THE CONNECTICUT
ECONOMIC DIGEST

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

NOVEMBER 2006

IN THIS ISSUE...

In September...

Nonfarm Employment

Connecticut 1,674,000
Change over month 0.1%
Change over year 0.5%

United States 135,613,000
Change over month 0.04%
Change over year 1.3%

Unemployment Rate

Connecticut 4.7%
United States 4.6%

Consumer Price Index

United States 202.9
Change over year 2.1%

CONNECTICUT: A Net Exporter of Labor Services - Implications for Income Growth

By Daniel W. Kennedy, Ph.D., Senior Economist, DOL[1]

Based on the evidence presented in this article, one could argue that an important factor in predicting growth in Connecticut personal income is the growth in net labor income received from the export of labor services. Since the largest portion of Connecticut's income is concentrated in the part of the State that lies south and west of New Haven, the discussion will concentrate on the influence of the New York City economy.

The heart of the analysis lies in the important distinction between income generated by the State's economy and income earned by those who commute to jobs out of state, and bring the income earned back to Connecticut. This is particularly significant for states like Connecticut and New Jersey because of their proximity to, and as important providers of labor services to, the New York City economy. But before proceeding, the next section turns to the distinction, and the significance of the distinction, between income generated by Connecticut's economy and income brought back into the State by commuters.

TWO IMPORTANT DISTINCTIONS: Geographic Location Based versus Residence Based Economic Activities

At the national level, economic output is measured as *Gross Domestic Product* (GDP). GDP is defined as the dollar value of all current-period production of goods and services for final sale. It is a *value-added* concept. That is, intermediate inputs in the production process are excluded from GDP, and it includes only those goods and services produced within the territorial boundaries of the U.S., regardless of the country of ownership. Thus, GDP is a *Geographic Location Based* concept. In this context, "current period" means annual output. The state counterpart to GDP is *Gross State Product* (GSP). GSP for a state is derived as the sum of the GSP originating in all the industries within the territorial boundaries of the state. Like GDP, GSP measures value added by the state economy for a given period and, like GDP, it is a geographic location based concept. However, GSP is released only on an annual basis.

All states, in the process of producing goods and services for final demand (GSP), generate income that is distributed to the *factors of production* (i.e., labor, capital, and natural resources) that were combined by each state's businesses to produce GSP. In particular, *Work-Based Earnings* (i.e., geographic location based earnings) reflect payments to the labor input used to produce Connecticut's GSP. This can be summarized in the following accounting identity:

CT PRODUCED OUTPUT = CT GENERATED INCOME

OR

GROSS STATE PRODUCT = GROSS STATE INCOME

However, *State Personal Income* (SPI) includes income that is not necessarily generated by economic activity within Connecticut. It includes income generated outside

THE CONNECTICUT
ECONOMIC DIGEST

The Connecticut Economic Digest is published monthly by the Connecticut Department of Labor, Office of Research and the Connecticut Department of Economic and Community Development, Compliance Office and Planning/Program Support. Its purpose is to regularly provide users with a comprehensive source for the most current, up-to-date data available on the workforce and economy of the state, within perspectives of the region and nation.

The annual subscription is $50. Send subscription requests to: ***The Connecticut Economic Digest***, Connecticut Department of Labor, Office of Research, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114. Make checks payable to the Connecticut Department of Labor. Back issues are $4 per copy. The Digest can be accessed free of charge from the DOL Web site. Articles from ***The Connecticut Economic Digest*** may be reprinted if the source is credited. Please send copies of the reprinted material to the Managing Editor. The views expressed by the authors are theirs alone and may not reflect those of the DOL or DECD.

Contributing Staff: Rob Damroth (CCT), Cynthia L. DeLisa, Salvatore DiPillo, Lincoln S. Dyer, Arthur Famiglietti, Daniel W. Kennedy, Ph.D., David F. Post, Mark Prisloe (DECD), Joseph Slepski, Mark Stankiewicz and Kolie Sun (DECD). **Managing Editor:** Jungmin Charles Joo. We would also like to thank our associates at the Connecticut Center for Economic Analysis, University of Connecticut, for their contributions to the Digest.

Connecticut Department of Labor

Patricia H. Mayfield, Commissioner
Linda L. Agnew, Deputy Commissioner

Roger F. Therrien, Director
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114
Phone: (860) 263-6275
Fax: (860) 263-6263
E-Mail: dol.econdigest@po.state.ct.us
Website: http://www.ctdol.state.ct.us/lmi

Connecticut Department of Economic and Community Development

James F. Abromaitis, Commissioner
Ronald Angelo, Deputy Commissioner

Compliance Office and Planning/Program Support
505 Hudson Street
Hartford, CT 06106-2502
Phone: (860) 270-8000
Fax: (860) 270-8200
E-Mail: decd@po.state.ct.us
Website: http://www.decd.org

the State and paid to residents who commute to jobs out of state. SPI is defined as income received by persons from participation in production, from government and business transfers, and from government interest. It is a *residence-based* concept. That is, SPI counts all income earned by Connecticut residents, regardless of whether that income is earned in the State or outside of it. Some components of SPI are collected on a work, or *geographic location,* basis. To derive the *Earnings By Residence* component of SPI, *Earnings by Place of Work* are adjusted for residence.

Graph 1 below tracks Connecticut's work-based earnings (geographic location based) and residence-based earnings from 1990 to 2004. Work-based earnings are composed of the sum of three components: wage and salary disbursements, other labor income, and proprietors' income. Earnings compiled by industry can be used in the analysis of regional economies as a proxy for the income generated from participation in current production. It should be noted that the concept of earnings by residence is on a gross-basis here, and not net. That is, the residence adjustment is included, but social insurance payments are not subtracted out. The logic behind this is that the income is still produced in the economy where the Connecticut out-of-state commuter works, regardless of its being taxed away. It is therefore included in "foreign" GSP, but not in SPI.

CONNECTICUT'S ECONOMIC CONTEXT: Regional and Interregional Flows

Before proceeding, it should be pointed out that there actually is no such thing as a "Connecticut economy." The relevant economic unit, or units, is not necessarily coextensive with a given state's boundaries. The relevant regional economy expands along paths of geographic transactions, without regard to political jurisdiction. Thus, there are at least three identifiable economies that are partially within the borders of the state of Connecticut, but also cross state lines into neighboring states: Hartford-Springfield, New London-Groton-Southeastern CT-RI, and NYC-Fairfield County. Further, unlike the rest of the New England states, Connecticut has one "foot" in one region (the Tri-State Region around NYC) and the other in New England.

Since the largest portion of Connecticut's income is concentrated in the part of the State that lies south and west of New Haven, the discussion will concentrate on the influence of the New York City economy. New York City (NYC), because of the mass of its regional economy, pulls other nearby regional economies into its orbit. As a consequence, the NYC economy is a net importer of labor services from the surrounding areas. NYC businesses import labor services from downstate NY outside the city, Northern NJ, Southwestern CT, and Northeastern PA. Focusing specifically on Connecticut, this area's economies are net exporters of labor services to NYC. This can be mea-

GRAPH 1: CT Annual Average Residence-Based Earnings vs. Work-Based Earnings: 1990-2004

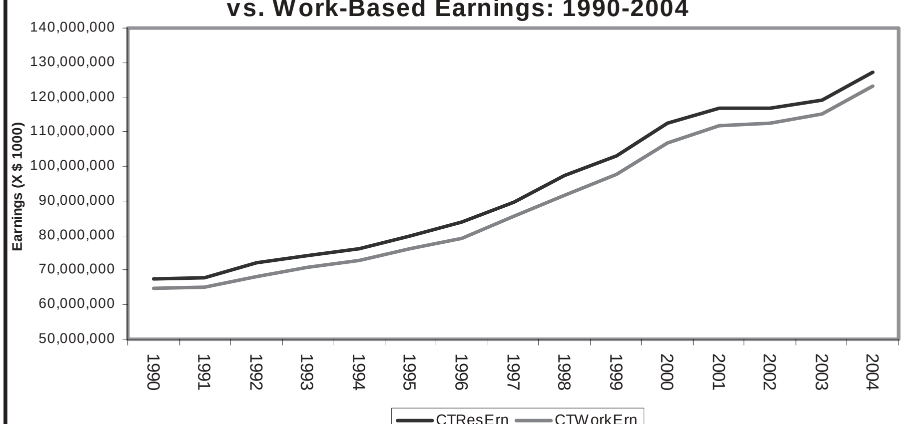


TABLE 1: CT Current Account Balance: NET LABOR INCOME RECEIPTS-2004

NET LABOR INCOME RECEIPTS		**+ $4.0 billion**
• Receipts (To CT residents working outside CT)	(+)	
• Payments (To non-residents working in CT)	(-)	

sured by the *Current Account Balance* (CAB), which measures the balance of trade among nations. Such an account exists for regions too, although the data is certainly not as readily available. A regional CAB for Connecticut might look as follows:

CAB = Net Exports + Net Income Payments + Net Transfers Received

Net Exports represents the difference between goods and services produced by Connecticut's businesses that are exported to the rest of the U.S., outside Connecticut, and to the world, minus goods and services purchased by Connecticut households that are imported from outside Connecticut (rest of U.S., outside Connecticut, and the world). If positive, then Connecticut is producing more goods and services than it is consuming; if negative, then Connecticut is consuming more goods and services than it is producing. *Net Transfers* are payments received for no current-period goods or services, minus payments made to individuals who have provided no current-period goods or services. Finally, the important component for our purposes: *Net Income Payments* (NIP). If NIP is positive, then the payments to Connecticut residents who export factor services exceed those made by Connecticut businesses to non-Connecticut owners of factor inputs used to produce Connecticut's final goods and services. If negative, then payments to non-Connecticut owners of factor inputs, exceeds those made to Connecticut residents who export factor services. In particular, the focus here is on the labor input, specifically, *Labor Income*, or more specifically, *Net Labor Income Receipts.* The above ideas are summarized in Table 1 above.

Table 1 isolates net income payments and further focuses in on the payments and receipts to the labor services part of net labor income receipts. Thus, in 2004 Connecticut had a net surplus on its CAB for net labor income receipts as Connecticut residents (i.e., Connecticut households exporting their labor services out of state) received $4 billion more in labor income than Connecticut businesses paid to "foreign" households who imported their labor services into the State. Households in New Haven and Fairfield counties export their labor services to NYC businesses, which they use to produce final goods and services (GSP). For exporting labor services, the Southwest Connecticut economies then receive payment for their exports in the form of income, specifically labor income. This represents an exogenous injection (i.e., externally generated) of income into the New Haven and Fairfield county economies. Though Connecticut also imports labor services from surrounding states, the State exports more labor services than it imports. This is reflected by the $4.0 billion surplus for net labor income receipts in Table 1, and as the positive $4.0 billion residence adjustment in State personal income, when work-based earnings are converted to residence-based earnings. Connecticut's residence adjustment was not always positive. In the 1950's and 1960's, Connecticut's residence adjustment was negative. This also implies that the net labor income receipts were also negative. This, in turn, implies that Connecticut, at that time, was a *net importer* of labor services.

