THE CONNECTICUT
ECONOMIC DIGEST

Vol.11 No.7 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

JULY 2006

IN THIS ISSUE...

In May...

Nonfarm Employment

Connecticut 1,668,600
Change over month .... -0.32%
Change over year 0.4%

United States 135,106,000
Change over month 0.06%
Change over year 1.4%

Unemployment Rate

Connecticut 4.0%
United States 4.6%

Consumer Price Index

United States 202.5
Change over year 4.2%

Does Connecticut have a Problem with Economic Growth?

By Pat McPherron, Ph.D., Economist, DOL

To address this question I define economic growth[1] as *the change in utility resulting from changes in components of markets.* Utility may be measured, usually by the amount of consumption, at a variety of levels: individual, group, community, state, etc. Although not the focus of this article, a related concept is the process of economic development, which increases the returns on investment, even if market demand is constant. For example, at a recent event in Hartford, "Lean Manufacturing" was described as a process that resulted in sustainable increases in productivity.

If the State's workforce is highly skilled and aging, then economic theory expects lower utility from growth,[2] as wealthier workers focus more on non-essential consumption. Therefore, one could argue Connecticut is growing at the proper rate, based on its demographics. For example, while states with relatively low average wages offer land, resources and other subsidies to attract new businesses, Connecticut's citizens consistently oppose eminent domain, seizure of public lands, or other proposals that affect the quality of life in their communities.

Firms compete on functionality, quality and cost.[3] In mature markets, where firms compete primarily on cost, average wages are an indication of capital-to-labor ratios and *skill levels of the labor force.*[4] The U.S. has maintained, by global standards, a relatively high capital-to-labor ratio. This usually translates to relatively high per capita income, as labor is more productive (i.e. more tools per worker). In this context, Connecticut's position as the nation's highest per capita income state suggests all is well.

However, as Professor Richard Freeman at Harvard University notes, the global capital-to-labor ratio is plummeting. For instance, China is expected to graduate more Ph.D.'s in technical areas than the U.S. (same number of tools, excess supply of smart workers). This implies that Connecticut's position as the state with the highest per capita income will depend more than ever on providing services that cannot be profitably outsourced.

Also, research[5] shows that firms historically underpay younger workers, with the expectation that eventually the employees recapture the loss in wages. If it is true that Connecticut's per capita income is largely related to an aging workforce, then there is concern for the State's ability to compete nationally and globally, as other firms hire younger highly educated workers.[6]

In addition to attracting the highly educated, younger cohorts,[7] the State needs to maintain or compete for a larger percentage of the total dollars spent by consumers. This means responding to changing trends in consumer preferences. Firms most successful in this area are often characterized as *stars* or *question marks.*[8] If it is difficult to "teach an aging workforce new tricks," Connecticut may be vulnerable to economic downturns unrelated to national or global business cycles.

Staying on Top

If the State maintains its share of the average dollar spent by all consumers, then employees can

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Table I
U.S. Census Measure of U.S. Compensation by Quintile

U.S. Percentage Increase in Income 1979-2001

	Money Income less Capital Gains		Composite Measure of Wealth	
Quintile	**2001 $**	**CPI-U-RS adj**	**2001 $**	**CPI-U-RS adj**
Lowest (20%)	147.94%	9.74%	158.67%	14.49%
Second	156.86%	13.69%	155.73%	13.18%
Third	151.81%	11.45%	172.46%	20.59%
Fourth	182.38%	24.98%	179.42%	23.67%
Highest (80%)	238.11%	49.64%	242.61%	51.64%

Table II
Economic Policy Institute and Center on Budget and Policy Priorities Measure of Connecticut Compensation by Quintile

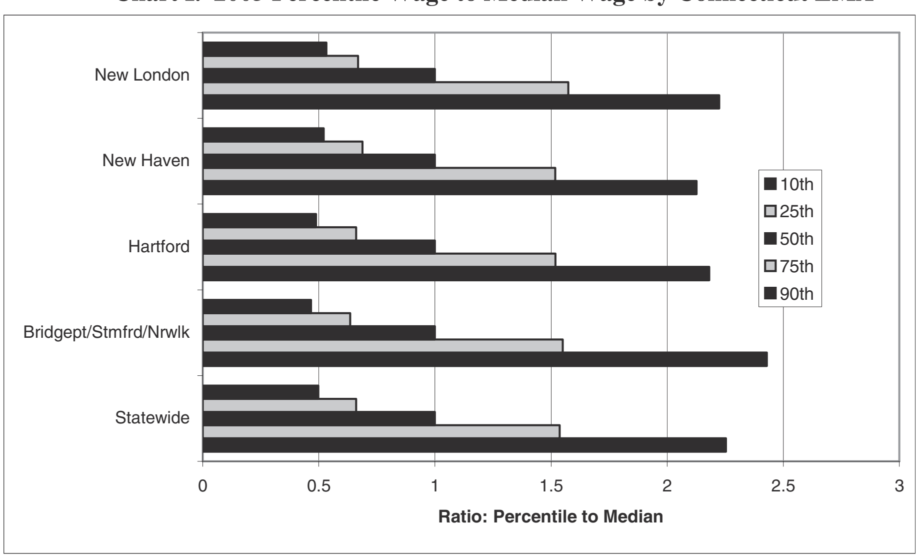
Percentage Increase in Income for Connecticut 1980-1982 to 2001-2003

	Tax Adjusted Real Income
Quintile	**2002 $**
Lowest (20%)	13.10%
Second	21.97%
Third	31.70%
Fourth	44.94%
Highest (80%)	67.03%
Top 5%	**81.86%**

expect to maintain their current levels of income, assuming no changes in the workforce. This implies a growth rate in average real income equal to the national average.[9] If citizens expect a higher than average growth rate in real income, it is not clear how that is going to happen with an aging workforce concentrated in industries that are losing market share at the national level.[10]

The implication of the State's firms not being able to maintain historical levels of competitive advantage is not just a minor reduction in the quality of life. Recent research[11] of Connecticut employment patterns confirms earlier estimations from Pennsylvania[12] that earnings losses for displaced workers are large and persistent: 30% reduction in annual income after the first quarter and still greater than 20% reduction five years later. Therefore, Connecticut's growth rate is a very important issue, even for employees who are comfortable with their *current* level of income.

Chart I. 2005 Percentile Wage to Median Wage by Connecticut LMA



Wage Distributions

The business strategy of offering wages below the marginal product of labor in order to increase profits is really a short-run strategy, as workers eventually produce at the explicit or implicit level of compensation. Real, sustainable per capita growth in productivity occurs from investments in human and physical capital. Therefore, the incentive structure of a market is a primary determinant of that market's future strength.

One indicator of expected rates of growth is per capita wealth, as wealthier workers tend to save more than less affluent workers.[13] This may be a blessing when a large part of consumer spending is motivated by spurious credit, but can slow growth below optimal levels if too large a portion of income is concentrated at the uppermost percentiles of wage earners.

Tables I and II show a large concentration of total income distributed to a small percentile of wages earners. Table I shows two-decade changes in U.S. wages and wealth by percentile, using 2001 dollars and a price deflator (CPI-U-RS). Note the highest quintile gains are considerably greater than the other four quintiles, a pattern that is even more noticeable in Connecticut (Table II). Table II uses surveys that are compiled over each three-year period, but despite the different collection methods, Tables I and II tell very similar stories.

In such a market, workers may be less motivated to exhibit work "above and beyond" expectations and less likely to pursue the additional education and training that result in innovations. Although capitalism does not necessarily advocate a uniform distribution of income,[14] these measures of income distribution are an indicator of the State's economic health.

Chart I breaks out the labor market area (LMA) wage distribution,[15] using the ratio of an LMA's percentile wage to its median wage, thereby adjusting for the different costs of living in each LMA. Perhaps surprisingly, the "rich getting richer" syndrome in Connecticut is fairly uniform across the state!

Charts II-IV show the ratios of each industry sector's percentile wage against the percentile wage for all industries. For example, the lowest ten percent of the Retail sector is paid about nine-tenths of the typical wage in the State for the same percentile, while the upper tenth percentile is paid only six-tenths of what the typical worker in the highest percentile earns.

These distributions allow workers to see how their industry pays for increases in their general level of skills, as compared to other industry sectors. This provides one indication of the State's ability to attract younger workers in each industry sector. For example, the State's *Financial and Insurance Services* sector shows high compensation for all percentiles when compared with U.S. figures. However, the *Professional and Business Services*, *Transportation*, *Information Technology*, and *Public Administration* sectors are not as well compensated in Connecticut. The charts also show that in both Connecticut and the U.S., the lower third of the wage distribu-

Chart II. 2005 Ratios of Industry Sector's Percentile Wage To Percentile Wage For All Industries

(Shows Lowest to Highest Percentile for Each Industry)

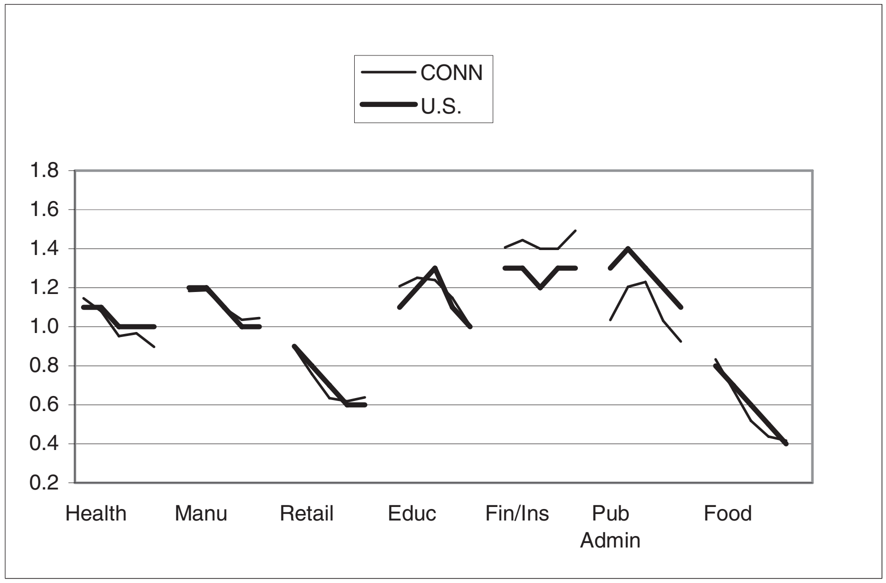
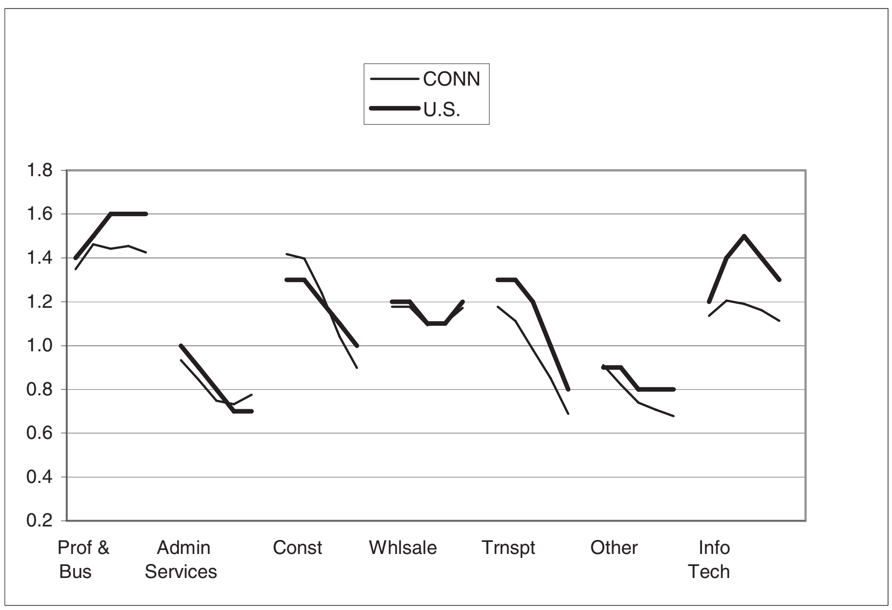


