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In May...

Nonfarm Employment

Connecticut 1,701,800

Change over month 0.17%

Change over year 0.3%

United States 137,754,000

Change over month -0.04%

Change over year 0.2%

Unemployment Rate

Connecticut 5.4%

United States 5.5%

Consumer Price Index

United States 216.6

Change over year 4.2%

2007 State Housing Market Continues to Trend Downward

By *Kolie Sun, Senior Research Analyst, DECD*

The Connecticut housing market slowdown experienced in 2006 continued in 2007. Due to factors such as the sub-prime meltdown, the rising number of foreclosures, the tightening credit market, and a slowing economy, a turnaround does not seem likely in the near future. It is important to note, however, that the Connecticut housing market downturn was less severe than in other states based on housing permit statistics, median home sale prices and delinquency rates.

Housing Production

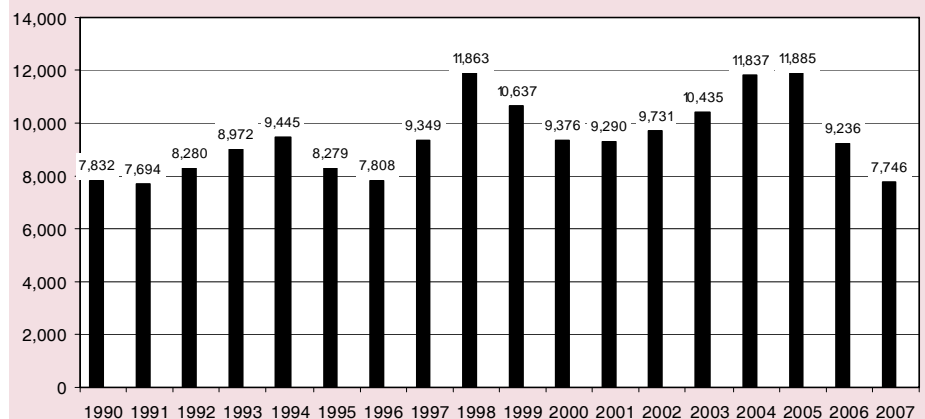
According to the Bureau of the Census, the cities and towns of Connecticut authorized 7,746 housing units including single and multi-family homes in 2007, the lowest number since 1991 (see chart below). This represents a 16.1 percent decline from the 9,236 units authorized in 2006. Stamford led the state with 631 units authorized in 2007, followed by Manchester with 362 units, and Danbury with 290 units. Fairfield County autho-

rized the most units, 2,290, accounting for almost 30 percent of the state total and is the only county that experienced growth in housing permits: 18.1 percent from 1,939 units in 2006.

The Department of Economic and Community Development surveyed each municipality for demolition information. Nearly 88 percent of Connecticut towns responded, reporting 1,285 demolished units. As a result, the net gain of 6,461 housing units, added to the state's estimated housing inventory, brings the state's housing stock of single and multi-family homes to a level of 1,445,682 units in 2007.

Overall, the nation experienced a 24.0 percent decrease in housing permit authorizations, with the New England states having a 19.8 percent decline from 2006 to 2007. Florida had the largest percentage decline in permit authorizations, followed by Michigan. California and Nevada ranked 6th and 7th while Connecticut ranked 36th in the country. Only Mississippi and Wyoming showed

Connecticut Housing Units Authorized



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permit growth of 1.3 percent and 28.8 percent, respectively (see table).

	2006	2007	2006-07	
			% chg	Rank
United States	1,838,903	1,398,415	-24.0%	
New England	46,782	37,532	-19.8%	
Florida	203,238	102,551	-49.5%	1
Michigan	29,191	17,767	-39.1%	2
Alaska	2,739	1,706	-37.7%	3
New Mexico	13,573	9,206	-32.2%	4
Minnesota	26,352	17,930	-32.0%	5
California	160,502	110,073	-31.4%	6
Nevada	39,445	27,209	-31.0%	7
Georgia	104,200	73,165	-29.8%	8
Idaho	17,075	12,105	-29.1%	9
Connecticut	9,236	7,746	-16.1%	36
New York	54,382	54,059	-0.6%	48
Mississippi	16,618	16,832	1.3%	49
Wyoming	3,537	4,555	28.8%	50

Source: Census

Home Sales and Prices

The value of homes nationally, measured by sale prices, fell about 8.9 percent in 2007, according to the Case-Shiller index, which tracks such prices nationwide. The Office of Federal Housing Enterprise Oversight (OFHEO) reported that home prices declined 0.3 percent in 2007, the first annual decrease recorded in the 16-year history of the OFHEO purchase-only price index, which is based solely on purchase price data.

Contrary to national data, Connecticut's home prices increased in 2007. Despite the declining sales volume of single-family homes statewide, that fell 10.1 percent from 35,902 in 2006 to 32,272 in 2007, the Connecticut median price of single-family homes increased 3.1 percent from \$286,000 in 2006 to \$295,000 in 2007, according to The Warren Group.

Home prices in Fairfield County increased 7.8 percent over the same period because the sales of high-priced homes increased, pulling up the median home price in that county. New London County median home prices came in second with a rise of 3.5 percent, surpassing the statewide average. Only New Haven County experienced a decrease in home prices (0.3 percent) in the same period. Condominium sales volume in the state fell 11.7 percent from 2006 to 2007, while the condominium median sale price increased 5.1 percent during this period.

Sub-Prime Meltdown

Sub-prime loans are generally offered to consumers with poor credit histories and involve a higher risk of default. During the housing boom years of 2001-2005, sub-prime loans

became a significant segment of the mortgage market and thus increased demand for housing that, in turn, drove up home prices. More homes were built to meet the demand, which led to overbuilding that pulled up foreclosure rates when the housing market began to slow down. An excess supply in the housing inventory drove prices downward. As prices decline, more sub-prime loan holders are at risk of default and foreclosure.

Negative Impact

One of the adverse impacts of a home foreclosure is the lowering of property values that, in turn, reduces tax revenue for Connecticut's municipalities. Immergluck and Smith (2006) report that, on average, property values decreased by 0.9 percent nationwide.¹

A study from the Center for Responsible Lending (CRL)² estimates that 441,018 Connecticut homes lost value due to nearby sub-prime foreclosures. The total decline in house values and tax base from nearby foreclosures will be \$1.153 billion from 2005/2006 loans. CRL also estimated that homeowners living near foreclosed properties will see their property values decrease \$2,615 on average.

New Homeownership

Typically, sub-prime loans are used to refinance existing mortgages, finance second home purchases, and provide capital for speculating investors and first-time homebuyers. These loans, except for first-time home purchases, do not contribute to new homeownership. Another CRL study³ estimates that since 1998, on average, nine percent of all sub-prime loans are for first-time homebuyers nationwide.

Based on data from LoanPerformance⁴ (LP), in May 2007, there were 71,887 active sub-prime loans in Connecticut. According to the Mortgage Bankers' Association National Delinquent Survey (MBANDS), in the second quarter of 2007, there were 66,860 subprime loans in Connecticut. Using an average of these two data points, approximately 69,000 sub-prime loans existed in Connecticut at one point in time in 2007.

--Continued on page 5--

Put Your Pet Passion To Work

By Cynthia L. DeLisa, Research Analyst, DOL

We pamper them. We bring them wherever we go. We surprise them with new toys and treats on special occasions. We even dress them up for the holidays. They are our dogs ... and Dogs Rule!

According to the American Pet Products Manufacturers Association 2007-2008 National Pet Owners Survey, there are approximately 75 million owned dogs in the United States, and forty-five percent of all U.S. households own a dog. Among them, 63 percent of the households own at least one dog, while 37 percent own two or more. On average, dog owners spend \$219 each year on veterinary visits and quadruple that on food, toys and supplies, grooming, daycare and training, etc. All that TLC means our dogs are living longer. Today, 44 percent of dogs are older than 6, while in 1987 it was 32 percent.

“I rehabilitate dogs, and I train people... I am the Dog Whisperer” – Cesar Milan

My #1 guilty pleasure... sitting on the couch with my dog Dino and watching Dog Whisperer. I marvel at how Cesar Milan and his calm, submissive pit bull ‘Daddy’ are able to command absolute control over their seemingly unruly dog clients in each episode. Dino barks at all the dogs he sees on TV. **Sshht!** I tell Dino, just like Cesar does... but he doesn’t listen as he goes behind the TV in an effort to attack the animal he sees on the screen. (Dino is cute, but obviously confused.) Everyday when I come home from work, Dino jumps all over me. This was okay when he was a puppy, but now – not so much. I say, ‘Dino Sit! Sit!’ to absolutely no avail, so I decided... Dino needs an intervention with a Dog Whisperer.

The next day I googled ‘Dog Trainers in Connecticut’ and was amazed at the number of hits; this is big business in Connecticut! I contacted Ellen T., a dog trainer in

my area to get more information. Being in my profession, I had to ask Ellen why she chose this line of work. “My love for dogs made me venture into the challenging world of professional dog training.” Growing up on a farm, Ellen had dogs all her life, but becoming a dog trainer wasn’t always her plan. “I graduated from UCONN and majored in political science, and then went to law school. But realized that I did not want to sit behind a desk, or be stuck indoors all day. I decided to move my life in a totally different direction, and enrolled in dog training school.” While taking courses at the Connecticut K-9 Education Center in Newington, she got a job at an accredited dog training center to gain hands-on experience with all kinds of dog breeds. “The most rewarding part of my job is getting to meet many types of people and interacting with their dogs. The most challenging part of my job is that very same fact! Everybody has different routines, schedules and commitments, let alone unique personalities. My approach is to teach the dog owner techniques and behaviors in order for them to train their dog.” Ellen owns and operates her own dog training business now and said the demand for her services has grown immensely over the last few years. “People are treating their dogs like children and want them to be well-behaved, but you can’t teach a dog like you teach a child, and that leads people to hire dog trainers.”

Brian Kurth, the founder of Vocation Vacations, a company that sets up apprenticeships for those interested in taking a potential career change for a ‘test drive,’ said that dog training is one of the top occupations people want to try, right up there with sportscasting and winemaking. Rookie trainers are lured by the benefits, like spending time outdoors in the company of dogs, as well as flexible work hours for decent pay without having to spend years to

be educated. However, she warns, “Being a dog trainer entails odd hours, emotional entanglements with distraught families and, occasionally, decisions that could end a troubled dog’s life.”

