THE CONNECTICUT
ECONOMIC DIGEST

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NOVEMBER 2003

IN THIS ISSUE...

In September...

Nonfarm Employment

Connecticut	1,642,000
Change over month	-0.1%
Change over year	-1.3%
United States	129,862,000
Change over month	0.04%
Change over year	-0.3%

Unemployment Rate

Connecticut	5.0%
United States	6.1%

Consumer Price Index

United States	185.2
Change over year	2.3%

Connecticut industry employment outlook to fourth quarter 2004

By Daniel W. Kennedy, Ph.D., Senior Economist, DOL

This is the first outlook for Connecticut industry employment using the North American Industry Classification System (NAICS). It covers a two-year forecast from 2002, quarter four (2002:Q4), to 2004:Q4. The NAICS-based forecast is broken into 19 industry sectors (the 20 NAICS industry sectors minus *agriculture*), and selected sub-sectors. It is important to keep in mind that the following discussion is based on the unadjusted employment series. Seasonally adjusted series are not available at the industry-detail level used in this forecast. What follows is a brief summary of the outlook to 2004:Q4.

Recent trends in Connecticut employment

When attempting to identify trends and cycles in the economy, it is important to consider seasonal influences on the activity being observed. Recent trends in Connecticut employment, therefore, are best revealed by the seasonally adjusted data series which show that Connecticut nonfarm employment peaked in July 2000. Thus, as of July 2003 Connecticut's employment has been down for three years. At 36 months, this puts the current downturn second to the Great Recession of 1989-92, which was 42 months in duration.

To provide a reference, based on the forecast horizon, three two-year (eight-quarter) historical periods are presented in the table on page 3. The first period (1996:Q4-1998:Q4) marks the approximate beginning of the U.S. economy's return to rapid productivity growth; but, it was also the period that includes the Asian crisis, the bailout of the Long Term Capital Management hedge fund, and the Russian default. The second period, (1998:Q4-2000:Q4); includes the run-up and bursting of the dot.com and stock-market bubbles, the collapse of investment spending, and the beginning of the job purge in manufacturing. The last period (2000:Q4-2002:Q4) covers the March-November 2001 recession, the September 11th terrorist attacks, the corporate governance crisis, the states' fiscal crises, the aborted 2002 expansion, and the lead-up to the invasion of Iraq. The endpoint of this last historical period serves as the base period for the forecast. Therefore, the following discussion focuses on the last historical period.

Over the 2000:Q4-2002:Q4 period, Connecticut's economy created some 30,000 jobs contributed by six NAICS sectors, all in the *service providing* segment of nonfarm employment. Connecticut's economy also eliminated more than 66,000

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jobs over this period, for a net loss of nearly 35,000 jobs between 2000:Q4 and 2002:Q4. That represents a 2.0 percent decline in Connecticut nonfarm employment, compared to a 1.5 percent decline in U.S. nonfarm employment. Over this period, both the *goods producing* (-31,484) and *service providing* (-4,439) segments had net employment losses in Connecticut. The U.S. had a 9.1 percent decline in *goods producing* jobs, compared to 10.4 percent for Connecticut, and the U.S. added *service providing* jobs, albeit, at a 0.22 percent growth rate, an anemic performance, but growth nonetheless. Connecticut's *service providing* jobs declined by 0.32 percent.

Of particular interest are the large net gains in employment by two *service providing* sectors over the 2000:Q4-2002:Q4 period of turbulence and uncertainty. *Health care and social assistance*, driven by demographics, added 10,576 jobs over this period, and *government*, which includes the tribal nations, added 10,318 jobs. Four other sectors also had some impressive gains over this period.

Forty-two percent, or 27,790 of the 66,167 jobs lost over the 2000:Q4-2002:Q4 period, were in *manufacturing*. The relative decline in *manufacturing* was 11.8 percent. The loss of *manufacturing* jobs in the U.S. economy was even worse. U.S. *manufacturing* employment declined by 12.3 percent, or 2.1 million jobs. However, manufacturing is a much larger share of Connecticut's *goods producing* segment. For both the U.S. and Connecticut, every sector in the *goods producing* segment had a net loss of jobs. The relative declines for *durable goods* and *nondurable goods* employment for Connecticut were similar, -12.2 percent for *durable goods*, and -10.4 percent for *nondurable goods*. This compares to the U.S., which saw *durable goods* jobs decline by 13.9 percent, while U.S. employment in *nondurable goods* declined by 10.9 percent. By far, for Connecticut, *nondurable goods* had the largest acceleration in job losses over the 2000:Q4-2002:Q4 (the "bust" period), when compared to the previous two years, 1998:Q4-2000:Q4 (the "boom" period). *Durable goods* lost 21,397 jobs during the bust, compared to 9,935 jobs over the boom period, but while *nondurable goods* employment fell by 226 during the boom, job losses ballooned to 6,327 during the bust period, some 28 times the losses of the previous period.

Outlook for Connecticut employment

The continued job losses, especially in *manufacturing*, over the first half of 2003, and the probable weakness in the labor market going into the last half of the year, resulted in a slightly lower outlook for this forecast. Some job growth should return in the second and third quarters of 2004. It is expected that Connecticut will lose another 10,000 jobs in 2003 (not seasonally adjusted), and add 4,000 new jobs in 2004. The net result over the two-year forecast period is a decline off approximately 6,000 jobs.

The *service providing* segment of Connecticut's economy is expected to add 8,303 jobs between 2002:Q4 and 2004:Q4, however, the *goods producing* segment is expected to shed another 14,542 jobs, mostly in *manufacturing*. The net result will be a loss of 6,239 jobs, representing a 0.37 percent decline in total nonfarm employment. It is expected that nearly 10,000 jobs will be lost between 2002:Q4 and 2003:Q4, with an increase of a little more than 4,000 jobs between 2003:Q4 and 2004:Q4. Most of the gain is expected to come in the second and third quarters of 2004.

The *manufacturing* sector virtually accounts for all the losses in the *goods producing* segment of Connecticut's economy. Though the rate of job decline will ease from the 2000:Q4-2002:Q4 period, it is expected that 14,583 more jobs will be eliminated over the 2002:Q4-2004:Q4 period. *Durable goods* firms are expected to shed another 11,738 jobs, and *nondurable goods* another nearly 3,000 jobs. There is more than the business cycle at work here. As firms slide down the learning curve on their high-tech equipment, and as this *learning-by-doing* diffuses throughout the economy, they reduce the labor-input per unit of output. Hence, a significant number of workers in the *manufacturing* sector become redundant—and that process continues to produce rounds of labor reductions.

Other structural changes include the breaking down of jobs into other simpler component tasks, and then outsourcing them, many overseas. Competitive pressures from China and U.S. mega-box retailers, who use their buying power to pressure suppliers to aggressively exploit efficiencies, continue putting downward pressure on prices in the goods markets. These factors, coupled with remaining excess capacity and rising interest rates and consumer debt constraining demand will continue to constrain job growth in manufacturing.

After losing jobs over the 2000:Q4-2002:Q4 period, the *service providing* segment is expected to add 8,303 jobs over the eight-quarter period following 2002:Q4. *Government* will make the largest contribution, creating 8,086 jobs between 2002:Q4 and 2004:Q4. *Local government*, which includes the tribal nations, will account for 88 percent of those new public sector jobs (+7,116). It is expected that another nearly 1,800 jobs will be refilled by the State over this period. Driven by demographics, *health care and social assistance* is expected to be the second largest job creator by adding 3,611 net new jobs over the forecast period. Reflecting our aging population, 4,245 of those jobs will be in the *health care services and facilities* sector, which includes the *ambulatory health care services*, and *nursing and residential care facilities* industries. *Educational services* is expected to create 2,151 new jobs over the 2002:Q4-2004:Q4 forecast period, and *administrative support and management* is expected to add another 1,733 jobs by 2004:Q4.

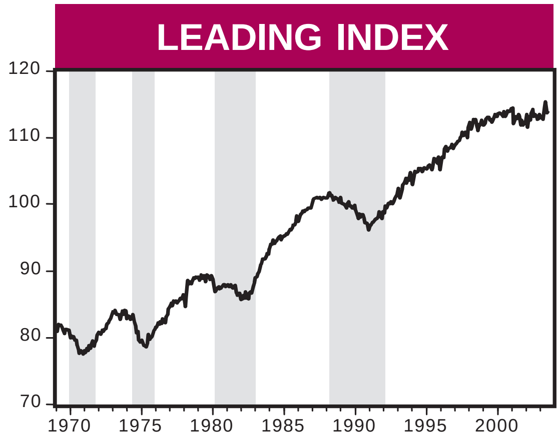
Nevertheless, there are *service providing* sectors that are expected to have significant job-losses over the forecast period. The *retail trade* sector will shed 4,822 jobs. This is partly due to the anticipated slowing of consumer spending as interest rates, rising in response to the Federal government's deficit-financing needs, begin choking the boom in refinancing. This was the source of a significant portion of the consumer spending that has propped up the economy over the last three years. Another part is structural. The big, big-box retailers, or mega-boxes, especially Wal-Mart and Target, will continue to expand their presence. Due to economies of scale and by using their buying power to put pressure on suppliers to exploit efficiencies, growth in