Chart III. 2005 Ratios of Industry Sector's Percentile Wage To Percentile Wage For All Industries

(Shows Lowest to Highest Percentile for Each Industry)



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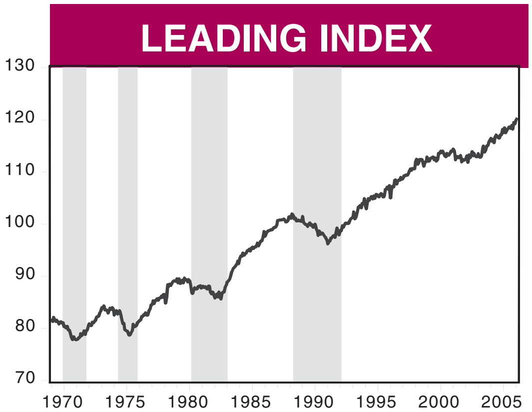

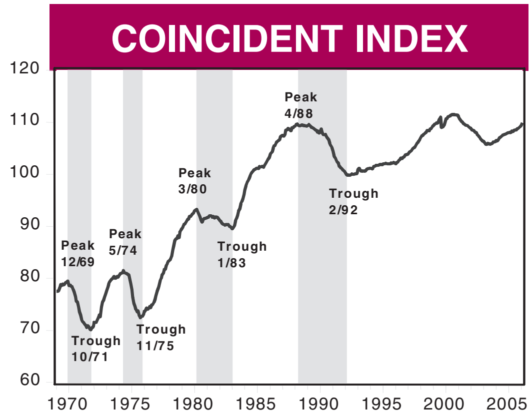

The distance from peak to trough, indicated by the shaded areas, measures the duration of an employment cycle recession. The vertical scale in both charts is an index with 1992=100.

Is Sunnier Sky Ahead For Connecticut?

The U.S. financial markets were extremely volatile lately, with much of it triggered by inflation fear and the expectations that the current interest rate hike cycle by the Federal Reserve may not end soon. The U.S. economy grew at a robust 5.3% annual rate in the first quarter of this year. However, former Federal Reserve Chairman Alan Greenspan recently remarked that the U.S. economy was able to absorb the high and rising energy costs up to now, but may not be able to do so in the near future. Current Federal Reserve Chairman Ben Bernanke also made it clear that the Federal Reserve stands ready to move against inflation if and when necessary. All these, and the ongoing dispute with Iran on their nuclear program, and the more recent tension with North Korea on their planned test firing of a long-range missile, contributed to the volatility of the financial markets.

For the month of April, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 108.30 in April 2005 to 111.01 in April 2006. All four components of this index are positive contributors, with a lower insured unemployment rate, a lower total unemployment rate, higher total non-farm employment, and higher total employment. On a sequential month-to-month basis, this index also rose from 109.65 in March 2006 to 111.01 in April 2006. Again, all four components contributed positively to this index, especially the rather large drop in the total unemployment rate (from 4.6% in March to 3.9% in April). The revised Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank also increased from 152.56 in April 2005 to 159.02 in April 2006. On a sequential month-to-month basis, the Philadelphia Federal Reserve Bank's revised Connecticut Coincident Index increased from 157.98 in March to 159.02 in April 2006. Thus, both the CCEA-ECRI and the Philadelphia Federal Reserve Bank indexes point to a continuing economic expansion in Connecticut.

The revised CCEA-ECRI Connecticut leading employment index provides mixed signals this month. It rose from 117.83 in April 2005 to 118.87 in April 2006. A decrease in initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, and a higher Hartford help-wanted advertising index are the three positive contributors to this index. On the other hand, a higher Moody's Baa corporate bond yield, a decrease in total housing permits, and lower average weekly hours worked in manufacturing and construction are the three negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 120.48 in March to 118.87 in April 2006. A decrease in initial claims for unemployment insurance is the only positive contributor to this index, while a higher Moody's Baa corporate bond yield, lower total housing permits, a lower Hartford help-wanted advertising index, and lower average weekly hours worked in manufacturing and construction are the four negative contributors. The short duration (less than 15 weeks) unemployment rate remained unchanged.

Connecticut has gotten off to a much better start this year than last. In the first four months of this year, total employment has increased by about 25,800, compared to only about 5,000 for the same period last year. Connecticut's total unemployment rate dropped to 3.9% in April 2006, which is lower than the national unemployment rate of 4.6% for the same period, and is the lowest in three years for Connecticut. The relatively strong growth in Connecticut recently has contributed to a fiscal budget surplus. We can only hope that these favorable developments will continue.

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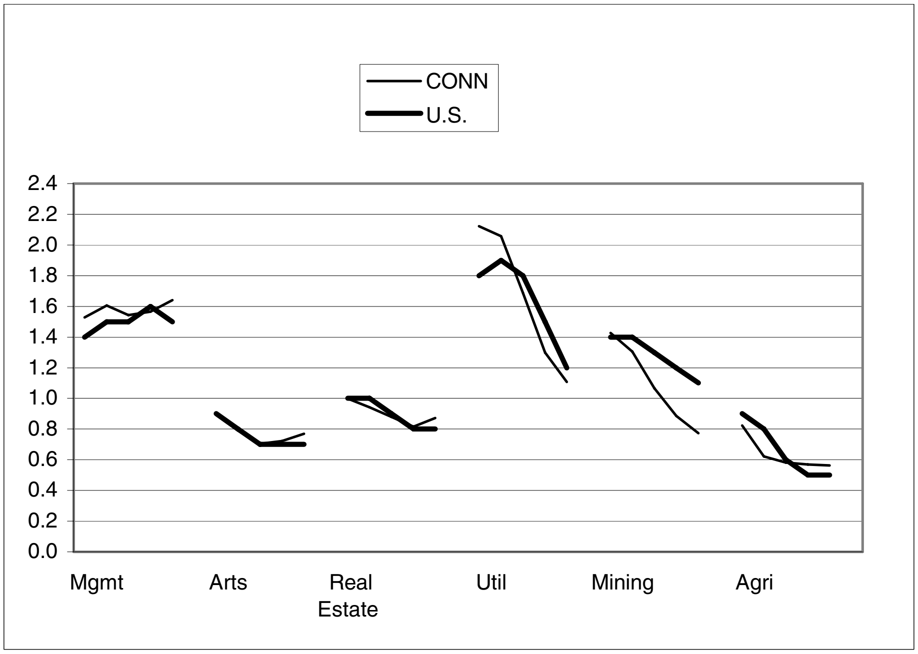
Leading and coincident employment indexes were developed by Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute. Components of the indexes are described in the Technical Notes on page 23.

Chart IV. 2005 Ratios of Industry Sector's Percentile Wage To Percentile Wage For All Industries

(Shows Lowest to Highest Percentile for Each Industry)



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tion for the *Utilities* sector is exceptionally high, while high earners in the *Accommodation and Food* and *Agriculture* sectors are substantially below the upper tenth percentile for all wage earners.

Summary

Connecticut's position as the State with the highest per capita income may not be sustainable over the next generation. Of more immediate concern is the ability of the State's firms to respond to the rapidly changing and highly competitive marketplace. Otherwise, in ten years, those same communities that are dead set against economic growth may be looking at flat earnings in a best-case scenario, and for government relief in a worst case. ■

[1]McPherron, Pat. "A General Theory of Labor Demand and Supply." Working Paper, 2006.
[2] McPherron, Pat. "Kuhn-Tucker Optimality of the Equity Premium Puzzle." Working Paper, 2006.
[3] Cooper, Robin. "When Lean Enterprises Collide: Competing Through Confrontation." 1995, Harvard Business Press.
[4] Ignoring market impediments.
[5] Couch, Kenneth A. "Tenure, Turnover, and Earnings Profiles in Germany and the United States." *International Business and Economics Research Conference, Program and Proceedings*, October 2002.
[6] Affordability of quality housing, schools, entertainment, etc.
[7] Six percent of urban 10th graders passed all four sections of the Connecticut Mastery test (CAPT) in 2002.
[8] Using the Boston Consulting Group matrix: Cash Cows, Stars, Question Marks, and Declining Dogs.
[9] Not accounting for global exports
[10] McPherron, Pat. "Growth in Employment Slowed by Connecticut's Industry Mix." *The Connecticut Economic Digest*, March 2006, 11(3), pp. 1-3, 5.
[11] Couch, Kenneth A. and Placzek, Dana W. "The Earnings Impact of Job Displacement Measured with Longitudinally Matched Individual and Firm Data." Working Paper, University of Connecticut Economics Department and Connecticut Department of Labor, May 2006.
[12] Jacobson, Louis, LaLonde, Robert, and Sullivan, Daniel. "Earnings Losses of Displaced Workers." American Economic Review, 83(4), pp. 685-709.
[13] Another concern could be a cohort that tends to buy products with a low multiplier effect on market-wide demand.
[14] Income distribution is often measured by a Gini coefficient.
[15] Occupational Employment Statistics (OES), Connecticut Department of Labor.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	1Q 2006	1Q 2005	CHANGE NO.	CHANGE %	4Q 2005
Employment Indexes (1992=100)*					
Leading	120.3	117.8	2.4	2.1	119.0
Coincident	109.6	108.0	1.6	1.5	109.0
General Drift Indicator (1986=100)*					
Leading	105.6	104.2	1.4	1.3	104.2
Coincident	100.0	100.2	-0.2	-0.2	100.3
Banknorth Business Barometer (1992=100)**	121.0	119.8	1.2	1.0	120.9

*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.

