbury	5,399	0.1	4.0	3.4	337	-1.2	2,431	2.3	$33,220	1.3
Milford	30,313	-0.4	4.8	4.4	1,872	2.6	28,319	2.3	$42,291	7.1	Woodstock	4,274	-0.7	4.8	4.0	166	1.8	1,827	2.8	$34,184	2.3

EMPLOYMENT INDICATORS



The distance from peak to trough, indicated by the shaded areas, measures the duration of an employment cycle recession. The vertical scale in both charts is an index with 1992=100.

Connecticut Needs to Pay Attention to its Labor Productivity Growth

After the U.S. equity market ended 2005 about where it began, the broad market advanced strongly in the first two weeks of 2006. Part of the optimism came from a belief that the current cycle of rate hikes by the Federal Reserve may end in the early part of 2006. There is also widespread belief that the U.S. economy will grow at about 3% to 3.5% this year. Unfortunately, tension with Iran, and the prospect of Iran cutting off its oil supply to the West, caused a broad retreat in the equity market, wiping out most the gain made this year. It is worth keeping an eye on the situation in Iran. Political instability in that region could have dire consequences for the U.S. and the West in general because it is a major oil-exporting region to the U.S. and the West. Energy prices in the U.S. are on the rise again. If the tension in that region escalates, energy prices could continue to rise. If and when this happens, the Federal Reserve may have no choice but to keep raising short-term interest rates to prevent inflation from escalating. This in term would have an adverse impact on U.S. economic growth, and likely would impact Connecticut's economy as well.

In November 2005, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 108.06 in November 2004 to 108.81 in November 2005. Three components of this index are positive contributors, with a lower insured unemployment rate, higher total non-farm employment, and higher total employment. A higher total unemployment rate is the sole negative contributor. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index rose from 108.38 in October 2005 to 108.81 in November 2005. A marginally higher insured unemployment rate is the sole negative contributor to this index, while a lower total unemployment rate, higher total non-farm and total employment are the three positive contributors to this index. The revised Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank also increased from 149.39 in November 2004 to 154.21 in November 2005, and increased from 153.86 in October 2005 to 154.21 in November 2005.

The revised CCEA-ECRI Connecticut leading employment index rose from 116.86 in November 2004 to 119.24 in November 2005. A higher Moody's Baa corporate bond yield and a decrease in total housing permits contributed negatively to this index. Lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, a higher Hartford help-wanted advertising index, and higher average weekly hours worked in manufacturing and construction contributed positively to this index. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index rose from 117.92 in October 2005 to 119.24 in November 2005. An increase in total housing permits, lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, a higher Hartford help-wanted advertising index, and larger average weekly hours worked in manufacturing and construction are the five positive contributors. A marginally higher Moody's Baa corporate bond yield is the sole negative contributor.

I have been emphasizing the importance of job and employment growth for most of 2005 and bringing to your attention our rather dismal record in that area. I want to go back to what I reported last month. As you may recall, I reported a study by two economists at the Federal Reserve Bank of Cleveland on labor productivity growth across states. That study reported that from 1977 to 2000, Connecticut led the nation in labor productivity growth, averaging 2.8% per year. This is the reason why we have the highest per capita income in the nation even though our job and employment growth lags the rest of the nation. The same study shows that since the end of the national recession in 2000, Connecticut's average labor productivity growth rate for 2001 and 2002 (the last year for which we have data) is in the bottom 25% among the states, at 1.47% per year compared with the national average of 2.84% per year for the same period. It is clear that job and employment growth alone will not be sufficient for Connecticut to grow at a healthy pace. We must also pay attention to our labor productivity growth rate! Otherwise, we will suffer the dire consequences of both a low job and employment growth rate and low labor productivity growth rate.

Francis W. Ahking, Department of Economics, University of Connecticut, Storrs, CT 06269. Phone: (860) 486-3026. Stan McMillen [(860) 486-0485, Storrs Campus], Connecticut Center for Economic Analysis, University of Connecticut, provided research support.
Leading and coincident employment indexes were developed by Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute. Components of the indexes are described in the Technical Notes on page 23.

--Continued from page 2--

In addition to a degree, employers are also looking for job candidates with significant experience in mechanical engineering or a related field. According to the *U.S. News and World Report of America's Best Colleges 2006*, Connecticut houses public and private universities that provide some of the best undergraduate and graduate training in this field. In addition, Central Connecticut State University recently announced its plans to add mechanical engineering to the list of programs offered at its school of technology by Fall 2006.

On the whole, employers seeking to hire mechanical engineers through Connecticut's Job Bank demanded mastery of the following skill sets: Assembly, Communication, Engineering and Mechanical Design, and Mechanics. The employers' ideal candidate will also possess the ability to assess and solve problems, demonstrate leadership qualities, organize and plan daily activities, and work independently or within a team atmosphere.

Associated Salary

The average annual earnings of mechanical engineers in Connecticut stood at $69,869 in 2005. Approximately 80 percent of this skilled workforce earned between $24.30 and $44.77 per hour in that given year. Job candidates hired into entry-level openings received starting offers that hovered around $53,000 per year.

Nationally, according to a 2003 salary survey by the National Association of Colleges and Employers, bachelor's degree candidates in mechanical engineering received starting offers averaging $48,585 a year, master's degree candidates had offers averaging $54,565, and Ph.D. candidates were initially offered $69,904.

National and Statewide Forecast Summary

In 2004, roughly 226,000 mechanical engineers were employed in the United States, a number the Bureau of Labor Statistics expects to rise over 11 percent (251,000) by 2014. A majority of them will be employed in our nation's demand-driven, manufacturing sector which is forecasted to experience continued employment declines, but eventually level off in the later part of the 2004-2014 period. Despite this trend, some "employment bright spots" will emerge, such as in the Aerospace Product and Parts Manufacturing industry that is forecasted to add jobs due to the increased demand for fuel-efficient aircraft and continued attention to the Nation's security.

In 2004, Connecticut had over 6,230 workers employed in this field, a majority concentrated in the Aerospace Product and Parts Manufacturing, Architectural, Engineering, and Related Services, and Ship and Boat Building industries. Mechanical engineers are slated to grow at a nominal pace through 2012, yet provide over 150 job openings annually due to increased demand for finished goods and the need to replace senior engineers leaving the workforce. ■

Additional Resources

The American Society of Heating, Refrigerating, and Air-Conditioning Engineers—www.ashrae.org

American Society of Mechanical Engineers (ASME)—www.asme.org

Society of Automotive Engineers (SAE)—www.sae.org

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	3Q 2005	3Q 2004	CHANGE NO.	CHANGE %	2Q 2005
Employment Indexes (1992=100)*					
Leading	118.7	116.7	2.1	1.8	118.3
Coincident	108.1	107.5	0.6	0.5	108.0
General Drift Indicator (1986=100)*					
Leading	104.0	103.2	0.8	0.8	103.6
Coincident	102.4	102.8	-0.4	-0.4	103.6
Banknorth Business Barometer (1992=100)**	118.0	115.4	2.6	2.3	118.0

*Sources: *The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*
***Banknorth Bank*

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 **Banknorth 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.

STATE ECONOMIC INDICATORS

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM	1,675.3	1,664.6	10.7	0.6	1,675.7
Construction	70.9	68.1	2.8	4.1	71.0
Manufacturing	196.5	197.9	-1.4	-0.7	196.9
Trade, Transportation and Utilities	313.5	311.7	1.8	0.6	315.2
Information	39.2	39.3	-0.1	-0.3	39.1
Financial Activities	142.2	140.8	1.4	1.0	142.1
Professional and Business Services	200.3	199.5	0.8	0.4	200.9
Leisure and Hospitality	129.3	128.1	1.2	0.9	129.1
Government*	243.1	242.0	1.1	0.5	242.7

Source: Connecticut Department of Labor (see page 12 for other industries, not seasonally adjusted)
** Includes Native American tribal government employment*

Initial claims for unemployment insurance rose from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
Unemployment Rate, resident (%)	4.8	4.5	0.3	---	5.1
Labor Force, resident (000s)	1,829.2	1,791.5	37.7	2.1	1,824.4
Employed (000s)	1,741.8	1,711.6	30.2	1.8	1,730.6
Unemployed (000s)	87.4	79.9	7.5	9.4	93.8
Average Weekly Initial Claims	4,480	4,030	450	11.2	4,048
Help Wanted Index -- Htfd. (1987=100)	11	16	-5	-31.3	13
Avg. Insured Unemp. Rate (%)	2.38	2.64	-0.26	---	2.48

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005	OCT 2005
Average Weekly Hours	42.6	42.6	0.0	0.0	42.3	--
Average Hourly Earnings	19.44	18.90	0.54	2.9	19.31	--
Average Weekly Earnings	828.14	805.14	23.00	2.9	816.81	--
CT Mfg. Production Index (1986=100)*	119.4	121.7	-2.3	-1.9	118.5	117.0
Production Worker Hours (000s)	5,078	5,135	-57	-1.1	5,037	--
Industrial Electricity Sales (mil kWh)**	403	427	-23.7	-5.6	403	453

Sources: Connecticut Department of Labor; U.S. Department of Energy
**Seasonally adjusted.*
***Latest two months are forecasted.*

Personal income for second quarter 2006 is forecasted to increase 4.6 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	2Q* 2006	2Q 2005	CHANGE NO.	CHANGE %	1Q* 2006
Personal Income	$174,250	$166,524	$7,726	4.6	$172,810
UI Covered Wages	$88,976	$85,412	$3,564	4.2	$88,260

Source: Bureau of Economic Analysis: January 2006 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

New auto registrations increased from 2004.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Electricity Sales (mil kWh)	OCT 2005	2,585	1.6	27,642	27,053	2.2
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	DEC 2005	347.1	20.1	---	---	---
New Auto Registrations	DEC 2005	17,456	-15.8	236,686	235,587	0.5
Air Cargo Tons	DEC 2005	14,035	-0.9	159,848	154,850	3.2
Exports (Bil. $)	3Q 2005	2.40	20.0	7.06	6.33	11.5

Sources: Connecticut Department of Economic and Community Development; U.S. Department of Energy, Energy Information Administration; Connecticut Department of Revenue Services; F.W. Dodge; Connecticut Department of Motor Vehicles; Connecticut Department of Transportation, Bureau of Aviation and Ports

BUSINESS STARTS AND TERMINATIONS

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was up over the year.

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	DEC 2005	2,168	-1.4	29,642	28,593	3.7
Department of Labor*	2Q 2005	2,269	-1.3	5,009	5,199	-3.7
TERMINATIONS						
Secretary of the State	DEC 2005	1,811	4.0	9,554	9,482	0.8
Department of Labor*	2Q 2005	1,290	-29.7	2,619	3,667	-28.6

Sources: Connecticut Secretary of the State; Connecticut Department of Labor
** Revised methodology applied back to 1996; 3-months total*

STATE REVENUES

Total revenues were up from 2004.

(Millions of dollars)	DEC 2005	DEC 2004	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	1,117.8	1,014.7	10.2	12,773.1	11,512.2	11.0
Corporate Tax	146.8	103.5	41.8	746.5	655.0	14.0
Personal Income Tax	555.9	509.5	9.1	6,084.1	5,404.4	12.6
Real Estate Conv. Tax	17.8	19.8	-10.1	243.9	216.8	12.5
Sales & Use Tax	270.1	258.2	4.6	3,676.8	3,526.5	4.3
Indian Gaming Payments**	34.1	33.5	1.8	421.0	411.4	2.3

Sources: Connecticut Department of Revenue Services; Division of Special Revenue
**Includes all sources of revenue; Only selected sources are displayed; Most July receipts are credited to the prior fiscal year and are not shown. **See page 23 for explanation.*

TOURISM AND TRAVEL

Gaming slots fell from 2004.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	DEC 2005	17,625	-34.6	376,547	439,304	-14.3
Major Attraction Visitors	DEC 2005	97,574	6.2	1,722,183	1,818,030	-5.3
Air Passenger Count	DEC 2005	590,468	1.6	7,381,372	6,737,048	9.6
Indian Gaming Slots (Mil.$)*	DEC 2005	1,588	-2.0	19,744	20,180	-2.2
Travel and Tourism Index**	3Q 2005	---	0.7	---	---	---

Sources: Connecticut Department of Transportation, Bureau of Aviation and Ports; Connecticut Department of Economic and Community Development; Connecticut Lodging & Attractions Association; Division of Special Revenue
**See page 23 for explanation*
***The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*

Compensation cost for the nation rose 3.0 percent over the year.