Focusing on Connecticut's Income Flows

The previous section revealed Connecticut's surplus position, in terms of net labor income payments, with surrounding states from a balance-of-payments perspective, as reflected by the State's current account balance. The important result from the discussion is that there is a significant difference between the income generated by economic activity within the borders of Connecticut and that generated outside Connecticut and brought back into the State by out-of-state commuters. What follows investigates the specifics of those mechanisms that bring about this observed difference in the income generated by the State's economy versus that which is externally generated.

Table 2 below presents the commuting patterns of Connecticut commuters to neighboring states from the August 2004 *Journey to Work* survey (based on the 2000 Census) done by the U.S. Census and U.S. BEA-Regional Economic Information System. The states are ranked according to the number of Connecticut commuters who work there, and for which there are at least 1,000 commuters. Connecticut commuters to New York earn an average wage that is three times higher than intra-state commuters. Connecticut commuters to Massachusetts also earn a higher average wage. Only Connecticut commuters to Rhode Island earn an average wage that is lower than that for intra-state commuters.

CONNECTICUT'S INCOME SPLIT: Some Implications

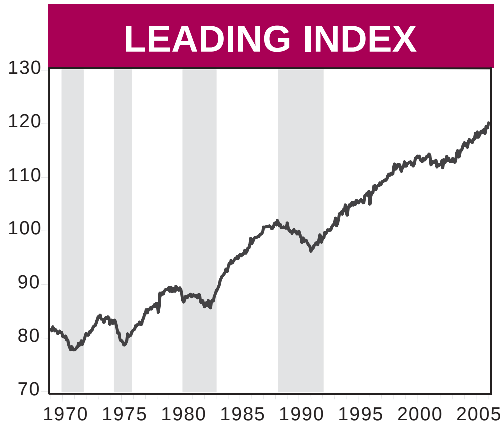
Obviously, this split between the income generated by economic activity within Connecticut's borders, and the, on average, higher income earned by its residents employed in jobs outside of the

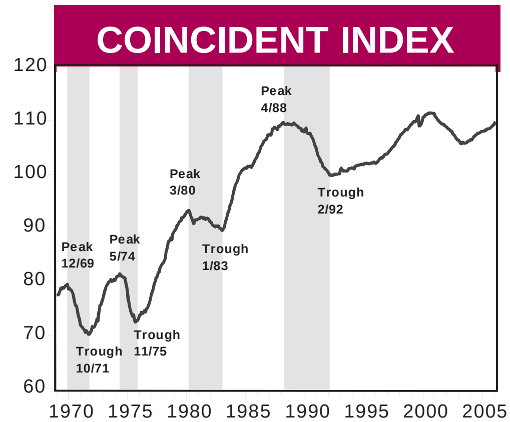
--Continued on page 5--

TABLE 2: Commuting Patterns, State-to-State for CT and Neighboring States

Residence State	Work State	Commuters	Average Wage
Connecticut	Connecticut	1,175,050	$42,444
	New York	51,728	$131,969
	Massachusetts	11,925	$54,079
	Rhode Island	3,235	$38,474
Total Commuters / Average Wage (CT. Commuters to NY, MA, and RI)		66,888	$113,561

SOURCE: U.S. Census and U.S. BEA, *Journey to Work*, August 2004





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.

Signals Are Mixed, Connecticut's Economy May Be Slowing

The signals from the U.S. economy have been decidedly mixed recently. To begin with, amid increasing signs of a slowing economy, the Dow Jones Industrial Average closed above 12,000 for the first time ever on Thursday, October 19, 2006. Helped by falling energy prices, both the producer and the consumer price indexes registered a decline in September 2006. However, the core inflation rate - the inflation rate without the volatile food and energy components, showed a larger than expected increase. This contributed to speculation on the likely course of interest rates when the Federal Open Market Committee (FOMC) met on October 24 and 25. It was widely expected that the FOMC would leave the target Federal Funds rate unchanged for the third time in a row, which it did. The most compelling reason for this is that this is the last meeting before the November election and the Central Bank does not want to be seen as trying to influence the outcome.

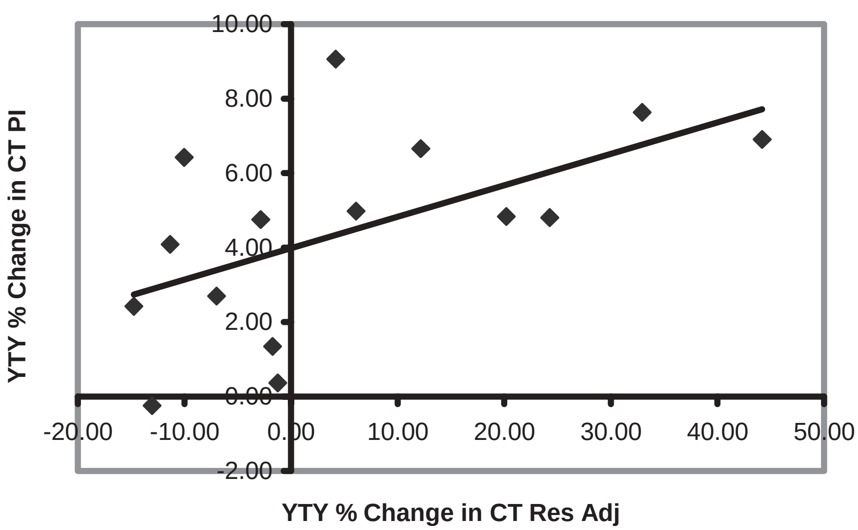
In Connecticut, for August 2006, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 108.50 in August 2005 to 110.45 in August 2006. All four components of this index are positive contributors, with a lower insured unemployment rate, a lower total unemployment rate, higher total non-farm employment, and higher total employment. On a sequential month-to-month basis, this index fell slightly, however, from 110.51 in July 2006 to 110.48 in August 2006. Higher insured and total unemployment rates are the two negative contributors to the index, while a small increase in total non-farm employment and an increase in total employment are the two positive contributors. This is the second consecutive month that this index has fallen on a month-to-month basis. The revised Connecticut Coincident Index published by the Philadelphia Federal Reserve Bank rose from 152.01 in August 2005 to 156.37 in August 2006. On a sequential month-to-month basis, the Philadelphia Federal Reserve Bank's revised Connecticut Coincident Index also rose from 156.13 in July to 156.37 in August 2006. Thus, once again as was the case last month, the CCEA-ECRI and the Philadelphia Federal Reserve Bank indexes are in agreement on a year-to-year basis but disagree on a month-to-month basis.

The revised CCEA-ECRI Connecticut leading employment index rose from 118.33 in August 2005 to 119.03 in August 2006. A higher Moody's Baa corporate bond yield, lower total housing permits, and a higher short duration (less than 15 weeks) unemployment rate, are the three negative contributors. A decrease in initial claims for unemployment insurance, a higher Hartford help-wanted advertising index, and a marginally higher average weekly hours worked in manufacturing and construction are the three positive contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 119.65 in July 2006 to 119.03 in August 2006. The negative contributors are lower total housing permits, higher initial claims for unemployment insurance, a lower Hartford help-wanted advertising index, and lower average weekly hours worked in manufacturing and construction. The Moody's Baa corporate bond yield edged down in August, while short duration (less than 15 weeks) unemployment rate went down marginally in August. Thus, the revised CCEA-ECRI's Connecticut leading employment index continues to indicate expansion in Connecticut's employment in the near future, despite a downturn this month from the previous month in the coincident employment index.

The signals provided by both the coincident and leading employment indexes this month are mixed. On the whole, they suggest a slowdown in Connecticut rather than a continuation of the robust growth experienced in the first four months of this year. On the negative side, the total unemployment rate stood at 4.5 percent in August, about what it was at the beginning of the year at 4.6 percent. On the other hand, total employment grew by 4,900 from July to August – the most robust month-to-month growth since the 12,100 added in April. We are, of course, also in the midst of the election cycle where all the political candidates are promising a brighter future for Connecticut residents. Time will tell.

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

GRAPH 2: SCATTER PLOT: YTY %Ch-CT Res Adj vs. CTPI



--Continued from page 3--

State, even in the same sectors, has some important ramifications.

Graph 2 above presents a scatter plot of the Year-to-Year (YTY) change in Connecticut's residence adjustment against Connecticut personal income over the 1990-2005 period. A line is drawn through the data to suggest a relationship that is upward sloping. This, in turn, suggests a positive relationship between the YTY growth rate in the residence adjustment (RA) and that of personal income.

The relationship between the RA and the U.S. PI is in the opposite direction (and much weaker). This implies that the U.S. economy is a net importer of labor services, and that this component is much less important to U.S. income growth than it is to Connecticut income growth. Also, it could be argued that the direction of causation is reversed. When the U.S. economy grows, it requires the importation of more labor services than it exports; hence, the negative value for U.S. net labor income receipts. Conversely, Connecticut's current account balance is positive for this item. That is, net labor income receipts are positive. Thus, Connecticut's income growth is significantly influenced by the growth of economies beyond its borders, particularly New York City. In fact, the positive, statistical association between the YTY growth rate in NYC work-based earnings and Connecticut's residence adjustment is very strong, and the relationship between the growth rate in NYC PI and Connecticut PI is even stronger. When the NYC economy is experiencing robust growth, particularly in financial services and information, its demand for imports, in the form of labor services, increases. This, in turn, increases the demand for exports, in the form of labor services, from New Jersey, Connecticut, and Northeast Pennsylvania. As the value of Connecticut's exports in labor services increases, the income earned from those exports increases, and that brings about an increase in the State's residence-based income. Since these jobs, generally, are higher paying, Connecticut's high per capita income is, at least in part, a product of its net surplus position in labor income receipts, on its current account balance from exporting labor services. ■

[1] The author wishes to thank Patrick McPherron (Economist, CT DOL-Research) for his valuable comments and suggestions.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2006	2Q 2005	CHANGE NO.	CHANGE %	1Q 2006
Employment Indexes (1992=100)*					
Leading	119.2	118.2	0.9	0.8	120.3
Coincident	110.8	108.3	2.5	2.3	109.6
General Drift Indicator (1986=100)*					
Leading	102.9	102.0	0.9	0.9	103.8
Coincident	99.7	100.2	-0.5	-0.5	100.0
Banknorth Business Barometer (1992=100)**	120.4	119.7	0.7	0.5	120.8

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

The Connecticut Economy's **General Drift Indicators** are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and four leading (housing permits, manufacturing average weekly hours, Hartford help-wanted advertising, and initial unemployment claims) economic variables, and are indexed so 1986 = 100.

The **Banknorth Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production.