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM	1,668.6	1,661.6	7.0	0.4	1,673.9
Natural Res & Mining (Not Sea. Adj.)	0.8	0.8	0.0	0.0	0.8
Construction	62.9	66.0	-3.1	-4.7	64.6
Manufacturing	193.4	195.8	-2.4	-1.2	193.4
Trade, Transportation & Utilities	311.4	311.3	0.1	0.0	312.2
Information	37.7	38.3	-0.6	-1.6	37.8
Financial Activities	143.9	142.0	1.9	1.3	144.3
Professional and Business Services	202.3	199.0	3.3	1.7	203.3
Educational and Health Services	276.2	272.6	3.6	1.3	276.1
Leisure and Hospitality Services	131.2	129.5	1.7	1.3	132.4
Other Services	62.9	62.9	0.0	0.0	63.5
Government*	245.9	243.4	2.5	1.0	245.5

Source: Connecticut Department of Labor ** Includes Native American tribal government employment*

Initial claims for unemployment insurance rose from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
Unemployment Rate, resident (%)	4.0	5.0	-1.0	---	3.9
Labor Force, resident (000s)	1,831.7	1,817.7	14.0	0.8	1,830.8
Employed (000s)	1,758.0	1,726.0	32.0	1.9	1,758.8
Unemployed (000s)	73.7	91.7	-18.0	-19.7	71.9
Average Weekly Initial Claims	4,277	3,972	305	7.7	4,229
Help Wanted Index -- Htfd. (1987=100)	13	13	0	0.0	9
Avg. Insured Unemp. Rate (%)	2.43	2.46	-0.04	---	2.28

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006	MAR 2006
Average Weekly Hours	41.9	42.2	-0.3	-0.7	41.6	--
Average Hourly Earnings	19.40	18.69	0.71	3.8	19.55	--
Average Weekly Earnings	812.86	788.72	24.14	3.1	813.28	--
CT Mfg. Production Index (2000=100)	92.9	100.5	-7.6	-7.6	88.3	94.3
Production Worker Hours (000s)	4,854	4,994	-140	-2.8	4,818	--
Industrial Electricity Sales (mil kWh)*	373	426	-53.3	-12.5	346	389

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

Personal income for third quarter 2006 is forecasted to increase 4.0 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	3Q* 2006	3Q 2005	CHANGE NO.	CHANGE %	2Q* 2006
Personal Income	$175,268	$168,607	$6,661	4.0	$172,758
UI Covered Wages	$91,266	$87,198	$4,068	4.7	$89,598

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

BUSINESS ACTIVITY

New auto registrations decreased over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
New Housing Permits*	MAY 2006	952	-14.0	3,975	4,208	-5.5
Electricity Sales (mil kWh)	MAR 2006	2,682	-2.8	7,969	8,278	-3.7
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	APR 2006	453.9	-38.9	---	---	---
New Auto Registrations	MAY 2006	16,823	-13.0	80,293	90,984	-11.8
Air Cargo Tons	MAY 2006	13,303	4.6	64,130	63,587	0.9
Exports (Bil. $)	1Q 2006	2.76	19.5	2.76	2.31	19.5

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

** Estimated by the Bureau of the Census*

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	PRIOR	% CHG
STARTS						
Secretary of the State	MAR 2006	3,254	9.0	8,586	8,130	5.6
Department of Labor*	3Q 2005	2,113	-3.6	7,319	7,429	-1.5
TERMINATIONS						
Secretary of the State	MAR 2006	990	24.4	2,576	2,366	8.9
Department of Labor*	3Q 2005	1,234	-25.3	4,183	5,381	-22.3

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 a year ago.

(Millions of dollars)	MAY 2006	MAY 2005	% CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
TOTAL ALL REVENUES*	815.0	747.8	9.0	5872.9	5348.0	9.8
Corporate Tax	25.0	16.4	52.4	324.8	262.7	23.6
Personal Income Tax	353.1	292.8	20.6	3209.8	2823.2	13.7
Real Estate Conv. Tax	18.4	21.6	-14.8	72.5	77.7	-6.7
Sales & Use Tax	267.3	257.4	3.8	1427.6	1361.7	4.8
Indian Gaming Payments**	37.7	37.0	1.8	176.8	171.8	2.9

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 rose over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
Info Center Visitors	MAY 2006	32,446	26.6	112,507	103,934	8.2
Major Attraction Visitors	MAY 2006	135,739	-16.5	538,808	540,427	-0.3
Air Passenger Count	MAY 2006	644,792	-2.6	2,918,356	3,016,925	-3.3
Indian Gaming Slots (Mil.$)*	MAY 2006	1,741	1.5	8,087	8,020	0.8
Travel and Tourism Index**	1Q 2006	---	6.3	---	---	---

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 2.6 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers *(Dec. 2005 = 100)*	Seasonally Adjusted MAR 2006	DEC 2005	3-Mo % Chg	Not Seasonally Adjusted MAR 2006	MAR 2005	12-Mo % Chg
UNITED STATES TOTAL	100.8	100.2	0.6	100.8	98.2	2.6
Wages and Salaries	100.8	100.1	0.7	100.7	98.3	2.4
Benefit Costs	100.8	100.4	0.4	101.0	98.1	3.0
NORTHEAST TOTAL	---	---	---	100.9	97.6	3.4
Wages and Salaries	---	---	---	100.8	97.8	3.1

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

U.S. inflation rate increased 4.2 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	MAY 2006	202.5	4.2	0.5
Purchasing Power of $ (1982-84=$1.00)	MAY 2006	$0.494	-4.0	-0.5
Northeast Region	MAY 2006	215.7	4.6	0.5
NY-Northern NJ-Long Island	MAY 2006	221.6	4.8	0.6
Boston-Brockton-Nashua**	MAY 2006	222.9	3.9	0.7
CPI-W (1982-84=100)				
U.S. City Average	MAY 2006	198.2	4.3	0.5
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	1Q 2006	88.1	5.9	NA
New England	MAY 2006	NA	NA	NA
U.S.	MAY 2006	NA	NA	NA

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*

Conventional mortgage rate rose to 6.60 percent over the month.

INTEREST RATES

(Percent)	MAY 2006	APR 2006	MAY 2005
Prime	7.93	7.75	5.98
Federal Funds	4.94	4.79	3.00
3 Month Treasury Bill	4.84	4.72	2.90
6 Month Treasury Bill	5.01	4.90	3.17
1 Year Treasury Bill	5.00	4.90	3.33
3 Year Treasury Note	4.97	4.89	3.72
5 Year Treasury Note	5.00	4.90	3.85
7 Year Treasury Note	5.03	4.94	3.94
10 Year Treasury Note	5.11	4.99	4.14
20 Year Treasury Note	5.35	5.22	4.56
Conventional Mortgage	6.60	6.51	5.72

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
Connecticut	1,668.6	1,661.6	7.0	0.4	1,673.9
Maine	613.3	612.0	1.3	0.2	613.1
Massachusetts	3,217.6	3,193.7	23.9	0.7	3,218.5
New Hampshire	643.1	634.7	8.4	1.3	641.6
New Jersey	4,081.0	4,039.6	41.4	1.0	4,074.1
New York	8,585.1	8,519.2	65.9	0.8	8,584.6
Pennsylvania	5,747.2	5,699.9	47.3	0.8	5,746.4
Rhode Island	493.7	489.7	4.0	0.8	495.2
Vermont	308.3	305.2	3.1	1.0	307.1
United States	135,106.0	133,210.0	1,896.0	1.4	135,031.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
Connecticut	1,831.7	1,817.7	14.0	0.8	1,830.8
Maine	714.2	710.7	3.5	0.5	716.3
Massachusetts	3,350.3	3,363.1	-12.8	-0.4	3,338.6
New Hampshire	735.0	731.3	3.7	0.5	735.3
New Jersey	4,478.5	4,415.4	63.1	1.4	4,501.8
New York	9,554.0	9,409.8	144.2	1.5	9,516.8
Pennsylvania	6,302.9	6,302.8	0.1	0.0	6,318.7
Rhode Island	579.7	569.2	10.5	1.8	578.4
Vermont	361.3	354.0	7.3	2.1	360.3
United States	150,991.0	149,201.0	1,790.0	1.2	150,811.0

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

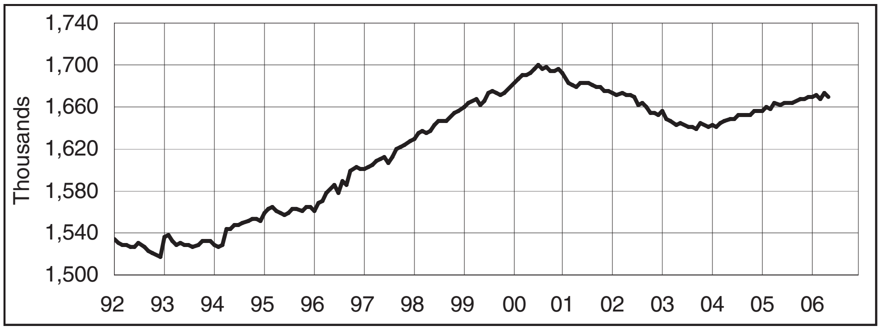
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	MAY 2006	MAY 2005	CHANGE	APR 2006
Connecticut	4.0	5.0	-1.0	3.9
Maine	4.4	4.9	-0.5	4.2
Massachusetts	5.0	4.8	0.2	4.9
New Hampshire	3.3	3.6	-0.3	3.4
New Jersey	5.0	4.2	0.8	5.1
New York	4.6	5.1	-0.5	4.9
Pennsylvania	4.8	5.0	-0.2	4.7
Rhode Island	5.5	5.0	0.5	5.4
Vermont	3.0	3.2	-0.2	3.3
United States	4.6	5.1	-0.5	4.7

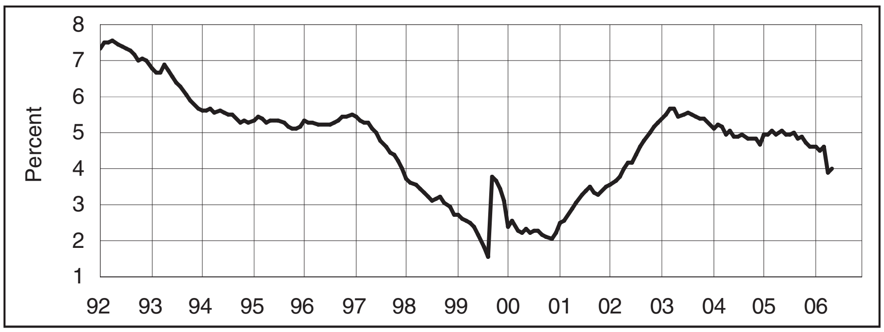
Source: U.S. Department of Labor, Bureau of Labor Statistics