EMPLOYMENT COST INDEX

	Seasonally Adjusted			Not Seasonally Adjusted		
Private Industry Workers	**DEC**	**SEP**	**3-Mo**	**DEC**	**DEC**	**12-Mo**
(June 1989=100)	**2005**	**2005**	**% Chg**	**2005**	**2004**	**% Chg**
UNITED STATES TOTAL	181.2	179.8	0.8	180.4	175.2	3.0
Wages and Salaries	170.5	169.4	0.6	170.4	166.2	2.5
Benefit Costs	208.1	206.2	0.9	206.9	198.7	4.1
NORTHEAST TOTAL	---	---	---	180.2	174.2	3.4
Wages and Salaries	---	---	---	169.7	165.0	2.8

Source: U.S. Department of Labor, Bureau of Labor Statistics

U.S. inflation rate increased 3.4 percent over the year.

CONSUMER NEWS

			% CHANGE	
(Not seasonally adjusted)	**MO/QTR**	**LEVEL**	**Y/Y**	**P/P***
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	DEC 2005	196.8	3.4	-0.4
Purchasing Power of $ (1982-84=$1.00)	DEC 2005	$0.508	-3.3	0.4
Northeast Region	DEC 2005	209.0	3.5	-0.5
NY-Northern NJ-Long Island	DEC 2005	214.2	3.6	-0.5
Boston-Brockton-Nashua**	NOV 2005	218.6	3.3	-0.7
CPI-W (1982-84=100)				
U.S. City Average	DEC 2005	192.5	3.5	-0.5
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	3Q 2005	NA	NA	NA
New England	DEC 2005	92.8	-9.4	-1.3
U.S.	DEC 2005	103.6	0.9	5.4

Sources: U.S. Department of Labor, Bureau of Labor Statistics; The Conference Board
**Change over prior monthly or quarterly period*
***The Boston CPI can be used as a proxy for New England and is measured every other month.*
****The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*

30-year conventional mortgage rate rose to 6.27 percent over the month.

INTEREST RATES

(Percent)	**DEC 2005**	**NOV 2005**	**DEC 2004**
Prime	7.15	7.00	5.14
Federal Funds	4.16	4.00	2.16
3 Month Treasury Bill	3.97	3.97	2.22
6 Month Treasury Bill	4.33	4.30	2.50
1 Year Treasury Bill	4.35	4.33	2.67
3 Year Treasury Note	4.39	4.43	3.21
5 Year Treasury Note	4.39	4.45	3.60
7 Year Treasury Note	4.41	4.48	3.93
10 Year Treasury Note	4.47	4.54	4.23
20 Year Treasury Note	4.73	4.83	4.88
Conventional Mortgage	6.27	6.33	5.75

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

All nine states in the region added jobs over the year.

(Seasonally adjusted; 000s)	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
Connecticut	1,675.3	1,664.6	10.7	0.6	1,675.7
Maine	618.7	616.2	2.5	0.4	618.3
Massachusetts	3,202.2	3,188.1	14.1	0.4	3,200.5
New Hampshire	642.2	632.7	9.5	1.5	640.6
New Jersey	4,069.4	4,032.2	37.2	0.9	4,066.4
New York	8,553.9	8,491.5	62.4	0.7	8,549.3
Pennsylvania	5,730.3	5,665.9	64.4	1.1	5,730.0
Rhode Island	494.0	490.2	3.8	0.8	495.5
Vermont	310.7	306.6	4.1	1.3	309.2
United States	134,468.0	132,449.0	2,019.0	1.5	134,360.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

LABOR FORCE

Seven of nine states posted increases in the labor force from last year.

(Seasonally adjusted; 000s)	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
Connecticut	1,829.2	1,791.5	37.7	2.1	1,824.4
Maine	720.6	702.9	17.7	2.5	721.1
Massachusetts	3,383.6	3,385.1	-1.5	0.0	3,388.2
New Hampshire	739.5	725.5	14.0	1.9	740.4
New Jersey	4,507.8	4,389.6	118.2	2.7	4,497.9
New York	9,473.1	9,392.8	80.3	0.9	9,434.6
Pennsylvania	6,306.1	6,325.7	-19.6	-0.3	6,309.6
Rhode Island	580.6	560.1	20.5	3.7	580.2
Vermont	360.5	354.7	5.8	1.6	357.7
United States	150,153.0	148,173.0	1,980.0	1.3	150,183.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

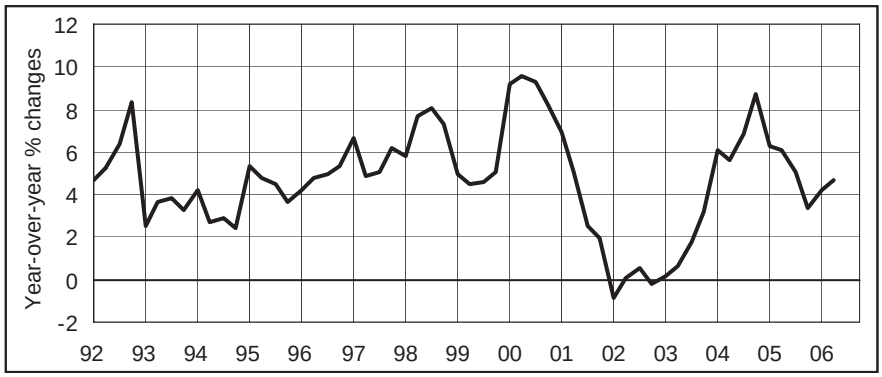
UNEMPLOYMENT RATES

Two of nine states showed a decrease in its unemployment rate over the year.

(Seasonally adjusted)	DEC 2005	DEC 2004	CHANGE	NOV 2005
Connecticut	4.8	4.5	0.3	5.1
Maine	4.8	4.6	0.2	5.0
Massachusetts	4.9	4.7	0.2	4.9
New Hampshire	3.5	3.4	0.1	3.8
New Jersey	4.7	4.2	0.5	4.6
New York	5.1	5.6	-0.5	5.4
Pennsylvania	4.9	5.7	-0.8	5.1
Rhode Island	5.2	4.8	0.4	5.2
Vermont	3.6	3.6	0.0	3.5
United States	4.9	5.4	-0.5	5.0

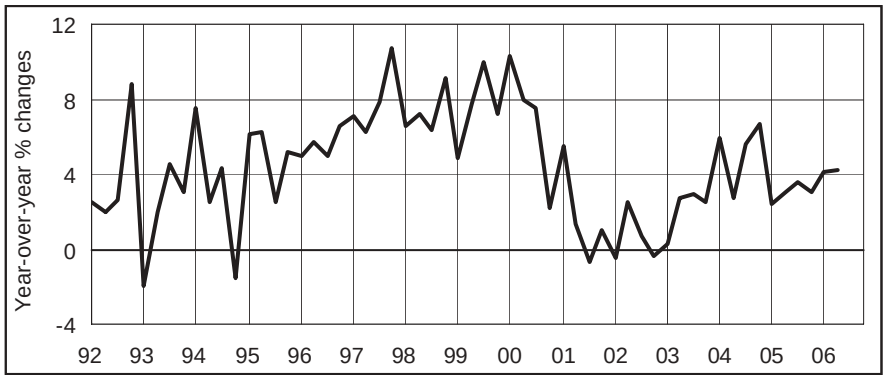
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



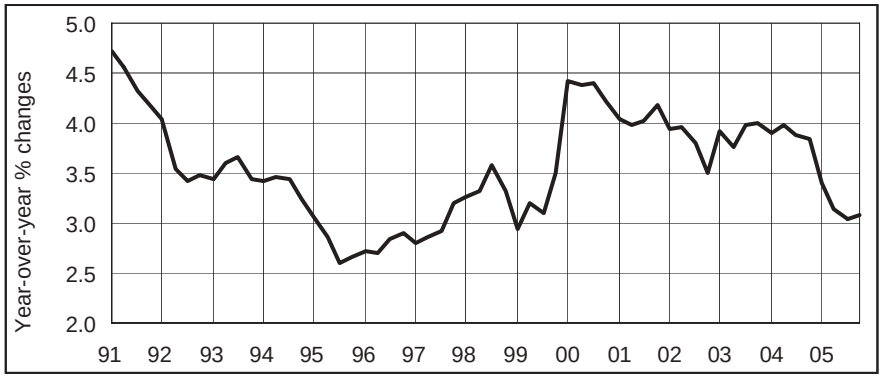
Quarter	2004	2005	2006
First	6.1	6.2	4.2
Second	5.6	6.1	4.6
Third	6.8	5.0	
Fourth	8.7	3.3	

UI COVERED WAGES *(Seasonally adjusted)*



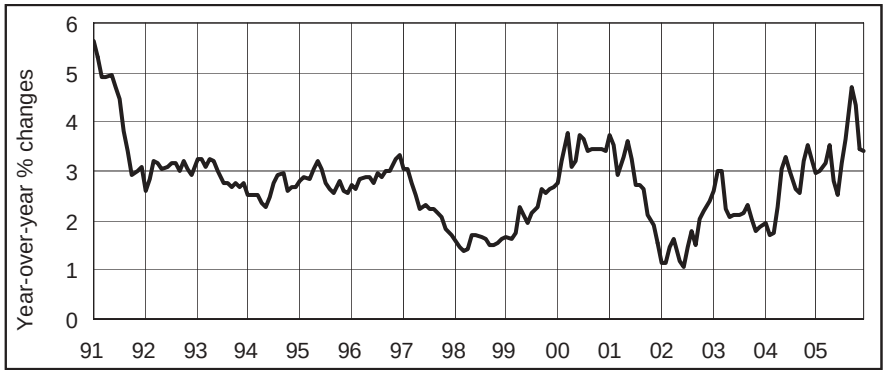
Quarter	2004	2005	2006
First	5.9	2.4	4.2
Second	2.8	3.0	4.2
Third	5.6	3.6	
Fourth	6.7	3.1	

U.S. EMPLOYMENT COST INDEX *(Seasonally adjusted)*



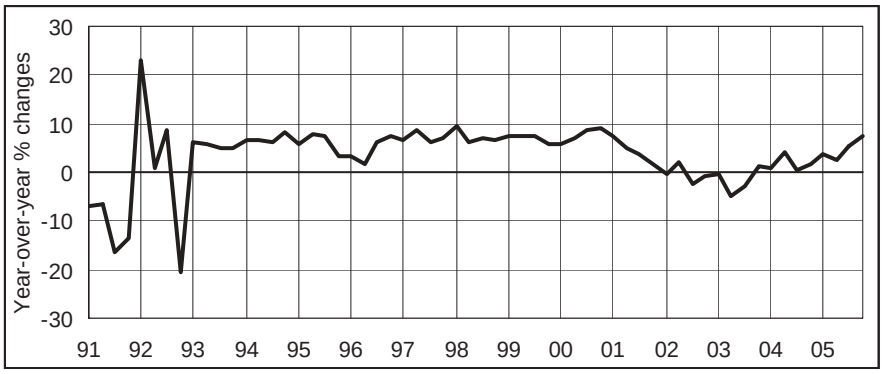
Quarter	2003	2004	2005
First	3.9	3.9	3.4
Second	3.8	4.0	3.1
Third	4.0	3.9	3.0
Fourth	4.0	3.8	3.1