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM	1,674.0	1,665.4	8.6	0.5	1,672.3
Natural Res & Mining (Not Sea. Adj.)	0.8	0.8	0.0	0.0	0.8
Construction	64.0	65.5	-1.5	-2.3	63.8
Manufacturing	193.4	194.3	-0.9	-0.5	194.2
Trade, Transportation & Utilities	309.8	311.2	-1.4	-0.4	309.5
Information	37.4	37.8	-0.4	-1.1	37.4
Financial Activities	144.7	142.9	1.8	1.3	144.5
Professional and Business Services	203.6	200.8	2.8	1.4	203.3
Educational and Health Services	278.2	274.2	4.0	1.5	277.2
Leisure and Hospitality Services	132.4	130.5	1.9	1.5	133
Other Services	63.6	63	0.6	1.0	63.6
Government*	246.1	244.4	1.7	0.7	245

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

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
Unemployment Rate, resident (%)	4.7	4.9	-0.2	---	4.5
Labor Force, resident (000s)	1,851.8	1,819.5	32.3	1.8	1,846.8
Employed (000s)	1,765.3	1,731.2	34.1	2.0	1,763.3
Unemployed (000s)	86.5	88.3	-1.8	-2.1	83.5
Average Weekly Initial Claims	4,011	4,022	-10	-0.3	3,947
Help Wanted Index -- Htfd. (1987=100)	NA	9	NA	NA	9
Avg. Insured Unemp. Rate (%)	2.80	2.48	0.31	---	2.59

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006	JUL 2006
Average Weekly Hours	42.4	42.0	0.4	1.0	41.9	--
Average Hourly Earnings	19.95	19.21	0.74	3.9	19.85	--
Average Weekly Earnings	845.88	806.82	39.06	4.8	831.72	--
CT Mfg. Production Index (2000=100)	103.9	105.8	-1.9	-1.8	107.7	107.2
Production Worker Hours (000s)	4,905	4,897	8	0.2	4,855	--
Industrial Electricity Sales (mil kWh)*	436	460	-24.1	-5.2	463	458

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

Personal income for first quarter 2007 is forecasted to increase 4.0 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	1Q* 2007	1Q 2006	CHANGE NO.	CHANGE %	4Q* 2006
Personal Income	$181,610	$174,579	$7,031	4.0	$180,734
UI Covered Wages	$94,351	$94,252	$98	0.1	$93,722

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

BUSINESS ACTIVITY

New auto registrations decreased over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
New Housing Permits*	SEP 2006	802	-30.3	7,197	8,697	-17.2
Electricity Sales (mil kWh)	JUL 2006	3,251	1.8	18,644	19,090	-2.3
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts						
Index (1980=100)	SEP 2006	924.3	186.9	---	---	---
New Auto Registrations	SEP 2006	14,739	-34.8	158,696	184,078	-13.8
Air Cargo Tons	SEP 2006	14,061	0.8	119,338	118,056	1.1
Exports (Bil. $)	2Q 2006	3.22	37.0	5.99	4.66	28.5

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

** Estimated by the Bureau of the Census*

BUSINESS STARTS AND TERMINATIONS

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

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	SEP 2006	2,395	-0.2	23,683	22,980	3.1
Department of Labor*	4Q 2005	1,838	-3.7	9,328	9,353	-0.3
TERMINATIONS						
Secretary of the State	SEP 2006	699	12.9	6,822	6,265	8.9
Department of Labor*	4Q 2005	2,120	-31.0	6,867	8,624	-20.4

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.

(Millions of dollars)	SEP 2006	SEP 2005	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	1012.4	1071.9	-5.6	9699.6	9033.3	7.4
Corporate Tax	112.5	82.5	36.4	622.3	506.5	22.9
Personal Income Tax	579.8	575.6	0.7	5012.5	4513.6	11.1
Real Estate Conv. Tax	15.4	19.3	-20.2	145.3	161.7	-10.1
Sales & Use Tax	180.8	260.0	-30.5	2477.8	2492.0	-0.6
Indian Gaming Payments**	36.8	36.0	2.3	327.3	319.2	2.5

Sources: Connecticut Department of Revenue Services; Division of Special Revenue

**Includes all sources of revenue; Only selected sources are displayed; Most July receipts are credited to the prior fiscal year and are not shown. **See page 23 for explanation.*

TOURISM AND TRAVEL

Gaming slots rose over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	SEP 2006	45,293	-9.4	331,781	302,402	9.7
Major Attraction Visitors	SEP 2006	110,698	4.1	1,372,817	1,390,111	-1.2
Air Passenger Count	SEP 2006	506,646	-9.5	5,281,253	5,550,612	-4.9
Indian Gaming Slots (Mil.$)*	SEP 2006	1,689	0.1	14,978	14,927	0.3
Travel and Tourism Index**	2Q 2006	---	-3.5	---	---	---

Sources: Connecticut Department of Transportation, Bureau of Aviation and Ports; Connecticut Department of Economic and Community Development; Connecticut Lodging & Attractions Association; Division of Special Revenue

**See page 23 for explanation*

***The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*

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

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted SEP 2006	JUN 2006	3-Mo % Chg	Not Seasonally Adjusted SEP 2006	SEP 2005	12-Mo % Chg
UNITED STATES TOTAL	102.5	101.6	0.9	102.5	99.5	3.0
Wages and Salaries	102.5	101.7	0.8	102.5	99.5	3.0
Benefit Costs	102.5	101.5	1.0	102.5	99.7	2.8
NORTHEAST TOTAL	---	---	---	102.5	99.2	3.3
Wages and Salaries	---	---	---	102.5	99.2	3.3

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

U.S. inflation rate increased 2.1 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	SEP 2006	202.9	2.1	-0.5
Purchasing Power of $ (1982-84=$1.00)	SEP 2006	$0.493	-2.0	0.5
Northeast Region	SEP 2006	216.3	2.6	-0.8
NY-Northern NJ-Long Island	SEP 2006	222.9	3.3	-0.5
Boston-Brockton-Nashua**	SEP 2006	224.5	2.0	-0.3
CPI-W (1982-84=100)				
U.S. City Average	SEP 2006	198.4	1.7	-0.6
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2006	NA	NA	NA
New England	SEP 2006	NA	NA	NA
U.S.	SEP 2006	NA	NA	NA

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

Conventional mortgage rate fell to 6.40 percent over the month.

INTEREST RATES

(Percent)	SEP 2006	AUG 2006	SEP 2005
Prime	8.25	8.25	6.59
Federal Funds	5.25	5.25	3.62
3 Month Treasury Bill	4.93	5.09	3.49
6 Month Treasury Bill	5.08	5.17	3.79
1 Year Treasury Note	4.97	5.08	3.85
3 Year Treasury Note	4.69	4.85	3.96
5 Year Treasury Note	4.67	4.82	4.01
7 Year Treasury Note	4.68	4.83	4.08
10 Year Treasury Note	4.72	4.88	4.20
20 Year Treasury Note	4.93	5.08	4.51
Conventional Mortgage	6.40	6.52	5.77

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
Connecticut	1,674.0	1,665.4	8.6	0.5	1,672.3
Maine	613.8	611.6	2.2	0.4	614.2
Massachusetts	3,228.2	3,195.1	33.1	1.0	3,224.8
New Hampshire	642.2	637.1	5.1	0.8	641.2
New Jersey	4,084.5	4,059.4	25.1	0.6	4,081.5
New York	8,624.3	8,550.4	73.9	0.9	8,623.3
Pennsylvania	5,764.6	5,717.6	47.0	0.8	5,759.5
Rhode Island	494.2	492.3	1.9	0.4	493.7
Vermont	309.1	305.5	3.6	1.2	308.4
United States	135,613.0	133,840.0	1,773.0	1.3	135,562.0

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

LABOR FORCE

All but one state posted increases in the labor force from last year.

(Seasonally adjusted; 000s)	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
Connecticut	1,851.8	1,819.5	32.3	1.8	1,846.8
Maine	718.9	716.1	2.8	0.4	718.3
Massachusetts	3,387.4	3,365.1	22.3	0.7	3,370.9
New Hampshire	741.3	734.0	7.3	1.0	739.5
New Jersey	4,476.8	4,448.8	28.0	0.6	4,493.8
New York	9,446.7	9,445.3	1.4	0.0	9,476.5
Pennsylvania	6,290.0	6,295.2	-5.2	-0.1	6,285.2
Rhode Island	579.0	572.2	6.8	1.2	576.8
Vermont	366.2	357.1	9.1	2.5	364.2
United States	151,799.0	150,083.0	1,716.0	1.1	151,698.0

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

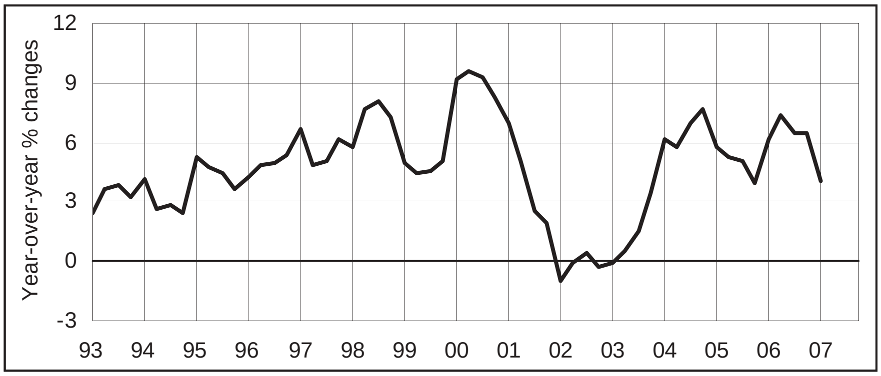
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	SEP 2006	SEP 2005	CHANGE	AUG 2006
Connecticut	4.7	4.9	-0.2	4.5
Maine	4.7	5.0	-0.3	4.7
Massachusetts	5.1	4.8	0.3	4.9
New Hampshire	3.2	3.6	-0.4	3.5
New Jersey	5.2	4.4	0.8	5.3
New York	4.4	5.1	-0.7	4.7
Pennsylvania	4.6	4.8	-0.2	4.9
Rhode Island	5.2	5.1	0.1	5.6
Vermont	3.7	3.5	0.2	3.7
United States	4.6	5.1	-0.5	4.7

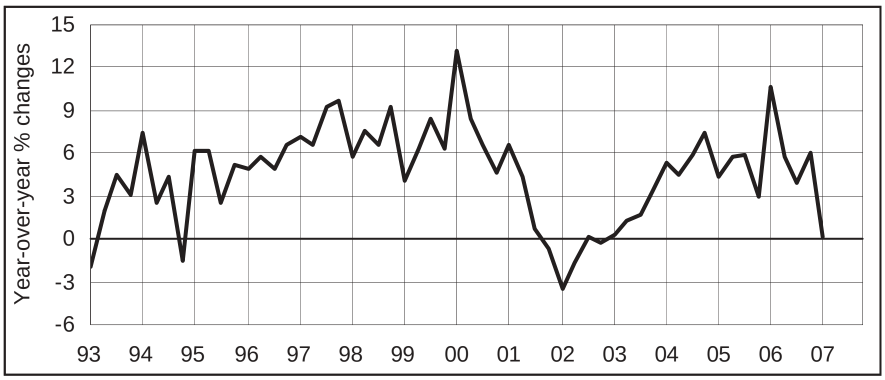
Source: U.S. Department of Labor, Bureau of Labor Statistics