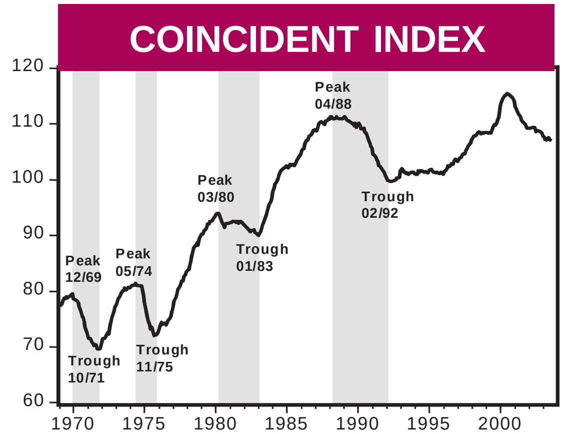
--Continued on page 5--

Connecticut industry employment, 1998 to 2004

INDUSTRY	HISTORICAL			FORECAST	NUMERICAL CHANGES			PERCENT CHANGES		
	1998:Q4	2000:Q4	2002:Q4	2004:Q4	98Q4-00Q4	00Q4-02Q4	02Q4-04Q4	98Q4-00Q4	00Q4-02Q4	02Q4-04Q4
TOTAL	1,668,624	1,712,770	1,677,847	1,671,608	44,146	-34,923	-6,239	2.65	-2.04	-0.37
GOODS PRODUCING	306,841	302,685	271,201	256,659	-4,156	-31,484	-14,542	-1.35	-10.40	-5.36
Mining	760	752	733	709	-8	-19	-24	-1.05	-2.53	-3.25
Construction	60,523	66,536	62,795	62,859	6,013	-3,741	64	9.94	-5.62	0.10
Manufacturing	245,558	235,397	207,673	193,090	-10,161	-27,724	-14,583	-4.14	-11.78	-7.02
SERVICE PROVIDING	1,334,783	1,384,085	1,379,646	1,387,949	49,302	-4,439	8,303	3.69	-0.32	0.60
Wholesale Trade	66,575	68,643	65,636	64,031	2,068	-3,007	-1,605	3.11	-4.38	-2.44
Retail Trade	197,621	203,285	199,453	194,631	5,664	-3,832	-4,822	2.87	-1.89	-2.42
Transportation and Warehousing	40,922	42,548	39,373	39,072	1,626	-3,175	-301	3.97	-7.46	-0.76
Utilities	9,738	9,560	8,968	8,763	-178	-592	-205	-1.83	-6.19	-2.28
Information	44,890	46,547	40,243	37,878	1,657	-6,304	-2,365	3.69	-13.54	-5.88
Finance and Insurance	118,321	121,086	122,447	123,076	2,765	1,361	629	2.34	1.12	0.51
Real Estate and Rental and Leasing	19,712	21,299	20,012	20,139	1,587	-1,287	127	8.05	-6.04	0.64
Professional, Scientific, and Technical Services	87,854	96,182	90,390	86,630	8,328	-5,792	-3,760	9.48	-6.02	-4.16
Management of Companies and Enterprises	31,199	29,255	26,847	25,113	-1,944	-2,408	-1,734	-6.23	-8.23	-6.46
Admin and Support/Waste Manage/Remediation	88,074	91,667	83,386	85,119	3,593	-8,281	1,733	4.08	-9.03	2.08
Educational Services	38,901	41,225	44,750	46,901	2,324	3,525	2,151	5.97	8.55	4.81
Health Care and Social Assistance	200,920	204,238	214,814	218,425	3,318	10,576	3,611	1.65	5.18	1.68
Arts, Entertainment, and Recreation	16,387	19,199	22,252	25,058	2,812	3,053	2,806	17.16	15.90	12.61
Accommodation and Food Services	94,833	97,989	99,400	102,017	3,156	1,411	2,617	3.33	1.44	2.63
Other Services	52,979	55,331	55,326	56,661	2,352	-5	1,335	4.44	-0.01	2.41
Government	225,857	236,031	246,349	254,435	10,174	10,318	8,086	4.50	4.37	3.28

SOURCE: Connecticut Department of Labor, Office of Research





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.

All is quiet as we head into the fall

The most recent economic reports suggest that the recovery in the U.S. economy is on track. Because a rising inflation rate typically accompanies an economic recovery, a concern that has been voiced several times by economists is whether the Federal Reserve will raise the Federal funds rate at its next FOMC meeting on October 28. I personally don't believe so. The recovery is indeed on track, but it has yet to have a major impact on the labor market. There is no sign that inflation will pick up anytime soon, although it could happen suddenly, especially with the volatile situation in the Middle East oil producing countries. Raising interest rates at this point may be counterproductive. It could slow the recovery and not have a major impact on the inflation rate.

For the month of August, our indicators provided some encouraging signs for the Connecticut economy. The revised CCEA-ECRI Connecticut coincident employment index fell on a year-to-year basis from 108.9 in August 2002 to 107.3 in August 2003. All four components are negative contributors to the index, with a higher insured unemployment rate, a higher total unemployment rate, lower total nonfarm employment, and lower total employment. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index rose from 107.0 in July 2003 to 107.3 in August 2003. Three components are positive contributors, with a lower insured unemployment rate, lower total unemployment rate and higher total nonfarm employment. The sole negative contributor is lower total employment.

The revised CCEA-ECRI Connecticut leading employment index rose from 112.8 in August 2002 to 114.03 in August 2003. Four components of this index are positive contributors, with a lower Moody's Baa corporate bond yield, higher total housing permits, lower initial claims for unemployment insurance, and a lower short duration (less than 15 weeks) unemployment rate. The two negative contributors are a lower Hartford help-wanted advertising index, and lower average weekly hours worked in manufacturing and construction. On a sequential month-to-month basis, the CCEA-ECRI Connecticut leading employment index also rose from 113.69 in July to 114.03 in August. There are three positive contributors namely, higher total housing permits, a lower short duration (less than 15 weeks) unemployment rate, and slightly higher average weekly hours worked in manufacturing and construction. Two components of this index are negative contributors, with a higher Moody's Baa corporate bond yield, and higher initial claims for unemployment insurance, while the help wanted index remained stable.

As Connecticut continues its slow recovery, it continues to shed jobs. A recent forecast reported in the Hartford Courant suggests that Connecticut will continue to lose jobs through the rest of this year, and a modest pickup is predicted for next year. This is to be expected, however, because the Connecticut economy lags behind the national economy by about six months, and without strong job creation at the national level, we can expect weak job creation in Connecticut. However, we should not lose sight of the fact that the recovery in Connecticut is on track. ■

PLEASE LET US KNOW HOW YOU USE THE INDICATORS. RESPOND TO THE SURVEY AT OUR WEBSITE: HTTP://CCEA.UCONN.EDU. THANK YOU!

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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 Indexes are described in the Technical Notes on page 23.*

--Continued from page 3--

retail employment is constrained as competitors fold and big-box stores employ fewer workers-per-square-foot.

Professional, technical, and scientific services is expected to lose another 3,760 jobs over the next eight quarters. The *information* sector is expected to lose another 2,365 jobs over the forecast period. *Management of companies and enterprises* is expected to lose 1,734 jobs over the forecast period. Finally, *wholesale trade* is expected to shed 1,605 jobs.

Forecast assumptions

It is assumed that modest job creation will return to the U.S. economy in 2004. And, it is likely that Connecticut will follow the U.S. in a job recovery. It is also assumed that the State's fiscal situation will remain stable throughout the forecast period. It is assumed that the effects of rising interest rates and house prices, in conjunction with high-debt levels will bring about a decline in housing activity for the rest of 2003 and into 2004.

Finally, electric power adds uncertainty to Connecticut's outlook in 2004. Between congestion costs for Fairfield County, a possible 11.1 percent rate increase in January 2004, and though there is a 10 percent cap, the Standard Offer expires on December 31st. The effect of these potential cumulative rate increases could represent a reduction in discretionary income for a significant number of Connecticut's households. ■

For the complete paper with forecast methodology contact Daniel Kennedy, by phone, at (860) 263-6268, or, by e-mail, at daniel.kennedy@po.state.ct.us.

HOUSING UPDATE

Permit activity strong in September

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development (DECD) announced that Connecticut communities authorized 893 new housing units in September 2003, a 15.5 percent increase compared to September of 2002 when 773 units were authorized.

The Department further indicated that the 893 units permitted in September 2003 represent a 5.1 percent increase from the 850 units permitted in August 2003. The year-to-date permits are down 0.5 percent, from 7,307 through September 2002, to 7,269 through September 2003.

Seven of the ten Labor Market Areas showed increases in the number of permits issued when compared to a year ago. South Windsor led all municipalities with 116 new units, followed by Southbury with 27 and New Haven with 21. From a county perspective, only Hartford and New London counties had year-to-date gains of 17.7 percent and 7.3 percent respectively.

See data tables on pages 19 and 22.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2003	2Q 2002	CHANGE NO.	CHANGE %	1Q 2003
Employment Indexes (1992=100)*					
Leading	114.0	112.8	1.2	1.1	113.1
Coincident	107.4	109.3	-1.9	-1.7	107.6
General Drift Indicator (1986=100)*					
Leading	99.8	99.4	0.4	0.4	98.3
Coincident	100.0	102.3	-2.3	-2.2	101.3
Business Barometer (1992=100)**	117.0	117.9	-0.9	-0.8	117.1

*Sources: *The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*
***People's 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 **People's Bank Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production. The index is calculated by DataCore Partners, Inc for People's Bank.

Total nonfarm employment decreased by 21,900 over the year, largely the result of manufacturing job losses.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM	1,642.0	1,663.9	-21.9	-1.3	1,644.3
Construction	59.0	62.4	-3.4	-5.4	58.6
Manufacturing	200.8	211.7	-10.9	-5.1	201.7
Trade, Transportation, and Utilities	311.4	312.4	-1.0	-0.3	309.5
Information	39.4	40.2	-0.8	-2.0	39.7
Financial Activities	142.8	143.3	-0.5	-0.3	142.4
Professional and Business Services	197.5	200.6	-3.1	-1.5	198.5
Education and Health Services	262.2	259.9	2.3	0.9	257.1
Government*	242.7	248.3	-5.6	-2.3	245.8

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

The unemployment rate rose while initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
Unemployment Rate, resident (%)	5.0	4.5	0.5	---	5.0
Labor Force, resident (000s)	1,777.9	1,778.2	-0.3	0.0	1,782.0
Employed (000s)	1,688.3	1,698.9	-10.6	-0.6	1,692.0
Unemployed (000s)	89.6	79.3	10.3	13.0	89.9
Average Weekly Initial Claims	4,768	5,263	-495	-9.4	4,902
Help Wanted Index -- Htfd. (1987=100)	11	11	0	0.0	11
Avg. Insured Unemp. Rate (%)	3.63	3.41	0.22	---	3.26

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings and output increased over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003	JUL 2003
Average Weekly Hours	41.9	42.0	-0.1	-0.2	40.9	--
Average Hourly Earnings	17.88	17.45	0.43	2.5	17.76	--
Average Weekly Earnings	749.17	732.90	16.27	2.2	726.38	--
CT Mfg. Production Index (1986=100)*	106.2	105.8	0.4	0.4	104.8	103.9
Production Worker Hours (000s)	5,093	4,925	168	3.4	4,950	--
Industrial Electricity Sales (mil kWh)**	424	444	-20.0	-4.5	466	438

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

Personal income for first quarter 2004 is forecasted to increase 2.9 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	1Q* 2004	1Q 2003	CHANGE NO.	CHANGE %	4Q* 2003
Personal Income	$154,862	$150,562	$4,300	2.9	$153,553
UI Covered Wages	$82,344	$81,902	$442	0.5	$78,831

Source: Bureau of Economic Analysis: October 2003 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
New Housing Permits	SEP 2003	893	15.5	7,269	7,307	-0.5
Electricity Sales (mil kWh)	JUN 2003	2,510	-0.8	15,330	14,734	4.0
Retail Sales (Bil. $)	JUN 2003	4.23	-0.5	20.23	20.30	-0.3
Construction Contracts						
Index (1980=100)	SEP 2003	345.2	12.8	---	---	---
New Auto Registrations	SEP 2003	21,649	11.7	182,628	175,079	4.3
Air Cargo Tons	SEP 2003	12,167	-9.0	103,807	108,373	-4.2
Exports (Bil. $)	2Q 2003	2.10	2.4	4.10	4.11	-0.2

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

Construction contracts were up 37.7 percent from a year ago.