Ellen earns up to \$145 an hour (that’s per dog!) for most services that include private and group dog training and obedience classes, doggy daycare, boarding, grooming, pet sitting, and more. Paul K., a former investment banker from Stamford gave up his \$100,000 a year job, attended seminars and took courses in dog training methods, and is now doing an apprenticeship with Ellen. He made up his mind to train puppies on that first day of job shadowing with Ellen. “It immediately felt right,” Paul said. “I spent a long time planning and really looking at whether this career change was feasible. Would the numbers work? It certainly looked appealing due to the huge explosion of spending in the pet-care industry.” Ellen says, “Paul is a natural; he charges \$95 an hour for private obedience and behavior training for puppies.”

Ellen has been training Dino and me for about a month now, and I am very satisfied at how well Dino has responded. Ellen has taught me techniques, commands, and mannerisms that I use every day to positively train Dino. He sits on command, stops barking when ordered, and no longer jumps up on people. However, when I tell Dino to go do the laundry, he just looks at me and tilts his head from side to side... We’re still working on that one. ■

To find out more information about pursuing a career in Professional Dog Training, visit the Connecticut Department of Labor’s Education & Training Connection website at www.Cttraining.info.

Connecticut's Film Tax Credit: An Analysis of the First-Year Impact

By Stan McMillen, Ph.D., Managing Economist, DECD

Connecticut added glamour to its arsenal of economic development incentives when a filmmaking tax credit became law on July 1, 2006. At the time, it was the most generous such credit available in the U.S.: 30% of qualified production expenditures incurred in Connecticut could be credited against state corporate taxes. The law required the Commission on Culture and Tourism to conduct an analysis of its economic and fiscal impacts over the first year and report to the General Assembly in January 2008. This article summarizes the results of the Department of Economic and Community Development (DECD) study and discusses possible unintended consequences of such tax credits.

The DECD study used expenditure data from thirteen film productions that completed their shooting and paperwork by June 30, 2007. The results showed modest one-year returns in terms of jobs created and new gross state product.

DECD's Methodology

Thirteen productions spent \$55.1 million and applied for a tax credit during the study period, so the credits totaled \$16.5 million ($\55.1×0.30). For modeling purposes, DECD assumes that the 'tax cost' of tax credit programs (forgone revenue) is 'paid for' with reduced state spending to balance the budget. But in fact, the credit cost the state nothing out of pocket, assuming that in the absence of the tax credit the \$55.1 million would not have been spent (or taxed) anyway (a not unreasonable assumption). Other film productions in the state during the study period did not file for the credit, so those that did were likely motivated by the credit program to shoot here.

DECD culled expenditure data from the thirteen productions' records and categorized their goods-and-services expenditures by the industry sector in which they occurred. Those include catering,

accommodations, livery services, and specialized trade contractors such as electricians, carpenters, makeup artists, hairdressers, costume makers, and lighting-and-sound specialists. DECD assumed that non-resident production crewmembers behaved like tourists, visiting eating and drinking establishments, historic and heritage sites, the casinos, and cultural attractions. Some incomes generated "leaked" out of Connecticut, to workers or corporations residing out of state, especially to above-the-line talent (directors, producers, actors). DECD assumed that \$43 million of the \$55.1 million qualifying for the credit flowed into the Connecticut economy because of these leakages.

DECD's Results

The net direct spending, subsequent rounds of indirect spending, and the various taxes thrown off in each round constitute the economic and fiscal impacts of the film tax credit. DECD estimates that due to multiplier effects, the \$43 million in spending generated an estimated \$20.72 million in new real gross state product and \$6.58 million in new real disposable personal income during the first year, and created an estimated 395 new fulltime-equivalent jobs.

Beggar-Thy-Neighbor or Help Thyself?

Tax credits are popular with state governments as a way to attract and retain businesses and jobs. The underlying logic is a form of supply-side economics, in which reduced taxes beget increased investment and output, which in turn beget more tax revenue. Whether the increased economic activity stimulated by the credits completely offsets the forgone tax revenue is an empirical question. The evidence indicates that supply-side effects are small, and many tax credit programs do not pay for themselves. Why?

Tax credits reduce tax revenue from economic activity that would

have taken place anyway. At the same time, firms expect that the state will provide public infrastructure and services in support of private economic activity. There is ample evidence that public spending makes private capital more productive. But reductions in corporate taxes decrease a state's ability to supply infrastructure and public services. And because tax credits typically target particular industries (manufacturing and insurance, for example) and kinds of activity (R&D and brownfield remediation, for example), many firms do not benefit from them and may suffer from reduced public spending. Thus, the patchwork of tax credits may create benefits for some firms but unintended costs for others. In considering whether to offer tax credits, state governments should also be aware that they may well increase the capital-intensity of production. By reducing participating firms' cost of capital, tax credits induce firms to add capital but not necessarily labor—new jobs—in proportion.

From the perspective of the national economy, beggar-thy-neighbor state policies may be a zero sum game, unless they enable the U.S. to attract net new business from abroad or increase the size of targeted domestic industries. And in the long run, firms are attracted to and remain in states in which the economic fundamentals are right. Those fundamentals include costs but also worker productivity and satisfaction with the quality of life. Suitable housing, strong public education, convenient transportation, clean air and water, and improvements in the efficiency of government may matter more to firms than tax credits. ■

This article is an abbreviated version that originally appeared in summer 2008 issue of the Connecticut Economy, a quarterly publication of the University of Connecticut.

--Continued from page 2--

“Serious delinquency” is defined as 90 or more days delinquent in mortgage payment and in foreclosure. MBANDS estimates that in June 2007 the national serious delinquency rate was 9.3 percent. Connecticut’s delinquency rate, at 8.4 percent, fell below the national rate and was lower than that of Ohio (16.5 percent), Michigan (16.2 percent), Indiana (13.8 percent) and Massachusetts (11.5 percent). Nevada and California experienced the same serious delinquency rates as Connecticut based on MBANDS estimates.

In a first-time effort to calculate Connecticut homeownership gain or loss due to sub-prime lending, DECD used two components: the percentage of nationwide first-time homebuyers using sub-prime loans and the percentage of state foreclosures from first-time homebuyers using sub-prime loans. Due to data constraints, DECD assumed first-time homebuyers account for 9 percent of all sub-prime loans and, as a worst-case scenario, assumed a foreclosure rate of 8.4 percent for first-time homebuyers. The difference of 0.6 percent implies homeownership increased by 416 (=69,374*0.006) units in 2007.

DECD’s finding is supported by the Connecticut Housing Finance Authority (CHFA), which collaborated on the “Sub-Prime Mortgage Task Force” study that Governor Rell

initiated in 2007. CHFA analyzed LP data and concluded the state had a net homeownership gain of almost 16,000 units from 2004 through 2007. This is a conservative estimate because CHFA uses foreclosures for sub-prime mortgages used to purchase a home. Because first-time homebuyers are a subset of all homebuyers, the number of foreclosures for first-time homebuyers will be smaller than for all homebuyers and the actual net gain in homeownership will be higher than the CHFA estimate.

Looking Ahead

The housing market slump continues into 2008, as the year-to-date permit data (from January to April) shows a 35 percent decline for the U.S. and 25 percent decline for Connecticut from a year ago. Higher foreclosure rates are creeping into prime mortgages as evidenced by the Mortgage Bankers Association report that 5.6 percent of all loans were at least 30 days overdue in the third quarter of 2007 — the highest rate in 20 years.

In 2007, U.S. retailers experienced the worst holiday sales season since 2001, and consumer confidence hit its lowest level in 20 years. Mark Greene, of the credit analysis firm Fair Isaac Corp., has warned that “losses on prime mortgages can easily be two to three times what they were on subprime mortgages.”⁵ Delinquencies are also ticking up

among credit cards and home equity loans, according to Dennis Moroney, an analyst with TowerGroup Research.⁶

Clearly we are in the midst of economic tough times: a possible recession, coupled with soaring oil prices, a housing slump, and fears of inflation. Yet, any business cycle downturn ultimately will be followed by an upturn. For now, however, homeowners, builders, and sellers are hoping the economy will turn around sooner rather than later. ■

Notes

¹ “The External costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values” by Immergluck and Smith

http://www.fanniemae.foundation.org/programs/hpd/pdf/hpd_1701_immergluck.pdf

² “Impact of Subprime Foreclosures on Neighboring Homes and Local Tax Bases” by Center for Responsible Lending

<http://www.responsiblelending.org/issues/mortgage/research/subprime-spillover.html>

³ “Subprime Lending: A Net Drain on Homeownership” by Center for Responsible Lending

<http://www.responsiblelending.org/pdfs/Net-Drain-in-Home-Ownership.pdf>

⁴ LoanPerformance-Mortgage Finance and Security Risk Management, is a private California firm

⁵ “How Bad Will the Mortgage Crisis Get?” by Jane Morrissey, Time/CNN

<http://www.time.com/time/business/article/0,8599,1714725,00.html?iwm=Y>

⁶ Ibid.

GENERAL ECONOMIC INDICATORS

<i>(Seasonally adjusted)</i>	1Q	1Q	CHANGE		4Q
	2008	2007	NO.	%	2007
Employment Indexes (1992=100)*					
Leading	121.0	120.1	0.9	0.7	120.6
Coincident	111.9	111.4	0.4	0.4	112.2
General Drift Indicator (1986=100)*					
Leading	109.6	110.6	-1.0	-0.9	108.6
Coincident	115.1	114.2	0.9	0.8	115.6
Banknorth Business Barometer (1992=100)**	125.2	124.1	1.1	0.9	125.0

Sources: *The Connecticut Economy, 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

	MAY		CHANGE		APR
	2008	2007	NO.	%	2008
<i>(Seasonally adjusted; 000s)</i>					
TOTAL NONFARM	1,701.8	1,696.7	5.1	0.3	1,698.9
Natural Res & Mining (Not Sea. Adj.)	0.8	0.7	0.1	14.3	0.7
Construction	68.0	68.5	-0.5	-0.7	67.8
Manufacturing	189.2	191.1	-1.9	-1.0	189.6
Trade, Transportation & Utilities	310.1	311.9	-1.8	-0.6	308.9
Information	38.5	39.0	-0.5	-1.3	38.8
Financial Activities	143.0	144.9	-1.9	-1.3	142.8
Professional and Business Services	205.8	207.0	-1.2	-0.6	205.3
Educational and Health Services	293.4	286.6	6.8	2.4	293.2
Leisure and Hospitality Services	136.3	135.1	1.2	0.9	135.8
Other Services	64.0	64.1	-0.1	-0.2	64.3
Government*	252.7	247.8	4.9	2.0	251.7

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

Initial claims for unem-
ployment insurance rose
from a year ago.