U.S. CONSUMER PRICE INDEX *(Not seasonally adjusted)*



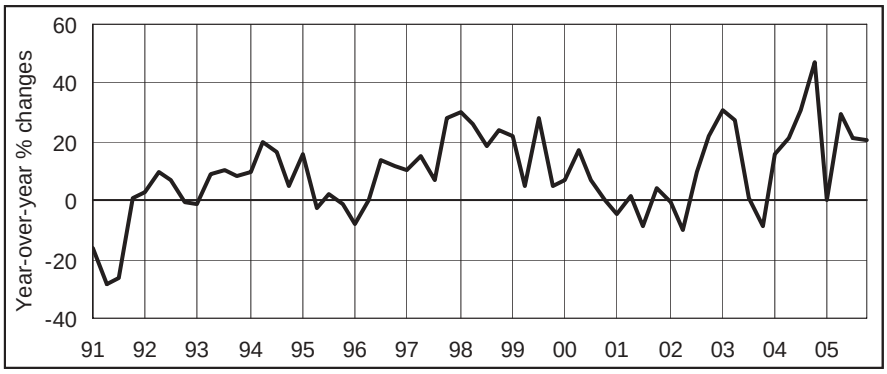
Month	2003	2004	2005
Jan	2.6	1.9	3.0
Feb	3.0	1.7	3.0
Mar	3.0	1.7	3.1
Apr	2.2	2.3	3.5
May	2.1	3.1	2.8
Jun	2.1	3.3	2.5
Jul	2.1	3.0	3.2
Aug	2.2	2.7	3.6
Sep	2.3	2.5	4.7
Oct	2.0	3.2	4.3
Nov	1.8	3.5	3.5
Dec	1.9	3.3	3.4

SALES TAX



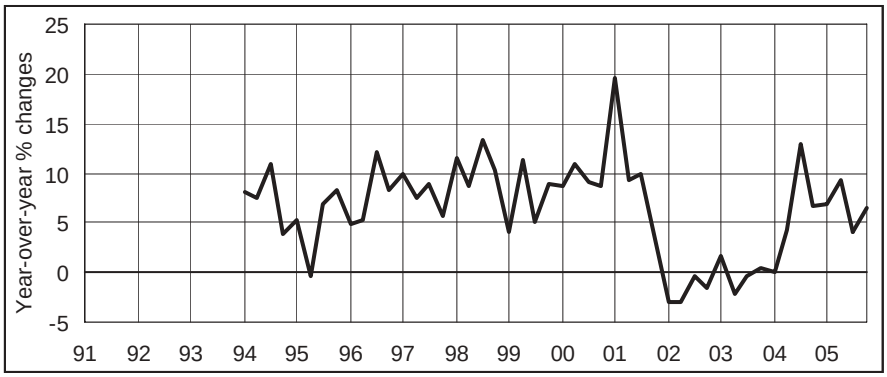
Quarter	FY 2003	FY 2004	FY 2005
First	-0.3	0.7	3.9
Second	-5.1	4.1	2.5
Third	-2.7	0.5	5.4
Fourth	1.3	1.8	7.3

REAL ESTATE TAX



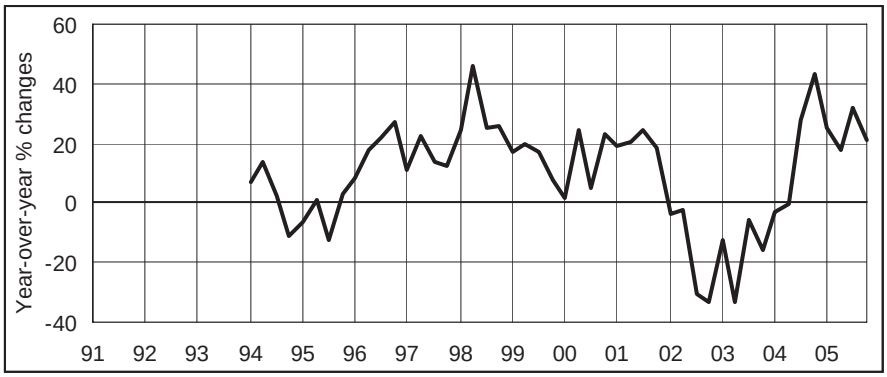
Quarter	FY 2003	FY 2004	FY 2005
First	30.8	15.8	0.2
Second	27.2	21.4	29.6
Third	0.6	30.8	21.2
Fourth	-8.6	47.2	20.5

PERSONAL INCOME TAX : SALARIES & WAGES



Quarter	FY 2003	FY 2004	FY 2005
First	1.6	0.0	6.8
Second	-2.1	4.3	9.2
Third	-0.3	12.9	4.1
Fourth	0.5	6.6	6.4

PERSONAL INCOME TAX : ALL OTHER SOURCES



Quarter	FY 2003	FY 2004	FY 2005
First	-12.6	-3.1	25.1
Second	-33.4	-0.5	17.8
Third	-5.8	27.7	31.5
Fourth	-15.8	43.2	21.3

Note: *These economic growth rates were derived by the Office of Fiscal Analysis and were made by comparing tax collections in each quarter with the same quarter in the previous year and were adjusted for legislative changes*

STATE NONFARM EMPLOYMENT ESTIMATES

CONNECTICUT

Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**1,697,100**	**1,686,300**	**10,800**	**0.6**	**1,693,300**
GOODS PRODUCING INDUSTRIES	**269,100**	**267,700**	**1,400**	**0.5**	**271,100**
CONSTRUCTION, NAT. RES. & MINING	**71,500**	**68,700**	**2,800**	**4.1**	**73,600**
MANUFACTURING	**197,600**	**199,000**	**-1,400**	**-0.7**	**197,500**
Durable Goods	**147,300**	**148,000**	**-700**	**-0.5**	**147,300**
Fabricated Metal	34,100	34,300	-200	-0.6	34,200
Machinery	18,500	18,800	-300	-1.6	18,500
Computer and Electronic Product	15,100	15,500	-400	-2.6	15,100
Electrical Equipment	10,600	10,400	200	1.9	10,600
Transportation Equipment	43,700	43,400	300	0.7	43,700
Aerospace Product and Parts	30,400	30,000	400	1.3	30,400
Non-Durable Goods	**50,300**	**51,000**	**-700**	**-1.4**	**50,200**
Printing and Related	8,100	8,400	-300	-3.6	8,100
Chemical	17,100	17,300	-200	-1.2	17,100
Plastics and Rubber Products	7,500	7,600	-100	-1.3	7,600
SERVICE PROVIDING INDUSTRIES	**1,428,000**	**1,418,600**	**9,400**	**0.7**	**1,422,200**
TRADE, TRANSPORTATION, UTILITIES	**327,300**	**325,400**	**1,900**	**0.6**	**321,400**
Wholesale Trade	67,100	65,900	1,200	1.8	67,200
Retail Trade	207,500	207,700	-200	-0.1	201,500
Motor Vehicle and Parts Dealers	23,100	23,200	-100	-0.4	23,200
Building Material	16,700	16,700	0	0.0	16,300
Food and Beverage Stores	44,300	44,500	-200	-0.4	44,300
General Merchandise Stores	29,500	29,500	0	0.0	28,700
Transportation, Warehousing, & Utilities	52,700	51,800	900	1.7	52,700
Utilities	8,600	8,900	-300	-3.4	8,600
Transportation and Warehousing	44,100	42,900	1,200	2.8	44,100
INFORMATION	**39,200**	**39,300**	**-100**	**-0.3**	**39,100**
Telecommunications	12,900	13,700	-800	-5.8	12,900
FINANCIAL ACTIVITIES	**142,500**	**141,000**	**1,500**	**1.1**	**142,300**
Finance and Insurance	121,700	120,600	1,100	0.9	121,600
Credit Intermediation	31,700	31,300	400	1.3	31,800
Securities and Commodity Contracts	20,000	19,200	800	4.2	19,800
Insurance Carriers & Related Activities	65,100	65,400	-300	-0.5	65,100
Real Estate and Rental and Leasing	20,800	20,400	400	2.0	20,700
PROFESSIONAL & BUSINESS SERVICES	**201,400**	**200,600**	**800**	**0.4**	**202,100**
Professional, Scientific	88,400	88,600	-200	-0.2	87,800
Legal Services	14,600	14,900	-300	-2.0	14,600
Computer Systems Design	19,100	19,000	100	0.5	19,100
Management of Companies	24,300	25,500	-1,200	-4.7	24,500
Administrative and Support	88,700	86,500	2,200	2.5	89,800
Employment Services	31,600	31,400	200	0.6	31,700
EDUCATIONAL AND HEALTH SERVICES	**276,900**	**274,300**	**2,600**	**0.9**	**276,800**
Educational Services	54,100	53,700	400	0.7	54,300
Health Care and Social Assistance	222,800	220,600	2,200	1.0	222,500
Hospitals	56,200	55,700	500	0.9	56,200
Nursing & Residential Care Facilities	57,600	57,700	-100	-0.2	57,600
Social Assistance	36,300	35,200	1,100	3.1	36,200
LEISURE AND HOSPITALITY	**128,500**	**127,300**	**1,200**	**0.9**	**127,700**
Arts, Entertainment, and Recreation	23,600	23,500	100	0.4	23,300
Accommodation and Food Services	104,900	103,800	1,100	1.1	104,400
Food Serv., Restaurants, Drinking Places	93,500	92,800	700	0.8	92,900
OTHER SERVICES	**63,600**	**63,200**	**400**	**0.6**	**63,000**
GOVERNMENT	**248,600**	**247,500**	**1,100**	**0.4**	**249,800**
Federal Government	20,000	20,000	0	0.0	19,900
State Government	66,100	65,600	500	0.8	66,500
**Local Government	162,500	161,900	600	0.4	163,400

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

Lights, Sound, Action! Movie, TV and Sound Production in CT

By Pat McPherron, Ph.D. and Lincoln S. Dyer, Economists, DOL

If natural resources, physical and human capital are geographically concentrated, then the economic environment is primed for *clustering*. In particular, Professor Porter of the Harvard Business School argues that regions with skilled workers benefiting from informational spillovers are rich in human capital, ideal for sustainable wealth creation.

One such economic sector with high potential benefits from increased clustering in Connecticut encompasses news and entertainment production industries. There are strong informational spillovers from the New York-Boston corridor-based theatrical and screen actors, actresses, extras, technicians and production crews.

We identified the following industries as part of the Movie/TV/Sound Production cluster: motion picture and sound recording industries (NAICS code 512), television, radio and cable broadcasting (515), Internet publishing and broadcasting (516), agents and managers for public figures (7114), and independent artists, writers, and performers (7115). Included in this group would be motion picture and video production, record production and sound recording studios, television and radio broadcasting, cable and other subscription programming, and Internet publishing and broadcasting.

This analysis uses employment data for detailed industries and the occupational composition of each industry's workforce developed by the Connecticut Department of Labor's Office of Research. Chart 1 shows the employment figures for the cluster from 2000-2005(3Q). Total State employment in this area is relatively unchanged, ranging from a low of around 7,900 in 2003 to over 8,100 in 2005. However, jobs directly associated with production activities have grown, likely the result of ESPN's expansion.

In Chart 2 on page 2 the nominal annual wages for the cluster are increasing from 2000 – 2005(3Q); but more important is the comparison with the state average wage. Professor Porter advocates the higher paying clusters when identifying industries as potential sources for creating additional wealth.