BUSINESS STARTS AND TERMINATIONS

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
STARTS						
Secretary of the State	SEP 2003	2,227	16.2	19,910	19,695	1.1
Department of Labor*	1Q 2003	2,489	-9.3	2,489	2,743	-9.3
TERMINATIONS						
Secretary of the State	SEP 2003	676	46.0	7,161	4,146	72.7
Department of Labor*	1Q 2003	1,200	-31.6	1,200	1,754	-31.6

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

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

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was down 18.0 percent to 12,749 from the same period last year.

STATE REVENUES

(Millions of dollars)	SEP 2003	SEP 2002	% CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
TOTAL ALL REVENUES*	887.6	815.6	8.8	6,618	6,987	-5.3
Corporate Tax	55.7	61.1	-8.8	319	312	2.5
Personal Income Tax	434.1	385.2	12.7	3,091	3,253	-5.0
Real Estate Conv. Tax	16.4	11.0	49.1	88	101	-13.1
Sales & Use Tax	248.0	242.2	2.4	2,003	2,295	-12.7
Indian Gaming Payments**	32.3	31.7	1.7	300.8	288.6	4.2

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.*

September State revenues were up 8.8 percent from September last year.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	PRIOR	% CHG
Info Center Visitors	SEP 2003	61,792	-19.8	426,139	538,416	-20.9
Major Attraction Visitors	SEP 2003	107,820	-14.5	1,523,675	1,687,626	-9.7
Air Passenger Count	SEP 2003	435,691	-5.8	4,658,086	4,917,000	-5.3
Indian Gaming Slots (Mil.$)*	SEP 2003	1,580	-1.5	14,664	14,302	2.5
Travel and Tourism Index**	2Q 2003	---	-7.8	---	---	---

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*

Year-to-date air passenger traffic was down 5.3 percent from the same period a year ago.

Compensation costs for the nation and Northeast rose 4.0 percent over the year.

EMPLOYMENT COST INDEX

	Seasonally Adjusted			Not Seasonally Adjusted		
Private Industry Workers	**SEP**	**JUN**	**3-Mo**	**SEP**	**SEP**	**12-Mo**
(June 1989=100)	**2003**	**2003**	**% Chg**	**2003**	**2002**	**% Chg**
UNITED STATES TOTAL	168.0	166.3	1.0	168.1	161.6	4.0
Wages and Salaries	161.7	160.3	0.9	161.7	157.0	3.0
Benefit Costs	183.8	181.3	1.4	184.3	173.1	6.5
NORTHEAST TOTAL	---	---	---	166.9	160.5	4.0
Wages and Salaries	---	---	---	160.0	155.1	3.2

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

The September U.S. inflation rate was 2.3 percent, while U.S. and New England consumer confidence declined 18.0 and 18.4 percent from September a year ago, respectively.

CONSUMER NEWS

			% CHANGE	
(Not seasonally adjusted)	**MO/QTR**	**LEVEL**	**Y/Y**	**P/P***
CONSUMER PRICES				
Connecticut**	2Q 2003	---	-3.2	---
CPI-U (1982-84=100)				
U.S. City Average	SEP 2003	185.2	2.3	0.3
Purchasing Power of $ (1982-84=$1.00)	SEP 2003	$0.540	-2.3	-0.3
Northeast Region	SEP 2003	195.0	2.9	0.4
NY-Northern NJ-Long Island	SEP 2003	199.6	3.3	0.3
Boston-Brockton-Nashua***	SEP 2003	206.8	3.9	1.9
CPI-W (1982-84=100)				
U.S. City Average	SEP 2003	181.0	2.3	0.4
CONSUMER CONFIDENCE (1985=100)				
Connecticut**	2Q 2003	79.8	-16.6	-3.0
New England	SEP 2003	72.8	-18.4	4.1
U.S.	SEP 2003	76.8	-18.0	-6.0

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

Except for the prime, interest rates were uniformly lower than last month, including the 30-year conventional mortgage rate at 6.15 percent.

INTEREST RATES

	SEP	**AUG**	**SEP**
(Percent)	**2003**	**2003**	**2002**
Prime	4.00	4.00	4.75
Federal Funds	1.01	1.03	1.75
3 Month Treasury Bill	0.94	0.95	1.66
6 Month Treasury Bill	1.01	1.03	1.64
1 Year Treasury Bill	1.34	1.42	1.86
3 Year Treasury Note	2.65	2.84	2.84
5 Year Treasury Note	3.61	3.82	3.51
7 Year Treasury Note	4.19	4.42	3.99
10 Year Treasury Note	4.71	4.95	4.44
30 Year Treasury Bond	5.49	5.71	5.20
Conventional Mortgage	6.15	6.26	6.09

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

Six out of the nine states in the region lost jobs over the year.

(Seasonally adjusted; 000s)	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
Connecticut	1,642.0	1,663.9	-21.9	-1.3	1,644.3
Maine	604.8	606.3	-1.5	-0.2	604.3
Massachusetts	3,203.1	3,251.7	-48.6	-1.5	3,215.5
New Hampshire	621.9	622.5	-0.6	-0.1	618.4
New Jersey	4,016.4	3,995.1	21.3	0.5	4,010.7
New York	8,388.6	8,439.0	-50.4	-0.6	8,390.0
Pennsylvania	5,637.2	5,658.6	-21.4	-0.4	5,635.5
Rhode Island	480.8	480.0	0.8	0.2	481.8
Vermont	302.9	299.1	3.8	1.3	304.0
United States	129,862.0	130,289.0	-427.0	-0.3	129,805.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
Connecticut	1,777.9	1,778.2	-0.3	0.0	1,782.0
Maine	700.4	686.0	14.4	2.1	694.4
Massachusetts	3,456.4	3,505.5	-49.1	-1.4	3,459.6
New Hampshire	720.6	708.7	11.9	1.7	718.2
New Jersey	4,433.1	4,370.9	62.2	1.4	4,434.3
New York	9,392.7	9,401.1	-8.4	-0.1	9,376.7
Pennsylvania	6,164.0	6,299.2	-135.2	-2.1	6,188.0
Rhode Island	568.2	559.8	8.4	1.5	570.1
Vermont	353.4	349.8	3.6	1.0	353.2
United States	146,545.0	145,634.0	911.0	0.6	146,530.0

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

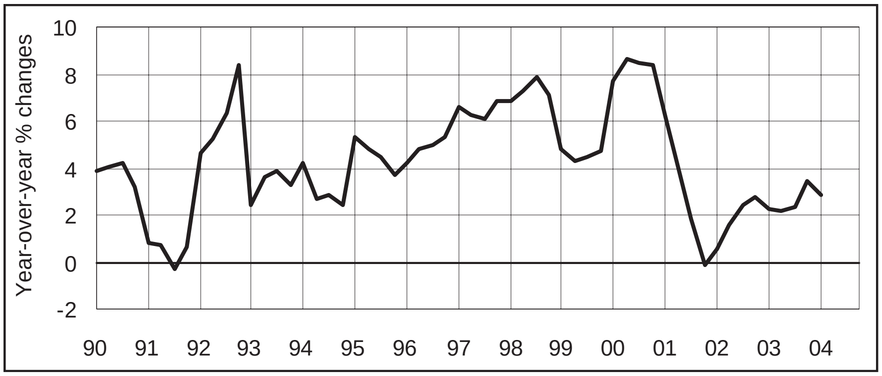
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	SEP 2003	SEP 2002	CHANGE	AUG 2003
Connecticut	5.0	4.5	0.5	5.0
Maine	4.9	4.4	0.5	4.9
Massachusetts	5.7	5.5	0.2	5.8
New Hampshire	4.5	4.8	-0.3	4.4
New Jersey	5.8	6.0	-0.2	5.9
New York	6.4	6.0	0.4	6.2
Pennsylvania	5.3	5.7	-0.4	5.2
Rhode Island	4.5	5.3	-0.8	5.3
Vermont	4.3	3.7	0.6	3.9
United States	6.1	5.7	0.4	6.1

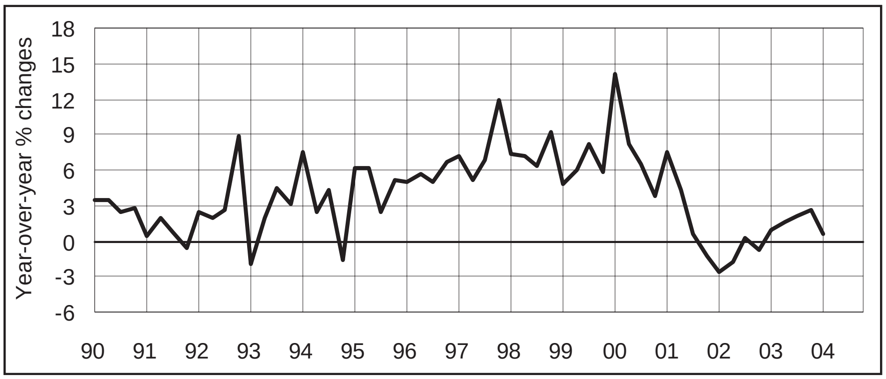
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



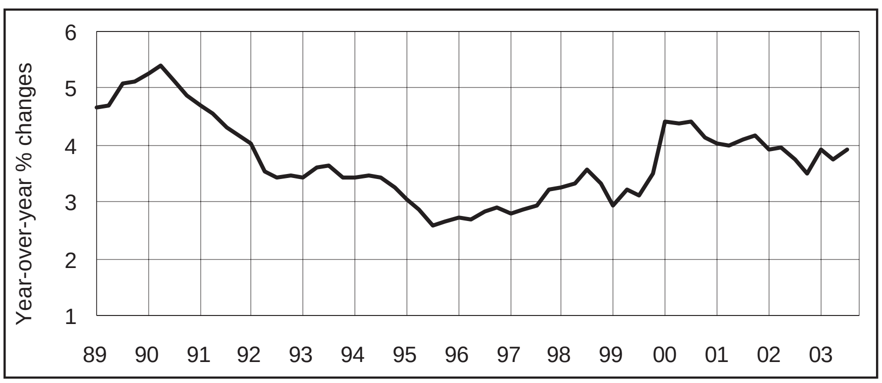
Quarter	2002	2003	2004
First	0.6	2.2	2.9
Second	1.6	2.1	
Third	2.4	2.3	
Fourth	2.7	3.4	

UI COVERED WAGES *(Seasonally adjusted)*



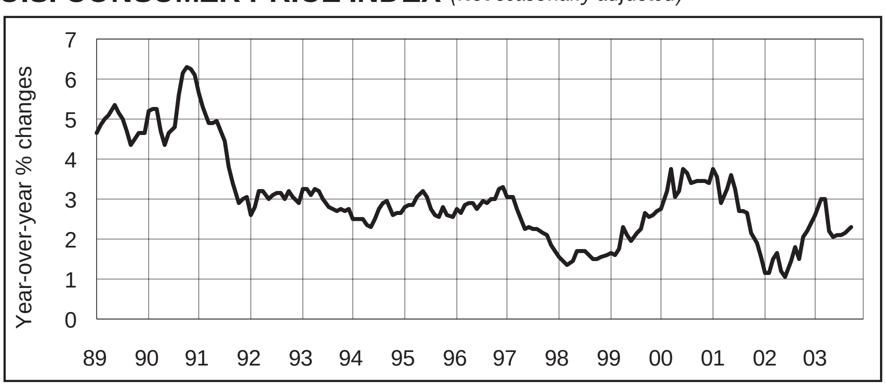
Quarter	2002	2003	2004
First	-2.7	0.9	0.5
Second	-1.8	1.6	
Third	0.2	2.0	
Fourth	-0.8	2.7	