UNEMPLOYMENT

	MAY		CHANGE		APR
	2008	2007	NO.	%	2008
<i>(Seasonally adjusted)</i>					
Unemployment Rate, resident (%)	5.4	4.4	1.0	---	4.7
Labor Force, resident (000s)	1,886.3	1,859.2	27.1	1.5	1,878.2
Employed (000s)	1,784.7	1,777.4	7.3	0.4	1,790.1
Unemployed (000s)	101.6	81.8	19.8	24.2	88.1
Average Weekly Initial Claims	4,491	3,987	504	12.6	4,443
Help Wanted Index -- Htfd. (1987=100)	7	9	-2	-22.2	5
Avg. Insured Unemp. Rate (%)	2.71	2.39	0.32	---	2.61

Sources: Connecticut Department of Labor; The Conference Board

The production worker
weekly earnings rose
over the year.

MANUFACTURING ACTIVITY

	MAY		CHANGE		APR	MAR
	2008	2007	NO.	%	2008	2008
<i>(Not seasonally adjusted)</i>						
Average Weekly Hours	42.6	42.2	0.4	0.9	42.5	--
Average Hourly Earnings	20.95	20.29	0.66	3.3	21.08	--
Average Weekly Earnings	892.47	856.24	36.23	4.2	895.90	--
CT Mfg. Production Index (2000=100)	118.6	122.2	-3.5	-2.9	111.5	114.7
Production Worker Hours (000s)	4,799	4,825	-26	-0.5	4,794	--
Industrial Electricity Sales (mil kWh)*	436	468	-32.3	-6.9	402	418

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

Personal income for third
quarter 2008 is
forecasted to increase 4.3
percent from a year
earlier.

INCOME

	3Q*		CHANGE		2Q*
	2008	2007	NO.	%	2008
<i>(Seasonally adjusted)</i>					
<i>(Annualized; \$ Millions)</i>					
Personal Income	\$199,106	\$190,859	8,247	4.3	\$197,080
UI Covered Wages	\$101,690	\$98,357	3,333	3.4	\$100,662

Source: Bureau of Economic Analysis: March 2008 release
*Forecasted by Connecticut Department of Labor

BUSINESS ACTIVITY

New auto registrations decreased over the year.

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
New Housing Permits*	MAY 2008	529	-34.5	2,151	3,112	-30.9
Electricity Sales (mil kWh)	JAN 2008	2,939	4.4	2,939	2,814	4.4
Construction Contracts Index (1980=100)	MAY 2008	418.6	5.0	---	---	---
New Auto Registrations	MAY 2008	20,440	-1.2	83,609	85,522	-2.2
Air Cargo Tons	MAY 2008	12,496	-9.0	63,829	65,556	-2.6
Exports (Bil. \$)	1Q 2008	3.60	11.6	3.60	3.22	11.6

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 %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
STARTS						
Secretary of the State	MAY 2008	2,328	-13.2	12,871	14,079	-8.6
Department of Labor*	3Q2007	2,019	-7.7	7,102	7,749	-8.3
TERMINATIONS						
Secretary of the State	MAY 2008	861	15.7	5,080	4,459	13.9
Department of Labor*	3Q2007	1,134	-35.2	3,972	5,270	-24.6

Sources: Connecticut Secretary of the State; Connecticut Department of Labor

* Revised methodology applied back to 1996; 3-months total

STATE REVENUES

Total revenues were down from a year ago.

	YEAR TO DATE					
	MAY 2008	MAY 2007	% CHG	CURRENT	PRIOR	% CHG
<i>(Millions of dollars)</i>						
TOTAL ALL REVENUES*	748.1	832.5	-10.1	6,695.3	6,450.6	3.8
Corporate Tax	12.3	27.1	-54.6	312.6	340.3	-8.1
Personal Income Tax	392.8	403.9	-2.7	3,997.3	3,640.3	9.8
Real Estate Conv. Tax	10.2	20.6	-50.5	50.3	85.5	-41.2
Sales & Use Tax	229.7	294.2	-21.9	1,423.4	1,540.4	-7.6
Indian Gaming Payments**	36.9	35.6	3.8	166.4	172.9	-3.8

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

Indian Gaming Slots rose over the year.

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
Info Center Visitors	MAY 2008	NA	NA	NA	NA	NA
Major Attraction Visitors	MAY 2008	148,832	-2.2	557,263	545,714	2.1
Air Passenger Count	MAY 2008	567,824	-4.6	2,614,158	2,643,181	-1.1
Indian Gaming Slots (Mil.\$)*	MAY 2008	1,686	1.8	7,792	7,932	-1.8
Travel and Tourism Index**	1Q 2008	---	2.0	---	---	---

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, University of Connecticut

Compensation cost for the nation rose 3.2 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted			Not Seasonally Adjusted		
	MAR	DEC	3-Mo	MAR	MAR	12-Mo
	2008	2007	% Chg	2008	2007	% Chg
UNITED STATES TOTAL	107.3	106.5	0.8	107.3	104.0	3.2
Wages and Salaries	107.6	106.7	0.8	107.6	104.3	3.2
Benefit Costs	106.4	105.8	0.6	106.5	103.2	3.2
NORTHEAST TOTAL	---	---	---	107.4	104.0	3.3
Wages and Salaries	---	---	---	107.5	104.0	3.4

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 2008	216.6	4.2	0.8
Purchasing Power of \$ (1982-84=\$1.00)	MAY 2008	\$0.462	-4.0	-0.8
Northeast Region	MAY 2008	230.1	4.3	0.9
NY-Northern NJ-Long Island	MAY 2008	236.2	4.0	1.0
Boston-Brockton-Nashua**	MAY 2008	235.3	4.0	0.9
CPI-W (1982-84=100)				
U.S. City Average	MAY 2008	212.8	4.5	1.0

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.

Conventional mortgage rose to 6.04 percent over the month.

INTEREST RATES

(Percent)	MAY	APR	MAY
	2008	2008	2007
Prime	5.00	5.24	8.25
Federal Funds	1.98	2.28	5.25
3 Month Treasury Bill	1.76	1.31	4.87
6 Month Treasury Bill	1.86	1.58	4.98
1 Year Treasury Note	2.05	1.74	4.91
3 Year Treasury Note	2.69	2.23	4.69
5 Year Treasury Note	3.14	2.84	4.67
7 Year Treasury Note	3.45	3.19	4.69
10 Year Treasury Note	3.88	3.68	4.75
20 Year Treasury Note	4.60	4.44	4.98
Conventional Mortgage	6.04	5.92	6.26

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

Six of nine states in the region added jobs over the year.

<i>(Seasonally adjusted; 000s)</i>	MAY	MAY	CHANGE		APR
	2008	2007	NO.	%	2008
Connecticut	1,701.8	1,696.7	5.1	0.3	1,698.9
Maine	616.5	615.8	0.7	0.1	615.1
Massachusetts	3,291.9	3,277.3	14.6	0.4	3,290.5
New Hampshire	656.6	646.1	10.5	1.6	655.4
New Jersey	4,071.7	4,077.0	-5.3	-0.1	4,071.6
New York	8,770.9	8,732.7	38.2	0.4	8,771.1
Pennsylvania	5,803.9	5,796.0	7.9	0.1	5,801.0
Rhode Island	482.9	494.2	-11.3	-2.3	484.7
Vermont	308.4	308.4	0.0	0.0	307.2
United States	137,754.0	137,518.0	236.0	0.2	137,803.0

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

LABOR FORCE

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

<i>(Seasonally adjusted; 000s)</i>	MAY	MAY	CHANGE		APR
	2008	2007	NO.	%	2008
Connecticut	1,886.3	1,859.2	27.1	1.5	1,878.2
Maine	709.0	703.6	5.4	0.8	708.8
Massachusetts	3,392.0	3,410.6	-18.6	-0.5	3,404.1
New Hampshire	745.3	737.8	7.5	1.0	746.0
New Jersey	4,516.7	4,466.1	50.6	1.1	4,511.9
New York	9,591.1	9,514.6	76.5	0.8	9,579.2
Pennsylvania	6,404.8	6,284.7	120.1	1.9	6,370.1
Rhode Island	571.5	577.8	-6.3	-1.1	573.2
Vermont	352.3	354.2	-1.9	-0.5	352.2
United States	154,534.0	152,776.0	1,758.0	1.2	153,957.0

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

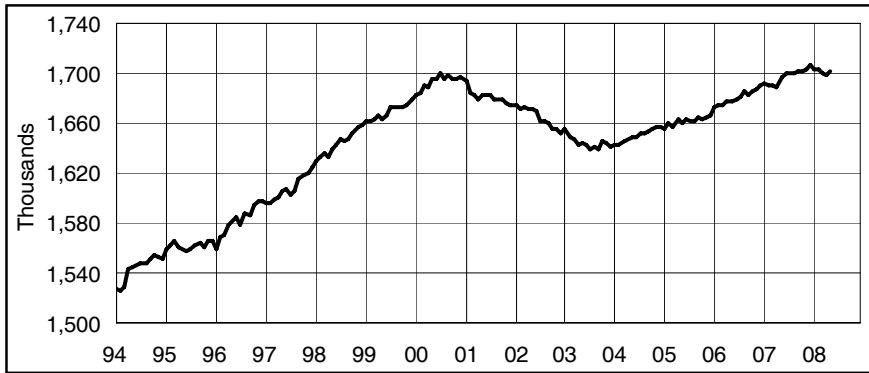
UNEMPLOYMENT RATES

All nine states showed an increase in its unemployment rate over the year.

