THE CONNECTICUT
ECONOMIC DIGEST

Vol.10 No.10 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

OCTOBER 2005

IN THIS ISSUE...

In August...

Nonfarm Employment

Connecticut 1,671,800
Change over month 0.1%
Change over year 1.2%

United States 133,999,000
Change over month 0.13%
Change over year 1.7%

Unemployment Rate

Connecticut 5.4%
United States 4.9%

Consumer Price Index

United States 196.4
Change over year 3.6%

A Look at Connecticut's Industry Clusters

By Daniel W. Kennedy, Ph.D., Senior Economist, Patrick McPherron, Ph.D., Economist, and Nicholas A. Jolly, Economist, DOL

The state of Connecticut has been active in the identification and support of the industry clusters located within its borders. In 1998, a task force of business leaders was established that identified six industry clusters in the State.[1] Following research conducted by this task force, legislation was implemented in 1998 that led to Connecticut's Industry Cluster Initiative under the direction of the Department of Economic and Community Development (DECD). There are currently nine industry clusters identified in Connecticut and supported through seed money provided by various sources. The nine industry clusters are:

- Aerospace
- Agriculture
- Bioscience
- Insurance and Financial Services
- Maritime
- Metal Manufacturing
- Plastics
- Software and Information Technology
- Tourism

Dr. Michael Porter of the Harvard Business School defines industry clusters as "geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region." Porter asserts that a sophisticated local demand can encourage competitive industries to maximize the benefits of geographic aggregation, providing the economies of scale necessary for the cluster's net exports to create wealth in the region. Essentially, he is applying fundamentals of the academic model, which combines intense competition to publish in the best journals with strong informational spillovers, to the business world. The prototypical examples may be Wall Street or Silicon Valley.

Table 1

Cluster	2003 Connecticut Employment	Percent of Total State Employment
Insurance & Financial Services	136,624	8.0
Agriculture	71,851	4.2
Tourism	67,404	4.0
Metal Manufacturing	58,731	3.5
Bioscience	44,945	2.6
Software & Info. Technology	36,635	2.2
Aerospace	30,230	1.8
Maritime	10,802	0.6
Plastics	7,973	0.5
Total CT Employment	**1,704,000**	**100.0**

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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.

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Table 2

Cluster	LQ 2003
Aerospace	5.20
Maritime	1.69
Insurance & Financial Services	1.43
Bioscience	1.37
Metal Manufacturing	1.36
Tourism	0.97
Software & Info. Tech	0.91
Plastics	0.83
Agriculture	0.79

A key component of Connecticut's Strategic Two-Year Workforce Investment Plan is economic development promoted through the State's Industry Cluster Initiative. The industry cluster groups provide valuable information to State and local workforce development providers regarding the training and hiring needs of businesses in the cluster industries. To effectively plan to address these needs, the regional workforce investment boards need to have information about the cluster industries in their regions. To identify various aspects of regional employment in the industry clusters, the industries that make up each cluster had to be identified. Analysts and economists within the Department of Labor's Office of Research reviewed the criteria for industry clusters and the approaches taken in other states, and settled upon a set of industries (based on the North American Industry Classification System) for each Connecticut cluster. While the component industries identified for each cluster may be modified, this initial work has made it possible to provide needed information about the industry clusters for workforce development planning.

Out of this effort, a report was developed (*Connecticut's Industry Clusters*, http://www.ctdol.state.ct.us/lmi/occ_papers.htm) that provides perspectives of employment in each of the State's industry clusters, including overall employment, number of businesses, and average wages, the concentration of employment in the State relative to the nation (location quotients), and the top occupations in terms of level and growth in demand for workers. Following are some of the findings from that report.

Employment

Employment in the nine clusters represented approximately twenty-seven percent of total State employment in 2003. There was no one individual cluster that comprised more than ten percent of total State employment. Table 1 shows the percentages listed in descending order. As can be seen, the insurance and financial services cluster comprised 8.0% of total State employment in 2003, making it the largest of all nine clusters.

Employment Concentration in CT

The location quotient (LQ) of employment identifies the relative concentration of employment in an area compared to a larger area. In this case, the industry cluster employment in Connecticut was compared to U.S. employment. When the LQ is greater than one, the cluster is typically thought to have a possible local specialization and competitive advantage. These clusters generally provide products and services to consumers outside of their region and, in turn, return revenues (wealth) to the region. Table 2 gives the LQ for the nine clusters for 2003 (the latest year for which US annual average data was available when the calculations were made). As can be seen, five industry clusters had a higher concentration of employment within Connecticut than in the nation as a whole, identifying these as export-producing industries. Aerospace had the