PERSONAL INCOME *(Seasonally adjusted)*



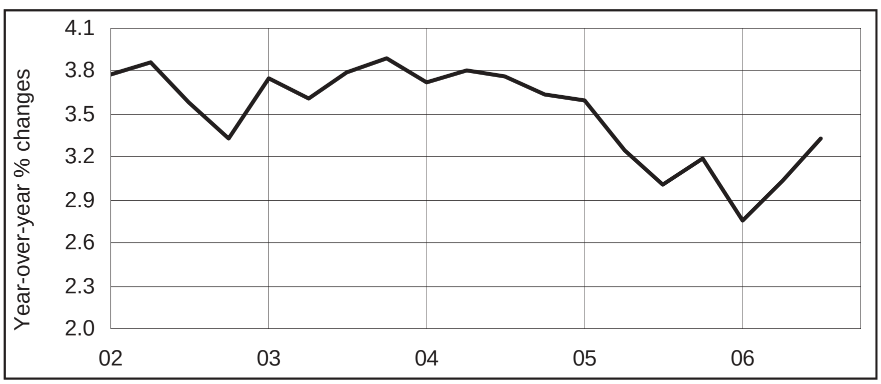
Quarter	2005	2006	2007
First	5.7	6.2	4.0
Second	5.3	7.4	
Third	5.0	6.4	
Fourth	3.9	6.5	

UI COVERED WAGES *(Seasonally adjusted)*



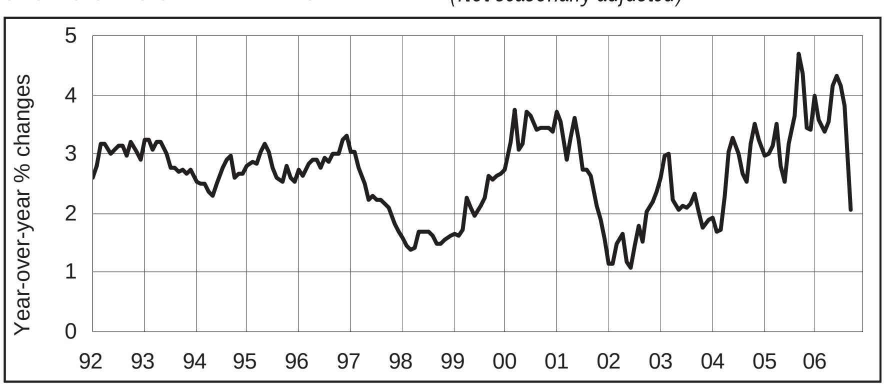
Quarter	2005	2006	2007
First	4.3	10.7	0.1
Second	5.7	5.8	
Third	5.9	4.0	
Fourth	3.0	6.1	

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



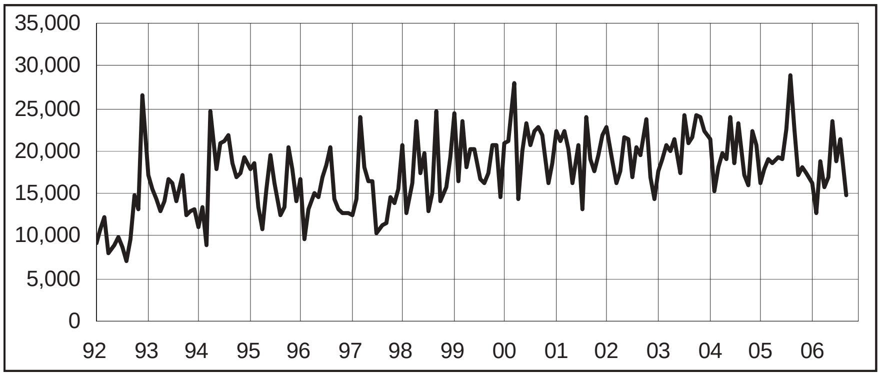
Quarter	2004	2005	2006
First	3.7	3.6	2.8
Second	3.8	3.2	3.0
Third	3.8	3.0	3.3
Fourth	3.6	3.2	

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



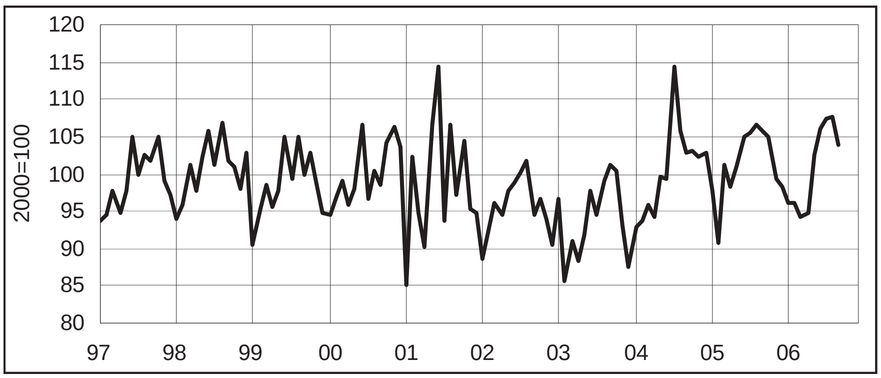
Month	2004	2005	2006
Jan	1.9	3.0	4.0
Feb	1.7	3.0	3.6
Mar	1.7	3.1	3.4
Apr	2.3	3.5	3.5
May	3.1	2.8	4.2
Jun	3.3	2.5	4.3
Jul	3.0	3.2	4.1
Aug	2.7	3.6	3.8
Sep	2.5	4.7	2.1
Oct	3.2	4.3	
Nov	3.5	3.5	
Dec	3.3	3.4	

NEW AUTO REGISTRATIONS PROCESSED *(Not seasonally adjusted)*



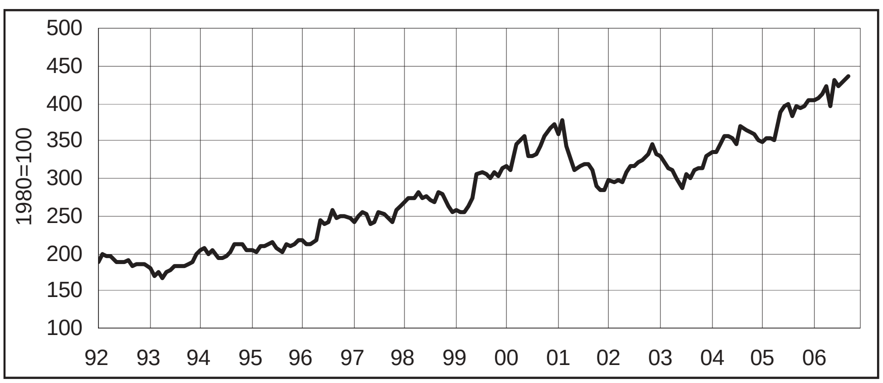
Month	2004	2005	2006
Jan	21,377	16,156	16,166
Feb	15,354	17,903	12,710
Mar	18,072	19,019	18,850
Apr	19,687	18,576	15,744
May	19,117	19,330	16,823
Jun	23,904	19,005	23,548
Jul	18,633	22,588	18,717
Aug	23,343	28,911	21,399
Sep	17,263	22,590	14,739
Oct	15,896	17,148	
Nov	22,202	18,004	
Dec	20,739	17,456	

CT MANUFACTURING PRODUCTION INDEX *(Not seasonally adjusted)*



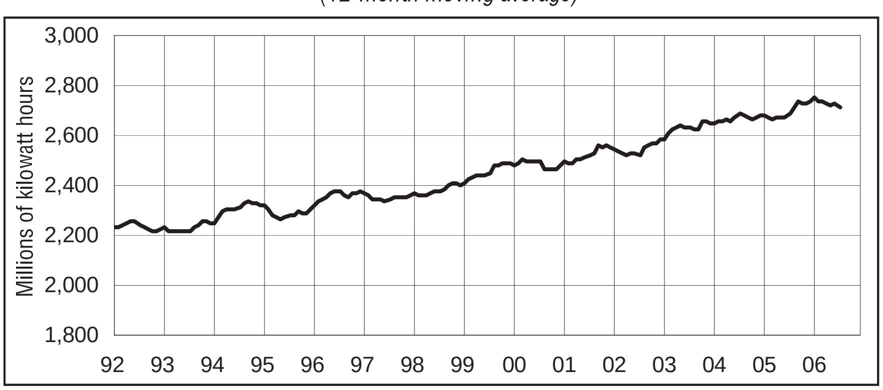
Month	2004	2005	2006
Jan	92.8	97.8	96.2
Feb	93.6	90.8	96.0
Mar	95.9	101.3	94.3
Apr	94.3	98.3	94.8
May	99.6	100.8	102.6
Jun	99.2	104.9	106.0
Jul	114.5	105.6	107.2
Aug	105.8	106.6	107.7
Sep	102.9	105.8	103.9
Oct	103.0	104.9	
Nov	102.4	99.4	
Dec	102.8	98.1	

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



Month	2004	2005	2006
Jan	334.0	348.1	404.6
Feb	335.9	354.6	407.2
Mar	345.6	353.4	413.3
Apr	355.4	349.6	421.4
May	356.6	387.1	396.8
Jun	353.8	394.9	431.8
Jul	346.3	399.0	421.4
Aug	368.1	382.5	427.5
Sep	363.9	395.3	437.0
Oct	362.6	394.5	
Nov	359.0	396.7	
Dec	351.0	403.6	

ELECTRICITY SALES *(12-month moving average)*



Month	2004	2005	2006
Jan	2,649	2,677	2,754
Feb	2,657	2,671	2,738
Mar	2,659	2,666	2,734
Apr	2,661	2,676	2,728
May	2,660	2,675	2,720
Jun	2,670	2,671	2,726
Jul	2,686	2,686	2,714
Aug	2,682	2,710	
Sep	2,673	2,737	
Oct	2,665	2,727	
Nov	2,676	2,730	
Dec	2,677	2,736	