<i>(Seasonally adjusted)</i>	MAY	MAY	CHANGE	APR
	2008	2007		2008
Connecticut	5.4	4.4	1.0	4.7
Maine	5.4	4.7	0.7	4.7
Massachusetts	4.9	4.5	0.4	4.1
New Hampshire	4.0	3.6	0.4	3.8
New Jersey	5.4	4.3	1.1	4.9
New York	5.2	4.5	0.7	4.7
Pennsylvania	5.2	4.3	0.9	5.0
Rhode Island	7.2	5.0	2.2	6.1
Vermont	4.9	3.8	1.1	4.4
United States	5.5	4.5	1.0	5.0

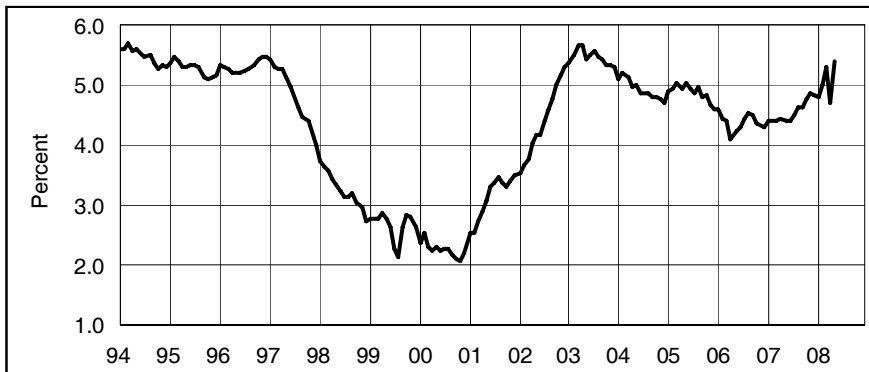
Source: U.S. Department of Labor, Bureau of Labor Statistics

NONFARM EMPLOYMENT *(Seasonally adjusted)*



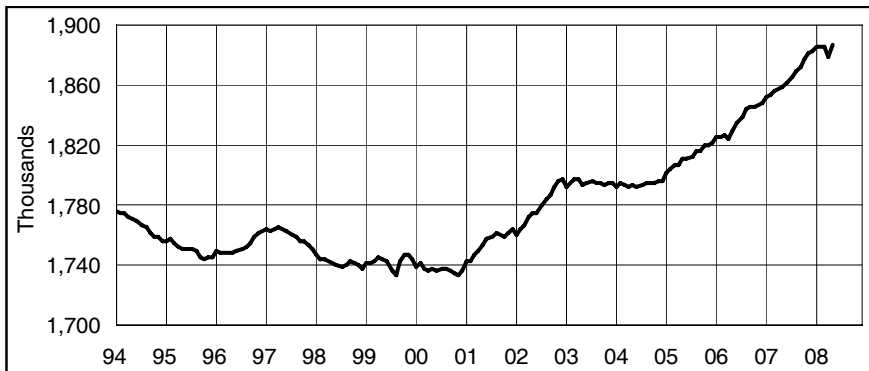
Month	2006	2007	2008
Jan	1,673.0	1,691.2	1,704.0
Feb	1,674.0	1,691.0	1,702.7
Mar	1,674.0	1,689.9	1,699.7
Apr	1,677.9	1,689.1	1,698.9
May	1,678.2	1,696.7	1,701.8
Jun	1,679.1	1,699.9	
Jul	1,680.5	1,699.3	
Aug	1,684.9	1,700.7	
Sep	1,682.8	1,701.7	
Oct	1,685.1	1,702.2	
Nov	1,687.1	1,703.9	
Dec	1,690.4	1,706.5	

UNEMPLOYMENT RATE *(Seasonally adjusted)*



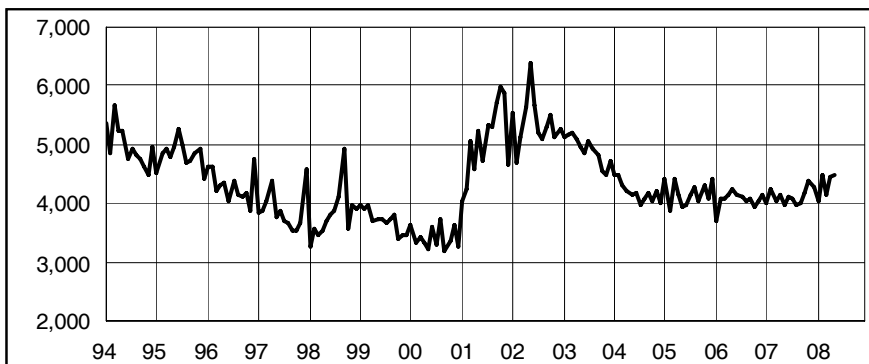
Month	2006	2007	2008
Jan	4.6	4.4	4.8
Feb	4.4	4.4	5.0
Mar	4.4	4.4	5.3
Apr	4.1	4.4	4.7
May	4.2	4.4	5.4
Jun	4.3	4.4	
Jul	4.4	4.5	
Aug	4.5	4.6	
Sep	4.5	4.6	
Oct	4.4	4.8	
Nov	4.3	4.9	
Dec	4.3	4.8	

LABOR FORCE *(Seasonally adjusted)*



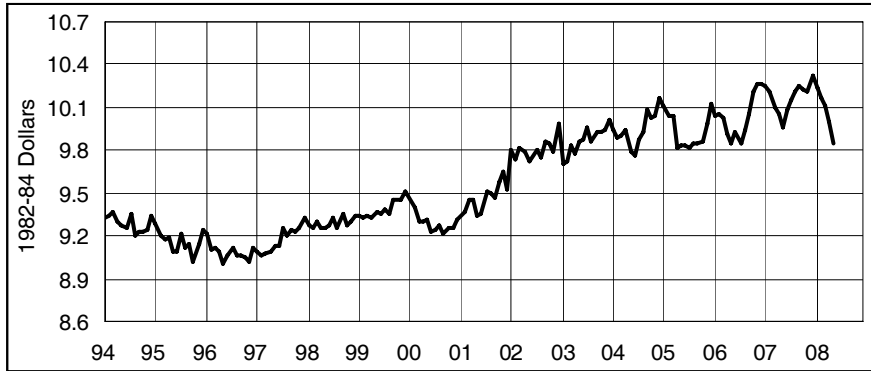
Month	2006	2007	2008
Jan	1,824.9	1,851.5	1,885.7
Feb	1,824.7	1,853.6	1,885.3
Mar	1,827.0	1,855.6	1,885.2
Apr	1,824.3	1,857.7	1,878.2
May	1,829.8	1,859.2	1,886.3
Jun	1,834.2	1,861.1	
Jul	1,839.2	1,865.2	
Aug	1,843.6	1,869.8	
Sep	1,845.5	1,872.1	
Oct	1,845.1	1,876.7	
Nov	1,846.6	1,881.1	
Dec	1,847.5	1,882.2	

AVERAGE WEEKLY INITIAL CLAIMS *(Seasonally adjusted)*



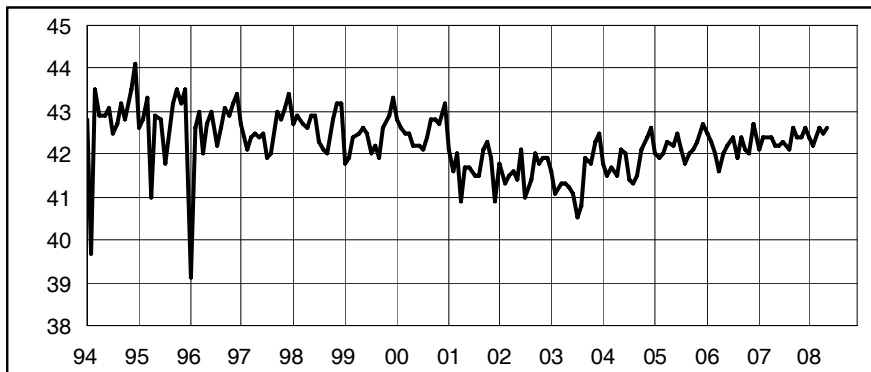
Month	2006	2007	2008
Jan	3,702	3,991	4,032
Feb	4,062	4,243	4,497
Mar	4,079	4,030	4,135
Apr	4,133	4,129	4,443
May	4,260	3,987	4,491
Jun	4,144	4,103	
Jul	4,111	4,078	
Aug	4,027	3,980	
Sep	4,084	4,009	
Oct	3,930	4,160	
Nov	4,031	4,375	
Dec	4,147	4,275	

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



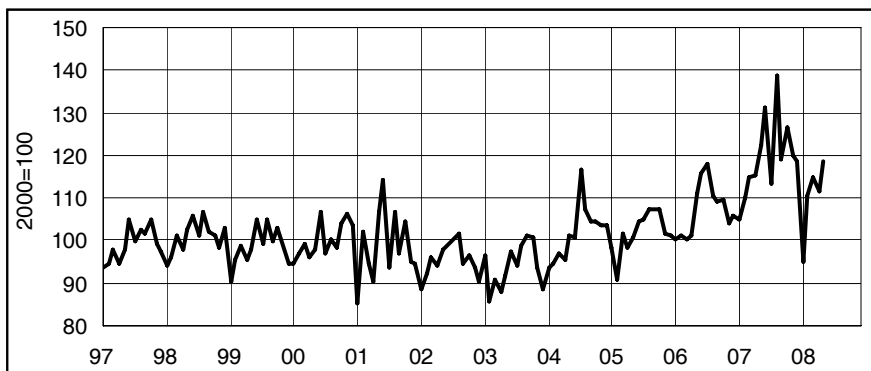
Month	2006	2007	2008
Jan	\$10.04	\$10.25	\$10.24
Feb	\$10.05	\$10.22	\$10.17
Mar	\$10.03	\$10.10	\$10.11
Apr	\$9.92	\$10.05	\$10.00
May	\$9.84	\$9.96	\$9.84
Jun	\$9.93	\$10.09	
Jul	\$9.84	\$10.15	
Aug	\$9.95	\$10.21	
Sep	\$10.06	\$10.26	
Oct	\$10.20	\$10.23	
Nov	\$10.27	\$10.20	
Dec	\$10.27	\$10.32	

AVG MANUFACTURING WEEKLY HOURS *(Not seasonally adjusted)*



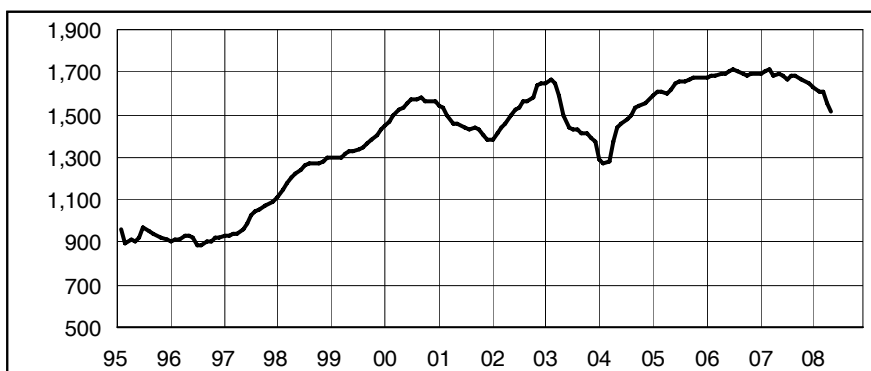
Month	2006	2007	2008
Jan	42.5	42.1	42.4
Feb	42.3	42.4	42.2
Mar	42.0	42.4	42.6
Apr	41.6	42.4	42.5
May	42.0	42.2	42.6
Jun	42.2	42.2	
Jul	42.4	42.3	
Aug	41.9	42.1	
Sep	42.4	42.6	
Oct	42.1	42.4	
Nov	42.0	42.4	
Dec	42.7	42.6	