NONFARM EMPLOYMENT *(Seasonally adjusted)*



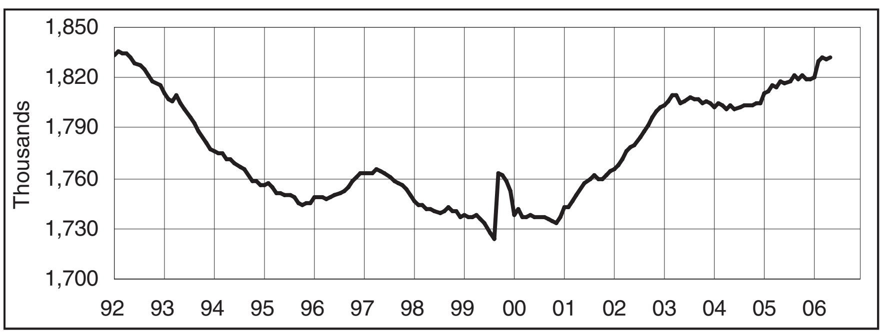
Month	2004	2005	2006
Jan	1,642.6	1,656.6	1,669.2
Feb	1,641.9	1,659.6	1,671.9
Mar	1,644.7	1,657.3	1,666.9
Apr	1,646.5	1,664.3	1,673.9
May	1,649.0	1,661.6	1,668.6
Jun	1,649.2	1,663.9	
Jul	1,652.6	1,663.8	
Aug	1,653.3	1,663.7	
Sep	1,653.0	1,665.4	
Oct	1,652.8	1,667.6	
Nov	1,655.3	1,667.7	
Dec	1,656.1	1,668.6	

UNEMPLOYMENT RATE *(Seasonally adjusted)*



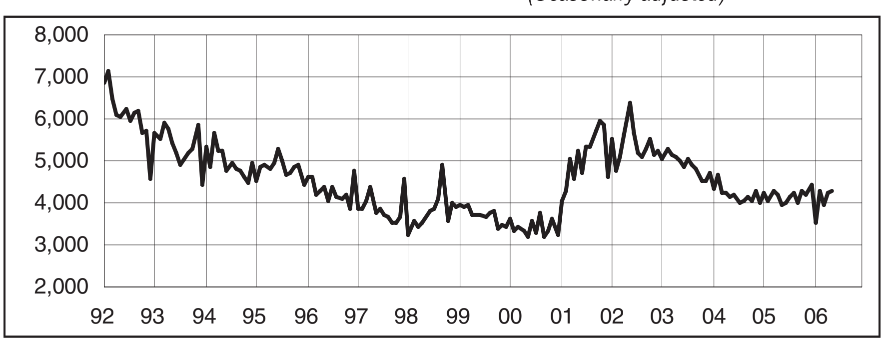
Month	2004	2005	2006
Jan	5.1	4.9	4.6
Feb	5.2	5.0	4.5
Mar	5.2	5.1	4.6
Apr	5.0	4.9	3.9
May	5.0	5.0	4.0
Jun	4.9	4.9	
Jul	4.9	4.9	
Aug	4.9	5.0	
Sep	4.8	4.9	
Oct	4.8	4.9	
Nov	4.8	4.7	
Dec	4.7	4.6	

LABOR FORCE *(Seasonally adjusted)*



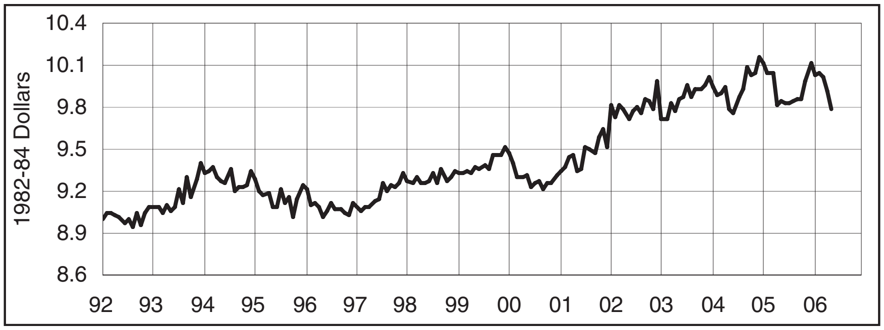
Month	2004	2005	2006
Jan	1,802.0	1,810.1	1,820.0
Feb	1,804.5	1,811.8	1,829.4
Mar	1,803.8	1,815.1	1,831.6
Apr	1,801.1	1,814.2	1,830.8
May	1,803.1	1,817.7	1,831.7
Jun	1,800.9	1,817.2	
Jul	1,802.3	1,818.1	
Aug	1,803.8	1,821.3	
Sep	1,803.1	1,819.5	
Oct	1,803.9	1,821.0	
Nov	1,805.1	1,819.2	
Dec	1,804.2	1,818.9	

AVERAGE WEEKLY INITIAL CLAIMS *(Seasonally adjusted)*



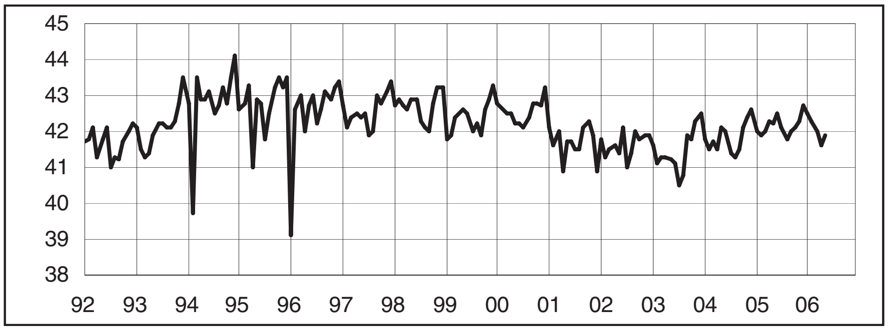
Month	2004	2005	2006
Jan	4,355	4,248	3,524
Feb	4,669	4,046	4,281
Mar	4,223	4,298	3,941
Apr	4,240	4,203	4,229
May	4,166	3,972	4,277
Jun	4,199	3,995	
Jul	4,000	4,160	
Aug	4,049	4,232	
Sep	4,162	4,022	
Oct	4,025	4,294	
Nov	4,271	4,175	
Dec	4,020	4,435	

REAL AVG MANUFACTURING HOURLY EARNINGS *(Not seasonally adjusted)**



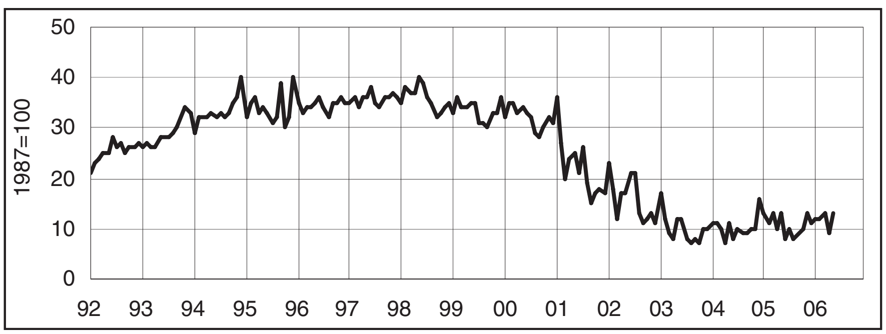
Month	2004	2005	2006
Jan	$9.94	$10.12	$10.03
Feb	$9.89	$10.05	$10.05
Mar	$9.90	$10.04	$10.02
Apr	$9.94	$9.82	$9.91
May	$9.78	$9.84	$9.79
Jun	$9.76	$9.83	
Jul	$9.88	$9.82	
Aug	$9.92	$9.85	
Sep	$10.08	$9.85	
Oct	$10.02	$9.86	
Nov	$10.05	$9.98	
Dec	$10.16	$10.11	

AVG MANUFACTURING WEEKLY HOURS *(Not seasonally adjusted)*



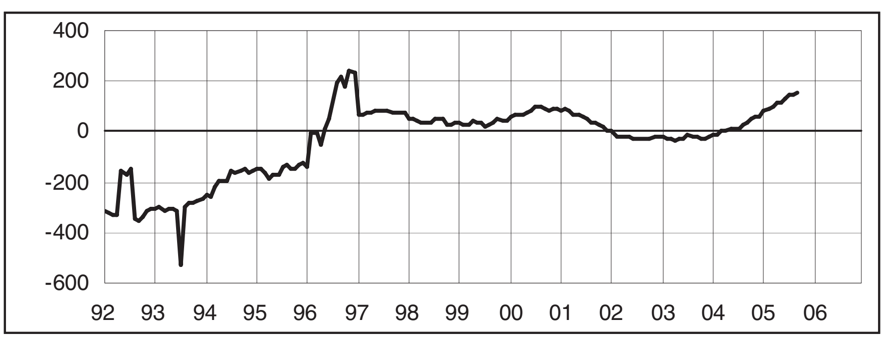
Month	2004	2005	2006
Jan	41.8	42.0	42.5
Feb	41.5	41.9	42.3
Mar	41.7	42.0	42.0
Apr	41.5	42.3	41.6
May	42.1	42.2	41.9
Jun	42.0	42.5	
Jul	41.4	42.1	
Aug	41.3	41.8	
Sep	41.5	42.0	
Oct	42.1	42.1	
Nov	42.4	42.3	
Dec	42.6	42.7	

HARTFORD HELP WANTED INDEX *(Seasonally adjusted)*



Month	2004	2005	2006
Jan	11	13	12
Feb	11	11	12
Mar	10	13	13
Apr	7	10	9
May	11	13	13
Jun	8	8	
Jul	10	10	
Aug	9	8	
Sep	9	9	
Oct	10	10	
Nov	10	13	
Dec	16	11	

DOL NET BUSINESS STARTS *(12-month moving average)***



Month	2004	2005	2006
Jan	-12	84	
Feb	-9	94	
Mar	1	95	
Apr	5	112	
May	9	118	
Jun	9	130	
Jul	8	146	
Aug	24	150	
Sep	34	153	
Oct	51		
Nov	57		
Dec	63		