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



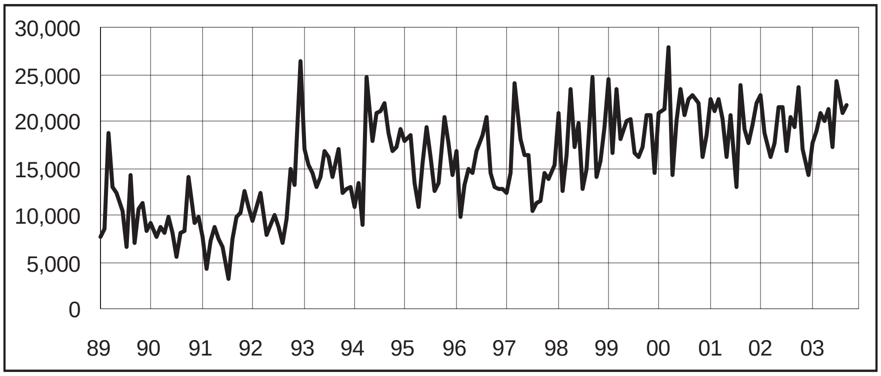
Quarter	2001	2002	2003
First	4.0	3.9	3.9
Second	4.0	4.0	3.8
Third	4.1	3.7	3.9
Fourth	4.2	3.5	

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



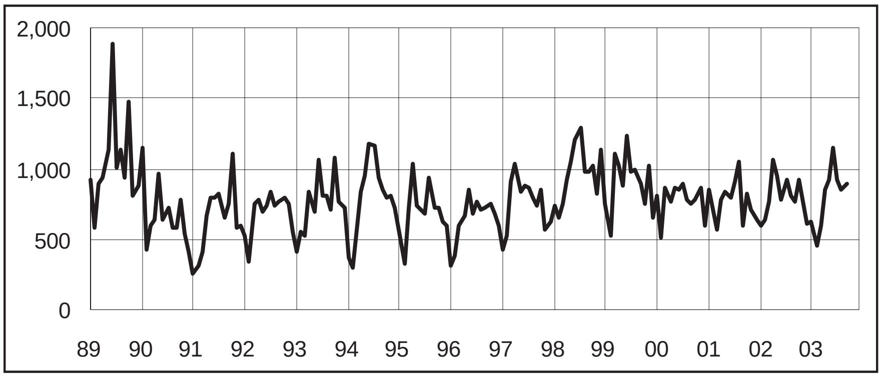
Month	2001	2002	2003
Jan	3.7	1.1	2.6
Feb	3.5	1.1	3.0
Mar	2.9	1.5	3.0
Apr	3.3	1.6	2.2
May	3.6	1.2	2.1
Jun	3.2	1.1	2.1
Jul	2.7	1.5	2.1
Aug	2.7	1.8	2.2
Sep	2.6	1.5	2.3
Oct	2.1	2.0	
Nov	1.9	2.2	
Dec	1.6	2.4	

NEW AUTO REGISTRATIONS PROCESSED *(Not seasonally adjusted)*



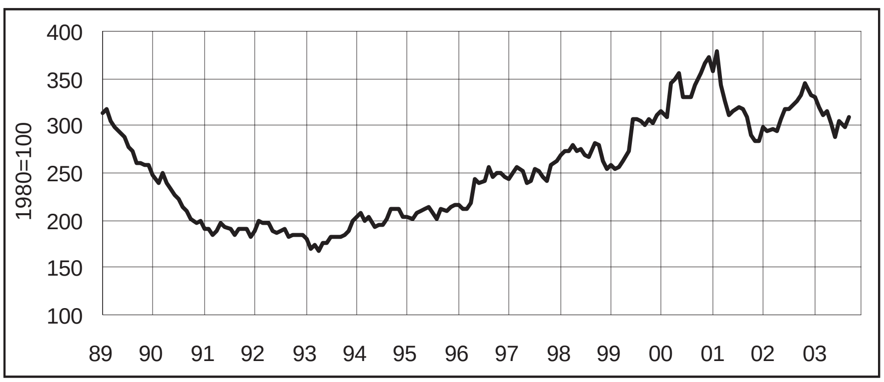
Month	2001	2002	2003
Jan	22,418	22,780	17,598
Feb	21,096	18,679	18,956
Mar	22,374	16,234	20,777
Apr	20,171	17,703	19,972
May	16,121	21,590	21,302
Jun	20,647	21,445	17,304
Jul	13,038	16,800	24,240
Aug	23,854	20,460	20,830
Sep	19,074	19,388	21,649
Oct	17,654	23,652	
Nov	19,500	16,982	
Dec	21,958	14,222	

NEW HOUSING PERMITS *(Not seasonally adjusted)*



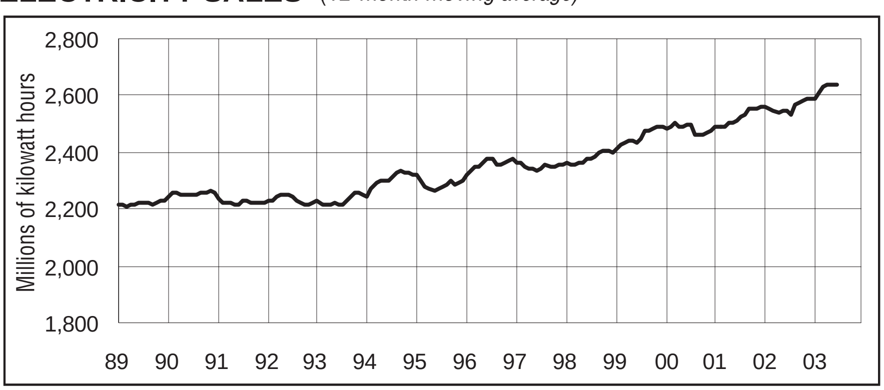
Month	2001	2002	2003
Jan	849	601	629
Feb	706	633	454
Mar	561	762	600
Apr	779	1,061	856
May	841	957	916
Jun	793	782	1,143
Jul	910	927	928
Aug	1,055	811	850
Sep	598	773	893
Oct	820	924	
Nov	706	771	
Dec	636	605	

CONSTRUCTION CONTRACTS INDEX *(12-month moving average)*



Month	2001	2002	2003
Jan	358.5	297.7	331.0
Feb	378.6	293.8	318.9
Mar	343.0	296.3	310.8
Apr	325.4	294.9	314.5
May	311.9	306.6	302.2
Jun	315.7	317.1	288.4
Jul	318.8	317.2	304.4
Aug	318.1	322.3	298.9
Sep	309.5	325.2	309.4
Oct	289.3	332.1	
Nov	283.9	344.2	
Dec	283.9	333.4	

ELECTRICITY SALES *(12-month moving average)*



Month	2001	2002	2003
Jan	2,493	2,560	2,585
Feb	2,492	2,551	2,610
Mar	2,487	2,544	2,629
Apr	2,502	2,538	2,638
May	2,506	2,546	2,640
Jun	2,512	2,545	2,637
Jul	2,523	2,534	
Aug	2,531	2,565	
Sep	2,556	2,571	
Oct	2,554	2,580	
Nov	2,556	2,588	
Dec	2,561	2,589	

CONNECTICUT

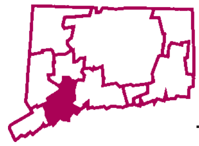
Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**1,646,900**	**1,668,900**	**-22,000**	**-1.3**	**1,636,100**
GOODS PRODUCING INDUSTRIES	**263,900**	**278,200**	**-14,300**	**-5.1**	**265,000**
CONSTRUCTION, NAT. RES. & MINING	**62,500**	**65,900**	**-3,400**	**-5.2**	**63,500**
MANUFACTURING	**201,400**	**212,300**	**-10,900**	**-5.1**	**201,500**
Durable Goods	**148,600**	**157,500**	**-8,900**	**-5.7**	**148,800**
Fabricated Metal	33,300	34,700	-1,400	-4.0	33,200
Machinery	18,200	19,900	-1,700	-8.5	18,200
Computer and Electronic Product	15,800	17,700	-1,900	-10.7	15,900
Electrical Equipment	10,500	11,500	-1,000	-8.7	10,900
Transportation Equipment	43,200	45,000	-1,800	-4.0	43,300
Aerospace Product and Parts	30,300	31,800	-1,500	-4.7	30,200
Non-Durable Goods	**52,800**	**54,800**	**-2,000**	**-3.6**	**52,700**
Printing and Related	8,000	8,600	-600	-7.0	7,900
Chemical	17,700	18,500	-800	-4.3	17,900
Plastics and Rubber Products	8,200	8,300	-100	-1.2	8,000
SERVICE PROVIDING INDUSTRIES	**1,383,000**	**1,390,700**	**-7,700**	**-0.6**	**1,371,100**
TRADE, TRANSPORTATION, UTILITIES	**308,900**	**310,000**	**-1,100**	**-0.4**	**305,200**
Wholesale Trade	65,100	66,200	-1,100	-1.7	64,800
Retail Trade	194,600	194,100	500	0.3	194,900
Motor Vehicle and Parts Dealers	22,600	22,600	0	0.0	22,400
Building Material	16,600	16,000	600	3.8	16,700
Food and Beverage Stores	47,000	46,700	300	0.6	47,400
General Merchandise Stores	23,200	23,700	-500	-2.1	23,100
Transportation, Warehousing, & Utilities	49,200	49,700	-500	-1.0	45,500
Utilities	8,800	9,000	-200	-2.2	8,800
Transportation and Warehousing	40,400	40,700	-300	-0.7	36,700
INFORMATION	**39,600**	**40,400**	**-800**	**-2.0**	**39,900**
Telecommunications	13,800	14,600	-800	-5.5	13,800
FINANCIAL ACTIVITIES	**142,700**	**143,200**	**-500**	**-0.3**	**143,500**
Finance and Insurance	122,300	122,400	-100	-0.1	123,000
Credit Intermediation	31,800	31,800	0	0.0	31,900
Securities and Commodity Contracts	17,300	17,300	0	0.0	17,500
Insurance Carriers & Related Activities	68,200	68,200	0	0.0	68,500
Real Estate and Rental and Leasing	20,400	20,800	-400	-1.9	20,500
PROFESSIONAL & BUSINESS SERVICES	**199,500**	**202,600**	**-3,100**	**-1.5**	**200,100**
Professional, Scientific	86,000	89,500	-3,500	-3.9	86,400
Legal Services	14,900	14,800	100	0.7	14,900
Computer Systems Design	18,100	19,300	-1,200	-6.2	18,300
Management of Companies	26,500	27,200	-700	-2.6	26,500
Administrative and Support	87,000	85,900	1,100	1.3	87,200
Employment Services	30,800	30,400	400	1.3	30,400
EDUCATIONAL AND HEALTH SERVICES	**262,300**	**260,000**	**2,300**	**0.9**	**257,000**
Educational Services	48,100	47,200	900	1.9	42,700
Health Care and Social Assistance	214,200	212,800	1,400	0.7	214,300
Hospitals	53,600	54,500	-900	-1.7	53,500
Nursing & Residential Care Facilities	56,600	56,200	400	0.7	56,500
Social Assistance	32,700	32,000	700	2.2	33,200
LEISURE AND HOSPITALITY	**126,200**	**125,600**	**600**	**0.5**	**133,000**
Arts, Entertainment, and Recreation	24,800	24,600	200	0.8	28,900
Accommodation and Food Services	101,400	101,000	400	0.4	104,100
Food Serv., Restaurants, Drinking Places	90,200	89,400	800	0.9	91,600
OTHER SERVICES	**62,200**	**61,600**	**600**	**1.0**	**63,600**
GOVERNMENT	**241,600**	**247,300**	**-5,700**	**-2.3**	**228,800**
Federal Government	20,600	21,200	-600	-2.8	20,600
State Government	63,500	69,000	-5,500	-8.0	59,700
**Local Government	157,500	157,100	400	0.3	148,500