CT MANUFACTURING PRODUCTION INDEX *(Not seasonally adjusted)*



Month	2006	2007	2008
Jan	100.2	104.9	94.9
Feb	100.9	110.1	110.6
Mar	100.1	114.6	114.7
Apr	101.3	115.0	111.5
May	111.0	122.2	118.6
Jun	115.7	131.3	
Jul	118.2	113.5	
Aug	110.7	139.0	
Sep	109.4	118.8	
Oct	109.5	126.6	
Nov	104.0	119.7	
Dec	106.0	118.3	

SECRETARY OF STATE'S NET BUSINESS STARTS *(12-mo. moving avg)*



Month	2006	2007	2008
Jan	1,674	1,698	1,625
Feb	1,681	1,706	1,607
Mar	1,688	1,712	1,605
Apr	1,695	1,688	1,556
May	1,690	1,694	1,512
Jun	1,705	1,681	
Jul	1,708	1,667	
Aug	1,701	1,687	
Sep	1,693	1,682	
Oct	1,686	1,661	
Nov	1,694	1,654	
Dec	1,693	1,649	

CONNECTICUT

Not Seasonally Adjusted

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	1,711,900	1,705,700	6,200	0.4	1,700,900
GOODS PRODUCING INDUSTRIES	259,300	261,200	-1,900	-0.7	256,700
CONSTRUCTION, NAT. RES. & MINING	70,000	70,300	-300	-0.4	67,300
MANUFACTURING	189,300	190,900	-1,600	-0.8	189,400
Durable Goods	143,400	143,900	-500	-0.3	143,500
Fabricated Metal.....	32,700	33,400	-700	-2.1	32,700
Machinery.....	18,000	18,100	-100	-0.6	18,000
Computer and Electronic Product.....	13,800	14,100	-300	-2.1	13,900
Transportation Equipment.....	43,700	43,000	700	1.6	43,700
Aerospace Product and Parts.....	31,800	31,300	500	1.6	31,800
Non-Durable Goods	45,900	47,000	-1,100	-2.3	45,900
Chemical.....	15,300	15,600	-300	-1.9	15,300
SERVICE PROVIDING INDUSTRIES	1,452,600	1,444,500	8,100	0.6	1,444,200
TRADE, TRANSPORTATION, UTILITIES	310,100	311,300	-1,200	-0.4	307,100
Wholesale Trade.....	68,800	67,800	1,000	1.5	68,600
Retail Trade.....	188,100	190,600	-2,500	-1.3	186,000
Motor Vehicle and Parts Dealers.....	22,200	22,100	100	0.5	22,100
Building Material.....	17,100	17,500	-400	-2.3	16,500
Food and Beverage Stores.....	42,200	42,200	0	0.0	41,200
General Merchandise Stores.....	24,500	25,100	-600	-2.4	24,200
Transportation, Warehousing, & Utilities....	53,200	52,900	300	0.6	52,500
Utilities.....	8,200	8,100	100	1.2	8,200
Transportation and Warehousing.....	45,000	44,800	200	0.4	44,300
INFORMATION	38,500	38,900	-400	-1.0	38,700
Telecommunications.....	13,000	13,100	-100	-0.8	13,100
FINANCIAL ACTIVITIES	142,700	144,500	-1,800	-1.2	142,600
Finance and Insurance.....	122,300	123,200	-900	-0.7	122,400
Credit Intermediation.....	29,900	31,600	-1,700	-5.4	30,000
Securities and Commodity Contracts.....	22,300	21,800	500	2.3	22,200
Insurance Carriers & Related Activities....	65,300	65,000	300	0.5	65,400
Real Estate and Rental and Leasing.....	20,400	21,300	-900	-4.2	20,200
PROFESSIONAL & BUSINESS SERVICES	206,500	207,600	-1,100	-0.5	205,900
Professional, Scientific.....	93,200	91,400	1,800	2.0	94,300
Legal Services.....	14,400	14,400	0	0.0	14,400
Computer Systems Design.....	22,400	21,600	800	3.7	22,200
Management of Companies.....	25,000	25,200	-200	-0.8	25,000
Administrative and Support.....	88,300	91,000	-2,700	-3.0	86,600
Employment Services.....	30,400	32,500	-2,100	-6.5	29,800
EDUCATIONAL AND HEALTH SERVICES	294,000	287,500	6,500	2.3	295,800
Educational Services.....	56,100	55,500	600	1.1	59,100
Health Care and Social Assistance.....	237,900	232,000	5,900	2.5	236,700
Hospitals.....	58,500	57,300	1,200	2.1	58,500
Nursing & Residential Care Facilities....	60,100	59,200	900	1.5	59,700
Social Assistance.....	43,100	40,900	2,200	5.4	42,700
LEISURE AND HOSPITALITY	139,700	138,600	1,100	0.8	133,400
Arts, Entertainment, and Recreation.....	25,600	25,600	0	0.0	22,800
Accommodation and Food Services.....	114,100	113,000	1,100	1.0	110,600
Food Serv., Restaurants, Drinking Places.	102,100	100,800	1,300	1.3	99,200
OTHER SERVICES	64,300	64,200	100	0.2	64,000
GOVERNMENT	256,800	251,900	4,900	1.9	256,700
Federal Government.....	19,300	19,600	-300	-1.5	19,300
State Government.....	69,800	67,600	2,200	3.3	72,500
Local Government**.....	167,700	164,700	3,000	1.8	164,900

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2007.

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

BRIDGEPORT - STAMFORD LMA

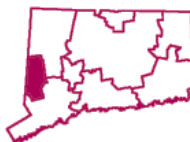


Not Seasonally Adjusted

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	426,800	423,100	3,700	0.9	423,600
GOODS PRODUCING INDUSTRIES	57,100	56,300	800	1.4	56,800
CONSTRUCTION, NAT. RES. & MINING	16,300	16,000	300	1.9	15,900
MANUFACTURING	40,800	40,300	500	1.2	40,900
Durable Goods.....	30,200	29,700	500	1.7	30,200
SERVICE PROVIDING INDUSTRIES	369,700	366,800	2,900	0.8	366,800
TRADE, TRANSPORTATION, UTILITIES	76,000	75,900	100	0.1	75,800
Wholesale Trade.....	14,500	14,400	100	0.7	14,500
Retail Trade.....	49,800	49,900	-100	-0.2	49,700
Transportation, Warehousing, & Utilities....	11,700	11,600	100	0.9	11,600
INFORMATION	12,400	11,500	900	7.8	12,400
FINANCIAL ACTIVITIES	46,000	45,300	700	1.5	45,600
Finance and Insurance.....	39,300	38,600	700	1.8	39,100
PROFESSIONAL & BUSINESS SERVICES	71,700	71,800	-100	-0.1	71,500
EDUCATIONAL AND HEALTH SERVICES	62,400	61,800	600	1.0	62,800
Health Care and Social Assistance.....	53,500	52,200	1,300	2.5	53,100
LEISURE AND HOSPITALITY	35,000	34,700	300	0.9	33,600
Accommodation and Food Services.....	26,000	25,400	600	2.4	25,300
OTHER SERVICES	17,500	17,300	200	1.2	17,400
GOVERNMENT	48,700	48,500	200	0.4	47,700
Federal.....	3,100	3,200	-100	-3.1	3,100
State & Local.....	45,600	45,300	300	0.7	44,600

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

DANBURY LMA



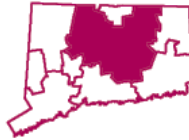
Not Seasonally Adjusted

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	71,300	70,800	500	0.7	70,500
GOODS PRODUCING INDUSTRIES	13,200	13,100	100	0.8	13,000
SERVICE PROVIDING INDUSTRIES	58,100	57,700	400	0.7	57,500
TRADE, TRANSPORTATION, UTILITIES	16,000	16,000	0	0.0	15,800
Retail Trade.....	11,900	12,000	-100	-0.8	11,700
PROFESSIONAL & BUSINESS SERVICES	8,100	8,400	-300	-3.6	8,000
LEISURE AND HOSPITALITY	6,000	5,700	300	5.3	5,800
GOVERNMENT	8,400	8,600	-200	-2.3	8,300
Federal.....	600	600	0	0.0	600
State & Local.....	7,800	8,000	-200	-2.5	7,700

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 2007.

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

HARTFORD LMA*Not Seasonally Adjusted*

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	566,100	558,500	7,600	1.4	564,000
GOODS PRODUCING INDUSTRIES	87,900	88,000	-100	-0.1	86,900
CONSTRUCTION, NAT. RES. & MINING	23,000	23,400	-400	-1.7	22,200
MANUFACTURING	64,900	64,600	300	0.5	64,700
Durable Goods	53,800	53,800	0	0.0	53,800
Transportation Equipment	18,400	18,500	-100	-0.5	18,400
SERVICE PROVIDING INDUSTRIES	478,200	470,500	7,700	1.6	477,100
TRADE, TRANSPORTATION, UTILITIES	90,100	89,600	500	0.6	89,400
Wholesale Trade.....	20,000	19,700	300	1.5	20,000
Retail Trade.....	55,200	55,400	-200	-0.4	54,600
Transportation, Warehousing, & Utilities....	14,900	14,500	400	2.8	14,800
Transportation and Warehousing.....	11,800	11,400	400	3.5	11,700
INFORMATION	12,400	12,100	300	2.5	12,400
FINANCIAL ACTIVITIES	66,100	66,700	-600	-0.9	66,100
Depository Credit Institutions.....	7,700	7,700	0	0.0	7,700
Insurance Carriers & Related Activities....	44,400	44,900	-500	-1.1	44,400
PROFESSIONAL & BUSINESS SERVICES	62,000	61,200	800	1.3	62,300
Professional, Scientific.....	30,100	29,500	600	2.0	30,600
Administrative and Support.....	24,900	25,100	-200	-0.8	24,500
EDUCATIONAL AND HEALTH SERVICES	93,500	89,900	3,600	4.0	93,400
Health Care and Social Assistance.....	80,100	78,000	2,100	2.7	79,600
Ambulatory Health Care.....	23,900	23,300	600	2.6	23,800
LEISURE AND HOSPITALITY	43,700	42,100	1,600	3.8	41,000
Accommodation and Food Services.....	35,800	34,700	1,100	3.2	34,600
OTHER SERVICES	21,200	21,000	200	1.0	21,000
GOVERNMENT	89,200	87,900	1,300	1.5	91,500
Federal.....	5,900	6,000	-100	-1.7	6,000
State & Local.....	83,300	81,900	1,400	1.7	85,500

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 2007.