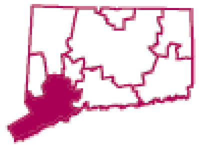
CONNECTICUT

Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT	**1,676,300**	**1,668,300**	**8,000**	**0.5**	**1,662,300**
GOODS PRODUCING INDUSTRIES	**261,100**	**263,700**	**-2,600**	**-1.0**	**262,400**
CONSTRUCTION, NAT. RES. & MINING	**67,800**	**69,500**	**-1,700**	**-2.4**	**68,900**
MANUFACTURING	**193,300**	**194,200**	**-900**	**-0.5**	**193,500**
Durable Goods	**144,900**	**144,900**	**0**	**0.0**	**145,100**
Fabricated Metal	33,900	33,600	300	0.9	33,600
Machinery	17,700	17,800	-100	-0.6	17,800
Computer and Electronic Product	14,600	14,800	-200	-1.4	14,500
Electrical Equipment	10,500	10,500	0	0.0	10,500
Transportation Equipment	43,800	43,400	400	0.9	44,100
Aerospace Product and Parts	31,200	30,200	1,000	3.3	31,400
Non-Durable Goods	**48,400**	**49,300**	**-900**	**-1.8**	**48,400**
Printing and Related	7,900	7,900	0	0.0	7,900
Chemical	16,600	16,900	-300	-1.8	16,600
Plastics and Rubber Products	7,200	7,300	-100	-1.4	7,200
SERVICE PROVIDING INDUSTRIES	**1,415,200**	**1,404,600**	**10,600**	**0.8**	**1,399,900**
TRADE, TRANSPORTATION, UTILITIES	**309,300**	**309,400**	**-100**	**0.0**	**305,300**
Wholesale Trade	67,600	66,800	800	1.2	67,700
Retail Trade	189,300	190,000	-700	-0.4	189,900
Motor Vehicle and Parts Dealers	23,200	22,900	300	1.3	23,200
Building Material	15,500	15,700	-200	-1.3	16,000
Food and Beverage Stores	40,900	41,700	-800	-1.9	40,800
General Merchandise Stores	25,900	26,300	-400	-1.5	25,300
Transportation, Warehousing, & Utilities	52,400	52,600	-200	-0.4	47,700
Utilities	7,700	8,500	-800	-9.4	7,800
Transportation and Warehousing	44,700	44,100	600	1.4	39,900
INFORMATION	**37,400**	**37,700**	**-300**	**-0.8**	**37,600**
Telecommunications	12,500	12,700	-200	-1.6	12,500
FINANCIAL ACTIVITIES	**144,700**	**143,100**	**1,600**	**1.1**	**145,600**
Finance and Insurance	123,100	121,900	1,200	1.0	123,800
Credit Intermediation	32,100	32,000	100	0.3	32,500
Securities and Commodity Contracts	20,200	19,700	500	2.5	20,300
Insurance Carriers & Related Activities	65,700	65,300	400	0.6	65,900
Real Estate and Rental and Leasing	21,600	21,200	400	1.9	21,800
PROFESSIONAL & BUSINESS SERVICES	**205,400**	**203,100**	**2,300**	**1.1**	**205,100**
Professional, Scientific	89,000	87,800	1,200	1.4	89,300
Legal Services	14,300	14,500	-200	-1.4	14,400
Computer Systems Design	19,200	19,000	200	1.1	19,200
Management of Companies	25,000	25,100	-100	-0.4	25,000
Administrative and Support	91,400	90,200	1,200	1.3	90,800
Employment Services	34,400	33,500	900	2.7	32,800
EDUCATIONAL AND HEALTH SERVICES	**277,300**	**272,900**	**4,400**	**1.6**	**270,100**
Educational Services	52,200	51,000	1,200	2.4	45,300
Health Care and Social Assistance	225,100	221,900	3,200	1.4	224,800
Hospitals	57,100	56,300	800	1.4	57,100
Nursing & Residential Care Facilities	58,100	57,400	700	1.2	57,900
Social Assistance	36,500	35,800	700	2.0	36,400
LEISURE AND HOSPITALITY	**134,800**	**133,300**	**1,500**	**1.1**	**141,800**
Arts, Entertainment, and Recreation	25,000	25,000	0	0.0	29,500
Accommodation and Food Services	109,800	108,300	1,500	1.4	112,300
Food Serv., Restaurants, Drinking Places	97,200	95,900	1,300	1.4	98,300
OTHER SERVICES	**62,700**	**62,700**	**0**	**0.0**	**64,300**
GOVERNMENT	**243,600**	**242,400**	**1,200**	**0.5**	**230,100**
Federal Government	19,600	19,900	-300	-1.5	19,700
State Government	65,200	64,700	500	0.8	61,700
Local Government**	158,800	157,800	1,000	0.6	148,700

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

BRIDGEPORT - STAMFORD LMA

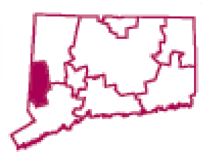


Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT……………	**413,200**	**412,400**	**800**	**0.2**	**412,500**
GOODS PRODUCING INDUSTRIES…………	**57,200**	**56,400**	**800**	**1.4**	**57,200**
CONSTRUCTION, NAT. RES. & MINING.….	**16,400**	**15,500**	**900**	**5.8**	**16,600**
MANUFACTURING……………………………	**40,800**	**40,900**	**-100**	**-0.2**	**40,600**
Durable Goods………………………………	**29,400**	**29,500**	**-100**	**-0.3**	**29,400**
SERVICE PROVIDING INDUSTRIES…………	**356,000**	**356,000**	**0**	**0.0**	**355,300**
TRADE, TRANSPORTATION, UTILITIES…..	**73,600**	**74,200**	**-600**	**-0.8**	**73,000**
Wholesale Trade……………………………	14,600	14,600	0	0.0	14,700
Retail Trade…………………………………	48,400	49,100	-700	-1.4	48,600
Transportation, Warehousing, & Utilities….	10,600	10,500	100	1.0	9,700
INFORMATION…………………………………	**11,000**	**11,400**	**-400**	**-3.5**	**11,200**
FINANCIAL ACTIVITIES………………………	**45,500**	**43,700**	**1,800**	**4.1**	**45,800**
Finance and Insurance………………………	38,600	37,100	1,500	4.0	38,800
PROFESSIONAL & BUSINESS SERVICES	**70,200**	**71,100**	**-900**	**-1.3**	**70,600**
EDUCATIONAL AND HEALTH SERVICES	**59,200**	**59,000**	**200**	**0.3**	**58,500**
Health Care and Social Assistance……….	51,200	50,500	700	1.4	51,100
LEISURE AND HOSPITALITY………………	**34,000**	**33,300**	**700**	**2.1**	**35,800**
Accommodation and Food Services……….	24,900	24,300	600	2.5	25,200
OTHER SERVICES……………………………	**16,800**	**16,800**	**0**	**0.0**	**17,400**
GOVERNMENT ………………………………	**45,700**	**46,500**	**-800**	**-1.7**	**43,000**
Federal…………………………………………	3,500	3,600	-100	-2.8	3,500
State & Local…………………………………	42,200	42,900	-700	-1.6	39,500

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

DANBURY LMA



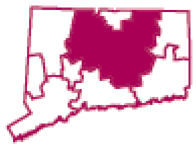
Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT……………	**69,200**	**68,700**	**500**	**0.7**	**68,900**
GOODS PRODUCING INDUSTRIES…………	**12,900**	**13,000**	**-100**	**-0.8**	**12,900**
SERVICE PROVIDING INDUSTRIES…………	**56,300**	**55,700**	**600**	**1.1**	**56,000**
TRADE, TRANSPORTATION, UTILITIES…..	**15,200**	**15,400**	**-200**	**-1.3**	**15,200**
Retail Trade…………………………………	11,200	11,500	-300	-2.6	11,300
PROFESSIONAL & BUSINESS SERVICES	**8,400**	**8,700**	**-300**	**-3.4**	**8,400**
LEISURE AND HOSPITALITY………………	**5,100**	**5,200**	**-100**	**-1.9**	**5,400**
GOVERNMENT ………………………………	**7,900**	**8,000**	**-100**	**-1.3**	**7,200**
Federal…………………………………………	600	600	0	0.0	600
State & Local…………………………………	7,300	7,400	-100	-1.4	6,600

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

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

HARTFORD LMA



Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT	**553,500**	**545,900**	**7,600**	**1.4**	**544,300**
GOODS PRODUCING INDUSTRIES	**86,400**	**86,400**	**0**	**0.0**	**86,600**
CONSTRUCTION, NAT. RES. & MINING	**23,000**	**22,700**	**300**	**1.3**	**23,300**
MANUFACTURING	**63,400**	**63,700**	**-300**	**-0.5**	**63,300**
Durable Goods	**52,700**	**53,400**	**-700**	**-1.3**	**53,200**
Transportation Equipment	17,800	18,400	-600	-3.3	18,400
SERVICE PROVIDING INDUSTRIES	**467,100**	**459,500**	**7,600**	**1.7**	**457,700**
TRADE, TRANSPORTATION, UTILITIES	**90,700**	**89,500**	**1,200**	**1.3**	**89,300**
Wholesale Trade	19,800	19,400	400	2.1	19,800
Retail Trade	56,000	55,400	600	1.1	55,900
Transportation, Warehousing, & Utilities	14,900	14,700	200	1.4	13,600
Transportation and Warehousing	11,500	11,200	300	2.7	10,200
INFORMATION	**11,500**	**11,400**	**100**	**0.9**	**11,600**
FINANCIAL ACTIVITIES	**68,100**	**67,600**	**500**	**0.7**	**68,600**
Depository Credit Institutions	7,600	7,500	100	1.3	7,600
Insurance Carriers & Related Activities	45,900	45,700	200	0.4	46,200
PROFESSIONAL & BUSINESS SERVICES	**60,900**	**59,400**	**1,500**	**2.5**	**61,000**
Professional, Scientific	27,800	27,500	300	1.1	28,000
Administrative and Support	27,200	25,900	1,300	5.0	27,100
EDUCATIONAL AND HEALTH SERVICES	**85,700**	**84,300**	**1,400**	**1.7**	**84,100**
Health Care and Social Assistance	75,200	73,700	1,500	2.0	75,000
Ambulatory Health Care	22,800	22,400	400	1.8	22,700
LEISURE AND HOSPITALITY	**41,800**	**40,100**	**1,700**	**4.2**	**42,800**
Accommodation and Food Services	34,400	33,000	1,400	4.2	34,100
OTHER SERVICES	**20,600**	**20,600**	**0**	**0.0**	**20,700**
GOVERNMENT	**87,800**	**86,600**	**1,200**	**1.4**	**79,600**
Federal	5,900	6,000	-100	-1.7	6,000
State & Local	81,900	80,600	1,300	1.6	73,600

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

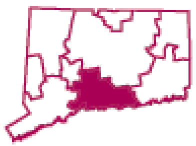
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Second-generation Americans, age, and the labor force**
  One of the major differences between second-generation Americans and those in the third-and-higher generation is the noticeably smaller proportion of the second generation who are aged 25 to 54 years. This is an age group for which labor force participation tends to be relatively high and unemployment relatively low. Forty percent of the second generation is in this broad age group, compared with 55 percent of the third-and-higher generation. In contrast, the proportion of persons in the second-generation who are 65 years and older (27.5 percent) is nearly double that of their third-and-higher generation counterparts. Persons 65 and older are less likely than younger people to be labor force participants. The difference in the age distributions between the second generation and the third generation is at least partly a result of changes in immigration laws that took place in the early 20th century when the flow of immigrants into the