Chart 1. Connecticut Employment in Movie, TV and Sound Production Industries

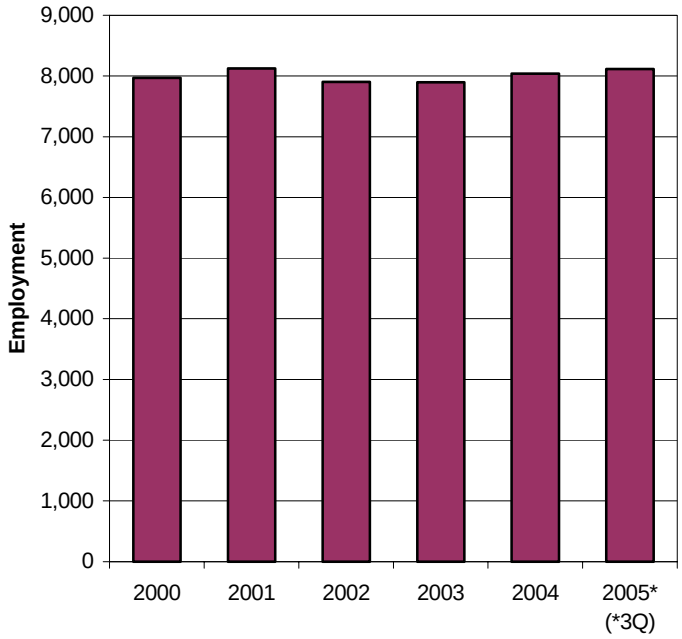
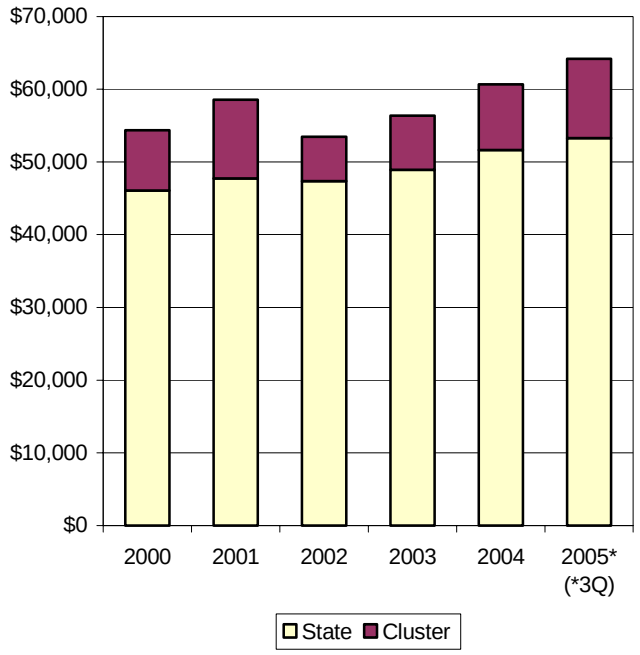


Chart 2. Connecticut Average Annual Wage



Innovation

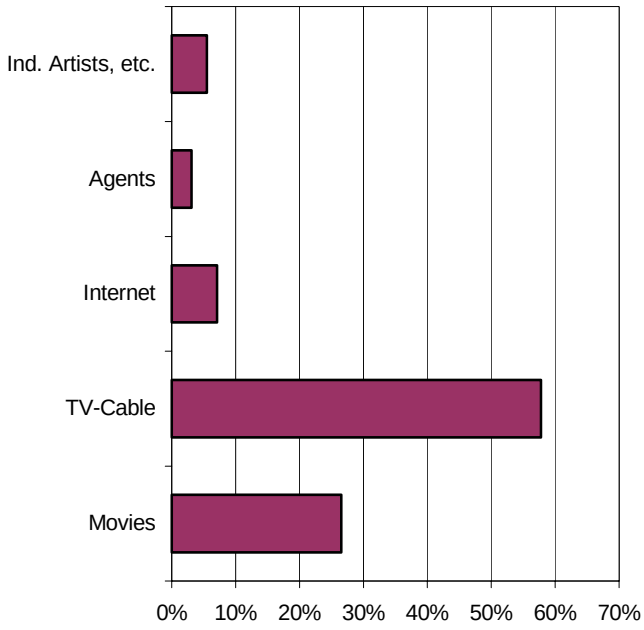
These charts indicate that the State already has a presence in the cluster, and due to the highly specialized nature of the business, can expect to reap benefits from an increased presence in the production of entertainment content, particularly by investing in production facilities and centralizing the information on jobs, agents, casting directors, etc. A high cost state in terms of land, labor, and housing, Connecticut's future economic improvement depends on bringing together other valuable influences on growth like higher and broader education attainment, transferable workforce skills and industry knowledge, availability of capital, and entrepreneurial activity. Entrepreneurs are risk and uncertainty bearers, even speculators, as well as managers and innovators.

Professor Porter's model for cluster development focuses on the innovation that occurs because of geographically centralized competition and cooperation amongst firms. Important industry advancements and employment growth in recent years in Connecticut has come to light from high-value entrepreneurial activity. Modern-day Connecticut entrepreneurs may include persons like Skip Hayward of the Mashantucket Pequot tribe and Foxwoods Casino, Fred Deluca of Subway, Eddie Lampert of the ESL Investments hedge fund, Martha Stewart of MSO, World Wrestling Entertainment founder Vince McMahon, and Jimmy Walker of Priceline, all of whom have made out-of-the-box calls to spawn new markets and profit opportunities that have led to unique economic benefits for the State. In the established State clusters, earlier entrepreneurs such as Sikorsky, Kaman, Pratt, Whitney, and Pfizer developed production sectors that have provided employment opportunities and wealth generation for decades for Connecticut citizens.

Chart 3 on page 3 details the State's employment by industry in the cluster. Currently, the TV-Cable industries employ the majority of workers. Although independent artists, writers, etc., constitute less than ten percent of the total cluster workforce, they represent an important element of the success of the cluster, as they are a very specialized component of the human capital required in the production of entertainment content.

However, the general industry classifications in the previous three charts include a number of occupations that are not directly related to the production of entertainment content. Therefore, in Chart 4 we filter out occupations such as ushers and other movie theatre staff to better identify Connecticut's presence in production.

Chart 3. Cluster Employment % for Movie, TV and Sound Production Industries



Next, we analyze the *cluster potential* for Connecticut in the movie and television production industry and the need for an *academy of arts and sciences* in the region.

Cluster Potential

The New York-Boston corridor offers a deep base of human capital in entertainment production and Connecticut already supports a reasonable amount of business in movie and television production. It is not difficult to argue that providing producers and directors with more resources will encourage new filming in the State in the future. In addition, some increases in Connecticut's production may result from projects already committed to the New York or Boston area, which due to restrictions transfer a portion of the filming into our State. Other increases in filming could occur from projects that would have been scheduled in New York or Boston, but would be filmed here because facilities there were overbooked during the desired time frame.

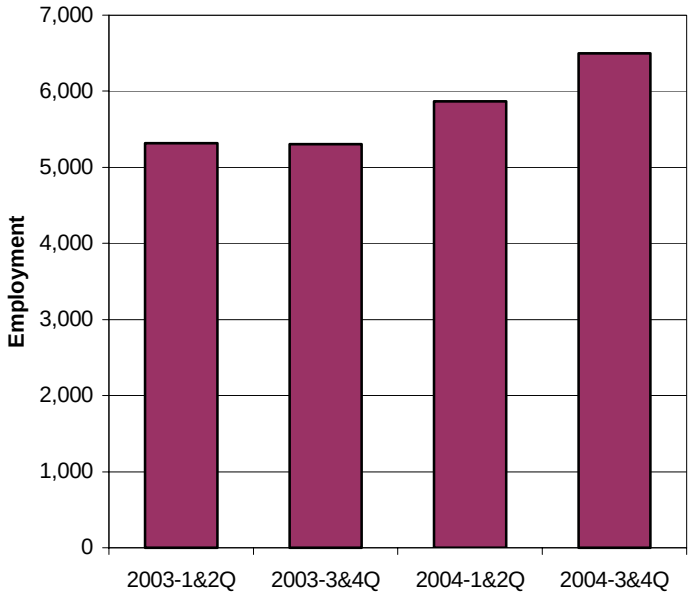
In the table below, certain occupations have been grouped to form four occupational categories: computer, talent, copy and technical. Computer personnel include programmers and network administrators. Actors, musicians, producers and directors are in the talent category. Copy includes editors, writers and public relation specialists. Technical personnel may be sound engineers, broadcast engineers, camera operators, etc.

Eventually, some production personnel and talent may relo-

Connecticut Employment in Movie, TV and Sound Production Industries Average Employment and Wages, 2004

	Employment	Wage
Computer	670	$27.29
Talent	560	$31.64
Copy	720	$22.32
Technical	850	$17.69

Chart 4. Connecticut Production Employment in Movie, TV and Sound Production Industries



cate into the area, as the overall economic benefits may favor Connecticut for many people. Additionally, the level of non-union production along the corridor may enjoy cost benefits from centralization, as well as gains from informational spillovers. For this facet of the entertainment business, Connecticut may provide both a hub and a kind of farm system for non-union talent and crew to develop the skills and credentials to be eligible for union productions (e.g. SAG, AFTRA).

Academy of Arts and Sciences

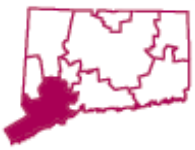
Crucial to Professor Porter's environment for sustainable creation of wealth are the links between training and production. Locating an academy providing training for the industry so close to New York and Boston only increases the potential for innovation through cooperation and competition. Also, the proximity of working professionals suggests much of the instruction will be of the hands-on variety, invaluable in the business. Although a thorough analysis of anticipated demand for classes and instructors relative to current supply is necessary, building Connecticut's production capacity in the entertainment business by creating programs that support the development of knowledge and skills used in the industry will yield benefits.

It's a Wrap!

In summary, Connecticut is a prime environment for clustering in the production of entertainment content. The geographic concentration of specialized human capital between New York and Boston indicates that the Connecticut industries may become so interdependent as to warrant their own cluster. Importantly, Connecticut must focus on offering to lower overall economic costs for content, when comparing with the premium paid in New York or Boston.

Development proposals should address expected levels of demand and any differences in requirements for union and non-union productions. In addition to localizing suppliers, one can expect local development of ancillary products and services, particularly in the tourism industry. Of course, the economic benefits of more jobs must be weighed against effects on average wages and the additional strain on municipal facilities. While larger urban areas may be readily able to handle any sizeable growth, in rural areas these impacts are in addition to effects on the more esoteric amenities of the region. ■

BRIDGEPORT - STAMFORD LMA

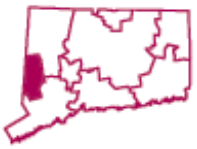


Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**417,700**	**414,900**	**2,800**	**0.7**	**417,700**
GOODS PRODUCING INDUSTRIES	**54,800**	**55,700**	**-900**	**-1.6**	**55,500**
CONSTRUCTION, NAT. RES. & MINING	**14,500**	**14,400**	**100**	**0.7**	**15,100**
MANUFACTURING	**40,300**	**41,300**	**-1,000**	**-2.4**	**40,400**
Durable Goods	**29,700**	**30,100**	**-400**	**-1.3**	**29,600**
SERVICE PROVIDING INDUSTRIES	**362,900**	**359,200**	**3,700**	**1.0**	**362,200**
TRADE, TRANSPORTATION, UTILITIES	**78,000**	**78,200**	**-200**	**-0.3**	**76,600**
Wholesale Trade	14,600	14,800	-200	-1.4	14,600
Retail Trade	52,900	52,700	200	0.4	51,500
Transportation, Warehousing, & Utilities	10,500	10,700	-200	-1.9	10,500
INFORMATION	**12,000**	**12,000**	**0**	**0.0**	**12,000**
FINANCIAL ACTIVITIES	**43,100**	**42,300**	**800**	**1.9**	**42,900**
Finance and Insurance	36,300	35,600	700	2.0	36,100
PROFESSIONAL & BUSINESS SERVICES	**68,900**	**69,600**	**-700**	**-1.0**	**69,300**
EDUCATIONAL AND HEALTH SERVICES	**62,000**	**60,700**	**1,300**	**2.1**	**62,200**
Health Care and Social Assistance	52,100	51,600	500	1.0	52,100
LEISURE AND HOSPITALITY	**33,000**	**31,800**	**1,200**	**3.8**	**33,200**
Accommodation and Food Services	23,800	23,200	600	2.6	24,000
OTHER SERVICES	**17,100**	**16,900**	**200**	**1.2**	**17,000**
GOVERNMENT	**48,800**	**47,700**	**1,100**	**2.3**	**49,000**
Federal	3,600	3,600	0	0.0	3,500
State & Local	45,200	44,100	1,100	2.5	45,500