Table 3

	In 2004:			Percent Change 2000-2004:		
	Businesses	Jobs	Avg. Wage	Businesses	Jobs	Avg. Wage
Aerospace	150	29,891	$73,823	-8.0%	-8.2%	12.3%
Maritime	248	10,974	$75,243	-7.5%	8.1%	29.6%
Ins. & Fin. Svcs	9,672	133,851	$111,302	7.7%	-0.7%	29.8%
Bioscience	1,567	40,887	$64,259	-2.5%	-3.8%	8.9%
Metal Mfg	2,244	58,869	$55,440	-9.1%	-19.0%	16.1%
Tourism	2,759	62,469	$28,241	2.3%	6.1%	9.7%
Software & IT	3,502	35,036	$80,576	-17.8%	-25.4%	-7.2%
Plastics	213	7,585	$47,981	-8.6%	-10.2%	12.4%
Agriculture	3,743	71,051	$31,698	-2.1%	-3.4%	10.8%

Table 4. Occupations in Demand by Connecticut's Industry Clusters

	No. of Jobs 2002	Net Change 2002-12	Annual Wage 2004
AEROSPACE			
Aerospace Engineers	3,065	81	$73,350
Machinists	1,570	37	$36,310
Industrial Engineers	935	32	$66,780
Aerospace Engineering & Operations Technicians	901	23	-----
Mechanical Engineers	881	28	$66,950
AGRICULTURE			
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	2,915	83	$19,060
Farm, Ranch, and Other Agricultural Managers	1,101	19	$65,660
Packaging and Filling Machine Operators and Tenders	772	21	$25,020
Packers and Packagers, Hand	730	14	$20,350
Team Assemblers	475	12	$27,310
BIOSCIENCE			
Medical Scientists, Except Epidemiologists	1,372	65	$85,860
Biochemists and Biophysicists	1,250	76	-----
Chemists	805	49	$63,740
Executive Secretaries and Administrative Assistants	789	21	$41,120
Microbiologists	753	45	-----
INSURANCE & FINANCIAL SERVICES			
Customer Service Representatives	12,054	335	$32,870
Insurance Claims and Policy Processing Clerks	6,092	98	$35,150
Insurance Sales Agents	5,996	147	$65,360
Office Clerks, General	5,857	130	$27,580
Securities, Commodities, and Financial Services Sales Agents	5,691	251	$129,650
MARITIME			
Mechanical Engineers	1,313	42	$66,950
Mechanical Drafters	783	22	$46,140
First-Line Supervisors/Managers of Production and Operating Workers	397	9	$56,390
Mechanical Engineering Technicians	333	16	$43,800
Engineering Managers	320	11	$103,980
METAL MANUFACTURING			
Machinists	3,991	93	$36,310
Team Assemblers	3,314	86	$27,310
Cutting, Punching, and Press Machine Setters, Operators, and Tenders	2,777	64	$29,870
First-Line Supervisors/Managers of Production and Operating Workers	2,482	52	$56,390
Tool and Die Makers	1,795	40	$46,700
PLASTICS			
Molding, Coremaking, & Casting Machine Setters, Operators, & Tenders	824	20	$27,110
Team Assemblers	467	12	$27,310
Packers and Packagers, Hand	422	8	$20,350
First-Line Supervisors/Managers of Production and Operating Workers	328	7	$56,390
Computer-Controlled Machine Tool Operators	252	4	$36,450
SOFTWARE & INFORMATION TECHNOLOGY			
Sales Representatives, Wholesale and Mfg., Excl. Tech. & Sci. Products	4,127	159	$70,590
Computer Software Engineers, Applications	3,045	153	$74,820
Computer Programmers	3,041	106	$72,520
Computer Systems Analysts	2,089	116	$70,650
Computer Support Specialists	1,995	83	$45,700
TOURISM			
Waiters and Waitresses	3,735	265	$18,030
Gaming Dealers	3,529	211	-----
Maids and Housekeeping Cleaners	2,741	130	$20,570
Landscaping and Groundskeeping Workers	2,048	92	$26,380
Fitness Trainers and Aerobics Instructors	1,858	99	$39,820

highest employment concentration in the State, with an LQ of 5.20.

Businesses, Jobs and Wages

Table 3 presents 2004 data for each of the industry clusters. Things to consider when viewing this data are that these reflect all businesses, large and small, and all workers, from executive management to maintenance and clerical support. With respect to the percent change figures for 2000 to 2004, readers should be aware that the State's economy was at its peak in 2000 and entered a downturn in 2001 from which it has not yet fully recovered the jobs lost. These will affect the interpretation of the data. For example, the insurance and financial services cluster shows, by far, the largest number of businesses, and the number has grown between 2000 and 2004. One reason is that this cluster includes many independent agents. Another example is software and information technology, which is the only cluster to show a decline in average wages. The dot.com bust and end of the Y2K frenzy of activity in the late 1990's are the prime reasons for the decline in wages, as well as in the number of businesses and jobs in the sector. Clearly, more analysis needs to be done to better understand the trends of the industry clusters in these areas.