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

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

BRIDGEPORT LMA

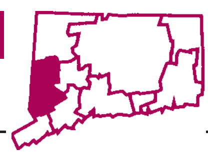


Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**186,200**	**186,100**	**100**	**0.1**	**184,600**
GOODS PRODUCING INDUSTRIES	**35,400**	**37,500**	**-2,100**	**-5.6**	**35,300**
CONSTRUCTION, NAT. RES. & MINING	**6,900**	**7,400**	**-500**	**-6.8**	**7,000**
MANUFACTURING	**28,500**	**30,100**	**-1,600**	**-5.3**	**28,300**
Durable Goods	**23,700**	**25,200**	**-1,500**	**-6.0**	**23,400**
SERVICE PROVIDING INDUSTRIES	**150,800**	**148,600**	**2,200**	**1.5**	**149,300**
TRADE, TRANSPORTATION, UTILITIES	**37,600**	**36,800**	**800**	**2.2**	**37,700**
Wholesale Trade	6,900	7,000	-100	-1.4	7,000
Retail Trade	25,500	24,300	1,200	4.9	25,700
Transportation, Warehousing, & Utilities	5,200	5,500	-300	-5.5	5,000
INFORMATION	**5,100**	**4,600**	**500**	**10.9**	**5,100**
FINANCIAL ACTIVITIES	**10,300**	**11,200**	**-900**	**-8.0**	**10,500**
PROFESSIONAL & BUSINESS SERVICES	**19,400**	**20,600**	**-1,200**	**-5.8**	**19,400**
EDUCATIONAL AND HEALTH SERVICES	**32,700**	**31,400**	**1,300**	**4.1**	**32,100**
LEISURE AND HOSPITALITY	**13,500**	**13,200**	**300**	**2.3**	**14,200**
Accommodation and Food Services	10,600	10,200	400	3.9	10,700
OTHER SERVICES	**6,900**	**6,900**	**0**	**0.0**	**7,100**
GOVERNMENT	**25,300**	**23,900**	**1,400**	**5.9**	**23,200**
Federal	1,900	2,000	-100	-5.0	2,000
State & Local	23,400	21,900	1,500	6.8	21,200

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

DANBURY LMA



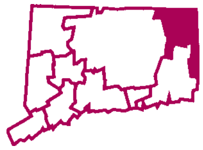
Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**91,600**	**90,500**	**1,100**	**1.2**	**91,100**
GOODS PRODUCING INDUSTRIES	**18,800**	**19,000**	**-200**	**-1.1**	**18,700**
CONSTRUCTION, NAT. RES. & MINING	**4,600**	**4,500**	**100**	**2.2**	**4,700**
MANUFACTURING	**14,200**	**14,500**	**-300**	**-2.1**	**14,000**
SERVICE PROVIDING INDUSTRIES	**72,800**	**71,500**	**1,300**	**1.8**	**72,400**
TRADE, TRANSPORTATION, UTILITIES	**18,600**	**18,200**	**400**	**2.2**	**18,500**
Wholesale Trade	2,700	2,600	100	3.8	2,700
Retail Trade	14,000	13,600	400	2.9	14,100
INFORMATION	**3,000**	**3,000**	**0**	**0.0**	**3,000**
FINANCIAL ACTIVITIES	**4,400**	**4,300**	**100**	**2.3**	**4,400**
PROFESSIONAL & BUSINESS SERVICES	**9,800**	**10,500**	**-700**	**-6.7**	**10,300**
EDUCATIONAL AND HEALTH SERVICES	**13,100**	**12,600**	**500**	**4.0**	**12,900**
LEISURE AND HOSPITALITY	**7,700**	**7,200**	**500**	**6.9**	**8,300**
OTHER SERVICES	**3,900**	**3,800**	**100**	**2.6**	**4,100**
GOVERNMENT	**12,300**	**11,900**	**400**	**3.4**	**10,900**
Federal	800	800	0	0.0	800
State & Local	11,500	11,100	400	3.6	10,100

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

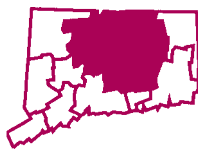
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes.*

DANIELSON LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

HARTFORD LMA



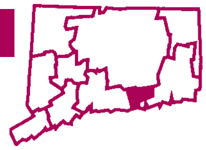
Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**598,300**	**606,800**	**-8,500**	**-1.4**	**593,900**
GOODS PRODUCING INDUSTRIES	**95,800**	**100,900**	**-5,100**	**-5.1**	**96,500**
CONSTRUCTION, NAT. RES. & MINING	**22,600**	**23,300**	**-700**	**-3.0**	**23,100**
MANUFACTURING	**73,200**	**77,600**	**-4,400**	**-5.7**	**73,400**
Durable Goods	**61,000**	**64,100**	**-3,100**	**-4.8**	**61,200**
Fabricated Metal	14,700	15,800	-1,100	-7.0	14,600
Non-Durable Goods	**12,200**	**13,500**	**-1,300**	**-9.6**	**12,200**
SERVICE PROVIDING INDUSTRIES	**502,500**	**505,900**	**-3,400**	**-0.7**	**497,400**
TRADE, TRANSPORTATION, UTILITIES	**106,100**	**106,200**	**-100**	**-0.1**	**104,900**
Wholesale Trade	20,500	21,600	-1,100	-5.1	20,700
Retail Trade	66,100	64,300	1,800	2.8	66,200
Transportation, Warehousing, & Utilities	19,500	20,300	-800	-3.9	18,000
Transportation and Warehousing	16,100	16,600	-500	-3.0	14,600
INFORMATION	**10,600**	**11,800**	**-1,200**	**-10.2**	**11,000**
FINANCIAL ACTIVITIES	**71,400**	**72,300**	**-900**	**-1.2**	**72,300**
Finance and Insurance	65,300	66,700	-1,400	-2.1	65,900
Insurance Carriers & Related Activities	50,300	49,400	900	1.8	49,800
PROFESSIONAL & BUSINESS SERVICES	**60,600**	**61,900**	**-1,300**	**-2.1**	**61,200**
Professional, Scientific	27,200	27,900	-700	-2.5	27,700
Management of Companies	6,600	6,500	100	1.5	6,600
Administrative and Support	26,800	27,500	-700	-2.5	26,900
EDUCATIONAL AND HEALTH SERVICES	**86,400**	**87,500**	**-1,100**	**-1.3**	**85,900**
Health Care and Social Assistance	78,900	78,100	800	1.0	78,700
LEISURE AND HOSPITALITY	**40,900**	**40,700**	**200**	**0.5**	**42,700**
Accommodation and Food Services	33,400	33,400	0	0.0	33,900
Food Serv., Restaurants, Drinking Places	29,700	30,000	-300	-1.0	29,800
OTHER SERVICES	**25,800**	**24,400**	**1,400**	**5.7**	**26,300**
GOVERNMENT	**100,700**	**101,100**	**-400**	**-0.4**	**93,100**
Federal	7,200	7,200	0	0.0	7,200
State & Local	93,500	93,900	-400	-0.4	85,900

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

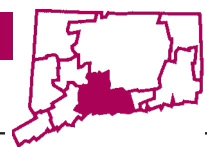
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes.*

LOWER RIVER LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

NEW HAVEN LMA



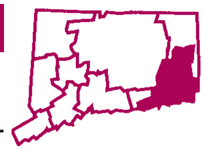
Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**258,400**	**259,900**	**-1,500**	**-0.6**	**257,500**
GOODS PRODUCING INDUSTRIES	**42,700**	**43,400**	**-700**	**-1.6**	**42,800**
CONSTRUCTION, NAT. RES. & MINING	**11,200**	**10,800**	**400**	**3.7**	**11,500**
MANUFACTURING	**31,500**	**32,600**	**-1,100**	**-3.4**	**31,300**
Durable Goods	**21,300**	**21,800**	**-500**	**-2.3**	**20,900**
Non-Durable Goods	**10,200**	**10,800**	**-600**	**-5.6**	**10,400**
SERVICE PROVIDING INDUSTRIES	**215,700**	**216,500**	**-800**	**-0.4**	**214,700**
TRADE, TRANSPORTATION, UTILITIES	**47,100**	**47,000**	**100**	**0.2**	**46,600**
Wholesale Trade	9,900	10,400	-500	-4.8	9,800
Retail Trade	29,700	29,100	600	2.1	29,500
Transportation, Warehousing, & Utilities	7,500	7,500	0	0.0	7,300
INFORMATION	**10,000**	**9,600**	**400**	**4.2**	**9,900**
Telecommunications	5,800	6,100	-300	-4.9	5,800
FINANCIAL ACTIVITIES	**13,800**	**14,000**	**-200**	**-1.4**	**14,000**
Finance and Insurance	10,300	10,600	-300	-2.8	10,400
PROFESSIONAL & BUSINESS SERVICES	**28,300**	**27,900**	**400**	**1.4**	**27,800**
Administrative and Support	13,000	14,000	-1,000	-7.1	12,800
EDUCATIONAL AND HEALTH SERVICES	**57,000**	**58,300**	**-1,300**	**-2.2**	**56,100**
Educational Services	19,400	21,400	-2,000	-9.3	18,500
Health Care and Social Assistance	37,600	36,900	700	1.9	37,600
LEISURE AND HOSPITALITY	**17,000**	**17,000**	**0**	**0.0**	**19,500**
Accommodation and Food Services	14,400	14,000	400	2.9	14,700
OTHER SERVICES	**10,800**	**10,200**	**600**	**5.9**	**10,600**
GOVERNMENT	**31,700**	**32,500**	**-800**	**-2.5**	**30,200**
Federal	5,400	5,600	-200	-3.6	5,500
State & Local	26,300	26,900	-600	-2.2	24,700