For further information on the Bridgeport-Stamford Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

DANBURY LMA



Not Seasonally Adjusted

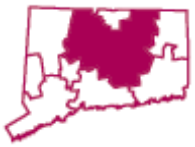
	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**69,500**	**69,900**	**-400**	**-0.6**	**69,700**
GOODS PRODUCING INDUSTRIES	**12,900**	**13,100**	**-200**	**-1.5**	**13,100**
SERVICE PROVIDING INDUSTRIES	**56,600**	**56,800**	**-200**	**-0.4**	**56,600**
TRADE, TRANSPORTATION, UTILITIES	**17,000**	**16,900**	**100**	**0.6**	**16,500**
Retail Trade	13,100	13,100	0	0.0	12,600
PROFESSIONAL & BUSINESS SERVICES	**8,700**	**8,300**	**400**	**4.8**	**8,800**
LEISURE AND HOSPITALITY	**5,200**	**5,200**	**0**	**0.0**	**5,000**
GOVERNMENT	**8,400**	**8,400**	**0**	**0.0**	**8,500**
Federal	600	600	0	0.0	600
State & Local	7,800	7,800	0	0.0	7,900

For further information on the Danbury Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

LMA NONFARM EMPLOYMENT ESTIMATES

HARTFORD LMA



Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**550,500**	**547,300**	**3,200**	**0.6**	**550,100**
GOODS PRODUCING INDUSTRIES	**85,600**	**85,600**	**0**	**0.0**	**86,200**
CONSTRUCTION, NAT. RES. & MINING	**21,500**	**21,600**	**-100**	**-0.5**	**22,200**
MANUFACTURING	**64,100**	**64,000**	**100**	**0.2**	**64,000**
Durable Goods	**53,600**	**53,700**	**-100**	**-0.2**	**53,500**
Transportation Equipment	18,300	18,300	0	0.0	18,300
SERVICE PROVIDING INDUSTRIES	**464,900**	**461,700**	**3,200**	**0.7**	**463,900**
TRADE, TRANSPORTATION, UTILITIES	**92,400**	**91,800**	**600**	**0.7**	**91,500**
Wholesale Trade	18,300	18,600	-300	-1.6	18,500
Retail Trade	59,500	58,600	900	1.5	58,300
Transportation, Warehousing, & Utilities	14,600	14,600	0	0.0	14,700
Transportation and Warehousing	10,900	11,000	-100	-0.9	11,000
INFORMATION	**11,800**	**11,400**	**400**	**3.5**	**11,700**
FINANCIAL ACTIVITIES	**67,400**	**67,900**	**-500**	**-0.7**	**67,400**
Depository Credit Institutions	7,800	7,800	0	0.0	7,800
Insurance Carriers & Related Activities	44,300	45,800	-1,500	-3.3	44,300
PROFESSIONAL & BUSINESS SERVICES	**58,900**	**57,800**	**1,100**	**1.9**	**59,300**
Professional, Scientific	28,000	27,200	800	2.9	27,800
Administrative and Support	25,500	24,800	700	2.8	26,100
EDUCATIONAL AND HEALTH SERVICES	**86,800**	**85,800**	**1,000**	**1.2**	**86,700**
Health Care and Social Assistance	74,500	73,700	800	1.1	74,400
Ambulatory Health Care	22,700	22,400	300	1.3	22,600
LEISURE AND HOSPITALITY	**38,400**	**38,000**	**400**	**1.1**	**38,100**
Accommodation and Food Services	32,000	31,300	700	2.2	31,800
OTHER SERVICES	**21,000**	**20,900**	**100**	**0.5**	**20,900**
GOVERNMENT	**88,200**	**88,100**	**100**	**0.1**	**88,300**
Federal	6,100	6,100	0	0.0	6,000
State & Local	82,100	82,000	100	0.1	82,300

For further information on the Hartford Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Volunteering in 2005**
  About 65.4 million people (in U.S.) volunteered through or for an organization at least once between September 2004 and September 2005. The proportion of the population who volunteered was 28.8 percent, the same as in each of the prior 2 years. By age, persons age 35 to 44 were the most likely to volunteer (34.5 percent), closely followed by 45- to 54-year olds (32.7 percent). Teenagers also had a relatively high volunteer rate, 30.4 percent, perhaps reflecting an emphasis on volunteer activities in schools. Volunteer rates were lowest among persons in their early twenties (19.5 percent) and among those age 65 and over (24.8 percent). These data are from a supplement to the September 2005 Current Population Survey. Data in this article refer to the period from September 2004 to September 2005. Find out more in "Volunteering in the United States, 2005," news release USDL 05-2278. (The Editor's Desk, Bureau of Labor Statistics, December 12, 2005)

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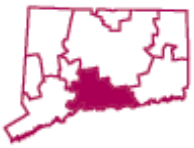
NEW HAVEN LMA



Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**275,200**	**274,500**	**700**	**0.3**	**276,500**
GOODS PRODUCING INDUSTRIES	**45,100**	**45,600**	**-500**	**-1.1**	**46,100**
CONSTRUCTION, NAT. RES. & MINING	**10,800**	**11,400**	**-600**	**-5.3**	**12,400**
MANUFACTURING	**34,300**	**34,200**	**100**	**0.3**	**33,700**
Durable Goods	**23,000**	**23,400**	**-400**	**-1.7**	**22,900**
SERVICE PROVIDING INDUSTRIES	**230,100**	**228,900**	**1,200**	**0.5**	**230,400**
TRADE, TRANSPORTATION, UTILITIES	**52,700**	**52,300**	**400**	**0.8**	**52,700**
Wholesale Trade	11,300	11,400	-100	-0.9	11,600
Retail Trade	34,300	33,700	600	1.8	33,900
Transportation, Warehousing, & Utilities	7,100	7,200	-100	-1.4	7,200
INFORMATION	**9,100**	**9,100**	**0**	**0.0**	**9,100**
Telecommunications	5,300	5,500	-200	-3.6	5,300
FINANCIAL ACTIVITIES	**12,900**	**13,800**	**-900**	**-6.5**	**13,000**
Finance and Insurance	8,800	10,300	-1,500	-14.6	8,900
PROFESSIONAL & BUSINESS SERVICES	**25,500**	**26,000**	**-500**	**-1.9**	**25,500**
Administrative and Support	12,500	11,700	800	6.8	12,700
EDUCATIONAL AND HEALTH SERVICES	**62,900**	**62,200**	**700**	**1.1**	**62,800**
Educational Services	22,400	22,000	400	1.8	22,300
Health Care and Social Assistance	40,500	40,200	300	0.7	40,500
LEISURE AND HOSPITALITY	**22,300**	**20,600**	**1,700**	**8.3**	**22,400**
Accommodation and Food Services	18,500	17,300	1,200	6.9	18,800
OTHER SERVICES	**10,500**	**10,700**	**-200**	**-1.9**	**10,700**
GOVERNMENT	**34,200**	**34,200**	**0**	**0.0**	**34,200**
Federal	5,500	5,500	0	0.0	5,500
State & Local	28,700	28,700	0	0.0	28,700

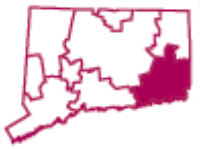
For further information on the New Haven Labor Market Area contact Joseph Slepski at (860) 263-6278.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

- **Work experience of men and women in 2004**
  The proportion of the civilian noninstitutional population age 16 years old and over (in U.S.) that worked at some time during the year was 67.6 percent in 2004, essentially unchanged from 2003. In 2004, the proportions of men and women who worked at some time during the year, 74.1 and 61.5 percent, respectively, also were about unchanged from the prior year. About 4 out of 5 of those who were employed at some time during 2004 usually worked full time, about the same ratio as in 2003. Among both men and women, the proportion who worked full time was little changed between 2003 and 2004. Among those with work experience during 2004, about 3 out of 4 were employed year round (either full or part time). Continuing a long-term growth trend, full-year employment among women edged up from 2003. The percentage of men employed year round also was up over the year. These data are from the Current Population Survey. To learn more, see Work Experience of the Population in 2004, USDL news release 05-2353. Data refer to persons 16 years and over. Time worked includes paid vacation and sick leave. (The Editor's Desk, Bureau of Labor Statistics, December 28, 2005)

NORWICH - NEW LONDON LMA

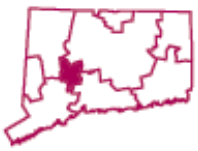


Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**136,600**	**135,500**	**1,100**	**0.8**	**135,900**
GOODS PRODUCING INDUSTRIES	**22,900**	**22,200**	**700**	**3.2**	**22,800**
CONSTRUCTION, NAT. RES. & MINING	**4,800**	**4,400**	**400**	**9.1**	**4,900**
MANUFACTURING	**18,100**	**17,800**	**300**	**1.7**	**17,900**
Durable Goods	**11,400**	**11,100**	**300**	**2.7**	**11,300**
Non-Durable Goods	**6,700**	**6,700**	**0**	**0.0**	**6,600**
SERVICE PROVIDING INDUSTRIES	**113,700**	**113,300**	**400**	**0.4**	**113,100**
TRADE, TRANSPORTATION, UTILITIES	**23,400**	**23,200**	**200**	**0.9**	**23,000**
Wholesale Trade	2,000	1,900	100	5.3	1,900
Retail Trade	17,000	17,100	-100	-0.6	16,700
Transportation, Warehousing, & Utilities	4,400	4,200	200	4.8	4,400
INFORMATION	**1,900**	**2,100**	**-200**	**-9.5**	**2,000**
FINANCIAL ACTIVITIES	**3,500**	**3,300**	**200**	**6.1**	**3,400**
PROFESSIONAL & BUSINESS SERVICES	**10,200**	**10,200**	**0**	**0.0**	**10,300**
EDUCATIONAL AND HEALTH SERVICES	**18,800**	**18,400**	**400**	**2.2**	**18,800**
Health Care and Social Assistance	16,200	15,800	400	2.5	15,900
LEISURE AND HOSPITALITY	**12,300**	**12,200**	**100**	**0.8**	**12,300**
Accommodation and Food Services	10,300	10,300	0	0.0	10,300
Food Serv., Restaurants, Drinking Places	8,300	8,400	-100	-1.2	8,300
OTHER SERVICES	**3,800**	**3,900**	**-100**	**-2.6**	**3,900**
GOVERNMENT	**39,800**	**40,000**	**-200**	**-0.5**	**39,400**
Federal	2,400	2,400	0	0.0	2,400
**State & Local	37,400	37,600	-200	-0.5	37,000

For further information on the Norwich-New London Labor Market Area contact Lincoln Dyer at (860) 263-6292.

WATERBURY LMA



Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**70,600**	**69,400**	**1,200**	**1.7**	**70,600**
GOODS PRODUCING INDUSTRIES	**14,100**	**13,700**	**400**	**2.9**	**14,400**
CONSTRUCTION, NAT. RES. & MINING	**3,000**	**2,900**	**100**	**3.4**	**3,200**
MANUFACTURING	**11,100**	**10,800**	**300**	**2.8**	**11,200**
SERVICE PROVIDING INDUSTRIES	**56,500**	**55,700**	**800**	**1.4**	**56,200**
TRADE, TRANSPORTATION, UTILITIES	**13,700**	**13,800**	**-100**	**-0.7**	**13,800**
Wholesale Trade	2,100	2,100	0	0.0	2,100
Retail Trade	9,200	9,400	-200	-2.1	9,300
Transportation, Warehousing, & Utilities	2,400	2,300	100	4.3	2,400
INFORMATION	**1,100**	**1,100**	**0**	**0.0**	**1,100**
FINANCIAL ACTIVITIES	**2,800**	**2,800**	**0**	**0.0**	**2,800**
PROFESSIONAL & BUSINESS SERVICES	**6,200**	**6,300**	**-100**	**-1.6**	**5,900**
EDUCATIONAL AND HEALTH SERVICES	**14,500**	**14,300**	**200**	**1.4**	**14,300**
Health Care and Social Assistance	13,300	13,000	300	2.3	13,100
LEISURE AND HOSPITALITY	**4,900**	**4,500**	**400**	**8.9**	**4,900**
OTHER SERVICES	**2,800**	**2,800**	**0**	**0.0**	**2,800**
GOVERNMENT	**10,500**	**10,100**	**400**	**4.0**	**10,600**
Federal	600	600	0	0.0	600
State & Local	9,900	9,500	400	4.2	10,000

For further information on the Waterbury Labor Market Area contact Joseph Slepski at (860) 263-6278.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**46,500**	**46,500**	**0**	**0.0**	**46,000**
TORRINGTON LMA	**35,800**	**36,600**	**-800**	**-2.2**	**36,300**
WILLIMANTIC - DANIELSON LMA	**37,700**	**37,600**	**100**	**0.3**	**38,000**

NOTE: More industry detail data is available for the State and its nine labor market areas at: http://www.ctdol.state.ct.us/lmi/202/covered.htm. The data published there differ from the data in the preceding tables in that they are developed from a near-universe count of Connecticut employment covered by the unemployment insurance (UI) program, while the data here is sample-based. The data drawn from the UI program does not contain estimates of employment not covered by unemployment insurance, and is lagged several months behind the current employment estimates presented here.