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT...............	**273,100**	**274,500**	**-1,400**	**-0.5**	**267,800**
GOODS PRODUCING INDUSTRIES............	**44,300**	**44,500**	**-200**	**-0.4**	**44,800**
CONSTRUCTION, NAT. RES. & MINING.....	**11,300**	**11,400**	**-100**	**-0.9**	**11,700**
MANUFACTURING...............................	**33,000**	**33,100**	**-100**	**-0.3**	**33,100**
Durable Goods...................................	**22,500**	**22,600**	**-100**	**-0.4**	**22,600**
SERVICE PROVIDING INDUSTRIES...........	**228,800**	**230,000**	**-1,200**	**-0.5**	**223,000**
TRADE, TRANSPORTATION, UTILITIES.....	**51,300**	**51,200**	**100**	**0.2**	**50,500**
Wholesale Trade..................................	11,600	11,500	100	0.9	11,400
Retail Trade.......................................	30,100	29,900	200	0.7	30,200
Transportation, Warehousing, & Utilities....	9,600	9,800	-200	-2.0	8,900
INFORMATION.....................................	**8,400**	**8,400**	**0**	**0.0**	**8,400**
FINANCIAL ACTIVITIES.........................	**14,200**	**14,000**	**200**	**1.4**	**14,100**
Finance and Insurance..........................	10,900	10,300	600	5.8	10,700
PROFESSIONAL & BUSINESS SERVICES	**25,900**	**25,900**	**0**	**0.0**	**26,000**
Administrative and Support...................	13,100	12,600	500	4.0	13,000
EDUCATIONAL AND HEALTH SERVICES	**64,500**	**64,600**	**-100**	**-0.2**	**60,900**
Educational Services............................	23,200	23,300	-100	-0.4	19,600
Health Care and Social Assistance...........	41,300	41,300	0	0.0	41,300
LEISURE AND HOSPITALITY..................	**20,700**	**21,300**	**-600**	**-2.8**	**22,100**
Accommodation and Food Services..........	17,000	17,900	-900	-5.0	17,800
OTHER SERVICES................................	**10,200**	**10,800**	**-600**	**-5.6**	**10,600**
GOVERNMENT	**33,600**	**33,800**	**-200**	**-0.6**	**30,400**
Federal...	5,300	5,400	-100	-1.9	5,400
State & Local......................................	28,300	28,400	-100	-0.4	25,000

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

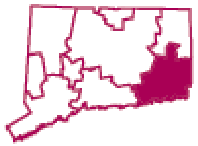
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2005.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

United States was sharply restricted. Because the wave of immigrants that entered the country prior to 1924 was larger than the wave entering after 1924, the group of offspring of the pre-1924 wave was also a large group and one that is now relatively old. Second-generation Americans are defined as native-born Americans who have either one parent or both parents who are foreign born. Americans of third-and-higher generation are native-born Americans whose parents are both native born.

These data are from the Annual Social and Economic Supplement (ASEC) to the Current Population Survey. Find out more in "Labor force characteristics of second-generation Americans," by Abraham Mosisa, Monthly Labor Review, September 2006. (The Editor's Desk, Bureau of Labor Statistics, October 6, 2006)

NORWICH - NEW LONDON LMA

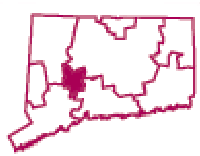


Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT	**135,900**	**136,800**	**-900**	**-0.7**	**136,900**
GOODS PRODUCING INDUSTRIES	**21,600**	**22,600**	**-1,000**	**-4.4**	**22,100**
CONSTRUCTION, NAT. RES. & MINING	**4,400**	**4,700**	**-300**	**-6.4**	**4,600**
MANUFACTURING	**17,200**	**17,900**	**-700**	**-3.9**	**17,500**
Durable Goods	**11,000**	**11,500**	**-500**	**-4.3**	**11,200**
Non-Durable Goods	**6,200**	**6,400**	**-200**	**-3.1**	**6,300**
SERVICE PROVIDING INDUSTRIES	**114,300**	**114,200**	**100**	**0.1**	**114,800**
TRADE, TRANSPORTATION, UTILITIES	**22,400**	**22,300**	**100**	**0.4**	**22,500**
Wholesale Trade	2,100	2,000	100	5.0	2,100
Retail Trade	16,100	15,900	200	1.3	16,400
Transportation, Warehousing, & Utilities	4,200	4,400	-200	-4.5	4,000
INFORMATION	**2,000**	**2,000**	**0**	**0.0**	**2,000**
FINANCIAL ACTIVITIES	**3,600**	**3,600**	**0**	**0.0**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**9,900**	**9,900**	**0**	**0.0**	**9,800**
EDUCATIONAL AND HEALTH SERVICES	**19,200**	**18,800**	**400**	**2.1**	**18,700**
Health Care and Social Assistance	16,400	16,200	200	1.2	16,400
LEISURE AND HOSPITALITY	**14,100**	**14,100**	**0**	**0.0**	**15,400**
Accommodation and Food Services	11,500	11,500	0	0.0	12,500
Food Serv., Restaurants, Drinking Places	9,100	9,100	0	0.0	10,000
OTHER SERVICES	**3,800**	**3,700**	**100**	**2.7**	**3,800**
GOVERNMENT	**39,300**	**39,800**	**-500**	**-1.3**	**39,000**
Federal	2,500	2,400	100	4.2	2,500
State & Local**	36,800	37,400	-600	-1.6	36,500

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

WATERBURY LMA



Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT	**68,100**	**68,800**	**-700**	**-1.0**	**67,200**
GOODS PRODUCING INDUSTRIES	**12,900**	**13,200**	**-300**	**-2.3**	**12,900**
CONSTRUCTION, NAT. RES. & MINING	**2,900**	**2,900**	**0**	**0.0**	**3,000**
MANUFACTURING	**10,000**	**10,300**	**-300**	**-2.9**	**9,900**
SERVICE PROVIDING INDUSTRIES	**55,200**	**55,600**	**-400**	**-0.7**	**54,300**
TRADE, TRANSPORTATION, UTILITIES	**13,800**	**13,600**	**200**	**1.5**	**13,500**
Wholesale Trade	2,200	2,200	0	0.0	2,200
Retail Trade	9,600	9,300	300	3.2	9,600
Transportation, Warehousing, & Utilities	2,000	2,100	-100	-4.8	1,700
INFORMATION	**900**	**900**	**0**	**0.0**	**900**
FINANCIAL ACTIVITIES	**2,600**	**2,600**	**0**	**0.0**	**2,600**
PROFESSIONAL & BUSINESS SERVICES	**6,800**	**6,500**	**300**	**4.6**	**7,000**
EDUCATIONAL AND HEALTH SERVICES	**14,000**	**14,200**	**-200**	**-1.4**	**13,900**
Health Care and Social Assistance	12,800	13,000	-200	-1.5	12,800
LEISURE AND HOSPITALITY	**4,900**	**5,000**	**-100**	**-2.0**	**5,000**
OTHER SERVICES	**2,700**	**2,700**	**0**	**0.0**	**2,700**
GOVERNMENT	**9,500**	**10,100**	**-600**	**-5.9**	**8,700**
Federal	600	600	0	0.0	600
State & Local	8,900	9,500	-600	-6.3	8,100

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

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

SMALLER LMAS

Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA	**46,700**	**46,900**	**-200**	**-0.4**	**46,400**
TORRINGTON LMA	**37,200**	**37,600**	**-400**	**-1.1**	**36,800**
WILLIMANTIC - DANIELSON LMA	**37,200**	**37,200**	**0**	**0.0**	**36,000**

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

SPRINGFIELD, MA-CT NECTA*

Not Seasonally Adjusted

	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
TOTAL NONFARM EMPLOYMENT	**298,500**	**298,000**	**500**	**0.2**	**293,500**
GOODS PRODUCING INDUSTRIES	**50,000**	**50,200**	**-200**	**-0.4**	**50,300**
CONSTRUCTION, NAT. RES. & MINING	**11,900**	**12,000**	**-100**	**-0.8**	**12,000**
MANUFACTURING	**38,100**	**38,200**	**-100**	**-0.3**	**38,300**
Durable Goods	**24,200**	**24,100**	**100**	**0.4**	**24,400**
Non-Durable Goods	**13,900**	**14,100**	**-200**	**-1.4**	**13,900**
SERVICE PROVIDING INDUSTRIES	**248,500**	**247,800**	**700**	**0.3**	**243,200**
TRADE, TRANSPORTATION, UTILITIES	**61,700**	**61,400**	**300**	**0.5**	**60,900**
Wholesale Trade	11,700	11,300	400	3.5	11,900
Retail Trade	36,100	36,400	-300	-0.8	36,200
Transportation, Warehousing, & Utilities	13,900	13,700	200	1.5	12,800
INFORMATION	**4,300**	**4,500**	**-200**	**-4.4**	**4,300**
FINANCIAL ACTIVITIES	**15,700**	**16,100**	**-400**	**-2.5**	**15,900**
Finance and Insurance	12,200	12,300	-100	-0.8	12,300
Insurance Carriers & Related Activities	7,300	7,500	-200	-2.7	7,300
PROFESSIONAL & BUSINESS SERVICES	**25,000**	**24,600**	**400**	**1.6**	**24,700**
EDUCATIONAL AND HEALTH SERVICES	**55,400**	**53,900**	**1,500**	**2.8**	**54,000**
Educational Services	12,600	11,900	700	5.9	11,300
Health Care and Social Assistance	42,800	42,000	800	1.9	42,700
LEISURE AND HOSPITALITY	**27,700**	**27,600**	**100**	**0.4**	**28,200**
OTHER SERVICES	**11,500**	**11,400**	**100**	**0.9**	**11,800**
GOVERNMENT	**47,200**	**48,300**	**-1,100**	**-2.3**	**43,400**
Federal	6,600	6,600	0	0.0	6,500
State & Local	40,600	41,700	-1,100	-2.6	36,900

* New England City and Town Area

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

(Not seasonally adjusted)	EMPLOYMENT STATUS	SEP 2006	SEP 2005	CHANGE NO.	CHANGE %	AUG 2006
CONNECTICUT	Civilian Labor Force	1,839,100	1,812,900	26,200	1.4	1,870,900
	Employed	1,757,200	1,728,500	28,700	1.7	1,787,900
	Unemployed	81,900	84,400	-2,500	-3.0	83,100
	Unemployment Rate	4.5	4.7	-0.2	---	4.4
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	465,400	459,600	5,800	1.3	476,900
	Employed	446,300	439,600	6,700	1.5	457,500
	Unemployed	19,000	20,000	-1,000	-5.0	19,400
	Unemployment Rate	4.1	4.4	-0.3	---	4.1
DANBURY LMA	Civilian Labor Force	90,600	89,100	1,500	1.7	93,000
	Employed	87,600	85,900	1,700	2.0	89,700
	Unemployed	3,100	3,200	-100	-3.1	3,300
	Unemployment Rate	3.4	3.6	-0.2	---	3.5
ENFIELD LMA	Civilian Labor Force	48,900	48,200	700	1.5	49,400
	Employed	46,800	46,100	700	1.5	47,200
	Unemployed	2,100	2,100	0	0.0	2,100
	Unemployment Rate	4.3	4.4	-0.1	---	4.3
HARTFORD LMA	Civilian Labor Force	580,700	567,900	12,800	2.3	587,100
	Employed	554,000	540,500	13,500	2.5	560,000
	Unemployed	26,700	27,400	-700	-2.6	27,100
	Unemployment Rate	4.6	4.8	-0.2	---	4.6
NEW HAVEN LMA	Civilian Labor Force	305,600	302,400	3,200	1.1	308,400
	Employed	291,100	287,900	3,200	1.1	293,900
	Unemployed	14,500	14,500	0	0.0	14,600
	Unemployment Rate	4.7	4.8	-0.1	---	4.7
NORWICH - NEW LONDON LMA	Civilian Labor Force	150,300	149,600	700	0.5	155,200
	Employed	144,000	143,100	900	0.6	148,700
	Unemployed	6,300	6,500	-200	-3.1	6,400
	Unemployment Rate	4.2	4.3	-0.1	---	4.2
TORRINGTON LMA	Civilian Labor Force	54,400	54,200	200	0.4	55,700
	Employed	52,300	52,000	300	0.6	53,500
	Unemployed	2,100	2,200	-100	-4.5	2,200
	Unemployment Rate	3.8	4.0	-0.2	---	3.9
WATERBURY LMA	Civilian Labor Force	99,800	99,400	400	0.4	101,400
	Employed	94,200	93,400	800	0.9	95,800
	Unemployed	5,700	6,000	-300	-5.0	5,700
	Unemployment Rate	5.7	6.0	-0.3	---	5.6
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	56,700	55,700	1,000	1.8	57,400
	Employed	53,700	52,700	1,000	1.9	54,500
	Unemployed	3,000	2,900	100	3.4	2,900
	Unemployment Rate	5.3	5.3	0.0	---	5.1
UNITED STATES	Civilian Labor Force	151,635,000	149,838,000	1,797,000	1.2	152,465,000
	Employed	145,010,000	142,579,000	2,431,000	1.7	145,379,000
	Unemployed	6,625,000	7,259,000	-634,000	-8.7	7,086,000
	Unemployment Rate	4.4	4.8	-0.4	---	4.6