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

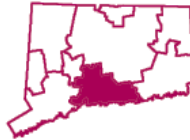
BUSINESS AND ECONOMIC NEWS

■ Families and unemployment, 2007

In 2007, the share of families with an unemployed member (in U.S.) was 6.3 percent, little changed from the prior year. The proportion of families with an unemployed member remained lower than the recent peak of 8.1 percent in 2003. The proportion of black families with an unemployed member was 10.8 percent in 2007, about twice the proportion among white (5.6 percent) and Asian (5.4 percent) families. Among Hispanic families, 8.5 percent had an unemployed member. The proportions of white and Asian families with an unemployed member showed little or no change from 2006. The proportion of black families with an unemployed member edged down in 2007, while the percentage of Hispanic families with an unemployed member in 2007 edged up over the year. In 2007, 4.9 million families had at least one member who was unemployed, unchanged from 2006. These data are from the Current Population Survey. To learn more, see "Employment Characteristics of Families in 2007," USDL news release 08-

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	279,300	279,700	-400	-0.1	277,500
GOODS PRODUCING INDUSTRIES	43,400	43,700	-300	-0.7	42,800
CONSTRUCTION, NAT. RES. & MINING	12,000	11,700	300	2.6	11,400
MANUFACTURING	31,400	32,000	-600	-1.9	31,400
Durable Goods.....	22,000	22,300	-300	-1.3	22,100
SERVICE PROVIDING INDUSTRIES	235,900	236,000	-100	0.0	234,700
TRADE, TRANSPORTATION, UTILITIES	52,300	51,800	500	1.0	50,900
Wholesale Trade.....	11,500	11,500	0	0.0	11,500
Retail Trade.....	32,200	31,400	800	2.5	30,900
Transportation, Warehousing, & Utilities....	8,600	8,900	-300	-3.4	8,500
INFORMATION	7,900	8,100	-200	-2.5	8,000
FINANCIAL ACTIVITIES	13,400	13,800	-400	-2.9	13,400
Finance and Insurance.....	9,600	9,900	-300	-3.0	9,600
PROFESSIONAL & BUSINESS SERVICES	25,700	26,200	-500	-1.9	25,900
Administrative and Support.....	13,200	13,100	100	0.8	12,800
EDUCATIONAL AND HEALTH SERVICES	68,000	67,800	200	0.3	69,400
Educational Services.....	24,400	24,800	-400	-1.6	25,600
Health Care and Social Assistance.....	43,600	43,000	600	1.4	43,800
LEISURE AND HOSPITALITY	22,700	22,000	700	3.2	21,300
Accommodation and Food Services.....	18,400	18,700	-300	-1.6	17,600
OTHER SERVICES	11,200	10,900	300	2.8	11,100
GOVERNMENT	34,700	35,400	-700	-2.0	34,700
Federal.....	5,100	5,100	0	0.0	5,100
State & Local.....	29,600	30,300	-700	-2.3	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 2007.

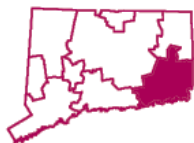
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

0731. (The Editor's Desk, Bureau of Labor Statistics, June 3, 2008)

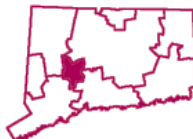
■ Quits as a percentage of separations, 2007

Quits as a percentage of total separations—an indicator of employees' confidence in their ability to change jobs—declined in 2007 to a monthly average of 56.9 percent (in U.S.). During 2007, as the economy softened, the ratio fell from a high of 59 percent early in the year to a low of 54 percent later in the year. Compared with 2006, the average monthly ratio of quits to separations in 2007 decreased for almost all industries, most notably construction. Over the 2001 to 2007 period, the monthly ratio of quits to separations ranged from 50 percent to 61 percent. These data are from the Job Openings and Labor Turnover Survey. To learn more, see "Job openings, hires, and turnover decrease in 2007," (PDF) by Zhi Boon, in the Monthly Labor Review, May 2008. Total separations consists of quits (voluntary separations), layoffs and discharges (involuntary separations), and other separations (such as retirements, transfers, and death). (The Editor's Desk, Bureau of Labor Statistics, June 6, 2008)

**NORWICH - NEW
LONDON LMA***Not Seasonally Adjusted*

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	138,300	136,300	2,000	1.5	135,600
GOODS PRODUCING INDUSTRIES	20,200	20,300	-100	-0.5	20,300
CONSTRUCTION, NAT. RES. & MINING	4,400	4,400	0	0.0	4,400
MANUFACTURING	15,800	15,900	-100	-0.6	15,900
Durable Goods.....	10,500	10,400	100	1.0	10,600
Non-Durable Goods.....	5,300	5,500	-200	-3.6	5,300
SERVICE PROVIDING INDUSTRIES	118,100	116,000	2,100	1.8	115,300
TRADE, TRANSPORTATION, UTILITIES	23,700	23,200	500	2.2	23,200
Wholesale Trade.....	2,400	2,200	200	9.1	2,400
Retail Trade.....	16,300	16,300	0	0.0	15,900
Transportation, Warehousing, & Utilities....	5,000	4,700	300	6.4	4,900
INFORMATION	2,000	2,100	-100	-4.8	2,000
FINANCIAL ACTIVITIES	3,200	3,300	-100	-3.0	3,300
PROFESSIONAL & BUSINESS SERVICES	10,000	10,300	-300	-2.9	9,800
EDUCATIONAL AND HEALTH SERVICES	20,100	19,800	300	1.5	20,100
Health Care and Social Assistance.....	17,300	17,000	300	1.8	17,200
LEISURE AND HOSPITALITY	14,300	14,000	300	2.1	13,200
Accommodation and Food Services.....	11,900	11,600	300	2.6	11,100
Food Serv., Restaurants, Drinking Places.	10,000	9,500	500	5.3	9,300
OTHER SERVICES	3,800	3,900	-100	-2.6	3,800
GOVERNMENT	41,000	39,400	1,600	4.1	39,900
Federal.....	2,700	2,600	100	3.8	2,700
State & Local**.....	38,300	36,800	1,500	4.1	37,200

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

WATERBURY LMA*Not Seasonally Adjusted*

	MAY 2008	MAY 2007	CHANGE		APR 2008
			NO.	%	
TOTAL NONFARM EMPLOYMENT	68,800	68,500	300	0.4	69,000
GOODS PRODUCING INDUSTRIES	12,700	13,200	-500	-3.8	12,600
CONSTRUCTION, NAT. RES. & MINING	2,900	3,000	-100	-3.3	2,800
MANUFACTURING	9,800	10,200	-400	-3.9	9,800
SERVICE PROVIDING INDUSTRIES	56,100	55,300	800	1.4	56,400
TRADE, TRANSPORTATION, UTILITIES	13,700	13,500	200	1.5	13,700
Wholesale Trade.....	2,200	2,200	0	0.0	2,200
Retail Trade.....	9,200	9,100	100	1.1	9,200
Transportation, Warehousing, & Utilities....	2,300	2,200	100	4.5	2,300
INFORMATION	800	800	0	0.0	900
FINANCIAL ACTIVITIES	2,400	2,400	0	0.0	2,400
PROFESSIONAL & BUSINESS SERVICES	6,400	6,300	100	1.6	6,400
EDUCATIONAL AND HEALTH SERVICES	14,900	14,600	300	2.1	15,000
Health Care and Social Assistance.....	13,600	13,400	200	1.5	13,500
LEISURE AND HOSPITALITY	5,200	5,100	100	2.0	5,000
OTHER SERVICES	2,600	2,600	0	0.0	2,600
GOVERNMENT	10,100	10,000	100	1.0	10,400
Federal.....	600	600	0	0.0	600
State & Local.....	9,500	9,400	100	1.1	9,800

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2007.

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

SMALLER LMAS



Not Seasonally Adjusted

	MAY	MAY	CHANGE		APR
	2008	2007	NO.	%	2008
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA.....	48,700	49,100	-400	-0.8	48,400
TORRINGTON LMA.....	37,600	37,500	100	0.3	36,800
WILLIMANTIC - DANIELSON LMA.....	37,600	38,100	-500	-1.3	38,100

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	MAY	CHANGE		APR
	2008	2007	NO.	%	2008
TOTAL NONFARM EMPLOYMENT.....	300,400	301,700	-1,300	-0.4	298,100
GOODS PRODUCING INDUSTRIES.....	47,100	47,900	-800	-1.7	46,600
CONSTRUCTION, NAT. RES. & MINING.....	10,400	11,100	-700	-6.3	9,700
MANUFACTURING.....	36,700	36,800	-100	-0.3	36,900
Durable Goods.....	23,400	23,400	0	0.0	23,500
Non-Durable Goods.....	13,300	13,400	-100	-0.7	13,400
SERVICE PROVIDING INDUSTRIES.....	253,300	253,800	-500	-0.2	251,500
TRADE, TRANSPORTATION, UTILITIES.....	60,000	60,800	-800	-1.3	59,300
Wholesale Trade.....	11,400	11,700	-300	-2.6	11,400
Retail Trade.....	35,100	35,700	-600	-1.7	34,600
Transportation, Warehousing, & Utilities.....	13,500	13,400	100	0.7	13,300
INFORMATION.....	4,400	4,400	0	0.0	4,400
FINANCIAL ACTIVITIES.....	17,100	17,300	-200	-1.2	17,000
Finance and Insurance.....	13,500	13,500	0	0.0	13,400
Insurance Carriers & Related Activities.....	8,700	8,600	100	1.2	8,600
PROFESSIONAL & BUSINESS SERVICES	23,300	23,900	-600	-2.5	23,300
EDUCATIONAL AND HEALTH SERVICES	58,000	56,800	1,200	2.1	58,400
Educational Services.....	12,800	12,700	100	0.8	13,300
Health Care and Social Assistance.....	45,200	44,100	1,100	2.5	45,100
LEISURE AND HOSPITALITY.....	28,100	28,300	-200	-0.7	26,800
OTHER SERVICES.....	11,600	11,700	-100	-0.9	11,500
GOVERNMENT.....	50,800	50,600	200	0.4	50,800
Federal.....	7,200	6,700	500	7.5	7,200
State & Local.....	43,600	43,900	-300	-0.7	43,600

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2007.