**New series began in 2001; prior years are not directly comparable*

***New series began in 1996; prior years are not directly comparable*

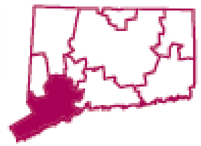
CONNECTICUT

Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT	**1,679,600**	**1,670,900**	**8,700**	**0.5**	**1,673,200**
GOODS PRODUCING INDUSTRIES	**258,800**	**263,800**	**-5,000**	**-1.9**	**257,500**
CONSTRUCTION, NAT. RES. & MINING	**65,400**	**67,900**	**-2,500**	**-3.7**	**64,200**
MANUFACTURING	**193,400**	**195,900**	**-2,500**	**-1.3**	**193,300**
Durable Goods	**144,400**	**146,000**	**-1,600**	**-1.1**	**144,300**
Fabricated Metal	33,600	33,900	-300	-0.9	33,600
Machinery	17,800	18,100	-300	-1.7	17,800
Computer and Electronic Product	14,700	15,200	-500	-3.3	14,700
Electrical Equipment	10,500	10,500	0	0.0	10,500
Transportation Equipment	43,700	43,400	300	0.7	43,700
Aerospace Product and Parts	30,600	29,900	700	2.3	30,500
Non-Durable Goods	**49,000**	**49,900**	**-900**	**-1.8**	**49,000**
Printing and Related	8,000	8,100	-100	-1.2	8,000
Chemical	16,700	17,100	-400	-2.3	16,800
Plastics and Rubber Products	7,400	7,500	-100	-1.3	7,400
SERVICE PROVIDING INDUSTRIES	**1,420,800**	**1,407,100**	**13,700**	**1.0**	**1,415,700**
TRADE, TRANSPORTATION, UTILITIES	**311,200**	**310,300**	**900**	**0.3**	**309,800**
Wholesale Trade	67,100	66,600	500	0.8	67,000
Retail Trade	190,700	191,200	-500	-0.3	189,600
Motor Vehicle and Parts Dealers	23,200	23,000	200	0.9	22,900
Building Material	16,800	16,900	-100	-0.6	16,200
Food and Beverage Stores	42,200	42,600	-400	-0.9	42,200
General Merchandise Stores	25,500	25,100	400	1.6	25,500
Transportation, Warehousing, & Utilities	53,400	52,500	900	1.7	53,200
Utilities	8,300	8,600	-300	-3.5	8,300
Transportation and Warehousing	45,100	43,900	1,200	2.7	44,900
INFORMATION	**37,700**	**38,200**	**-500**	**-1.3**	**37,800**
Telecommunications	12,700	13,000	-300	-2.3	12,700
FINANCIAL ACTIVITIES	**143,400**	**141,600**	**1,800**	**1.3**	**143,600**
Finance and Insurance	122,400	120,800	1,600	1.3	122,800
Credit Intermediation	32,000	32,000	0	0.0	32,200
Securities and Commodity Contracts	19,900	19,100	800	4.2	20,000
Insurance Carriers & Related Activities	65,400	64,900	500	0.8	65,500
Real Estate and Rental and Leasing	21,000	20,800	200	1.0	20,800
PROFESSIONAL & BUSINESS SERVICES	**202,700**	**199,400**	**3,300**	**1.7**	**202,700**
Professional, Scientific	88,000	87,300	700	0.8	89,500
Legal Services	14,300	14,500	-200	-1.4	14,300
Computer Systems Design	19,100	18,800	300	1.6	19,000
Management of Companies	25,300	25,200	100	0.4	25,200
Administrative and Support	89,400	86,900	2,500	2.9	88,000
Employment Services	31,500	30,300	1,200	4.0	31,300
EDUCATIONAL AND HEALTH SERVICES	**277,400**	**273,900**	**3,500**	**1.3**	**278,200**
Educational Services	53,500	52,600	900	1.7	55,300
Health Care and Social Assistance	223,900	221,300	2,600	1.2	222,900
Hospitals	56,500	55,500	1,000	1.8	56,200
Nursing & Residential Care Facilities	57,600	57,100	500	0.9	57,300
Social Assistance	36,900	36,200	700	1.9	36,800
LEISURE AND HOSPITALITY	**134,900**	**133,000**	**1,900**	**1.4**	**129,300**
Arts, Entertainment, and Recreation	26,000	25,300	700	2.8	23,700
Accommodation and Food Services	108,900	107,700	1,200	1.1	105,600
Food Serv., Restaurants, Drinking Places	96,700	96,200	500	0.5	94,000
OTHER SERVICES	**63,200**	**63,000**	**200**	**0.3**	**63,200**
GOVERNMENT	**250,300**	**247,700**	**2,600**	**1.0**	**251,100**
Federal Government	19,700	19,900	-200	-1.0	19,700
State Government	66,000	64,400	1,600	2.5	67,700
**Local Government	164,600	163,400	1,200	0.7	163,700

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

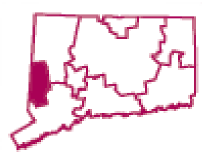
BRIDGEPORT - STAMFORD LMA



	Not Seasonally Adjusted				
	MAY 2006	MAY 2005	CHANGE NO.	%	APR 2006
TOTAL NONFARM EMPLOYMENT	**415,300**	**413,800**	**1,500**	**0.4**	**412,100**
GOODS PRODUCING INDUSTRIES	**56,700**	**56,700**	**0**	**0.0**	**56,400**
CONSTRUCTION, NAT. RES. & MINING	**15,900**	**15,400**	**500**	**3.2**	**15,500**
MANUFACTURING	**40,800**	**41,300**	**-500**	**-1.2**	**40,900**
Durable Goods	**29,600**	**29,800**	**-200**	**-0.7**	**29,800**
SERVICE PROVIDING INDUSTRIES	**358,600**	**357,100**	**1,500**	**0.4**	**355,700**
TRADE, TRANSPORTATION, UTILITIES	**74,400**	**74,500**	**-100**	**-0.1**	**73,700**
Wholesale Trade	14,700	14,700	0	0.0	14,600
Retail Trade	49,100	49,300	-200	-0.4	48,400
Transportation, Warehousing, & Utilities	10,600	10,500	100	1.0	10,700
INFORMATION	**11,200**	**11,600**	**-400**	**-3.4**	**11,200**
FINANCIAL ACTIVITIES	**44,500**	**42,900**	**1,600**	**3.7**	**44,400**
Finance and Insurance	37,700	36,400	1,300	3.6	37,700
PROFESSIONAL & BUSINESS SERVICES	**70,200**	**69,600**	**600**	**0.9**	**69,400**
EDUCATIONAL AND HEALTH SERVICES	**59,900**	**59,800**	**100**	**0.2**	**60,000**
Health Care and Social Assistance	51,300	50,600	700	1.4	51,200
LEISURE AND HOSPITALITY	**34,200**	**33,400**	**800**	**2.4**	**32,900**
Accommodation and Food Services	25,000	24,400	600	2.5	24,400
OTHER SERVICES	**17,100**	**17,000**	**100**	**0.6**	**17,100**
GOVERNMENT	**47,100**	**48,300**	**-1,200**	**-2.5**	**47,000**
Federal	3,500	3,500	0	0.0	3,500
State & Local	43,600	44,800	-1,200	-2.7	43,500

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

DANBURY LMA

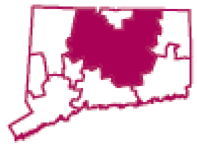


	Not Seasonally Adjusted				
	MAY 2006	MAY 2005	CHANGE NO.	%	APR 2006
TOTAL NONFARM EMPLOYMENT	**70,400**	**69,600**	**800**	**1.1**	**69,500**
GOODS PRODUCING INDUSTRIES	**13,000**	**13,100**	**-100**	**-0.8**	**12,700**
SERVICE PROVIDING INDUSTRIES	**57,400**	**56,500**	**900**	**1.6**	**56,800**
TRADE, TRANSPORTATION, UTILITIES	**15,500**	**15,500**	**0**	**0.0**	**15,500**
Retail Trade	11,600	11,700	-100	-0.9	11,500
PROFESSIONAL & BUSINESS SERVICES	**8,500**	**8,600**	**-100**	**-1.2**	**8,400**
LEISURE AND HOSPITALITY	**5,000**	**5,200**	**-200**	**-3.8**	**4,900**
GOVERNMENT	**8,800**	**8,400**	**400**	**4.8**	**8,700**
Federal	600	600	0	0.0	600
State & Local	8,200	7,800	400	5.1	8,100

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 2005.
**Total excludes workers idled due to labor-management disputes.*

HARTFORD LMA



Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT	**553,700**	**546,200**	**7,500**	**1.4**	**551,500**
GOODS PRODUCING INDUSTRIES	**86,200**	**86,100**	**100**	**0.1**	**85,200**
CONSTRUCTION, NAT. RES. & MINING	**22,500**	**22,000**	**500**	**2.3**	**21,600**
MANUFACTURING	**63,700**	**64,100**	**-400**	**-0.6**	**63,600**
Durable Goods	**53,400**	**53,700**	**-300**	**-0.6**	**53,300**
Transportation Equipment	18,200	18,300	-100	-0.5	18,200
SERVICE PROVIDING INDUSTRIES	**467,500**	**460,100**	**7,400**	**1.6**	**466,300**
TRADE, TRANSPORTATION, UTILITIES	**90,800**	**90,200**	**600**	**0.7**	**90,200**
Wholesale Trade	19,600	19,400	200	1.0	19,500
Retail Trade	56,200	55,800	400	0.7	55,800
Transportation, Warehousing, & Utilities	15,000	15,000	0	0.0	14,900
Transportation and Warehousing	11,500	11,300	200	1.8	11,400
INFORMATION	**11,500**	**11,400**	**100**	**0.9**	**11,500**
FINANCIAL ACTIVITIES	**67,800**	**67,500**	**300**	**0.4**	**68,200**
Depository Credit Institutions	7,500	7,700	-200	-2.6	7,700
Insurance Carriers & Related Activities	45,700	45,700	0	0.0	45,900
PROFESSIONAL & BUSINESS SERVICES	**59,500**	**58,000**	**1,500**	**2.6**	**59,700**
Professional, Scientific	27,500	27,100	400	1.5	28,000
Administrative and Support	26,700	25,000	1,700	6.8	26,200
EDUCATIONAL AND HEALTH SERVICES	**86,200**	**84,700**	**1,500**	**1.8**	**86,100**
Health Care and Social Assistance	75,200	73,700	1,500	2.0	74,800
Ambulatory Health Care	22,800	22,400	400	1.8	22,700
LEISURE AND HOSPITALITY	**41,800**	**40,300**	**1,500**	**3.7**	**39,800**
Accommodation and Food Services	34,100	32,700	1,400	4.3	33,400
OTHER SERVICES	**20,600**	**20,700**	**-100**	**-0.5**	**20,600**
GOVERNMENT	**89,300**	**87,300**	**2,000**	**2.3**	**90,200**
Federal	5,900	6,000	-100	-1.7	6,000
State & Local	83,400	81,300	2,100	2.6	84,200

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 2005.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Energy inflation in 2005**
Energy inflation was about the same in 2005 as it was during 2004 (in U.S.). Energy prices paid by consumers rose 17.1 percent in 2005, compared with 16.6 percent in the previous year. Prices for energy commodities, which mainly include gasoline and home heating (fuel) oil, increased substantially in 2005, but not by as much as they did during 2004. Gasoline prices increased 16.1 percent in 2005, after rising 26.1 percent in 2004. Fuel oil prices rose 27.2 percent last year, after increasing 39.5 percent in 2004. Energy services charges (piped gas and electricity), however, accelerated significantly in 2005, up 17.6 percent, compared with 6.8 percent in 2004. Natural gas prices rose 30.2 percent, after increasing 16.4 percent in 2004. Supplies of natural gas were short in 2005 following hurricane damage to production platforms, subsea pipelines, and natural gas processing plants. Electricity prices increased 10.7 percent in 2005, after rising 2.1 percent in 2004. These data are from the BLS Consumer Price Index program. Annual percent changes are December-to-December changes. For additional information on consumer price changes in 2005, see

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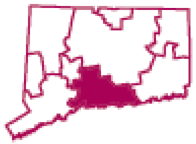
NEW HAVEN LMA



Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT	**275,000**	**275,600**	**-600**	**-0.2**	**275,000**
GOODS PRODUCING INDUSTRIES	**44,500**	**44,500**	**0**	**0.0**	**43,700**
CONSTRUCTION, NAT. RES. & MINING	**11,300**	**11,000**	**300**	**2.7**	**10,700**
MANUFACTURING	**33,200**	**33,500**	**-300**	**-0.9**	**33,000**
Durable Goods	**22,700**	**22,800**	**-100**	**-0.4**	**22,600**
SERVICE PROVIDING INDUSTRIES	**230,500**	**231,100**	**-600**	**-0.3**	**231,300**
TRADE, TRANSPORTATION, UTILITIES	**51,400**	**51,200**	**200**	**0.4**	**51,600**
Wholesale Trade	11,400	11,400	0	0.0	11,600
Retail Trade	30,500	30,100	400	1.3	30,600
Transportation, Warehousing, & Utilities	9,500	9,700	-200	-2.1	9,400
INFORMATION	**8,600**	**8,500**	**100**	**1.2**	**8,400**
FINANCIAL ACTIVITIES	**14,100**	**14,100**	**0**	**0.0**	**14,000**
Finance and Insurance	10,700	10,400	300	2.9	10,600
PROFESSIONAL & BUSINESS SERVICES	**25,400**	**25,500**	**-100**	**-0.4**	**25,400**
Administrative and Support	12,900	12,200	700	5.7	12,600
EDUCATIONAL AND HEALTH SERVICES	**64,300**	**64,400**	**-100**	**-0.2**	**65,700**
Educational Services	23,100	23,400	-300	-1.3	24,700
Health Care and Social Assistance	41,200	41,000	200	0.5	41,000
LEISURE AND HOSPITALITY	**20,900**	**21,100**	**-200**	**-0.9**	**20,300**
Accommodation and Food Services	17,200	17,700	-500	-2.8	16,600
OTHER SERVICES	**10,700**	**10,900**	**-200**	**-1.8**	**10,900**
GOVERNMENT	**35,100**	**35,400**	**-300**	**-0.8**	**35,000**
Federal	5,300	5,400	-100	-1.9	5,400
State & Local	29,800	30,000	-200	-0.7	29,600

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

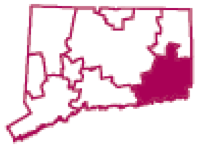
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

"Consumer prices rose 3.4 percent in 2005, about the same as last year," by Todd Wilson, Monthly Labor Review, May 2006. (The Editor's Desk, Bureau of Labor Statistics, June 9, 2006)

- **Changes in prices for new and used vehicles**
  In 2005 (in U.S.), new vehicle prices declined, and used vehicle prices rose-but by less than in 2004. The new vehicles price index decreased 0.4 percent last year, compared with a 0.6-percent rise in 2004. New car prices rose, while new truck prices decreased. Sharply rising gasoline prices led to increased demand for smaller, more fuel-efficient vehicles, such as hybrids. Simultaneously, consumer demand for new light trucks, including sport utility vehicles, decreased. The used cars and trucks index increased 1.4 percent last year, compared with a 4.8-percent rise in 2004. These data are from the Consumer Price Index program. To learn more about changes in the prices of goods and services purchased by consumers, see "Consumer prices rose 3.4 percent in 2005, about the same as last year," by Todd Wilson, Monthly Labor Review, May 2006. Annual percent changes are December-to-December changes. (The Editor's Desk, Bureau of Labor Statistics, June 13, 2006)

NORWICH - NEW LONDON LMA

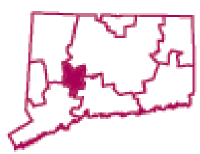


Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT...............	**136,300**	**136,500**	**-200**	**-0.1**	**135,300**
GOODS PRODUCING INDUSTRIES............	**22,600**	**22,700**	**-100**	**-0.4**	**22,600**
CONSTRUCTION, NAT. RES. & MINING.....	**4,800**	**4,800**	**0**	**0.0**	**4,700**
MANUFACTURING................................	**17,800**	**17,900**	**-100**	**-0.6**	**17,900**
Durable Goods....................................	**11,400**	**11,400**	**0**	**0.0**	**11,500**
Non-Durable Goods.............................	**6,400**	**6,500**	**-100**	**-1.5**	**6,400**
SERVICE PROVIDING INDUSTRIES...........	**113,700**	**113,800**	**-100**	**-0.1**	**112,700**
TRADE, TRANSPORTATION, UTILITIES.....	**22,400**	**22,200**	**200**	**0.9**	**22,100**
Wholesale Trade..................................	2,000	1,900	100	5.3	2,000
Retail Trade..	15,900	16,000	-100	-0.6	15,700
Transportation, Warehousing, & Utilities....	4,500	4,300	200	4.7	4,400
INFORMATION......................................	**1,900**	**2,100**	**-200**	**-9.5**	**1,900**
FINANCIAL ACTIVITIES.........................	**3,600**	**3,500**	**100**	**2.9**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**9,600**	**10,000**	**-400**	**-4.0**	**9,700**
EDUCATIONAL AND HEALTH SERVICES	**19,100**	**18,700**	**400**	**2.1**	**19,100**
Health Care and Social Assistance...........	16,400	16,000	400	2.5	16,400
LEISURE AND HOSPITALITY...................	**13,300**	**13,400**	**-100**	**-0.7**	**12,600**
Accommodation and Food Services..........	10,900	11,000	-100	-0.9	10,500
Food Serv., Restaurants, Drinking Places.	9,100	9,000	100	1.1	8,600
OTHER SERVICES................................	**3,700**	**3,700**	**0**	**0.0**	**3,600**
GOVERNMENT	**40,100**	**40,200**	**-100**	**-0.2**	**40,100**
Federal..	2,400	2,400	0	0.0	2,400
**State & Local.......................................	37,700	37,800	-100	-0.3	37,700

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

WATERBURY LMA



Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT...............	**69,300**	**69,500**	**-200**	**-0.3**	**69,000**
GOODS PRODUCING INDUSTRIES............	**13,000**	**13,300**	**-300**	**-2.3**	**12,900**
CONSTRUCTION, NAT. RES. & MINING.....	**2,900**	**2,900**	**0**	**0.0**	**2,800**
MANUFACTURING................................	**10,100**	**10,400**	**-300**	**-2.9**	**10,100**
SERVICE PROVIDING INDUSTRIES...........	**56,300**	**56,200**	**100**	**0.2**	**56,100**
TRADE, TRANSPORTATION, UTILITIES.....	**13,700**	**13,800**	**-100**	**-0.7**	**13,900**
Wholesale Trade..................................	2,200	2,300	-100	-4.3	2,200
Retail Trade..	9,600	9,400	200	2.1	9,800
Transportation, Warehousing, & Utilities....	1,900	2,100	-200	-9.5	1,900
INFORMATION......................................	**900**	**900**	**0**	**0.0**	**900**
FINANCIAL ACTIVITIES.........................	**2,600**	**2,600**	**0**	**0.0**	**2,600**
PROFESSIONAL & BUSINESS SERVICES	**7,000**	**6,600**	**400**	**6.1**	**7,000**
EDUCATIONAL AND HEALTH SERVICES	**14,200**	**14,200**	**0**	**0.0**	**13,900**
Health Care and Social Assistance...........	13,000	12,900	100	0.8	12,700
LEISURE AND HOSPITALITY...................	**4,900**	**4,900**	**0**	**0.0**	**4,800**
OTHER SERVICES................................	**2,700**	**2,700**	**0**	**0.0**	**2,700**
GOVERNMENT	**10,300**	**10,500**	**-200**	**-1.9**	**10,300**
Federal..	600	600	0	0.0	600
State & Local.......................................	9,700	9,900	-200	-2.0	9,700

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 2005.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**47,700**	**46,900**	**800**	**1.7**	**46,700**
TORRINGTON LMA	**37,500**	**37,300**	**200**	**0.5**	**37,400**
WILLIMANTIC - DANIELSON LMA	**37,900**	**37,200**	**700**	**1.9**	**37,100**

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

	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
TOTAL NONFARM EMPLOYMENT	**299,000**	**298,400**	**600**	**0.2**	**296,800**
GOODS PRODUCING INDUSTRIES	**49,600**	**49,700**	**-100**	**-0.2**	**48,900**
CONSTRUCTION, NAT. RES. & MINING	**11,200**	**11,300**	**-100**	**-0.9**	**10,700**
MANUFACTURING	**38,400**	**38,400**	**0**	**0.0**	**38,200**
Durable Goods	**24,300**	**24,200**	**100**	**0.4**	**24,100**
Non-Durable Goods	**14,100**	**14,200**	**-100**	**-0.7**	**14,100**
SERVICE PROVIDING INDUSTRIES	**249,400**	**248,700**	**700**	**0.3**	**247,900**
TRADE, TRANSPORTATION, UTILITIES	**61,600**	**61,800**	**-200**	**-0.3**	**61,100**
Wholesale Trade	11,600	11,600	0	0.0	11,500
Retail Trade	36,300	36,600	-300	-0.8	36,000
Transportation, Warehousing, & Utilities	13,700	13,600	100	0.7	13,600
INFORMATION	**4,400**	**4,600**	**-200**	**-4.3**	**4,400**
FINANCIAL ACTIVITIES	**15,700**	**15,700**	**0**	**0.0**	**15,800**
Finance and Insurance	12,100	11,900	200	1.7	12,300
Insurance Carriers & Related Activities	7,100	7,200	-100	-1.4	7,300
PROFESSIONAL & BUSINESS SERVICES	**24,300**	**24,200**	**100**	**0.4**	**24,300**
EDUCATIONAL AND HEALTH SERVICES	**55,000**	**54,200**	**800**	**1.5**	**55,400**
Educational Services	12,800	12,300	500	4.1	13,000
Health Care and Social Assistance	42,200	41,900	300	0.7	42,400
LEISURE AND HOSPITALITY	**27,500**	**27,500**	**0**	**0.0**	**26,300**
OTHER SERVICES	**11,900**	**11,500**	**400**	**3.5**	**11,800**
GOVERNMENT	**49,000**	**49,200**	**-200**	**-0.4**	**48,800**
Federal	6,600	6,800	-200	-2.9	6,600
State & Local	42,400	42,400	0	0.0	42,200