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

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006	AVG WEEKLY HOURS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006	AVG HOURLY EARNINGS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006
MANUFACTURING	**$845.88**	**$806.82**	**$39.06**	**$831.72**	**42.4**	**42.0**	**0.4**	**41.9**	**$19.95**	**$19.21**	**$0.74**	**$19.85**
DURABLE GOODS	**878.48**	**836.11**	**42.37**	**864.78**	**42.5**	**42.1**	**0.4**	**42.0**	**20.67**	**19.86**	**0.81**	**20.59**
Fabricated Metal	788.80	750.61	38.19	771.55	42.8	42.6	0.2	42.3	18.43	17.62	0.81	18.24
Machinery	835.58	809.78	25.80	820.93	40.8	41.4	-0.6	40.6	20.48	19.56	0.92	20.22
Computer & Electronic	677.61	646.67	30.95	673.51	40.6	39.6	1.0	39.9	16.69	16.33	0.36	16.88
Transport. Equipment	1,103.66	1,050.92	52.74	1,082.74	43.4	43.0	0.4	43.0	25.43	24.44	0.99	25.18
NON-DUR. GOODS	**763.94**	**728.83**	**35.11**	**746.01**	**42.3**	**41.6**	**0.7**	**41.7**	**18.06**	**17.52**	**0.54**	**17.89**
CONSTRUCTION	**933.35**	**911.82**	**21.54**	**936.14**	**39.2**	**38.9**	**0.3**	**39.4**	**23.81**	**23.44**	**0.37**	**23.76**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006	AVG WEEKLY HOURS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006	AVG HOURLY EARNINGS SEP 2006	SEP 2005	CHG Y/Y	AUG 2006
Bridgeport - Stamford	$928.73	$813.70	$115.03	$876.55	43.5	41.6	1.9	41.9	$21.35	$19.56	$1.79	$20.92
New Haven	739.83	668.17	71.66	738.09	42.3	40.3	2.0	41.7	17.49	16.58	0.91	17.70
Norwich - New London	829.37	805.37	24.00	806.32	42.1	42.1	0.0	41.8	19.70	19.13	0.57	19.29

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

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

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- September 2006 saw the opening of a new Super Stop & Shop in the Black Rock section of Bridgeport with 240 employees. It was also announced that Webloyalty, a Norwalk-based marketer of online services, will hire 40 to 90 new workers by the middle of 2007. The long-vacant Bradlees in Stratford will be torn down and replaced with a BJ's Wholesale Club, creating 140 jobs. Bliss Market, a grocery store, will open a new location in downtown Hartford on March 1, 2007, with 32 employees being needed. The Bank of New Canaan will open a site in Fairfield in 2007 employing 12 to 15 people.

- In September, it was announced that Westinghouse Electric will phase out its New Britain operations beginning in January 2007, and 58 employees will be let go. On September 18th, UST, Inc. the largest maker of snuff in the nation, cut 149 employees at its Greenwich headquarters in a cost-cutting move. As a result of its sale to Harborside Healthcare, St. Joseph's Manor of Trumbull has laid off between 20-25 employees.

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

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD	**465,357**	**446,338**	**19,019**	**4.1**
Ansonia	9,920	9,364	556	5.6
Bridgeport	62,176	57,967	4,209	6.8
Darien	9,131	8,862	269	2.9
Derby	6,833	6,487	346	5.1
Easton	3,734	3,613	121	3.2
Fairfield	28,066	27,005	1,061	3.8
Greenwich	30,002	29,053	949	3.2
Milford	31,038	29,790	1,248	4.0
Monroe	10,544	10,194	350	3.3
New Canaan	8,832	8,569	263	3.0
Newtown	14,054	13,595	459	3.3
Norwalk	47,952	46,227	1,725	3.6
Oxford	6,496	6,258	238	3.7
Redding	4,524	4,383	141	3.1
Ridgefield	11,671	11,313	358	3.1
Seymour	9,038	8,651	387	4.3
Shelton	22,173	21,354	819	3.7
Southbury	8,899	8,580	319	3.6
Stamford	65,971	63,565	2,406	3.6
Stratford	25,999	24,739	1,260	4.8
Trumbull	17,791	17,143	648	3.6
Weston	4,873	4,737	136	2.8
Westport	12,499	12,140	359	2.9
Wilton	8,287	8,033	254	3.1
Woodbridge	4,856	4,717	139	2.9
DANBURY	**90,641**	**87,579**	**3,062**	**3.4**
Bethel	10,883	10,517	366	3.4
Bridgewater	1,031	1,005	26	2.5
Brookfield	8,960	8,657	303	3.4
Danbury	43,744	42,249	1,495	3.4
New Fairfield	7,614	7,353	261	3.4
New Milford	16,270	15,719	551	3.4
Sherman	2,137	2,078	59	2.8
ENFIELD	**48,932**	**46,809**	**2,123**	**4.3**
East Windsor	6,000	5,737	263	4.4
Enfield	24,102	22,959	1,143	4.7
Somers	4,707	4,499	208	4.4
Suffield	7,182	6,937	245	3.4
Windsor Locks	6,942	6,678	264	3.8
HARTFORD	**580,683**	**553,972**	**26,711**	**4.6**
Andover	1,960	1,900	60	3.1
Ashford	2,583	2,482	101	3.9
Avon	9,081	8,804	277	3.1
Barkhamsted	2,227	2,135	92	4.1
Berlin	10,947	10,549	398	3.6
Bloomfield	9,998	9,446	552	5.5
Bolton	3,070	2,964	106	3.5
Bristol	34,048	32,418	1,630	4.8
Burlington	5,260	5,088	172	3.3

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,489	5,321	168	3.1
Colchester	8,732	8,409	323	3.7
Columbia	3,030	2,926	104	3.4
Coventry	6,958	6,728	230	3.3
Cromwell	7,794	7,502	292	3.7
East Granby	2,893	2,805	88	3.0
East Haddam	5,105	4,950	155	3.0
East Hampton	6,728	6,392	336	5.0
East Hartford	25,561	24,025	1,536	6.0
Ellington	8,617	8,290	327	3.8
Farmington	12,803	12,349	454	3.5
Glastonbury	18,135	17,560	575	3.2
Granby	6,194	6,017	177	2.9
Haddam	4,698	4,570	128	2.7
Hartford	49,072	44,515	4,557	9.3
Hartland	1,200	1,162	38	3.2
Harwinton	3,138	3,017	121	3.9
Hebron	5,432	5,243	189	3.5
Lebanon	4,273	4,098	175	4.1
Manchester	31,934	30,509	1,425	4.5
Mansfield	12,785	12,316	469	3.7
Marlborough	3,536	3,437	99	2.8
Middlefield	2,402	2,307	95	4.0
Middletown	26,237	25,195	1,042	4.0
New Britain	34,775	32,531	2,244	6.5
New Hartford	3,728	3,616	112	3.0
Newington	16,619	15,996	623	3.7
Plainville	10,077	9,651	426	4.2
Plymouth	6,815	6,479	336	4.9
Portland	5,232	5,030	202	3.9
Rocky Hill	10,649	10,266	383	3.6
Simsbury	12,035	11,646	389	3.2
Southington	23,906	23,017	889	3.7
South Windsor	14,601	14,104	497	3.4
Stafford	6,810	6,509	301	4.4
Thomaston	4,607	4,412	195	4.2
Tolland	8,207	7,988	219	2.7
Union	469	454	15	3.2
Vernon	17,135	16,415	720	4.2
West Hartford	29,603	28,315	1,288	4.4
Wethersfield	13,500	12,929	571	4.2
Willington	3,887	3,784	103	2.6
Windsor	16,108	15,401	707	4.4

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

LABOR FORCE CONCEPTS

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

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

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

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

SEPTEMBER 2006

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**305,587**	**291,118**	**14,469**	**4.7**
Bethany	3,009	2,914	95	3.2
Branford	17,111	16,521	590	3.4
Cheshire	14,603	14,094	509	3.5
Chester	2,248	2,180	68	3.0
Clinton	7,835	7,572	263	3.4
Deep River	2,551	2,472	79	3.1
Durham	4,123	3,999	124	3.0
East Haven	15,921	15,172	749	4.7
Essex	3,757	3,636	121	3.2
Guilford	12,743	12,372	371	2.9
Hamden	30,674	29,292	1,382	4.5
Killingworth	3,523	3,417	106	3.0
Madison	9,957	9,656	301	3.0
Meriden	31,172	29,279	1,893	6.1
New Haven	55,039	51,140	3,899	7.1
North Branford	8,222	7,887	335	4.1
North Haven	12,868	12,327	541	4.2
Old Saybrook	5,409	5,212	197	3.6
Orange	7,057	6,807	250	3.5
Wallingford	24,878	23,880	998	4.0
Westbrook	3,609	3,486	123	3.4
West Haven	29,278	27,804	1,474	5.0
***NORWICH-NEW LONDON**	**137,034**	**131,202**	**5,832**	**4.3**
Bozrah	1,476	1,412	64	4.3
Canterbury	3,161	3,008	153	4.8
East Lyme	9,672	9,334	338	3.5
Franklin	1,197	1,152	45	3.8
Griswold	7,046	6,731	315	4.5
Groton	19,499	18,620	879	4.5
Ledyard	8,595	8,249	346	4.0
Lisbon	2,574	2,473	101	3.9
Lyme	1,164	1,122	42	3.6
Montville	11,012	10,530	482	4.4
New London	13,678	12,927	751	5.5
No. Stonington	3,248	3,143	105	3.2
Norwich	20,651	19,605	1,046	5.1
Old Lyme	4,242	4,123	119	2.8
Preston	2,826	2,720	106	3.8
Salem	2,581	2,492	89	3.4
Sprague	1,791	1,708	83	4.6
Stonington	10,505	10,176	329	3.1
Voluntown	1,606	1,547	59	3.7
Waterford	10,506	10,129	377	3.6