SPRINGFIELD, MA-CT NECTA*

Not Seasonally Adjusted

	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
TOTAL NONFARM EMPLOYMENT	**299,800**	**298,600**	**1,200**	**0.4**	**299,500**
GOODS PRODUCING INDUSTRIES	**51,000**	**50,000**	**1,000**	**2.0**	**51,300**
CONSTRUCTION, NAT. RES. & MINING	**10,400**	**10,600**	**-200**	**-1.9**	**10,900**
MANUFACTURING	**40,600**	**39,400**	**1,200**	**3.0**	**40,400**
Durable Goods	**25,700**	**24,700**	**1,000**	**4.0**	**25,600**
Non-Durable Goods	**14,900**	**14,700**	**200**	**1.4**	**14,800**
SERVICE PROVIDING INDUSTRIES	**248,800**	**248,600**	**200**	**0.1**	**248,200**
TRADE, TRANSPORTATION, UTILITIES	**63,200**	**63,500**	**-300**	**-0.5**	**62,900**
Wholesale Trade	11,700	11,300	400	3.5	11,900
Retail Trade	38,700	39,100	-400	-1.0	38,200
Transportation, Warehousing, & Utilities	12,800	13,100	-300	-2.3	12,800
INFORMATION	**4,300**	**4,400**	**-100**	**-2.3**	**4,300**
FINANCIAL ACTIVITIES	**16,100**	**16,200**	**-100**	**-0.6**	**16,100**
Finance and Insurance	12,300	12,400	-100	-0.8	12,300
Insurance Carriers & Related Activities	7,700	7,700	0	0.0	7,700
PROFESSIONAL & BUSINESS SERVICES	**24,100**	**24,400**	**-300**	**-1.2**	**24,100**
EDUCATIONAL AND HEALTH SERVICES	**55,100**	**54,400**	**700**	**1.3**	**54,900**
Educational Services	12,400	12,200	200	1.6	12,500
Health Care and Social Assistance	42,700	42,200	500	1.2	42,400
LEISURE AND HOSPITALITY	**26,100**	**25,800**	**300**	**1.2**	**26,400**
OTHER SERVICES	**11,600**	**11,300**	**300**	**2.7**	**11,600**
GOVERNMENT	**48,300**	**48,600**	**-300**	**-0.6**	**47,900**
Federal	7,100	7,100	0	0.0	6,900
State & Local	41,200	41,500	-300	-0.7	41,000

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

LMA LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	DEC 2005	DEC 2004	CHANGE NO.	CHANGE %	NOV 2005
CONNECTICUT	Civilian Labor Force	1,819,200	1,776,700	42,500	2.4	1,820,100
	Employed	1,741,400	1,707,600	33,800	2.0	1,732,900
	Unemployed	77,800	69,100	8,700	12.6	87,200
	Unemployment Rate	4.3	3.9	0.4	---	4.8
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	462,900	451,900	-200	0.0	463,100
	Employed	445,000	436,000	2,500	0.6	442,500
	Unemployed	18,000	15,900	-2,600	-12.6	20,600
	Unemployment Rate	3.9	3.5	-0.5	---	4.4
DANBURY LMA	Civilian Labor Force	89,800	88,400	0	0.0	89,800
	Employed	87,000	85,900	300	0.3	86,700
	Unemployed	2,800	2,500	-400	-12.5	3,200
	Unemployment Rate	3.1	2.9	-0.4	---	3.5
ENFIELD LMA	Civilian Labor Force	48,300	47,000	200	0.4	48,100
	Employed	46,100	45,100	300	0.7	45,800
	Unemployed	2,100	2,000	-200	-8.7	2,300
	Unemployment Rate	4.4	4.2	-0.4	---	4.8
HARTFORD LMA	Civilian Labor Force	570,400	556,700	200	0.0	570,200
	Employed	544,900	533,800	3,100	0.6	541,800
	Unemployed	25,500	22,900	-2,800	-9.9	28,300
	Unemployment Rate	4.5	4.1	-0.5	---	5.0
NEW HAVEN LMA	Civilian Labor Force	302,700	295,700	-1,200	-0.4	303,900
	Employed	289,600	284,300	600	0.2	289,000
	Unemployed	13,100	11,400	-1,700	-11.5	14,800
	Unemployment Rate	4.3	3.9	-0.6	---	4.9
NORWICH - NEW LONDON LMA	Civilian Labor Force	149,200	145,000	600	0.4	148,600
	Employed	143,000	139,800	1,200	0.8	141,800
	Unemployed	6,200	5,100	-600	-8.8	6,800
	Unemployment Rate	4.1	3.5	-0.5	---	4.6
TORRINGTON LMA	Civilian Labor Force	52,500	52,800	-200	-0.4	52,700
	Employed	50,400	50,600	0	0.0	50,400
	Unemployed	2,100	2,100	-200	-8.7	2,300
	Unemployment Rate	4.0	4.1	-0.4	---	4.4
WATERBURY LMA	Civilian Labor Force	101,000	97,800	-100	-0.1	101,100
	Employed	95,300	92,800	500	0.5	94,800
	Unemployed	5,700	5,000	-600	-9.5	6,300
	Unemployment Rate	5.7	5.1	-0.5	---	6.2
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	55,900	54,300	-200	-0.4	56,100
	Employed	53,100	51,900	200	0.4	52,900
	Unemployed	2,800	2,400	-400	-12.5	3,200
	Unemployment Rate	5.1	4.5	-0.6	---	5.7
UNITED STATES	Civilian Labor Force	149,874,000	147,877,000	1,997,000	1.4	150,239,000
	Employed	142,918,000	140,278,000	2,640,000	1.9	142,968,000
	Unemployed	6,956,000	7,599,000	-643,000	-8.5	7,271,000
	Unemployment Rate	4.6	5.1	-0.5	---	4.8

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005	AVG WEEKLY HOURS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005	AVG HOURLY EARNINGS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005
MANUFACTURING	**$828.14**	**$805.14**	**$23.00**	**$816.81**	**42.6**	**42.6**	**0.0**	**42.3**	**$19.44**	**$18.90**	**$0.54**	**$19.31**
DURABLE GOODS	**854.43**	**832.40**	**22.02**	**842.49**	**42.7**	**42.6**	**0.1**	**42.4**	**20.01**	**19.54**	**0.47**	**19.87**
Fabricated Metal	764.25	737.42	26.82	772.97	43.3	43.2	0.1	42.8	17.65	17.07	0.58	18.06
Machinery	819.63	807.30	12.33	825.76	41.5	41.4	0.1	41.6	19.75	19.50	0.25	19.85
Computer & Electronic	682.26	659.60	22.66	699.21	41.5	41.8	-0.3	41.3	16.44	15.78	0.66	16.93
Transport. Equipment	1,065.97	1,045.76	20.21	1,029.90	43.0	43.0	0.0	42.4	24.79	24.32	0.47	24.29
NON-DUR. GOODS	**763.30**	**737.86**	**25.44**	**753.69**	**42.5**	**42.7**	**-0.2**	**42.2**	**17.96**	**17.28**	**0.68**	**17.86**
CONSTRUCTION	**891.54**	**855.35**	**36.19**	**919.62**	**38.1**	**38.1**	**0.0**	**39.0**	**23.40**	**22.45**	**0.95**	**23.58**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005	AVG WEEKLY HOURS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005	AVG HOURLY EARNINGS DEC 2005	DEC 2004	CHG Y/Y	NOV 2005
Bridgeport - Stamford	$804.17	$836.69	-$32.52	$805.46	40.8	41.4	-0.6	41.2	$19.71	$20.21	-$0.50	$19.55
Hartford	1,117.48	912.70	204.78	924.31	45.5	44.5	1.0	41.9	24.56	20.51	4.05	22.06
New Haven	665.62	670.07	-4.45	685.58	39.2	44.2	-5.0	41.4	16.98	15.16	1.82	16.56
Norwich - New London	828.61	801.79	26.82	820.69	43.0	43.2	-0.2	42.7	19.27	18.56	0.71	19.22
Waterbury	796.18	678.53	117.65	841.70	43.2	38.4	4.8	44.3	18.43	17.67	0.76	19.00

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- December 2005 had the announcement that Preferred Tool & Die, Inc. will be moving from Milford to Shelton in early 2006, and expect to hire 10 new employees. Mortgage Lenders Network has announced that they will hire an additional 1,000 over the next few years, as they move their headquarters to Wallingford. Envelope maker, Cenveo, Inc., is relocating from England to Stamford and is looking to hire 75 workers. Bright Horizons Family Solutions will open a child-care center in Stamford that will employ 25 to 30 people.

- December 2005 will see the closing of Intermark Fabric of Plainfield,with 35 jobs being lost. Electric Boat announced that it will eliminate between 1,400 and 1,900 jobs at its Groton plant by the end of 2006. Auto parts manufacturer TI Automotive plans to close its Meriden plant and lay off 414 people by August 2006. Commercial printer Mail-Well has eliminated 65 positions by closing its Waterbury plant.

Business & Employment Changes Announced in the News Media lists start-ups, expansions, staff reductions, and layoffs reported by the media, both current and future. The report provides company name, the number of workers involved, date of the action, the principal product or service of the company, a brief synopsis of the action, and the source and date of the media article. This publication is available in both HTML and PDF formats at the Connecticut Department of Labor Web site, http://www.ctdol.state.ct.us/lmi/busemp.htm.