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

LMA LABOR FORCE ESTIMATES

		EMPLOYMENT		CHANGE		APR
<i>(Not seasonally adjusted)</i>		MAY	MAY	NO.	%	2008
		2008	2007			
STATUS						
CONNECTICUT	Civilian Labor Force	1,885,100	1,857,100	28,000	1.5	1,867,100
	Employed	1,784,800	1,776,500	8,300	0.5	1,782,500
	Unemployed	100,300	80,600	19,700	24.4	84,600
	Unemployment Rate	5.3	4.3	1.0	---	4.5
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	480,300	473,100	7,200	1.5	475,400
	Employed	456,700	454,500	2,200	0.5	455,900
	Unemployed	23,700	18,600	5,100	27.4	19,500
	Unemployment Rate	4.9	3.9	1.0	---	4.1
DANBURY LMA	Civilian Labor Force	93,400	92,200	1,200	1.3	92,300
	Employed	89,400	89,100	300	0.3	89,100
	Unemployed	3,900	3,100	800	25.8	3,200
	Unemployment Rate	4.2	3.3	0.9	---	3.5
ENFIELD LMA	Civilian Labor Force	49,900	49,700	200	0.4	49,400
	Employed	47,200	47,400	-200	-0.4	47,100
	Unemployed	2,800	2,300	500	21.7	2,300
	Unemployment Rate	5.5	4.6	0.9	---	4.6
HARTFORD LMA	Civilian Labor Force	593,100	582,200	10,900	1.9	589,100
	Employed	561,200	556,100	5,100	0.9	562,200
	Unemployed	32,000	26,100	5,900	22.6	27,000
	Unemployment Rate	5.4	4.5	0.9	---	4.6
NEW HAVEN LMA	Civilian Labor Force	312,700	309,900	2,800	0.9	310,000
	Employed	295,400	295,800	-400	-0.1	295,300
	Unemployed	17,300	14,100	3,200	22.7	14,700
	Unemployment Rate	5.5	4.6	0.9	---	4.7
NORWICH - NEW LONDON LMA	Civilian Labor Force	153,200	150,200	3,000	2.0	150,100
	Employed	145,200	144,100	1,100	0.8	143,400
	Unemployed	8,000	6,000	2,000	33.3	6,700
	Unemployment Rate	5.2	4.0	1.2	---	4.4
TORRINGTON LMA	Civilian Labor Force	55,200	54,700	500	0.9	54,300
	Employed	52,600	52,400	200	0.4	51,900
	Unemployed	2,600	2,300	300	13.0	2,300
	Unemployment Rate	4.8	4.2	0.6	---	4.3
WATERBURY LMA	Civilian Labor Force	102,400	100,600	1,800	1.8	101,900
	Employed	95,200	95,000	200	0.2	95,400
	Unemployed	7,200	5,600	1,600	28.6	6,500
	Unemployment Rate	7.1	5.6	1.5	---	6.3
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	58,300	57,800	500	0.9	58,000
	Employed	54,600	54,800	-200	-0.4	54,800
	Unemployed	3,700	3,000	700	23.3	3,200
	Unemployment Rate	6.3	5.2	1.1	---	5.5
UNITED STATES	Civilian Labor Force	154,003,000	152,350,000	1,653,000	1.1	153,208,000
	Employed	145,926,000	145,864,000	62,000	0.0	145,921,000
	Unemployed	8,076,000	6,486,000	1,590,000	24.5	7,287,000
	Unemployment Rate	5.2	4.3	0.9	---	4.8

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2007.

CONNECTICUT

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	MAY		CHG	APR	MAY		CHG	APR	MAY		CHG	APR
	2008	2007	Y/Y	2008	2008	2007	Y/Y	2008	2008	2007	Y/Y	2008
<i>(Not seasonally adjusted)</i>												
MANUFACTURING	\$892.47	\$856.24	\$36.23	\$895.90	42.6	42.2	0.4	42.5	\$20.95	\$20.29	\$0.66	\$21.08
DURABLE GOODS	921.86	888.72	33.14	923.53	42.6	42.3	0.3	42.5	21.64	21.01	0.63	21.73
Fabricated Metal	828.39	797.97	30.42	827.65	42.2	42.4	-0.2	42.4	19.63	18.82	0.81	19.52
Transport. Equipment	1,164.01	1,115.69	48.32	1,163.58	43.0	42.6	0.4	43.0	27.07	26.19	0.88	27.06
NON-DUR. GOODS	811.96	768.45	43.51	822.18	42.6	41.9	0.7	42.6	19.06	18.34	0.72	19.30
CONSTRUCTION	967.89	923.77	44.12	942.10	38.5	38.7	-0.2	38.5	25.14	23.87	1.27	24.47

Due to constraints of the sample upon which estimates are made, statewide manufacturing hours and earnings for machinery and computer and electronic sectors are no longer published.

Due to cuts in the federal Bureau of Labor Statistics fiscal year 2008 budget allocations to state agencies that cooperatively develop labor statistics with the BLS, the Office of Research is suspending development and publication of production worker hours and earnings data for its labor market areas.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2007.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- On May 1, 2008, Fieldpoint Private Bank & Trust opened its first branch in Greenwich with 32 employees. Harvey, a supplier of windows and doors, opened a showroom in Waterford on May 12th with a staff of 11. The Big Y grocery store has reopened in a new location in Torrington with 60 additional employees being hired. A new HomeGoods store will open in September in Westport. This home furnishings retailer will employ 60 people.
- In May 2008, Quebecor World, a printer of books and magazines, announced the closing of their North Haven plant, resulting in 350 job losses. Greenwich hedge fund, JWM Partners, has laid off 15 employees. Linens 'n Things will close stores in Farmington and Lisbon, eliminating 40 jobs. Virgin Atlantic Airways will move its call center from Norwalk to the United Kingdom, resulting in 51 job cuts. Ansonia Copper & Brass is eliminating 85 jobs.

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>.

(By Place of Residence - Not Seasonally Adjusted)

MAY 2008

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%	LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD					HARTFORD cont....				
	480,338	456,660	23,678	4.9	Canton	5,831	5,624	207	3.5
Ansonia	10,130	9,482	648	6.4	Colchester	8,900	8,489	411	4.6
Bridgeport	63,715	58,578	5,137	8.1	Columbia	3,125	2,986	139	4.4
Darien	9,377	9,034	343	3.7	Coventry	7,101	6,804	297	4.2
Derby	7,005	6,570	435	6.2	Cromwell	7,903	7,563	340	4.3
Easton	3,821	3,675	146	3.8	East Granby	2,971	2,856	115	3.9
Fairfield	29,011	27,695	1,316	4.5	East Haddam	5,248	5,026	222	4.2
Greenwich	30,946	29,707	1,239	4.0	East Hampton	7,105	6,729	376	5.3
Milford	32,378	30,842	1,536	4.7	East Hartford	25,700	23,985	1,715	6.7
Monroe	10,849	10,373	476	4.4	Ellington	8,856	8,478	378	4.3
New Canaan	9,122	8,774	348	3.8	Farmington	13,143	12,589	554	4.2
Newtown	14,569	14,032	537	3.7	Glastonbury	18,478	17,770	708	3.8
Norwalk	49,360	47,272	2,088	4.2	Granby	6,377	6,157	220	3.4
Oxford	7,416	7,093	323	4.4	Haddam	4,902	4,731	171	3.5
Redding	4,786	4,621	165	3.4	Hartford	49,744	44,780	4,964	10.0
Ridgefield	11,948	11,485	463	3.9	Hartland	1,219	1,177	42	3.4
Seymour	9,430	8,911	519	5.5	Harwinton	3,236	3,081	155	4.8
Shelton	23,412	22,349	1,063	4.5	Hebron	5,554	5,358	196	3.5
Southbury	9,271	8,856	415	4.5	Lebanon	4,358	4,170	188	4.3
Stamford	67,571	64,643	2,928	4.3	Manchester	32,576	30,832	1,744	5.4
Stratford	26,520	24,987	1,533	5.8	Mansfield	13,291	12,694	597	4.5
Trumbull	18,197	17,394	803	4.4	Marlborough	3,658	3,531	127	3.5
Weston	5,026	4,844	182	3.6	Middlefield	2,422	2,311	111	4.6
Westport	12,994	12,468	526	4.0	Middletown	26,941	25,587	1,354	5.0
Wilton	8,508	8,173	335	3.9	New Britain	35,098	32,378	2,720	7.7
Woodbridge	4,976	4,800	176	3.5	New Hartford	3,889	3,712	177	4.6
					Newington	16,859	16,060	799	4.7
DANBURY					Plainville				
	93,384	89,443	3,941	4.2		10,212	9,686	526	5.2
Bethel	11,005	10,573	432	3.9	Plymouth	7,009	6,557	452	6.4
Bridgewater	1,066	1,023	43	4.0	Portland	5,462	5,214	248	4.5
Brookfield	9,263	8,866	397	4.3	Rocky Hill	10,925	10,433	492	4.5
Danbury	45,362	43,399	1,963	4.3	Simsbury	12,280	11,806	474	3.9
New Fairfield	7,772	7,439	333	4.3	Southington	24,558	23,448	1,110	4.5
New Milford	16,722	16,020	702	4.2	South Windsor	15,047	14,414	633	4.2
Sherman	2,195	2,124	71	3.2	Stafford	6,903	6,572	331	4.8
					Thomaston	4,734	4,461	273	5.8
ENFIELD					Tolland				
	49,949	47,195	2,754	5.5		8,509	8,188	321	3.8
East Windsor	6,278	5,904	374	6.0	Union	480	463	17	3.5
Enfield	24,225	22,830	1,395	5.8	Vernon	17,643	16,733	910	5.2
Somers	4,768	4,501	267	5.6	West Hartford	29,739	28,303	1,436	4.8
Suffield	7,550	7,215	335	4.4	Wethersfield	13,527	12,872	655	4.8
Windsor Locks	7,127	6,744	383	5.4	Willington	3,959	3,814	145	3.7
					Windsor	16,324	15,525	799	4.9
HARTFORD									
	593,139	561,173	31,966	5.4					
Andover	2,013	1,934	79	3.9					
Ashford	2,671	2,548	123	4.6					
Avon	9,351	9,023	328	3.5					
Barkhamsted	2,260	2,160	100	4.4					
Berlin	11,471	10,981	490	4.3					
Bloomfield	10,278	9,610	668	6.5					
Bolton	3,087	2,967	120	3.9					
Bristol	34,776	32,782	1,994	5.7					
Burlington	5,436	5,221	215	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 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

Town

(By Place of Residence - Not Seasonally Adjusted)

MAY 2008

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	312,689	295,408	17,281	5.5
Bethany	3,138	3,012	126	4.0
Branford	17,524	16,701	823	4.7
Cheshire	14,723	14,074	649	4.4
Chester	2,303	2,214	89	3.9
Clinton	8,003	7,690	313	3.9
Deep River	2,611	2,494	117	4.5
Durham	4,308	4,144	164	3.8
East Haven	16,274	15,350	924	5.7
Essex	3,826	3,672	154	4.0
Guilford	13,116	12,603	513	3.9
Hamden	31,128	29,489	1,639	5.3
Killingworth	3,636	3,495	141	3.9
Madison	10,173	9,785	388	3.8
Meriden	32,001	29,918	2,083	6.5
New Haven	56,130	51,644	4,486	8.0
North Branford	8,487	8,091	396	4.7
North Haven	13,286	12,694	592	4.5
Old Saybrook	5,562	5,325	237	4.3
Orange	7,368	7,053	315	4.3
Wallingford	25,522	24,337	1,185	4.6
Westbrook	3,715	3,554	161	4.3
West Haven	29,856	28,070	1,786	6.0