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

NEW LONDON LMA

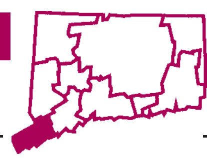


Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**148,200**	**147,600**	**600**	**0.4**	**149,200**
GOODS PRODUCING INDUSTRIES	**24,600**	**25,000**	**-400**	**-1.6**	**24,300**
CONSTRUCTION, NAT. RES. & MINING	**4,800**	**4,900**	**-100**	**-2.0**	**4,600**
MANUFACTURING	**19,800**	**20,100**	**-300**	**-1.5**	**19,700**
Durable Goods	**11,900**	**12,000**	**-100**	**-0.8**	**11,800**
Non-Durable Goods	**7,900**	**8,100**	**-200**	**-2.5**	**7,900**
SERVICE PROVIDING INDUSTRIES	**123,600**	**122,600**	**1,000**	**0.8**	**124,900**
TRADE, TRANSPORTATION, UTILITIES	**25,300**	**24,900**	**400**	**1.6**	**25,400**
Wholesale Trade	2,300	2,300	0	0.0	2,300
Retail Trade	18,400	17,900	500	2.8	18,600
Transportation, Warehousing, & Utilities	4,600	4,700	-100	-2.1	4,500
INFORMATION	**2,400**	**2,500**	**-100**	**-4.0**	**2,400**
FINANCIAL ACTIVITIES	**3,700**	**3,600**	**100**	**2.8**	**3,800**
PROFESSIONAL & BUSINESS SERVICES	**10,600**	**11,000**	**-400**	**-3.6**	**11,000**
EDUCATIONAL AND HEALTH SERVICES	**18,900**	**18,400**	**500**	**2.7**	**18,400**
Health Care and Social Assistance	16,600	16,100	500	3.1	16,400
LEISURE AND HOSPITALITY	**15,800**	**15,800**	**0**	**0.0**	**17,000**
Accommodation and Food Services	13,300	13,400	-100	-0.7	14,400
Food Serv., Restaurants, Drinking Places	10,100	10,000	100	1.0	10,800
OTHER SERVICES	**4,200**	**4,300**	**-100**	**-2.3**	**4,200**
GOVERNMENT	**42,700**	**42,100**	**600**	**1.4**	**42,700**
Federal	2,900	2,900	0	0.0	3,000
**State & Local	39,800	39,200	600	1.5	39,700

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

STAMFORD LMA



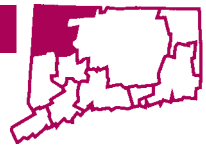
Not Seasonally Adjusted

	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
TOTAL NONFARM EMPLOYMENT	**196,700**	**196,700**	**0**	**0.0**	**198,700**
GOODS PRODUCING INDUSTRIES	**17,900**	**18,600**	**-700**	**-3.8**	**18,000**
CONSTRUCTION, NAT. RES. & MINING	**6,300**	**6,400**	**-100**	**-1.6**	**6,400**
MANUFACTURING	**11,600**	**12,200**	**-600**	**-4.9**	**11,600**
SERVICE PROVIDING INDUSTRIES	**178,800**	**178,100**	**700**	**0.4**	**180,700**
TRADE, TRANSPORTATION, UTILITIES	**33,100**	**34,300**	**-1,200**	**-3.5**	**33,300**
Wholesale Trade	7,800	8,000	-200	-2.5	7,900
Retail Trade	20,900	21,800	-900	-4.1	21,100
Transportation, Warehousing, & Utilities	4,400	4,500	-100	-2.2	4,300
INFORMATION	**6,500**	**6,800**	**-300**	**-4.4**	**6,500**
FINANCIAL ACTIVITIES	**28,000**	**27,700**	**300**	**1.1**	**28,400**
Finance and Insurance	25,000	24,200	800	3.3	25,300
PROFESSIONAL & BUSINESS SERVICES	**44,300**	**44,500**	**-200**	**-0.4**	**44,600**
Professional, Scientific	23,100	22,300	800	3.6	22,800
Management of Companies	9,900	9,700	200	2.1	10,000
Administrative and Support	11,300	12,500	-1,200	-9.6	11,800
EDUCATIONAL AND HEALTH SERVICES	**22,700**	**21,600**	**1,100**	**5.1**	**22,800**
Health Care and Social Assistance	19,500	18,500	1,000	5.4	19,600
LEISURE AND HOSPITALITY	**15,600**	**15,100**	**500**	**3.3**	**16,900**
Accommodation and Food Services	10,600	10,600	0	0.0	11,200
OTHER SERVICES	**9,100**	**8,900**	**200**	**2.2**	**9,400**
GOVERNMENT	**19,500**	**19,200**	**300**	**1.6**	**18,800**
Federal	1,700	1,700	0	0.0	1,700
State & Local	17,800	17,500	300	1.7	17,100

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

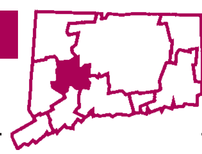
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

TORRINGTON LMA



Due to staff cuts, data for this labor market area are no longer being developed for publication.

WATERBURY LMA



	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
			Not Seasonally Adjusted		
TOTAL NONFARM EMPLOYMENT……………	**82,700**	**84,000**	**-1,300**	**-1.5**	**82,800**
GOODS PRODUCING INDUSTRIES…………	**16,400**	**17,400**	**-1,000**	**-5.7**	**16,300**
CONSTRUCTION, NAT. RES. & MINING.….	**3,800**	**3,900**	**-100**	**-2.6**	**3,900**
MANUFACTURING……………………………	**12,600**	**13,500**	**-900**	**-6.7**	**12,400**
Durable Goods………………………………	**10,200**	**11,200**	**-1,000**	**-8.9**	**10,100**
SERVICE PROVIDING INDUSTRIES…………	**66,300**	**66,600**	**-300**	**-0.5**	**66,500**
TRADE, TRANSPORTATION, UTILITIES…..	**14,500**	**15,400**	**-900**	**-5.8**	**14,500**
Wholesale Trade………………………………	1,900	2,400	-500	-20.8	1,900
Retail Trade……………………………………	10,200	10,500	-300	-2.9	10,200
Transportation, Warehousing, & Utilities….	2,400	2,500	-100	-4.0	2,400
INFORMATION…………………………………	**1,400**	**1,400**	**0**	**0.0**	**1,400**
FINANCIAL ACTIVITIES………………………	**3,700**	**3,700**	**0**	**0.0**	**3,800**
PROFESSIONAL & BUSINESS SERVICES	**8,100**	**7,900**	**200**	**2.5**	**8,200**
EDUCATIONAL AND HEALTH SERVICES	**15,100**	**15,300**	**-200**	**-1.3**	**15,200**
Health Care and Social Assistance……….	14,400	13,900	500	3.6	14,400
LEISURE AND HOSPITALITY………………	**6,800**	**6,400**	**400**	**6.3**	**7,200**
OTHER SERVICES……………………………	**3,500**	**3,300**	**200**	**6.1**	**3,600**
GOVERNMENT ………………………………	**13,200**	**13,200**	**0**	**0.0**	**12,600**
Federal…………………………………………	700	700	0	0.0	800
State & Local…………………………………	12,500	12,500	0	0.0	11,800

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 2002.

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

(Not seasonally adjusted)	EMPLOYMENT STATUS	SEP 2003	SEP 2002	CHANGE NO.	CHANGE %	AUG 2003
CONNECTICUT	Civilian Labor Force	1,763,500	1,764,000	-500	0.0	1,809,400
	Employed	1,683,300	1,693,600	-10,300	-0.6	1,719,100
	Unemployed	80,200	70,400	9,800	13.9	90,300
	Unemployment Rate	4.6	4.0	0.6	---	5.0
BRIDGEPORT LMA	Civilian Labor Force	225,600	224,100	1,500	0.7	230,400
	Employed	212,800	213,100	-300	-0.1	216,000
	Unemployed	12,800	11,000	1,800	16.4	14,400
	Unemployment Rate	5.7	4.9	0.8	---	6.2
DANBURY LMA	Civilian Labor Force	117,300	115,200	2,100	1.8	119,800
	Employed	113,700	111,900	1,800	1.6	115,600
	Unemployed	3,600	3,300	300	9.1	4,100
	Unemployment Rate	3.1	2.9	0.2	---	3.4
DANIELSON LMA	Civilian Labor Force	37,100	36,600	500	1.4	37,300
	Employed	35,400	35,200	200	0.6	35,500
	Unemployed	1,700	1,400	300	21.4	1,800
	Unemployment Rate	4.5	3.8	0.7	---	4.9
HARTFORD LMA	Civilian Labor Force	595,300	600,600	-5,300	-0.9	608,200
	Employed	566,300	575,500	-9,200	-1.6	575,400
	Unemployed	29,100	25,100	4,000	15.9	32,800
	Unemployment Rate	4.9	4.2	0.7	---	5.4
LOWER RIVER LMA	Civilian Labor Force	12,700	12,700	0	0.0	13,600
	Employed	12,300	12,300	0	0.0	13,100
	Unemployed	400	400	0	0.0	500
	Unemployment Rate	3.1	3.1	0.0	---	3.3
NEW HAVEN LMA	Civilian Labor Force	284,400	284,500	-100	0.0	291,600
	Employed	271,500	273,500	-2,000	-0.7	276,900
	Unemployed	12,900	11,000	1,900	17.3	14,700
	Unemployment Rate	4.6	3.9	0.7	---	5.0
NEW LONDON LMA	Civilian Labor Force	168,000	166,200	1,800	1.1	174,300
	Employed	161,400	160,500	900	0.6	166,800
	Unemployed	6,600	5,600	1,000	17.9	7,500
	Unemployment Rate	4.0	3.4	0.6	---	4.3
STAMFORD LMA	Civilian Labor Force	188,700	189,000	-300	-0.2	196,500
	Employed	183,000	183,500	-500	-0.3	190,200
	Unemployed	5,600	5,500	100	1.8	6,300
	Unemployment Rate	3.0	2.9	0.1	---	3.2
TORRINGTON LMA	Civilian Labor Force	38,800	37,500	1,300	3.5	39,600
	Employed	37,400	36,100	1,300	3.6	38,000
	Unemployed	1,300	1,400	-100	-7.1	1,600
	Unemployment Rate	3.5	3.7	-0.2	---	4.1
WATERBURY LMA	Civilian Labor Force	115,200	116,500	-1,300	-1.1	118,600
	Employed	108,400	110,400	-2,000	-1.8	111,000
	Unemployed	6,800	6,200	600	9.7	7,500
	Unemployment Rate	5.9	5.3	0.6	---	6.3
UNITED STATES	Civilian Labor Force	146,166,000	145,167,000	999,000	0.7	146,967,000
	Employed	137,731,000	137,377,000	354,000	0.3	138,137,000
	Unemployed	8,436,000	7,790,000	646,000	8.3	8,830,000
	Unemployment Rate	5.8	5.4	0.4	---	6.0