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes.*

(Not seasonally adjusted)	EMPLOYMENT STATUS	MAY 2006	MAY 2005	CHANGE NO.	CHANGE %	APR 2006
CONNECTICUT	Civilian Labor Force	1,828,100	1,815,400	12,700	0.7	1,821,900
	Employed	1,756,200	1,724,200	32,000	1.9	1,752,400
	Unemployed	71,900	91,200	-19,300	-21.2	69,600
	Unemployment Rate	3.9	5.0	-1.1	---	3.8
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	462,900	460,800	2,100	0.5	461,500
	Employed	446,100	438,900	7,200	1.6	445,400
	Unemployed	16,800	21,900	-5,100	-23.3	16,000
	Unemployment Rate	3.6	4.8	-1.2	---	3.5
DANBURY LMA	Civilian Labor Force	90,800	89,800	1,000	1.1	90,200
	Employed	88,100	86,300	1,800	2.1	87,600
	Unemployed	2,700	3,500	-800	-22.9	2,600
	Unemployment Rate	3.0	3.9	-0.9	---	2.9
ENFIELD LMA	Civilian Labor Force	48,800	48,300	500	1.0	48,500
	Employed	46,800	46,000	800	1.7	46,500
	Unemployed	2,000	2,300	-300	-13.0	1,900
	Unemployment Rate	4.1	4.7	-0.6	---	4.0
HARTFORD LMA	Civilian Labor Force	575,000	568,100	6,900	1.2	573,400
	Employed	551,600	538,200	13,400	2.5	550,700
	Unemployed	23,500	29,900	-6,400	-21.4	22,700
	Unemployment Rate	4.1	5.3	-1.2	---	4.0
NEW HAVEN LMA	Civilian Labor Force	303,600	303,100	500	0.2	304,000
	Employed	291,300	287,600	3,700	1.3	292,200
	Unemployed	12,300	15,500	-3,200	-20.6	11,800
	Unemployment Rate	4.0	5.1	-1.1	---	3.9
NORWICH - NEW LONDON LMA	Civilian Labor Force	149,700	148,800	900	0.6	148,600
	Employed	143,800	142,200	1,600	1.1	143,000
	Unemployed	5,800	6,700	-900	-13.4	5,600
	Unemployment Rate	3.9	4.5	-0.6	---	3.8
TORRINGTON LMA	Civilian Labor Force	54,200	53,900	300	0.6	54,100
	Employed	52,400	51,400	1,000	1.9	52,200
	Unemployed	1,900	2,500	-600	-24.0	1,900
	Unemployment Rate	3.4	4.7	-1.3	---	3.5
WATERBURY LMA	Civilian Labor Force	99,900	100,000	-100	-0.1	99,600
	Employed	94,900	93,700	1,200	1.3	94,700
	Unemployed	5,000	6,300	-1,300	-20.6	5,000
	Unemployment Rate	5.0	6.3	-1.3	---	5.0
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	56,400	55,600	800	1.4	55,300
	Employed	53,900	52,600	1,300	2.5	52,700
	Unemployed	2,600	3,000	-400	-13.3	2,600
	Unemployment Rate	4.5	5.4	-0.9	---	4.7
UNITED STATES	Civilian Labor Force	150,696,000	148,878,000	1,818,000	1.2	150,209,000
	Employed	144,041,000	141,591,000	2,450,000	1.7	143,405,000
	Unemployed	6,655,000	7,287,000	-632,000	-8.7	6,804,000
	Unemployment Rate	4.4	4.9	-0.5	---	4.5

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS MAY 2006	MAY 2005	CHG Y/Y	APR 2006	AVG WEEKLY HOURS MAY 2006	MAY 2005	CHG Y/Y	APR 2006	AVG HOURLY EARNINGS MAY 2006	MAY 2005	CHG Y/Y	APR 2006
MANUFACTURING	**$812.86**	**$788.72**	**$24.14**	**$813.28**	**41.9**	**42.2**	**-0.3**	**41.6**	**$19.40**	**$18.69**	**$0.71**	**$19.55**
DURABLE GOODS	**845.20**	**819.17**	**26.03**	**842.08**	**41.8**	**42.4**	**-0.6**	**41.4**	**20.22**	**19.32**	**0.90**	**20.34**
Fabricated Metal	764.36	740.89	23.47	768.03	42.3	43.0	-0.7	41.9	18.07	17.23	0.84	18.33
Machinery	811.23	790.63	20.60	800.78	40.4	40.4	0.0	40.2	20.08	19.57	0.51	19.92
Computer & Electronic	652.32	644.69	7.63	657.64	39.8	39.6	0.2	40.1	16.39	16.28	0.11	16.40
Transport. Equipment	1,053.07	1,028.31	24.76	1,049.16	42.6	42.9	-0.3	42.0	24.72	23.97	0.75	24.98
NON-DUR. GOODS	**727.02**	**713.11**	**13.91**	**739.28**	**42.0**	**41.8**	**0.2**	**42.1**	**17.31**	**17.06**	**0.25**	**17.56**
CONSTRUCTION	**899.38**	**943.67**	**-44.29**	**903.88**	**38.6**	**39.6**	**-1.0**	**38.3**	**23.30**	**23.83**	**-0.53**	**23.60**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS MAY 2006	MAY 2005	CHG Y/Y	APR 2006	AVG WEEKLY HOURS MAY 2006	MAY 2005	CHG Y/Y	APR 2006	AVG HOURLY EARNINGS MAY 2006	MAY 2005	CHG Y/Y	APR 2006
Bridgeport - Stamford	$839.52	$817.44	$22.08	$874.53	39.6	41.6	-2.0	41.0	$21.20	$19.65	$1.55	$21.33
New Haven	704.85	686.82	18.03	644.92	40.3	41.6	-1.3	37.3	17.49	16.51	0.98	17.29
Norwich - New London	808.32	784.37	23.95	824.33	42.1	41.9	0.2	42.8	19.20	18.72	0.48	19.26

Due to constraints of the sample upon which estimates are made, manufacturing hours and earnings estimates for the Hartford and Waterbury labor market areas are being suspended.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- May 2006 had the announcement that the historic Capitol Theater in New London will reopen in the summer of 2008 creating 80 new jobs. The former Milford Jai-Alai location will be the site of a new Lowe's Home Improvement Store, which will create 500 jobs when it opens in 2007. Approval has been given to begin construction of the Utopia Movie Studio & Theme Park in Preston, where 4,700 construction workers will be needed in late 2007. Stamford-based Gartner, Inc. will be adding 35-70 employees this year as a result of acquiring Meta Group, an information technology company.

- Layoffs scheduled to occur in May include the A.J. Oster Company in Watertown, which will lay off 14 employees when it moves to Rhode Island, and CIGNA HealthCare, which is laying off 65 workers in Bloomfield.

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.

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

MAY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD				
	462,899	**446,069**	**16,830**	**3.6**
Ansonia	9,834	9,358	476	4.8
Bridgeport	61,595	57,932	3,663	5.9
Darien	9,105	8,857	248	2.7
Derby	6,787	6,483	304	4.5
Easton	3,711	3,611	100	2.7
Fairfield	27,920	26,989	931	3.3
Greenwich	29,925	29,035	890	3.0
Milford	30,865	29,772	1,093	3.5
Monroe	10,515	10,188	327	3.1
New Canaan	8,807	8,564	243	2.8
Newtown	13,959	13,587	372	2.7
Norwalk	47,773	46,199	1,574	3.3
Oxford	6,457	6,254	203	3.1
Redding	4,494	4,380	114	2.5
Ridgefield	11,633	11,306	327	2.8
Seymour	9,000	8,645	355	3.9
Shelton	22,086	21,341	745	3.4
Southbury	8,846	8,574	272	3.1
Stamford	65,651	63,527	2,124	3.2
Stratford	25,768	24,724	1,044	4.1
Trumbull	17,694	17,133	561	3.2
Weston	4,861	4,734	127	2.6
Westport	12,502	12,132	370	3.0
Wilton	8,273	8,028	245	3.0
Woodbridge	4,835	4,714	121	2.5
DANBURY	**90,806**	**88,103**	**2,703**	**3.0**
Bethel	10,903	10,580	323	3.0
Bridgewater	1,036	1,011	25	2.4
Brookfield	8,962	8,709	253	2.8
Danbury	43,846	42,502	1,344	3.1
New Fairfield	7,627	7,397	230	3.0
New Milford	16,284	15,814	470	2.9
Sherman	2,149	2,091	58	2.7
ENFIELD	**48,751**	**46,772**	**1,979**	**4.1**
East Windsor	5,978	5,732	246	4.1
Enfield	23,982	22,941	1,041	4.3
Somers	4,667	4,496	171	3.7
Suffield	7,181	6,931	250	3.5
Windsor Locks	6,944	6,672	272	3.9
HARTFORD	**575,045**	**551,595**	**23,450**	**4.1**
Andover	1,945	1,891	54	2.8
Ashford	2,546	2,472	74	2.9
Avon	9,025	8,767	258	2.9
Barkhamsted	2,204	2,126	78	3.5
Berlin	10,871	10,503	368	3.4
Bloomfield	9,905	9,405	500	5.0
Bolton	3,032	2,951	81	2.7
Bristol	33,700	32,279	1,421	4.2
Burlington	5,199	5,066	133	2.6

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,450	5,299	151	2.8
Colchester	8,662	8,373	289	3.3
Columbia	3,009	2,913	96	3.2
Coventry	6,931	6,699	232	3.3
Cromwell	7,723	7,470	253	3.3
East Granby	2,881	2,793	88	3.1
East Haddam	5,081	4,929	152	3.0
East Hampton	6,664	6,364	300	4.5
East Hartford	25,233	23,922	1,311	5.2
Ellington	8,548	8,255	293	3.4
Farmington	12,672	12,296	376	3.0
Glastonbury	18,017	17,485	532	3.0
Granby	6,161	5,991	170	2.8
Haddam	4,679	4,550	129	2.8
Hartford	48,021	44,324	3,697	7.7
Hartland	1,196	1,157	39	3.3
Harwinton	3,101	3,004	97	3.1
Hebron	5,378	5,220	158	2.9
Lebanon	4,228	4,080	148	3.5
Manchester	31,609	30,378	1,231	3.9
Mansfield	12,696	12,263	433	3.4
Marlborough	3,535	3,422	113	3.2
Middlefield	2,385	2,298	87	3.6
Middletown	26,030	25,087	943	3.6
New Britain	34,376	32,392	1,984	5.8
New Hartford	3,712	3,601	111	3.0
Newington	16,513	15,927	586	3.5
Plainville	9,995	9,610	385	3.9
Plymouth	6,724	6,451	273	4.1
Portland	5,167	5,008	159	3.1
Rocky Hill	10,550	10,222	328	3.1
Simsbury	11,957	11,596	361	3.0
Southington	23,674	22,919	755	3.2
South Windsor	14,479	14,044	435	3.0
Stafford	6,738	6,481	257	3.8
Thomaston	4,586	4,394	192	4.2
Tolland	8,189	7,953	236	2.9
Union	461	452	9	2.0
Vernon	17,032	16,344	688	4.0
West Hartford	29,349	28,194	1,155	3.9
Wethersfield	13,400	12,873	527	3.9
Willington	3,867	3,767	100	2.6
Windsor	15,959	15,335	624	3.9

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 purpose, 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

(By Place of Residence - Not Seasonally Adjusted)