Town LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

DECEMBER 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD	**462,910**	**444,959**	**17,951**	**3.9**
Ansonia	9,881	9,365	516	5.2
Bridgeport	62,194	57,956	4,238	6.8
Darien	8,876	8,623	253	2.9
Derby	6,813	6,489	324	4.8
Easton	3,716	3,612	104	2.8
Fairfield	28,194	27,327	867	3.1
Greenwich	29,777	28,973	804	2.7
Milford	30,621	29,501	1,120	3.7
Monroe	10,517	10,162	355	3.4
New Canaan	8,749	8,529	220	2.5
Newtown	13,741	13,360	381	2.8
Norwalk	47,967	46,173	1,794	3.7
Oxford	6,217	6,040	177	2.8
Redding	4,461	4,348	113	2.5
Ridgefield	11,574	11,282	292	2.5
Seymour	9,004	8,613	391	4.3
Shelton	22,064	21,279	785	3.6
Southbury	8,781	8,474	307	3.5
Stamford	65,922	63,602	2,320	3.5
Stratford	25,922	24,741	1,181	4.6
Trumbull	17,568	17,018	550	3.1
Weston	4,851	4,727	124	2.6
Westport	12,418	12,056	362	2.9
Wilton	8,235	8,009	226	2.7
Woodbridge	4,847	4,701	146	3.0
DANBURY	**89,840**	**87,019**	**2,821**	**3.1**
Bethel	10,767	10,454	313	2.9
Bridgewater	1,027	1,005	22	2.1
Brookfield	8,840	8,589	251	2.8
Danbury	43,403	41,946	1,457	3.4
New Fairfield	7,583	7,348	235	3.1
New Milford	16,091	15,616	475	3.0
Sherman	2,130	2,061	69	3.2
ENFIELD	**48,252**	**46,132**	**2,120**	**4.4**
East Windsor	5,969	5,641	328	5.5
Enfield	23,797	22,740	1,057	4.4
Somers	4,634	4,451	183	3.9
Suffield	6,966	6,718	248	3.6
Windsor Locks	6,886	6,582	304	4.4
HARTFORD	**570,404**	**544,898**	**25,506**	**4.5**
Andover	1,960	1,873	87	4.4
Ashford	2,499	2,421	78	3.1
Avon	8,801	8,545	256	2.9
Barkhamsted	2,158	2,093	65	3.0
Berlin	10,764	10,357	407	3.8
Bloomfield	9,548	9,061	487	5.1
Bolton	3,057	2,949	108	3.5
Bristol	33,601	31,940	1,661	4.9
Burlington	5,118	4,941	177	3.5

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,330	5,161	169	3.2
Colchester	8,536	8,208	328	3.8
Columbia	2,953	2,858	95	3.2
Coventry	6,884	6,630	254	3.7
Cromwell	7,677	7,391	286	3.7
East Granby	2,851	2,750	101	3.5
East Haddam	5,030	4,856	174	3.5
East Hampton	6,496	6,186	310	4.8
East Hartford	25,334	23,894	1,440	5.7
Ellington	8,365	8,091	274	3.3
Farmington	12,496	12,110	386	3.1
Glastonbury	17,846	17,313	533	3.0
Granby	6,083	5,881	202	3.3
Haddam	4,607	4,478	129	2.8
Hartford	48,226	43,901	4,325	9.0
Hartland	1,176	1,145	31	2.6
Harwinton	3,080	2,969	111	3.6
Hebron	5,343	5,158	185	3.5
Lebanon	4,165	4,004	161	3.9
Manchester	31,418	30,115	1,303	4.1
Mansfield	12,099	11,737	362	3.0
Marlborough	3,460	3,346	114	3.3
Middlefield	2,368	2,283	85	3.6
Middletown	25,876	24,812	1,064	4.1
New Britain	34,398	32,144	2,254	6.6
New Hartford	3,636	3,515	121	3.3
Newington	16,442	15,843	599	3.6
Plainville	10,061	9,602	459	4.6
Plymouth	6,705	6,390	315	4.7
Portland	5,137	4,945	192	3.7
Rocky Hill	10,486	10,086	400	3.8
Simsbury	11,871	11,523	348	2.9
Southington	23,402	22,582	820	3.5
South Windsor	14,189	13,754	435	3.1
Stafford	6,735	6,415	320	4.8
Thomaston	4,556	4,344	212	4.7
Tolland	8,064	7,810	254	3.1
Union	454	444	10	2.2
Vernon	16,858	16,191	667	4.0
West Hartford	29,140	28,105	1,035	3.6
Wethersfield	13,380	12,817	563	4.2
Willington	3,863	3,745	118	3.1
Windsor	15,822	15,186	636	4.0

All Labor Market Areas(LMAs) in Connecticut except three are federally-designated areas for developing labor statistics. For the sake of simplicity, the federal Bridgeport-Stamford-Norwalk NECTA is referred to in Connecticut DOL publications as the 'Bridgeport-Stamford LMA', and the Hartford-West Hartford-East Hartford NECTA is referred to as the 'Hartford LMA'. The Bureau of Labor Statistics has identified 17 towns in the northwest part of the State as a separate area for reporting labor force data. For the convenience of our data users, these towns are included in the Torrington LMA. For the same purpuse, five towns which are part of the Springfield, MA area are published as the 'Enfield LMA'. Similarly the towns of Putnam, Thompson and Woodstock (part of the Worcester, MA area), plus four towns estimated separately are included in the Willimantic-Danielson LMA.

LABOR FORCE CONCEPTS

The **civilian labor force** comprises all state residents age 16 years and older classified as employed or unemployed in accordance with criteria described below. Excluded are members of the military and persons in institutions (correctional and mental health, for example).

The **employed** are all persons who did any work as paid employees or in their own business during the survey week, or who have worked 15 hours or more as unpaid workers in an enterprise operated by a family member. Persons temporarily absent from a job because of illness, bad weather, strike or for personal reasons are also counted as employed whether they were paid by their employer or were seeking other jobs.

The **unemployed** are all persons who did not work, but were available for work during the survey week (except for temporary illness) and made specific efforts to find a job in the prior four weeks. Persons waiting to be recalled to a job from which they had been laid off need not be looking for work to be classified as unemployed.

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

DECEMBER 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**302,748**	**289,639**	**13,109**	**4.3**
Bethany	2,932	2,858	74	2.5
Branford	17,032	16,455	577	3.4
Cheshire	14,403	13,984	419	2.9
Chester	2,235	2,173	62	2.8
Clinton	7,824	7,561	263	3.4
Deep River	2,561	2,476	85	3.3
Durham	4,076	3,948	128	3.1
East Haven	15,811	15,080	731	4.6
Essex	3,731	3,621	110	2.9
Guilford	12,580	12,232	348	2.8
Hamden	30,533	29,338	1,195	3.9
Killingworth	3,501	3,399	102	2.9
Madison	9,835	9,575	260	2.6
Meriden	30,812	29,130	1,682	5.5
New Haven	54,386	50,902	3,484	6.4
North Branford	8,140	7,820	320	3.9
North Haven	12,709	12,251	458	3.6
Old Saybrook	5,388	5,210	178	3.3
Orange	7,009	6,783	226	3.2
Wallingford	24,570	23,669	901	3.7
Westbrook	3,582	3,474	108	3.0
West Haven	29,099	27,702	1,397	4.8
*NORWICH-NEW LONDON				
	135,602	**130,031**	**5,571**	**4.1**
Bozrah	1,459	1,398	61	4.2
Canterbury	3,098	2,947	151	4.9
East Lyme	9,603	9,282	321	3.3
Franklin	1,184	1,139	45	3.8
Griswold	6,980	6,665	315	4.5
Groton	19,164	18,378	786	4.1
Ledyard	8,421	8,158	263	3.1
Lisbon	2,556	2,456	100	3.9
Lyme	1,143	1,113	30	2.6
Montville	10,871	10,457	414	3.8
New London	13,590	12,871	719	5.3
No. Stonington	3,220	3,121	99	3.1
Norwich	20,423	19,386	1,037	5.1
Old Lyme	4,240	4,096	144	3.4
Preston	2,793	2,693	100	3.6
Salem	2,535	2,459	76	3.0
Sprague	1,806	1,699	107	5.9
Stonington	10,386	10,089	297	2.9
Voluntown	1,601	1,524	77	4.8
Waterford	10,530	10,102	428	4.1

*Connecticut portion only. For whole NECTA, including Rhode Island town, see below.

NORWICH-NEW LONDON				
	149,178	**143,001**	**6,177**	**4.1**
Westerly, RI	13,576	12,970	606	4.5

Labor Force estimates are prepared following statistical procedures developed by the U.S. Department of Labor, Bureau of Labor Statistics.

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
TORRINGTON	**52,463**	**50,353**	**2,110**	**4.0**
Bethlehem	1,969	1,918	51	2.6
Canaan	592	575	17	2.9
Colebrook	810	790	20	2.5
Cornwall	800	781	19	2.4
Goshen	1,478	1,428	50	3.4
Kent	1,546	1,499	47	3.0
Litchfield	4,233	4,085	148	3.5
Morris	1,272	1,236	36	2.8
Norfolk	937	903	34	3.6
North Canaan	1,691	1,636	55	3.3
Roxbury	1,315	1,285	30	2.3
Salisbury	1,955	1,885	70	3.6
Sharon	1,516	1,482	34	2.2
Torrington	18,561	17,613	948	5.1
Warren	697	674	23	3.3
Washington	1,900	1,853	47	2.5
Winchester	5,888	5,573	315	5.3
Woodbury	5,304	5,138	166	3.1
WATERBURY	**101,037**	**95,308**	**5,729**	**5.7**
Beacon Falls	3,197	3,077	120	3.8
Middlebury	3,664	3,556	108	2.9
Naugatuck	17,086	16,308	778	4.6
Prospect	5,237	5,056	181	3.5
Waterbury	50,547	46,880	3,667	7.3
Watertown	12,376	11,870	506	4.1
Wolcott	8,929	8,560	369	4.1
WILLIMANTIC-DANIELSON				
	55,897	**53,051**	**2,846**	**5.1**
Brooklyn	3,677	3,543	134	3.6
Chaplin	1,358	1,306	52	3.8
Eastford	931	901	30	3.2
Hampton	1,114	1,053	61	5.5
Killingly	9,150	8,636	514	5.6
Plainfield	8,308	7,832	476	5.7
Pomfret	2,204	2,115	89	4.0
Putnam	5,075	4,811	264	5.2
Scotland	954	926	28	2.9
Sterling	1,858	1,766	92	5.0
Thompson	5,225	5,003	222	4.2
Windham	11,648	10,947	701	6.0
Woodstock	4,395	4,212	183	4.2

Not Seasonally Adjusted:				
CONNECTICUT	**1,819,200**	**1,741,400**	**77,800**	**4.3**
UNITED STATES	**149,874,000**	**142,918,000**	**6,956,000**	**4.6**
Seasonally Adjusted:				
CONNECTICUT	**1,829,200**	**1,741,800**	**87,400**	**4.8**
UNITED STATES	**150,153,000**	**142,779,000**	**7,375,000**	**4.9**

LABOR FORCE CONCEPTS (Continued)

The **unemployment rate** represents the number unemployed as a percent of the civilian labor force.

With the exception of those persons temporarily absent from a job or waiting to be recalled to one, persons with no job and who are not actively looking for one are counted as "not in the labor force".

Over the course of a year, the size of the labor force and the levels of employment undergo fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays and the opening and closing of schools. Because these seasonal events follow a regular pattern each year, their influence on statistical trends can be eliminated by adjusting the monthly statistics. **Seasonal Adjustment** makes it easier to observe cyclical and other nonseasonal developments.