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

NORWICH-NEW LONDON	**150,288**	**143,956**	**6,332**	**4.2**
Westerly, RI	13,254	12,754	500	3.8

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

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
TORRINGTON	**54,383**	**52,311**	**2,072**	**3.8**
Bethlehem	2,037	1,970	67	3.3
Canaan	609	590	19	3.1
Colebrook	827	812	15	1.8
Cornwall	829	807	22	2.7
Goshen	1,546	1,501	45	2.9
Kent	1,592	1,544	48	3.0
Litchfield	4,350	4,204	146	3.4
Morris	1,311	1,267	44	3.4
Norfolk	969	928	41	4.2
North Canaan	1,733	1,678	55	3.2
Roxbury	1,356	1,332	24	1.8
Salisbury	1,992	1,936	56	2.8
Sharon	1,563	1,524	39	2.5
Torrington	19,487	18,560	927	4.8
Warren	724	703	21	2.9
Washington	1,949	1,893	56	2.9
Winchester	6,027	5,739	288	4.8
Woodbury	5,482	5,323	159	2.9
WATERBURY	**99,848**	**94,186**	**5,662**	**5.7**
Beacon Falls	3,162	3,045	117	3.7
Middlebury	3,670	3,552	118	3.2
Naugatuck	16,892	16,100	792	4.7
Prospect	5,215	5,007	208	4.0
Waterbury	49,820	46,256	3,564	7.2
Watertown	12,242	11,729	513	4.2
Wolcott	8,848	8,497	351	4.0
WILLIMANTIC-DANIELSON	**56,676**	**53,693**	**2,983**	**5.3**
Brooklyn	3,793	3,608	185	4.9
Chaplin	1,412	1,346	66	4.7
Eastford	968	937	31	3.2
Hampton	1,154	1,095	59	5.1
Killingly	9,256	8,732	524	5.7
Plainfield	8,360	7,887	473	5.7
Pomfret	2,252	2,153	99	4.4
Putnam	5,134	4,878	256	5.0
Scotland	979	951	28	2.9
Sterling	1,891	1,818	73	3.9
Thompson	5,288	5,051	237	4.5
Windham	11,726	10,933	793	6.8
Woodstock	4,463	4,304	159	3.6

Not Seasonally Adjusted:				
CONNECTICUT	**1,839,100**	**1,757,200**	**81,900**	**4.5**
UNITED STATES	**151,635,000**	**145,010,000**	**6,625,000**	**4.4**
Seasonally Adjusted:				
CONNECTICUT	**1,851,800**	**1,765,300**	**86,500**	**4.7**
UNITED STATES	**151,799,000**	**144,850,000**	**6,949,000**	**4.6**

LABOR FORCE CONCEPTS (Continued)

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

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

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

Town

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	SEP 2006	YR TO DATE 2006	YR TO DATE 2005
Andover	1	5	11
Ansonia	2	7	12
Ashford	2	17	11
Avon	5	52	60
Barkhamsted	na	na	na
Beacon Falls	na	na	na
Berlin	18	104	51
Bethany	na	na	na
Bethel	5	41	9
Bethlehem	na	na	na
Bloomfield	na	na	na
Bolton	4	12	4
Bozrah	0	11	10
Branford	na	na	na
Bridgeport	38	155	189
Bridgewater	na	na	na
Bristol	4	53	89
Brookfield	na	na	na
Brooklyn	3	48	51
Burlington	3	18	27
Canaan	2	3	4
Canterbury	1	18	19
Canton	1	23	87
Chaplin	1	14	15
Cheshire	8	59	34
Chester	na	na	na
Clinton	2	19	24
Colchester	5	58	63
Colebrook	0	3	6
Columbia	1	17	29
Cornwall	1	7	7
Coventry	4	47	32
Cromwell	9	27	11
Danbury	4	291	405
Darien	na	na	na
Deep River	1	7	3
Derby	na	na	na
Durham	3	30	37
East Granby	4	30	21
East Haddam	2	30	40
East Hampton	3	69	113
East Hartford	na	na	na
East Haven	0	35	58
East Lyme	3	81	74
East Windsor	5	54	69
Eastford	0	9	13
Easton	0	6	10
Ellington	13	92	64
Enfield	na	na	na
Essex	4	7	8
Fairfield	17	88	110
Farmington	6	82	87
Franklin	1	4	2
Glastonbury	3	108	55
Goshen	3	31	35
Granby	4	35	51
Greenwich	17	163	155

TOWN	SEP 2006	YR TO DATE 2006	YR TO DATE 2005
Griswold	na	na	na
Groton	4	51	134
Guilford	3	45	58
Haddam	6	42	41
Hamden	2	19	21
Hampton	2	18	17
Hartford	101	291	123
Hartland	na	na	na
Harwinton	1	19	14
Hebron	na	na	na
Kent	0	8	11
Killingly	13	89	92
Killingworth	na	na	na
Lebanon	0	31	31
Ledyard	3	30	37
Lisbon	2	14	14
Litchfield	na	na	na
Lyme	1	3	8
Madison	1	29	34
Manchester	20	121	241
Mansfield	5	54	44
Marlborough	2	21	25
Meriden	3	51	97
Middlebury	na	na	na
Middlefield	0	4	2
Middletown	18	161	194
Milford	22	217	240
Monroe	0	18	35
Montville	3	23	64
Morris	0	4	7
Naugatuck	6	59	72
New Britain	na	na	na
New Canaan	4	48	49
New Fairfield	na	na	na
New Hartford	3	15	31
New Haven	13	114	100
New London	5	52	58
New Milford	5	67	63
Newington	11	92	33
Newtown	3	27	87
Norfolk	0	3	5
North Branford	na	na	na
North Canaan	0	3	7
North Haven	2	24	128
North Stonington	2	11	23
Norwalk	10	69	108
Norwich	2	84	260
Old Lyme	na	na	na
Old Saybrook	4	20	44
Orange	na	na	na
Oxford	16	116	189
Plainfield	1	23	40
Plainville	0	12	14
Plymouth	1	17	15
Pomfret	0	11	11
Portland	3	16	39

TOWN	SEP 2006	YR TO DATE 2006	YR TO DATE 2005
Preston	2	24	24
Prospect	na	na	na
Putnam	3	25	29
Redding	na	na	na
Ridgefield	12	36	27
Rocky Hill	2	48	66
Roxbury	na	na	na
Salem	2	11	23
Salisbury	na	na	na
Scotland	0	7	8
Seymour	2	41	83
Sharon	1	7	10
Shelton	18	110	98
Sherman	na	na	na
Simsbury	4	67	37
Somers	1	20	21
South Windsor	4	53	58
Southbury	1	23	60
Southington	3	71	127
Sprague	1	5	16
Stafford	na	na	na
Stamford	29	209	222
Sterling	na	na	na
Stonington	5	50	61
Stratford	2	24	26
Suffield	10	34	79
Thomaston	na	na	na
Thompson	na	na	na
Tolland	4	46	80
Torrington	7	64	74
Trumbull	1	64	34
Union	0	4	5
Vernon	15	146	164
Voluntown	0	6	5
Wallingford	16	76	124
Warren	1	7	10
Washington	na	na	na
Waterbury	33	153	112
Waterford	4	29	33
Watertown	4	50	51
West Hartford	2	64	15
West Haven	na	na	na
Westbrook	2	27	28
Weston	na	na	na
Westport	8	68	89
Wethersfield	na	na	na
Willington	1	14	13
Wilton	na	na	na
Winchester	4	29	32
Windham	1	14	57
Windsor	na	na	na
Windsor Locks	na	na	na
Wolcott	3	45	43
Woodbridge	na	na	na
Woodbury	1	18	30
Woodstock	5	42	55

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

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

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

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

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

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

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

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

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

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

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

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

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

ECONOMIC INDICATORS AT A GLANCE

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

Leading Employment Index	**+0.6**
Coincident Employment Index	**+1.8**
Leading General Drift Indicator	**+0.9**
Coincident General Drift Indicator	**-0.5**
Banknorth Business Barometer	**+0.5**
Total Nonfarm Employment	**+0.5**
Unemployment Rate	**-0.2**
Labor Force	+1.8
Employed	+2.0
Unemployed	-2.1
Average Weekly Initial Claims	**-0.3**
Help Wanted Index -- Hartford	**NA**
Avg Insured Unempl. Rate	**+0.31***
Average Weekly Hours, Mfg	**+1.0**
Average Hourly Earnings, Mfg	**+3.9**
Average Weekly Earnings, Mfg	**+4.8**
CT Mfg. Production Index	**-1.8**
Production Worker Hours	+0.2
Industrial Electricity Sales	-5.2
Personal Income	**+4.0**
UI Covered Wages	**+0.1**

Business Activity	
New Housing Permits	-30.3
Electricity Sales	+1.8
Retail Sales	-0.6
Construction Contracts Index	+186.9
New Auto Registrations	-34.8
Air Cargo Tons	+0.8
Exports	+37.0
Business Starts	
Secretary of the State	-0.2
Dept. of Labor	-3.7
Business Terminations	
Secretary of the State	+12.9
Dept. of Labor	-31.0
State Revenues	**-5.6**
Corporate Tax	+36.4
Personal Income Tax	+0.7
Real Estate Conveyance Tax	-20.2
Sales & Use Tax	-30.5
Indian Gaming Payments	+2.3

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

Tourism and Travel	
Info Center Visitors	-9.4
Attraction Visitors	+4.1
Air Passenger Count	-9.5
Indian Gaming Slots	+0.1
Travel and Tourism Index	-3.5
Employment Cost Index (U.S.)	
Total	+3.0
Wages & Salaries	+3.0
Benefit Costs	+2.8
Consumer Prices	
U.S. City Average	+2.1
Northeast Region	+2.6
NY-NJ-Long Island	+3.3
Boston-Brockton-Nashua	+2.0
Consumer Confidence	
Connecticut	NA
New England	NA
U.S.	NA
Interest Rates	
Prime	+1.66*
Conventional Mortgage	+0.63*

THE CONNECTICUT ECONOMIC DIGEST

A joint publication of The Connecticut Departments of Labor and Economic and Community Development

Opportunity • Guidance • Support CONNECTICUT DEPARTMENT OF LABOR

D E C D

Mailing address:

Connecticut Economic Digest
Connecticut Department of Labor
Office of Research
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114

The Connecticut Economic Digest is available on the internet at:
http://www.ctdol.state.ct.us/lmi

We would appreciate your input:

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

Please send your comments, questions, and suggestions regarding the Digest to dol.econdigest@po.state.ct.us. Thank you!

❑ If you wish to have your name removed from our mailing list, please check here and return this page (or a photocopy) to the address at left.

❑ If your address has changed, please check here, make the necessary changes to your address label and return this page to the address at left.

❑ If you receive more than one copy of this publication, please check here and return this page from the duplicate copy to the address at left.