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003	AVG WEEKLY HOURS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003	AVG HOURLY EARNINGS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003
MANUFACTURING	**$749.17**	**$732.90**	**$16.27**	**$726.38**	**41.9**	**42.0**	**-0.1**	**40.9**	**$17.88**	**$17.45**	**$0.43**	**$17.76**
DURABLE GOODS	**782.39**	**759.48**	**22.90**	**756.84**	**42.2**	**42.1**	**0.1**	**41.2**	**18.54**	**18.04**	**0.50**	**18.37**
Fabricated Metal	694.88	663.52	31.36	654.77	43.0	41.6	1.4	41.0	16.16	15.95	0.21	15.97
Machinery	767.34	772.51	-5.17	759.78	40.6	41.6	-1.0	40.5	18.90	18.57	0.33	18.76
Computer & Electronic	601.47	593.61	7.86	577.94	41.0	42.1	-1.1	40.5	14.67	14.10	0.57	14.27
Transport. Equipment	957.35	932.94	24.41	919.23	42.1	43.8	-1.7	41.5	22.74	21.30	1.44	22.15
NON-DUR. GOODS	**667.85**	**666.78**	**1.07**	**648.80**	**41.2**	**41.7**	**-0.5**	**40.0**	**16.21**	**15.99**	**0.22**	**16.22**
CONSTRUCTION	**943.20**	**894.63**	**48.57**	**955.83**	**40.0**	**40.1**	**-0.1**	**40.9**	**23.58**	**22.31**	**1.27**	**23.37**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003	AVG WEEKLY HOURS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003	AVG HOURLY EARNINGS SEP 2003	SEP 2002	CHG Y/Y	AUG 2003
Bridgeport	$770.31	$744.88	$25.43	$756.80	40.5	41.8	-1.3	40.0	$19.02	$17.82	$1.20	$18.92
Danbury	685.60	779.55	-93.95	657.93	40.0	40.9	-0.9	39.0	17.14	19.06	-1.92	16.87
Danielson*												
Hartford	819.39	766.12	53.27	780.42	42.9	42.8	0.1	41.6	19.10	17.90	1.20	18.76
Lower River*												
New Haven	731.70	750.38	-18.68	707.82	42.1	43.2	-1.1	41.2	17.38	17.37	0.01	17.18
New London	756.54	745.47	11.07	735.38	42.1	41.6	0.5	40.9	17.97	17.92	0.05	17.98
Stamford*												
Torrington*												
Waterbury	696.60	615.51	81.09	689.32	40.5	37.6	2.9	40.1	17.20	16.37	0.83	17.19

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2002.

**Due to staff cuts, data for the Danielson, Lower River and Torrington labor market areas are no longer being prepared for publication. Manufacturing hours and earnings estimates for the Stamford labor market area will no longer be published due to their not meeting sample reliability tests.*

NEW HOUSING PERMITS

LMA

	SEP 2003	SEP 2002	CHANGE Y/Y UNITS	CHANGE Y/Y %	YTD 2003	YTD 2002	CHANGE YTD UNITS	CHANGE YTD %	AUG 2003
Connecticut	893	773	120	15.5	7,269	7,307	-38	-0.5	850
LMAs:									
Bridgeport	59	53	6	11.3	605	649	-44	-6.8	56
Danbury	83	54	29	53.7	546	646	-100	-15.5	52
Danielson	32	30	2	6.7	274	262	12	4.6	36
Hartford	393	340	53	15.6	3,148	2,936	212	7.2	375
Lower River	8	14	-6	-42.9	76	100	-24	-24.0	8
New Haven	101	68	33	48.5	664	843	-179	-21.2	74
New London	89	87	2	2.3	729	700	29	4.1	103
Stamford	48	57	-9	-15.8	540	526	14	2.7	69
Torrington	22	22	0	0.0	225	201	24	11.9	28
Waterbury	58	48	10	20.8	462	444	18	4.1	49

Additional data by town are on page 22.

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2003

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT	**225,552**	**212,796**	**12,756**	**5.7**
Ansonia	8,871	8,239	632	7.1
Beacon Falls	2,931	2,780	151	5.2
BRIDGEPORT	**63,340**	**57,944**	**5,396**	**8.5**
Derby	6,494	6,116	378	5.8
Easton	3,385	3,279	106	3.1
Fairfield	27,310	26,329	981	3.6
Milford	26,961	25,691	1,270	4.7
Monroe	10,140	9,816	324	3.2
Oxford	4,978	4,728	250	5.0
Seymour	7,969	7,556	413	5.2
Shelton	20,714	19,778	936	4.5
Stratford	25,348	24,004	1,344	5.3
Trumbull	17,110	16,534	576	3.4
DANBURY	**117,330**	**113,721**	**3,609**	**3.1**
Bethel	10,345	10,008	337	3.3
Bridgewater	1,017	993	24	2.4
Brookfield	8,695	8,459	236	2.7
DANBURY	**38,725**	**37,264**	**1,461**	**3.8**
New Fairfield	7,470	7,275	195	2.6
New Milford	14,914	14,444	470	3.2
Newtown	13,266	12,886	380	2.9
Redding	4,743	4,625	118	2.5
Ridgefield	13,039	12,770	269	2.1
Roxbury	1,120	1,096	24	2.1
Sherman	1,792	1,757	35	2.0
Washington	2,204	2,145	59	2.7
DANIELSON	**37,109**	**35,426**	**1,683**	**4.5**
Brooklyn	4,290	4,165	125	2.9
Eastford	980	945	35	3.6
Hampton	1,244	1,187	57	4.6
KILLINGLY	**9,475**	**8,859**	**616**	**6.5**
Pomfret	2,347	2,288	59	2.5
Putnam	5,206	5,004	202	3.9
Scotland	954	938	16	1.7
Sterling	1,797	1,705	92	5.1
Thompson	4,503	4,280	223	5.0
Union	446	426	20	4.5
Voluntown	1,491	1,430	61	4.1
Woodstock	4,376	4,198	178	4.1
HARTFORD	**595,344**	**566,278**	**29,066**	**4.9**
Andover	1,654	1,579	75	4.5
Ashford	2,153	2,082	71	3.3
Avon	7,492	7,260	232	3.1
Barkhamsted	2,088	1,993	95	4.5
Berlin	9,084	8,685	399	4.4
Bloomfield	10,072	9,481	591	5.9
Bolton	2,730	2,631	99	3.6
Bristol	31,781	30,197	1,584	5.0

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Burlington	4,387	4,250	137	3.1
Canton	4,639	4,473	166	3.6
Chaplin	1,208	1,152	56	4.6
Colchester	6,711	6,421	290	4.3
Columbia	2,662	2,579	83	3.1
Coventry	6,118	5,920	198	3.2
Cromwell	6,912	6,609	303	4.4
Durham	3,582	3,424	158	4.4
East Granby	2,460	2,367	93	3.8
East Haddam	4,127	3,965	162	3.9
East Hampton	6,262	5,952	310	5.0
East Hartford	25,597	23,995	1,602	6.3
East Windsor	5,575	5,328	247	4.4
Ellington	6,859	6,648	211	3.1
Enfield	22,919	21,802	1,117	4.9
Farmington	11,245	10,831	414	3.7
Glastonbury	15,697	15,214	483	3.1
Granby	5,294	5,113	181	3.4
Haddam	4,179	4,053	126	3.0
HARTFORD	**53,680**	**48,847**	**4,833**	**9.0**
Harwinton	2,933	2,849	84	2.9
Hebron	4,390	4,231	159	3.6
Lebanon	3,335	3,202	133	4.0
Manchester	28,524	27,125	1,399	4.9
Mansfield	9,063	8,867	196	2.2
Marlborough	3,084	2,965	119	3.9
Middlefield	2,243	2,162	81	3.6
Middletown	24,205	23,016	1,189	4.9
New Britain	34,262	31,807	2,455	7.2
New Hartford	3,637	3,521	116	3.2
Newington	15,496	14,897	599	3.9
Plainville	9,330	8,858	472	5.1
Plymouth	6,421	6,088	333	5.2
Portland	4,660	4,438	222	4.8
Rocky Hill	9,713	9,324	389	4.0
Simsbury	11,480	11,205	275	2.4
Somers	4,091	3,934	157	3.8
Southington	21,147	20,255	892	4.2
South Windsor	13,388	12,904	484	3.6
Stafford	5,884	5,615	269	4.6
Suffield	5,851	5,655	196	3.3
Tolland	7,127	6,910	217	3.0
Vernon	16,561	15,836	725	4.4
West Hartford	28,373	27,375	998	3.5
Wethersfield	12,220	11,716	504	4.1
Willington	3,441	3,336	105	3.1
Winchester	5,875	5,555	320	5.4
Windham	10,126	9,524	602	5.9
Windsor	14,620	13,879	741	5.1
Windsor Locks	6,701	6,380	321	4.8

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)

SEPTEMBER 2003

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
LOWER RIVER	**12,720**	**12,327**	**393**	**3.1**
Chester	2,215	2,147	68	3.1
Deep River	2,748	2,675	73	2.7
Essex	3,380	3,280	100	3.0
Lyme	1,110	1,083	27	2.4
Westbrook	3,267	3,142	125	3.8
NEW HAVEN	**284,434**	**271,490**	**12,944**	**4.6**
Bethany	2,682	2,587	95	3.5
Branford	16,366	15,711	655	4.0
Cheshire	13,980	13,569	411	2.9
Clinton	7,674	7,396	278	3.6
East Haven	15,300	14,550	750	4.9
Guilford	11,838	11,533	305	2.6
Hamden	29,987	28,810	1,177	3.9
Killingworth	3,034	2,950	84	2.8
Madison	8,541	8,318	223	2.6
MERIDEN	**31,130**	**29,217**	**1,913**	**6.1**
NEW HAVEN	**59,073**	**55,356**	**3,717**	**6.3**
North Branford	8,400	8,096	304	3.6
North Haven	12,698	12,290	408	3.2
Orange	6,689	6,509	180	2.7
Wallingford	23,521	22,573	948	4.0
West Haven	29,074	27,695	1,379	4.7
Woodbridge	4,444	4,327	117	2.6
***NEW LONDON**	**148,386**	**142,358**	**6,028**	**4.1**
Bozrah	1,578	1,513	65	4.1
Canterbury	2,983	2,873	110	3.7
East Lyme	10,042	9,749	293	2.9
Franklin	1,183	1,145	38	3.2
Griswold	6,311	5,990	321	5.1
Groton	18,800	17,976	824	4.4
Ledyard	8,688	8,399	289	3.3
Lisbon	2,421	2,326	95	3.9
Montville	10,519	10,112	407	3.9
NEW LONDON	**14,142**	**13,422**	**720**	**5.1**
No. Stonington	3,133	3,043	90	2.9
NORWICH	**20,463**	**19,330**	**1,133**	**5.5**
Old Lyme	4,093	3,991	102	2.5
Old Saybrook	6,256	6,091	165	2.6
Plainfield	9,376	8,894	482	5.1
Preston	2,748	2,665	83	3.0
Salem	2,217	2,129	88	4.0
Sprague	1,808	1,707	101	5.6
Stonington	10,475	10,221	254	2.4
Waterford	11,152	10,783	369	3.3

*Connecticut portion only. For whole MSA, including Rhode Island towns, see below.