Town HOUSING PERMIT ACTIVITY BY TOWN

TOWN	DEC 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	DEC 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	DEC 2005	YR TO DATE 2005	YR TO DATE 2004
Andover	0	13	23	Griswold	na	na	73	Preston	2	31	20
Ansonia	0	13	16	Groton	6	151	269	Prospect	na	na	40
Ashford	2	17	29	Guilford	2	82	72	Putnam	2	37	53
Avon	22	85	95	Haddam	4	59	70	Redding	na	na	21
Barkhamsted	na	na	17	Hamden	2	28	39	Ridgefield	2	34	46
Beacon Falls	na	na	26	Hampton	1	23	28	Rocky Hill	5	86	86
Berlin	5	176	84	Hartford	6	135	206	Roxbury	na	na	14
Bethany	na	na	36	Hartland	na	na	10	Salem	2	29	36
Bethel	0	16	32	Harwinton	1	24	30	Salisbury	na	na	12
Bethlehem	na	na	7	Hebron	na	na	37	Scotland	1	11	15
Bloomfield	na	na	121	Kent	1	14	16	Seymour	4	94	39
Bolton	1	6	15	Killingly	7	122	88	Sharon	2	15	21
Bozrah	1	12	12	Killingworth	na	na	23	Shelton	264	474	132
Branford	na	na	44	Lebanon	1	37	78	Sherman	na	na	24
Bridgeport	12	212	139	Ledyard	5	49	75	Simsbury	9	63	85
Bridgewater	na	na	8	Lisbon	0	18	19	Somers	3	26	39
Bristol	7	111	263	Litchfield	na	na	55	South Windsor	11	85	196
Brookfield	na	na	78	Lyme	0	8	6	Southbury	2	64	109
Brooklyn	4	63	53	Madison	0	43	45	Southington	6	160	180
Burlington	3	36	54	Manchester	10	270	163	Sprague	0	16	10
Canaan	0	5	2	Mansfield	3	53	55	Stafford	na	na	70
Canterbury	2	21	22	Marlborough	2	32	41	Stamford	7	258	290
Canton	2	99	147	Meriden	13	126	323	Sterling	na	na	53
Chaplin	1	19	23	Middlebury	na	na	70	Stonington	7	81	94
Cheshire	2	39	61	Middlefield	2	6	9	Stratford	13	54	44
Chester	na	na	12	Middletown	22	256	227	Suffield	3	88	70
Clinton	5	38	46	Milford	34	326	286	Thomaston	na	na	35
Colchester	13	95	83	Monroe	0	43	27	Thompson	na	na	44
Colebrook	0	7	9	Montville	4	78	79	Tolland	6	97	87
Columbia	4	34	32	Morris	0	9	8	Torrington	9	99	112
Cornwall	0	9	12	Naugatuck	6	96	95	Trumbull	1	46	67
Coventry	7	50	49	New Britain	na	na	32	Union	0	6	4
Cromwell	2	24	57	New Canaan	5	68	67	Vernon	20	221	190
Danbury	15	460	398	New Fairfield	na	na	42	Voluntown	1	7	12
Darien	na	na	157	New Hartford	2	35	46	Wallingford	12	158	185
Deep River	0	4	14	New Haven	0	112	255	Warren	1	13	15
Derby	na	na	15	New London	5	77	152	Washington	na	na	9
Durham	3	47	46	New Milford	11	86	116	Waterbury	5	143	71
East Granby	0	21	20	Newington	3	44	40	Waterford	3	56	35
East Haddam	4	52	53	Newtown	1	97	137	Watertown	2	63	63
East Hampton	2	134	158	Norfolk	1	7	5	West Hartford	1	21	39
East Hartford	na	na	12	North Branford	na	na	57	West Haven	na	na	24
East Haven	3	73	46	North Canaan	0	8	11	Westbrook	3	33	33
East Lyme	10	109	80	North Haven	3	144	75	Weston	na	na	17
East Windsor	3	83	96	North Stonington	0	27	32	Westport	7	113	122
Eastford	1	15	23	Norwalk	12	343	301	Wethersfield	na	na	8
Easton	1	12	7	Norwich	26	302	220	Willington	1	19	26
Ellington	35	122	74	Old Lyme	na	na	32	Wilton	na	na	37
Enfield	na	na	57	Old Saybrook	12	60	43	Winchester	0	43	36
Essex	1	11	19	Orange	na	na	29	Windham	5	66	21
Fairfield	13	154	170	Oxford	3	227	216	Windsor	na	na	83
Farmington	9	104	126	Plainfield	2	48	49	Windsor Locks	na	na	59
Franklin	0	2	7	Plainville	0	19	37	Wolcott	8	62	65
Glastonbury	11	79	113	Plymouth	2	23	57	Woodbridge	na	na	14
Goshen	2	44	55	Pomfret	0	17	25	Woodbury	4	36	43
Granby	4	62	72	Portland	8	54	139	Woodstock	3	75	84
Greenwich	16	208	157								

For further information on the housing permit data, contact Kolie Sun of DECD at (860) 270-8167.

BUSINESS STARTS AND TERMINATIONS
Registrations and terminations of business entities as recorded with the Secretary of the State and the Connecticut Department of Labor (DOL) are an indication of new business formation and activity. DOL business starts include new employers which have become liable for unemployment insurance taxes during the quarter, as well as new establishments opened by existing employers. DOL business terminations are those accounts discontinued due to inactivity (no employees) or business closure, and accounts for individual business establishments that are closed by still active employers. The Secretary of the State registrations include limited liability companies, limited liability partnerships, and foreign-owned (out-of-state) and domestic-owned (in-state) corporations.

CONSUMER PRICE INDEX
The Consumer Price Index (CPI), computed and published by the U.S. Bureau of Labor Statistics, is a measure of the average change in prices over time in a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, fuels, transportation fares, charges for doctors' and dentists' services, drugs and other goods and services that people buy for their day-to-day living. The Northeast region is comprised of the New England states, New York, New Jersey and Pennsylvania.

EMPLOYMENT COST INDEX
The Employment Cost Index (ECI) covers both wages and salaries and employer costs for employee benefits for all occupations and establishments in both the private nonfarm sector and state and local government. The ECI measures employers' labor costs free from the influences of employment shifts among industries and occupations. The base period for all data is June 1989 when the ECI is 100.

HOURS AND EARNINGS ESTIMATES
Production worker earnings and hours estimates include full- and part-time employees working within manufacturing industries. Hours worked and earnings data are computed based on payroll figures for the week including the 12th of the month. Average hourly earnings are affected by such factors as premium pay for overtime and shift differential as well as changes in basic hourly and incentive rates of pay. Average weekly earnings are the product of weekly hours worked and hourly earnings. These data are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

INDIAN GAMING DATA
Indian Gaming Payments are amounts received by the State as a result of the slot compact with the two Federally recognized tribes in Connecticut, which calls for 25 percent of net slot receipts to be remitted to the State. Indian Gaming Slots are the total net revenues from slot machines only received by the two Federally recognized Indian tribes.

INITIAL CLAIMS
Average weekly initial claims are calculated by dividing the total number of new claims for unemployment insurance received in the month by the number of weeks in the month. A minor change in methodology took effect with data published in the March 1997 issue of the DIGEST. Data have been revised back to January 1980.

INSURED UNEMPLOYMENT RATE
Primarily a measure of unemployment insurance program activity, the insured unemployment rate is the 13-week average of the number of people claiming unemployment benefits divided by the number of workers covered by the unemployment insurance system.

LABOR FORCE ESTIMATES
Labor force estimates are a measure of the work status of people who live in Connecticut. Prepared under the direction of the U.S. Bureau of Labor Statistics, the statewide estimates are the product of a signal-plus noise model, which uses results from the Current Population Survey (CPS), a monthly survey of Connecticut households, counts of claimants for unemployment benefits, and establishment employment estimates. Beginning with the publication of January 2005 data, an improved methodology is being used to develop labor force estimates, by which monthly state model-based employment and unemployment estimates are controlled to add to the national CPS levels. This will ensure that national economic events are reflected in the state estimates, and it will significantly reduce end-of-year revisions. (For more information, please see the Connecticut Economic Digest, December 2004 issue.) Labor force data, reflecting persons employed by place of residence, are not directly comparable to the place-of-work industry employment series. In the labor force estimates, workers involved in labor disputes are counted as employed. The labor force data also includes agricultural workers, unpaid family workers, domestics and the self-employed. Because of these conceptual differences, total labor force employment is almost always different from nonfarm wage and salary employment.

LABOR MARKET AREAS
All Labor Market Areas (LMAs) in Connecticut except three are federally-designated areas for developing labor statistics. For the sake of simplicity, the federal Bridgeport-Norwalk-Stamford Metropolitan Statistical Area (MSA) is referred to in Connecticut Department of Labor publications as the Bridgeport-Stamford LMA, and the Hartford-West Hartford-East Hartford MSA is called the Hartford LMA. The Bureau of Labor Statistics has identified the 17 towns in the in the northwestern part of the state as a separate area for reporting labor force data. For the convenience of our data users, data for these towns are included in the Torrington LMA. For the same purpose, data for the towns of East Windsor, Enfield, Somers, Suffield and Windsor Locks, which are officially part of the Springfield MSA, are published as the Enfield LMA. Similarly, the towns of Putnam, Thompson and Woodstock - part of the Worcester MSA - are included in the Willimantic-Danielson LMA. Also, data for Westerly, Rhode Island are included in the Norwich-New London LMA. Industry employment and labor force data estimates contained in Connecticut Department of Labor publications are prepared following the same statistical procedures developed by the U.S. Department of Labor, Bureau of Labor Statistics, whether for federally designated or state-determined areas.

LEADING AND COINCIDENT EMPLOYMENT INDICES
The leading employment index is a composite of six individual largely employment-related series -- the average workweek of manufacturing production and construction workers, Hartford help-wanted advertising index, short-duration (less than 15 weeks) unemployment rate, initial claims for unemployment insurance, total housing permits, and Moody's BAA corporate bond yield. While not employment-sector variables, housing permits are closely related to construction employment and the corporate bond yield adds important information about the movement in interest rates. The coincident employment index is a composite indicator of four individual employment-related series -- the total unemployment rate, nonfarm employment (employer survey), total employment (state residents employed measured by a household survey), and the insured unemployment rate. All data are seasonally adjusted and come from the Connecticut Labor Department, the Federal Reserve Bank of Boston, and the Board of Governors of the Federal Reserve System.

NONFARM EMPLOYMENT ESTIMATES
Nonfarm employment estimates are derived from a survey of businesses to measure *jobs* by industry. The estimates include all full- and part-time wage and salary employees who worked during or received pay for the pay period which includes the 12th of the month. Excluded from these estimates are proprietors, self-employed workers, private household employees and unpaid family workers. In some cases, due to space constraints, all industry estimates are not shown. Call (860) 263-6275 for a more comprehensive breakout of nonfarm employment estimates. These data are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

UI COVERED WAGES
UI covered wages is the total amount paid to those employees who are covered under the Connecticut's Unemployment Insurance (UI) law for services performed during the quarter. The fluctuations in the 1992-93 period reflect the effect of the changes in the tax law and the massive restructuring in the state's economy.

ECONOMIC INDICATORS AT A GLANCE

(Percent change from prior year; see pages 5-8 for reference months or quarters)

Leading Employment Index ..... +2.0
Coincident Employment Index ..... +0.7
Leading General Drift Indicator ..... +0.8
Coincident General Drift Indicator . -0.4
Banknorth Business Barometer ... +2.3

Total Nonfarm Employment ..... +0.6

Unemployment Rate ..... +0.3
Labor Force ..... +2.1
Employed ..... +1.8
Unemployed ..... +9.4

Average Weekly Initial Claims ..... +11.2
Help Wanted Index -- Hartford ..... -31.3
Avg Insured Unempl. Rate ..... -0.26*

Average Weekly Hours, Mfg 0.0
Average Hourly Earnings, Mfg ..... +2.9
Average Weekly Earnings, Mfg ..... +2.9
CT Mfg. Production Index ..... -1.9
Production Worker Hours ..... -1.1
Industrial Electricity Sales ..... -5.6

Personal Income ..... +4.6
UI Covered Wages ..... +4.2

Business Activity
Electricity Sales ..... +1.6
Retail Sales ..... -0.6
Construction Contracts Index ..... +20.1
New Auto Registrations ..... -15.8
Air Cargo Tons ..... -0.9
Exports ..... +20.0

Business Starts
Secretary of the State ..... -1.4
Dept. of Labor ..... -1.3

Business Terminations
Secretary of the State ..... +4.0
Dept. of Labor ..... -29.7

State Revenues ..... +10.2
Corporate Tax ..... +41.8
Personal Income Tax ..... +9.1
Real Estate Conveyance Tax ..... -10.1
Sales & Use Tax ..... +4.6
Indian Gaming Payments ..... +1.8

**Percentage point change; **Less than 0.05 percent; NA = Not Available*

Tourism and Travel
Info Center Visitors ..... -34.6
Attraction Visitors ..... +6.2
Air Passenger Count ..... +1.6
Indian Gaming Slots ..... -2.0
Travel and Tourism Index ..... +0.7

Employment Cost Index (U.S.)
Total ..... +3.0
Wages & Salaries ..... +2.5
Benefit Costs ..... +4.1

Consumer Prices
U.S. City Average ..... +3.4
Northeast Region ..... +3.5
NY-NJ-Long Island ..... +3.6
Boston-Brockton-Nashua ..... +3.3

Consumer Confidence
Connecticut ..... NA
New England ..... -9.4
U.S. ..... +0.9

Interest Rates
Prime ..... +2.01*
Conventional Mortgage ..... +0.52*

THE CONNECTICUT
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