MAY 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**303,609**	**291,345**	**12,264**	**4.0**
Bethany	3,002	2,916	86	2.9
Branford	17,061	16,534	527	3.1
Cheshire	14,558	14,105	453	3.1
Chester	2,240	2,181	59	2.6
Clinton	7,805	7,578	227	2.9
Deep River	2,551	2,474	77	3.0
Durham	4,116	4,002	114	2.8
East Haven	15,836	15,184	652	4.1
Essex	3,747	3,638	109	2.9
Guilford	12,704	12,382	322	2.5
Hamden	30,521	29,315	1,206	4.0
Killingworth	3,509	3,420	89	2.5
Madison	9,916	9,663	253	2.6
Meriden	30,734	29,301	1,433	4.7
New Haven	54,450	51,180	3,270	6.0
North Branford	8,180	7,893	287	3.5
North Haven	12,796	12,337	459	3.6
Old Saybrook	5,393	5,216	177	3.3
Orange	7,041	6,813	228	3.2
Wallingford	24,732	23,899	833	3.4
Westbrook	3,611	3,488	123	3.4
West Haven	29,106	27,826	1,280	4.4
***NORWICH-NEW LONDON**	**136,426**	**131,172**	**5,254**	**3.9**
Bozrah	1,473	1,411	62	4.2
Canterbury	3,135	3,007	128	4.1
East Lyme	9,668	9,332	336	3.5
Franklin	1,201	1,152	49	4.1
Griswold	6,999	6,730	269	3.8
Groton	19,377	18,616	761	3.9
Ledyard	8,520	8,247	273	3.2
Lisbon	2,576	2,473	103	4.0
Lyme	1,152	1,122	30	2.6
Montville	10,934	10,528	406	3.7
New London	13,617	12,924	693	5.1
No. Stonington	3,238	3,142	96	3.0
Norwich	20,545	19,601	944	4.6
Old Lyme	4,249	4,123	126	3.0
Preston	2,803	2,719	84	3.0
Salem	2,567	2,492	75	2.9
Sprague	1,793	1,708	85	4.7
Stonington	10,448	10,174	274	2.6
Voluntown	1,607	1,546	61	3.8
Waterford	10,524	10,127	397	3.8

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

NORWICH-NEW LONDON	**149,690**	**143,847**	**5,843**	**3.9**
Westerly, RI	13,264	12,675	589	4.4

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	**54,220**	**52,357**	**1,863**	**3.4**
Bethlehem	2,027	1,972	55	2.7
Canaan	608	590	18	3.0
Colebrook	829	813	16	1.9
Cornwall	831	808	23	2.8
Goshen	1,538	1,502	36	2.3
Kent	1,589	1,546	43	2.7
Litchfield	4,360	4,208	152	3.5
Morris	1,303	1,267	36	2.8
Norfolk	959	929	30	3.1
North Canaan	1,735	1,680	55	3.2
Roxbury	1,367	1,333	34	2.5
Salisbury	1,994	1,938	56	2.8
Sharon	1,560	1,525	35	2.2
Torrington	19,381	18,581	800	4.1
Warren	723	703	20	2.8
Washington	1,954	1,894	60	3.1
Winchester	5,996	5,743	253	4.2
Woodbury	5,467	5,327	140	2.6
WATERBURY	**99,945**	**94,925**	**5,020**	**5.0**
Beacon Falls	3,199	3,068	131	4.1
Middlebury	3,694	3,579	115	3.1
Naugatuck	16,947	16,226	721	4.3
Prospect	5,222	5,047	175	3.4
Waterbury	49,734	46,619	3,115	6.3
Watertown	12,270	11,821	449	3.7
Wolcott	8,877	8,563	314	3.5
WILLIMANTIC-DANIELSON	**56,447**	**53,893**	**2,554**	**4.5**
Brooklyn	3,777	3,636	141	3.7
Chaplin	1,395	1,341	54	3.9
Eastford	968	933	35	3.6
Hampton	1,130	1,090	40	3.5
Killingly	9,263	8,799	464	5.0
Plainfield	8,321	7,947	374	4.5
Pomfret	2,255	2,169	86	3.8
Putnam	5,115	4,860	255	5.0
Scotland	972	947	25	2.6
Sterling	1,920	1,832	88	4.6
Thompson	5,267	5,032	235	4.5
Windham	11,612	11,020	592	5.1
Woodstock	4,453	4,288	165	3.7

Not Seasonally Adjusted:				
CONNECTICUT	**1,828,100**	**1,756,200**	**71,900**	**3.9**
UNITED STATES	**150,696,000**	**144,041,000**	**6,655,000**	**4.4**
Seasonally Adjusted:				
CONNECTICUT	**1,831,700**	**1,758,000**	**73,700**	**4.0**
UNITED STATES	**150,991,000**	**143,976,000**	**7,015,000**	**4.6**

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.

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	MAY 2006	YR TO DATE 2006	YR TO DATE 2005
Andover	1	2	4
Ansonia	1	2	4
Ashford	1	5	5
Avon	7	28	39
Barkhamsted	na	na	na
Beacon Falls	na	na	na
Berlin	17	52	26
Bethany	na	na	na
Bethel	19	26	6
Bethlehem	na	na	na
Bloomfield	na	na	na
Bolton	3	7	2
Bozrah	0	6	6
Branford	na	na	na
Bridgeport	16	62	35
Bridgewater	na	na	na
Bristol	6	25	43
Brookfield	na	na	na
Brooklyn	11	31	23
Burlington	2	8	13
Canaan	0	1	3
Canterbury	3	13	9
Canton	4	19	47
Chaplin	2	8	7
Cheshire	9	34	15
Chester	na	na	na
Clinton	3	10	13
Colchester	6	35	23
Colebrook	0	1	2
Columbia	3	10	10
Cornwall	0	2	3
Coventry	7	27	13
Cromwell	0	7	5
Danbury	61	256	246
Darien	na	na	na
Deep River	1	3	1
Derby	na	na	na
Durham	4	18	19
East Granby	0	16	6
East Haddam	0	12	18
East Hampton	19	35	62
East Hartford	na	na	na
East Haven	8	20	27
East Lyme	8	57	40
East Windsor	14	38	35
Eastford	1	5	6
Easton	0	2	4
Ellington	9	42	20
Enfield	na	na	na
Essex	0	3	2
Fairfield	8	46	48
Farmington	2	51	26
Franklin	2	2	1
Glastonbury	7	56	29
Goshen	4	17	16
Granby	5	18	25
Greenwich	16	89	66
Griswold	na	na	na
Groton	2	22	84
Guilford	6	31	31
Haddam	8	24	23
Hamden	3	11	11
Hampton	3	9	7
Hartford	2	142	81
Hartland	na	na	na
Harwinton	3	14	9
Hebron	na	na	na
Kent	1	3	5
Killingly	4	47	40
Killingworth	na	na	na
Lebanon	4	17	14
Ledyard	4	18	16
Lisbon	3	10	8
Litchfield	na	na	na
Lyme	0	2	5
Madison	7	20	9
Manchester	20	60	66
Mansfield	7	29	23
Marlborough	2	12	11
Meriden	13	29	64
Middlebury	na	na	na
Middlefield	0	0	1
Middletown	18	87	96
Milford	22	119	113
Monroe	2	8	19
Montville	4	10	23
Morris	0	1	3
Naugatuck	14	35	34
New Britain	na	na	na
New Canaan	3	29	26
New Fairfield	na	na	na
New Hartford	2	8	17
New Haven	6	25	17
New London	7	30	25
New Milford	10	34	33
Newington	9	62	13
Newtown	2	19	58
Norfolk	1	1	2
North Branford	na	na	na
North Canaan	1	2	5
North Haven	5	8	114
North Stonington	1	6	12
Norwalk	4	39	81
Norwich	10	43	164
Old Lyme	na	na	na
Old Saybrook	3	9	27
Orange	na	na	na
Oxford	9	76	107
Plainfield	2	10	15
Plainville	0	0	7
Plymouth	2	11	5
Pomfret	1	5	7
Portland	1	12	23
Preston	3	12	10
Prospect	na	na	na
Putnam	4	13	15
Redding	na	na	na
Ridgefield	3	15	14
Rocky Hill	7	32	24
Roxbury	na	na	na
Salem	0	7	10
Salisbury	na	na	na
Scotland	1	3	4
Seymour	6	27	20
Sharon	1	1	5
Shelton	11	46	67
Sherman	na	na	na
Simsbury	8	29	16
Somers	3	14	11
South Windsor	2	44	17
Southbury	2	10	38
Southington	8	42	64
Sprague	1	3	12
Stafford	na	na	na
Stamford	99	138	81
Sterling	na	na	na
Stonington	5	24	28
Stratford	1	15	9
Suffield	6	17	32
Thomaston	na	na	na
Thompson	na	na	na
Tolland	3	27	33
Torrington	10	36	35
Trumbull	6	57	17
Union	0	1	2
Vernon	17	80	82
Voluntown	0	4	3
Wallingford	10	41	55
Warren	1	3	4
Washington	na	na	na
Waterbury	15	80	48
Waterford	11	18	22
Watertown	6	28	27
West Hartford	2	56	9
West Haven	na	na	na
Westbrook	3	8	19
Weston	na	na	na
Westport	8	39	45
Wethersfield	na	na	na
Willington	2	8	5
Wilton	na	na	na
Winchester	11	17	16
Windham	3	12	33
Windsor	na	na	na
Windsor Locks	na	na	na
Wolcott	7	27	23
Woodbridge	na	na	na
Woodbury	3	9	12
Woodstock	7	23	29

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	**+0.9**
Coincident Employment Index	**+2.5**
Leading General Drift Indicator	**+1.3**
Coincident General Drift Indicator	**-0.2**
Banknorth Business Barometer	**+1.0**
Total Nonfarm Employment	**+0.4**
Unemployment Rate	**-1.0**
Labor Force	+0.8
Employed	+1.9
Unemployed	-19.7
Average Weekly Initial Claims	**+7.7**
Help Wanted Index -- Hartford	**0.0**
Avg Insured Unempl. Rate	**-0.04***
Average Weekly Hours, Mfg	**-0.7**
Average Hourly Earnings, Mfg	**+3.8**
Average Weekly Earnings, Mfg	**+3.1**
CT Mfg. Production Index	**-7.6**
Production Worker Hours	-2.8
Industrial Electricity Sales	-12.5
Personal Income	**+4.0**
UI Covered Wages	**+4.7**

Business Activity	
New Housing Permits	-14.0
Electricity Sales	-2.8
Retail Sales	-0.6
Construction Contracts Index	-38.9
New Auto Registrations	-13.0
Air Cargo Tons	+4.6
Exports	+19.5
Business Starts	
Secretary of the State	+9.0
Dept. of Labor	-3.6
Business Terminations	
Secretary of the State	+24.4
Dept. of Labor	-25.3
State Revenues	**+9.0**
Corporate Tax	+52.4
Personal Income Tax	+20.6
Real Estate Conveyance Tax	-14.8
Sales & Use Tax	+3.8
Indian Gaming Payments	+1.8

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

Tourism and Travel	
Info Center Visitors	+26.6
Attraction Visitors	-16.5
Air Passenger Count	-2.6
Indian Gaming Slots	+1.5
Travel and Tourism Index	+6.3
Employment Cost Index (U.S.)	
Total	+2.6
Wages & Salaries	+2.4
Benefit Costs	+3.0
Consumer Prices	
U.S. City Average	+4.2
Northeast Region	+4.6
NY-NJ-Long Island	+4.8
Boston-Brockton-Nashua	+3.9
Consumer Confidence	
Connecticut	+5.9
New England	NA
U.S.	NA
Interest Rates	
Prime	+1.95*
Conventional Mortgage	+0.88*

THE CONNECTICUT ECONOMIC DIGEST **July 2006**

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CONNECTICUT DEPARTMENT OF LABOR

DECD

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- **What article topics would you like to see covered in future issues?**
- **What additional data would you like to see included in the Digest?**

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