***NORWICH-NEW LONDON**

	139,717	132,594	7,123	5.1
Bozrah	1,506	1,430	76	5.0
Canterbury	3,296	3,121	175	5.3
East Lyme	9,815	9,363	452	4.6
Franklin	1,218	1,156	62	5.1
Griswold	7,300	6,911	389	5.3
Groton	19,585	18,528	1,057	5.4
Ledyard	8,728	8,377	351	4.0
Lisbon	2,615	2,497	118	4.5
Lyme	1,174	1,129	45	3.8
Montville	11,221	10,642	579	5.2
New London	13,905	13,026	879	6.3
No. Stonington	3,360	3,211	149	4.4
Norwich	21,134	19,881	1,253	5.9
Old Lyme	4,316	4,149	167	3.9
Preston	2,918	2,800	118	4.0
Salem	2,687	2,565	122	4.5
Sprague	1,833	1,732	101	5.5
Stonington	10,764	10,327	437	4.1
Voluntown	1,654	1,562	92	5.6
Waterford	10,688	10,187	501	4.7

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

NORWICH-NEW LONDON

	153,203	145,222	7,981	5.2
Westerly, RI	13,486	12,628	858	6.4

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	55,194	52,555	2,639	4.8
Bethlehem	2,055	1,965	90	4.4
Canaan	617	591	26	4.2
Colebrook	844	823	21	2.5
Cornwall	849	815	34	4.0
Goshen	1,645	1,577	68	4.1
Kent	1,618	1,563	55	3.4
Litchfield	4,489	4,294	195	4.3
Morris	1,311	1,264	47	3.6
Norfolk	964	929	35	3.6
North Canaan	1,760	1,683	77	4.4
Roxbury	1,419	1,355	64	4.5
Salisbury	1,998	1,938	60	3.0
Sharon	1,596	1,543	53	3.3
Torrington	19,583	18,447	1,136	5.8
Warren	761	727	34	4.5
Washington	1,974	1,902	72	3.6
Winchester	6,104	5,759	345	5.7
Woodbury	5,605	5,380	225	4.0

WATERBURY	102,430	95,192	7,238	7.1
Beacon Falls	3,343	3,162	181	5.4
Middlebury	3,916	3,744	172	4.4
Naugatuck	17,505	16,328	1,177	6.7
Prospect	5,356	5,093	263	4.9
Waterbury	50,591	46,308	4,283	8.5
Watertown	12,584	11,902	682	5.4
Wolcott	9,135	8,655	480	5.3

WILLIMANTIC-DANIELSON

	58,262	54,610	3,652	6.3
Brooklyn	3,892	3,655	237	6.1
Chaplin	1,487	1,408	79	5.3
Eastford	1,016	979	37	3.6
Hampton	1,244	1,168	76	6.1
Killingly	9,576	8,907	669	7.0
Plainfield	8,443	7,878	565	6.7
Pomfret	2,281	2,182	99	4.3
Putnam	5,261	4,908	353	6.7
Scotland	1,029	990	39	3.8
Sterling	2,065	1,948	117	5.7
Thompson	5,373	5,061	312	5.8
Windham	11,886	11,061	825	6.9
Woodstock	4,709	4,465	244	5.2

Not Seasonally Adjusted:

CONNECTICUT	1,885,100	1,784,800	100,300	5.3
UNITED STATES	154,003,000	145,926,000	8,076,000	5.2

Seasonally Adjusted:

CONNECTICUT	1,886,300	1,784,700	101,600	5.4
UNITED STATES	154,534,000	146,046,000	8,487,000	5.5

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	MAY 2008	YR TO DATE 2008	2007	TOWN	MAY 2008	YR TO DATE 2008	2007	TOWN	MAY 2008	YR TO DATE 2008	2007
Andover	0	1	1	Griswold	na	na	na	Preston	1	3	8
Ansonia	0	3	3	Groton	5	28	14	Prospect	na	na	na
Ashford	3	3	4	Guilford	3	23	16	Putnam	1	6	9
Avon	1	9	18	Haddam	3	16	20	Redding	na	na	na
Barkhamsted	na	na	na	Hamden	1	2	9	Ridgefield	9	39	63
Beacon Falls	na	na	na	Hampton	1	4	6	Rocky Hill	3	11	12
Berlin	5	17	56	Hartford	8	29	28	Roxbury	na	na	na
Bethany	na	na	na	Hartland	na	na	na	Salem	0	3	4
Bethel	6	12	4	Harwinton	2	7	6	Salisbury	na	na	na
Bethlehem	na	na	na	Hebron	na	na	na	Scotland	1	1	4
Bloomfield	na	na	na	Kent	0	3	2	Seymour	2	11	12
Bolton	1	3	5	Killingly	2	11	32	Sharon	0	3	1
Bozrah	1	2	2	Killingworth	na	na	na	Shelton	30	99	32
Branford	na	na	na	Lebanon	3	6	1	Sherman	na	na	na
Bridgeport	0	36	58	Ledyard	0	3	7	Simsbury	0	3	5
Bridgewater	na	na	na	Lisbon	2	3	7	Somers	3	13	15
Bristol	6	20	39	Litchfield	na	na	na	South Windsor	4	11	17
Brookfield	na	na	na	Lyme	0	4	3	Southbury	0	3	21
Brooklyn	0	11	16	Madison	2	9	9	Southington	6	35	35
Burlington	0	6	13	Manchester	41	71	197	Sprague	1	5	1
Canaan	0	1	3	Mansfield	4	6	21	Stafford	na	na	na
Canterbury	1	3	4	Marlborough	1	4	10	Stamford	50	248	356
Canton	1	7	9	Meriden	4	14	26	Sterling	na	na	na
Chaplin	1	5	6	Middlebury	na	na	na	Stonington	8	20	15
Cheshire	3	20	17	Middlefield	0	1	2	Stratford	0	7	27
Chester	na	na	na	Middletown	5	52	85	Suffield	6	13	15
Clinton	1	3	4	Milford	32	93	107	Thomaston	na	na	na
Colchester	3	6	22	Monroe	3	7	7	Thompson	na	na	na
Colebrook	0	1	0	Montville	2	11	7	Tolland	0	8	14
Columbia	0	3	4	Morris	0	2	3	Torrington	1	7	39
Cornwall	0	1	2	Naugatuck	3	11	19	Trumbull	2	14	13
Coventry	1	9	8	New Britain	na	na	na	Union	2	2	1
Cromwell	3	11	16	New Canaan	4	10	20	Vernon	18	61	74
Danbury	10	29	113	New Fairfield	na	na	na	Voluntown	1	3	6
Darien	na	na	na	New Hartford	1	3	7	Wallingford	1	14	42
Deep River	1	1	1	New Haven	0	19	20	Warren	0	1	6
Derby	na	na	na	New London	4	15	21	Washingon	na	na	na
Durham	2	10	14	New Milford	2	8	12	Waterbury	2	21	64
East Granby	1	4	9	Newington	1	23	16	Waterford	4	12	17
East Haddam	2	4	20	Newtown	2	9	19	Watertown	3	16	17
East Hampton	5	18	33	Norfolk	1	2	2	West Hartford	13	40	22
East Hartford	na	na	na	North Branford	na	na	na	West Haven	na	na	na
East Haven	0	4	13	North Canaan	0	2	3	Westbrook	0	5	10
East Lyme	4	13	14	North Haven	1	2	4	Weston	na	na	na
East Windsor	12	34	23	North Stonington	1	3	10	Westport	9	29	32
Eastford	0	0	2	Norwalk	22	33	30	Wethersfield	na	na	na
Easton	0	1	3	Norwich	0	10	43	Willington	1	2	2
Ellington	10	43	37	Old Lyme	na	na	na	Wilton	na	na	na
Enfield	na	na	na	Old Saybrook	1	5	4	Winchester	2	9	12
Essex	0	4	7	Orange	na	na	na	Windham	1	6	5
Fairfield	7	29	41	Oxford	16	40	24	Windsor	na	na	na
Farmington	2	14	18	Plainfield	1	14	6	Windsor Locks	na	na	na
Franklin	0	1	3	Plainville	5	13	17	Wolcott	1	14	15
Glastonbury	3	8	31	Plymouth	2	4	7	Woodbridge	na	na	na
Goshen	2	8	14	Pomfret	2	4	2	Woodbury	1	9	12
Granby	1	4	10	Portland	0	6	3	Woodstock	2	8	10
Greenwich	12	65	75								

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 NA	Business Activity	Tourism and Travel
Coincident Employment Index NA	New Housing Permits -34.5	Info Center Visitors NA
Leading General Drift Indicator -0.9	Electricity Sales +4.4	Attraction Visitors -2.2
Coincident General Drift Indicator +0.8	Construction Contracts Index +5.0	Air Passenger Count -4.6
Banknorth Business Barometer ... +0.9	New Auto Registrations -1.2	Indian Gaming Slots +1.8
Total Nonfarm Employment +0.3	Air Cargo Tons -9.0	Travel and Tourism Index +2.0
Unemployment Rate +1.0*	Exports +11.6	
Labor Force +1.5	Business Starts	Employment Cost Index (U.S.)
Employed +0.4	Secretary of the State -13.2	Total +3.2
Unemployed +24.2	Dept. of Labor -7.7	Wages & Salaries +3.2
Average Weekly Initial Claims +12.6		Benefit Costs +3.2
Help Wanted Index – Hartford -22.2	Business Terminations	Consumer Prices
Avg Insured Unempl. Rate +0.32*	Secretary of the State +15.7	U.S. City Average +4.2
	Dept. of Labor -35.2	Northeast Region +4.3
Average Weekly Hours, Mfg +0.9		NY-NJ-Long Island +4.0
Average Hourly Earnings, Mfg +3.3	State Revenues -10.1	Boston-Brockton-Nashua +4.0
Average Weekly Earnings, Mfg +4.2	Corporate Tax -54.6	
CT Mfg. Production Index -2.9	Personal Income Tax -2.7	Interest Rates
Production Worker Hours -0.5	Real Estate Conveyance Tax -50.5	Prime -3.25*
Industrial Electricity Sales -6.9	Sales & Use Tax -21.9	Conventional Mortgage -0.22*
	Indian Gaming Payments +3.8	
Personal Income +4.3		
UI Covered Wages +3.4		

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

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