NEW LONDON	**168,045**	**161,398**	**6,647**	**4.0**
Hopkinton, RI	5,036	4,879	157	3.1
Westerly, RI	14,623	14,161	462	3.2

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
STAMFORD	**188,669**	**183,037**	**5,632**	**3.0**
Darien	9,354	9,127	227	2.4
Greenwich	30,593	29,927	666	2.2
New Canaan	9,221	9,067	154	1.7
NORWALK	**47,599**	**45,791**	**1,808**	**3.8**
STAMFORD	**64,457**	**62,317**	**2,140**	**3.3**
Weston	4,689	4,587	102	2.2
Westport	13,909	13,601	308	2.2
Wilton	8,849	8,622	227	2.6
TORRINGTON	**38,778**	**37,436**	**1,342**	**3.5**
Canaan**	685	670	15	2.2
Colebrook	790	778	12	1.5
Cornwall	793	781	12	1.5
Goshen	1,362	1,317	45	3.3
Hartland	1,012	973	39	3.9
Kent**	1,998	1,959	39	2.0
Litchfield	4,402	4,274	128	2.9
Morris	1,136	1,095	41	3.6
Norfolk	1,070	1,047	23	2.1
North Canaan**	2,098	2,060	38	1.8
Salisbury**	2,283	2,264	19	0.8
Sharon**	1,909	1,899	10	0.5
TORRINGTON	**18,550**	**17,652**	**898**	**4.8**
Warren	690	667	23	3.3
WATERBURY	**115,190**	**108,397**	**6,793**	**5.9**
Bethlehem	1,904	1,848	56	2.9
Middlebury	3,346	3,197	149	4.5
Naugatuck	16,445	15,546	899	5.5
Prospect	4,718	4,499	219	4.6
Southbury	6,824	6,534	290	4.2
Thomaston	4,129	3,903	226	5.5
WATERBURY	**51,961**	**48,113**	**3,848**	**7.4**
Watertown	12,132	11,583	549	4.5
Wolcott	8,686	8,278	408	4.7
Woodbury	5,047	4,896	151	3.0

Not Seasonally Adjusted:				
CONNECTICUT	1,763,500	1,683,300	80,200	4.6
UNITED STATES	146,166,000	137,731,000	8,436,000	5.8
Seasonally Adjusted:				
CONNECTICUT	1,777,900	1,688,300	89,600	5.0
UNITED STATES	146,545,000	137,573,000	8,973,000	6.1

**The Bureau of Labor Statistics has identified these five towns as a separate area to report 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 town of Thompson, which is officially part of the Worcester, MA MSA, is included in the Danielson LMA.

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	SEP 2003	YR TO DATE 2003	YR TO DATE 2002
Andover	1	7	11
Ansonia	2	16	16
Ashford	3	23	24
Avon	6	121	102
Barkhamsted	0	11	15
Beacon Falls	1	8	11
Berlin	7	74	117
Bethany	1	26	32
Bethel	20	67	49
Bethlehem	1	7	17
Bloomfield	8	291	51
Bolton	1	7	9
Bozrah	3	9	5
Branford	5	28	44
Bridgeport	4	71	48
Bridgewater	0	4	9
Bristol	10	99	90
Brookfield	11	60	41
Brooklyn	4	25	39
Burlington	4	53	50
Canaan	0	3	3
Canterbury	8	29	29
Canton	12	72	35
Chaplin	2	13	13
Cheshire	0	25	47
Chester	1	8	10
Clinton	3	38	91
Colchester	8	73	57
Colebrook	1	3	3
Columbia	4	27	16
Cornwall	0	9	5
Coventry	3	39	39
Cromwell	4	52	41
Danbury	10	88	203
Darien	2	110	31
Deep River	3	6	6
Derby	1	11	10
Durham	5	35	44
East Granby	5	25	21
East Haddam	10	43	51
East Hampton	2	107	73
East Hartford	1	6	3
East Haven	6	32	38
East Lyme	6	50	68
East Windsor	0	27	43
Eastford	2	9	5
Easton	0	5	9
Ellington	8	91	110
Enfield	2	35	43
Essex	0	24	33
Fairfield	6	59	45
Farmington	6	85	109
Franklin	4	9	8
Glastonbury	6	45	80
Goshen	4	34	33
Granby	6	44	56
Greenwich	15	107	108
Griswold	6	40	34
Groton	5	136	63
Guilford	11	65	57
Haddam	3	37	35
Hamden	11	43	128
Hampton	2	16	15
Hartford	5	151	74
Hartland	1	5	5
Harwinton	3	18	28
Hebron	3	29	30
Kent	1	10	10
Killingly	5	64	45
Killingworth	3	23	31
Lebanon	3	25	34
Ledyard	7	62	50
Lisbon	2	13	16
Litchfield	1	19	24
Lyme	0	8	16
Madison	3	34	33
Manchester	9	69	72
Mansfield	3	35	44
Marlborough	4	37	30
Meriden	10	74	59
Middlebury	3	22	20
Middlefield	1	14	8
Middletown	15	141	144
Milford	5	59	100
Monroe	2	23	26
Montville	7	66	52
Morris	0	3	14
Naugatuck	6	42	43
New Britain	3	29	16
New Canaan	5	43	40
New Fairfield	2	19	14
New Hartford	3	33	38
New Haven	21	66	31
New London	0	4	8
New Milford	18	101	86
Newington	0	21	37
Newtown	8	118	124
Norfolk	1	5	1
North Branford	2	22	29
North Canaan	2	7	5
North Haven	4	44	27
North Stonington	1	18	25
Norwalk	14	95	74
Norwich	13	78	87
Old Lyme	5	23	27
Old Saybrook	2	21	25
Orange	5	34	13
Oxford	10	108	75
Plainfield	4	36	52
Plainville	3	38	21
Plymouth	2	22	44
Pomfret	1	28	25
Portland	8	35	40
Preston	2	16	15
Prospect	2	15	24
Putnam	2	11	12
Redding	2	25	31
Ridgefield	9	33	38
Rocky Hill	14	57	95
Roxbury	0	10	15
Salem	3	16	16
Salisbury	1	11	15
Scotland	0	7	13
Seymour	4	36	92
Sharon	1	8	9
Shelton	9	66	109
Sherman	2	16	30
Simsbury	1	17	28
Somers	4	33	39
South Windsor	116	157	127
Southbury	27	92	89
Southington	15	156	163
Sprague	1	7	6
Stafford	5	36	33
Stamford	4	64	177
Sterling	6	33	19
Stonington	10	55	68
Stratford	5	49	25
Suffield	10	62	64
Thomaston	3	14	23
Thompson	5	26	27
Tolland	5	71	79
Torrington	8	97	67
Trumbull	10	94	83
Union	0	2	6
Vernon	14	130	153
Voluntown	1	12	8
Wallingford	6	75	131
Warren	1	11	7
Washington	1	5	6
Waterbury	5	129	53
Waterford	0	41	46
Watertown	2	33	51
West Hartford	0	34	40
West Haven	8	19	31
Westbrook	4	30	35
Weston	1	9	22
Westport	5	92	53
Wethersfield	3	17	20
Willington	1	18	19
Wilton	2	20	21
Winchester	1	13	14
Windham	1	13	23
Windsor	7	52	26
Windsor Locks	4	43	15
Wolcott	4	66	97
Woodbridge	2	16	21
Woodbury	5	42	27
Woodstock	4	41	48

For further information on the housing permit data, contact Kolie Chang 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 multiple variable coefficient regression 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. Due to the small size of the sample taken in Connecticut, the CPS results are subject to significant sampling error and produce considerable month-to-month fluctuations in estimates derived from the sample. In general, the CPS estimates, at the 90 percent confidence level, have an error range of about 1.5 percentage points on a rate of 6.0 percent. An accepted method for calculating the error range for model estimates is currently not available. 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 in Connecticut except three are federally designated areas for developing labor statistics. Industry employment data for the Danielson, Lower River and Torrington Labor Market Areas are prepared exclusively by the Connecticut Department of Labor, following the same statistical procedures used to prepare estimates for the other Labor Market Areas, which are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The Bureau of Labor Statistics has identified the five towns of Canaan, Kent, North Canaan, Salisbury and Sharon 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 Labor Market Area. For the same purpose, data for the town of Thompson, which is officially part of the Worcester Metropolitan Statistical Area, are included in the Danielson Labor Market Area. Also, data for Hopkinton and Westerly, Rhode Island are included in the New London Labor Market Area.

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	**+1.1**
Coincident Employment Index	**-1.5**
Leading General Drift Indicator	**-1.2**
Coincident General Drift Indicator	**-1.2**
Business Barometer	**-0.6**
Total Nonfarm Employment	**-1.3**
Unemployment	**+0.5***
Labor Force	0.0
Employed	-0.6
Unemployed	+13.0
Average Weekly Initial Claims	**-9.4**
Help Wanted Index -- Hartford	**0.0**
Average Ins. Unempl. Rate	**+0.22***
Average Weekly Hours, Mfg	**-0.2**
Average Hourly Earnings, Mfg	**+2.5**
Average Weekly Earnings, Mfg	**+2.2**
CT Mfg. Production Index	**+0.4**
Production Worker Hours	+3.4
Industrial Electricity Sales	-4.5
Personal Income	**+2.9**
UI Covered Wages	**+0.5**

Business Activity	
New Housing Permits	+15.5
Electricity Sales	-0.8
Retail Sales	-0.5
Construction Contracts Index	+12.8
New Auto Registrations	+11.7
Air Cargo Tons	-9.0
Exports	+2.4
Business Starts	
Secretary of the State	+16.2
Dept. of Labor	-9.3
Business Terminations	
Secretary of the State	+46.0
Dept. of Labor	-31.6
State Revenues	**+8.8**
Corporate Tax	-8.8
Personal Income Tax	+12.7
Real Estate Conveyance Tax	+49.1
Sales & Use Tax	+2.4
Indian Gaming Payments	+1.7

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

Tourism and Travel	
Info Center Visitors	-19.8
Attraction Visitors	-14.5
Air Passenger Count	-5.8
Indian Gaming Slots	-1.5
Travel and Tourism Index	-7.8
Employment Cost Index (U.S.)	
Total	+4.0
Wages & Salaries	+3.0
Benefit Costs	+6.5
Consumer Prices	
Connecticut	-3.2
U.S. City Average	+2.3
Northeast Region	+2.9
NY-NJ-Long Island	+3.3
Boston-Brockton-Nashua	+3.9
Consumer Confidence	
Connecticut	-16.6
New England	-18.4
U.S.	-18.0
Interest Rates	
Prime	-0.75*
Conventional Mortgage	+0.06*

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