Occupations

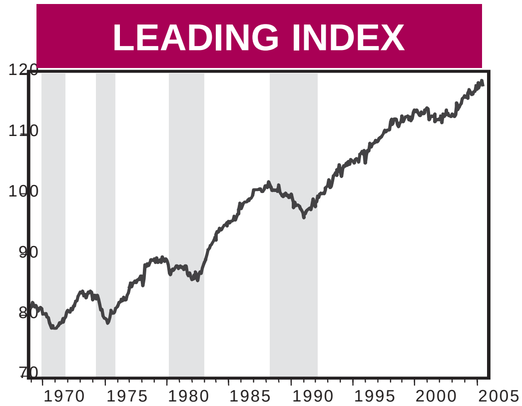
The primary occupations used in each cluster were also identified. This can be viewed in several ways: those occupations providing the most current jobs, those for which the most new jobs are expected to be created, those for which jobs are not plentiful but are expected to grow the fastest, and those in which the most openings are anticipated. Each perspective is provided in the report.

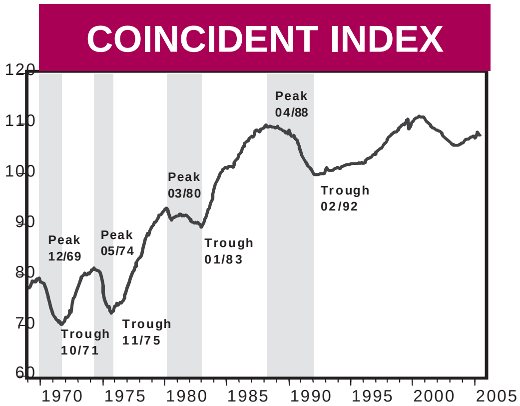
Table 4 ranks the top five occupations within the clusters in terms of numbers of jobs in the cluster in 2002. It also shows each cluster's projected annual need (most openings) for workers in the occupations through 2012. These openings would include jobs in which departing workers will need to be replaced as well as openings arising from the creation of new positions. Also shown, where available, is the average annual wage paid to all Connecticut workers in each occupation.

Clusters are not Frozen in Time

Having described and detailed these elements of Connecticut's nine

--Continued on page 5--





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.

We Are Moving At a Snail's Pace in July 2005

The FOMC raised the target Federal Funds rate by another 25 basis points to 3.75 percent at its meeting on September 20, 2005. Currently, the target Federal Funds rate stands at a four-year high. Although this move was widely anticipated, some economists are beginning to wonder whether the current cycle of rate hikes should end sooner rather than later. High on everyone's mind is the devastation to the Gulf coast states wrought by Hurricane Katrina, which is expected to shave up to one percent off the growth rate of the U.S. economy for the rest of the year. The statement released by the FOMC after the meeting argues that the effect of Hurricane Katrina on the economy is expected to be temporary, but there is uncertainty surrounding inflation. I believe that Hurricane Katrina's effect on the economy will be temporary, and that our high energy prices will be reflected in the Consumer Price Index (CPI). But, the most closely watched inflation barometer by the FOMC is the core inflation rate, which is CPI less the food and energy components. The core inflation rate has been rather stable, leading me to believe that there is a little inconsistency on the part of the FOMC. Their next meeting on November 1 should be interesting and bears watching closely.

In July, the revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 107.40 in July 2004 to 107.89 in July 2005. Two components of this index are positive contributors, with a lower insured unemployment rate, and higher total non-farm employment. A higher total unemployment rate and lower total employment are the two negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index rose slightly from 107.845 in June 2005 to 107.894 in July 2005. Two components contributed positively to this index, with higher total non-farm employment, and higher total employment. Insured unemployment rate rose very slightly, while total unemployment rate remained stable at 5.1 percent.

The revised CCEA-ECRI Connecticut leading employment index provided us with mixed news. It rose from 117.04 in July 2004 to 117.80 in July 2005. A lower Moody's Baa corporate bond yield, a lower short duration (less than 15 weeks) unemployment rate, and higher average weekly hours worked in manufacturing and construction are positive contributors to this index. A decrease in total housing permits, higher initial claims for unemployment insurance, and a lower Hartford help-wanted advertising index are the three negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index fell from 118.74 in June to 117.80 in July 2005. All six components are negative contributors. While it is too early to say what this implies, I find this to be rather disturbing, however.

I recently became aware that the Federal Reserve Bank of Philadelphia publishes a monthly coincident index for all fifty states. I intend to provide a comparison of the FRB-Philadelphia coincident index with the CCEA-ECRI coincident employment index in the near future. Meanwhile, in order to provide more information to my readers, I report here the year-to-year and month-to-month change in the FRB-Philadelphia coincident index for July. The FRB-Philadelphia coincident index rose from 147.04 in July 2004 to 152.67 in July 2005, while it rose from 152.22 in June 2005 to 152.67 in July 2005. Thus, the FRB-Philadelphia coincident index shows a more robust growth for the Connecticut economy on a year-to-year basis, and is about the same order of magnitude for the month-to-month change, when compared to the CCEA-ECRI coincident employment index.

Finally, Connecticut received a bit of good news at the end of August when the Groton submarine base was taken off the Base Realignment and Closure Commission (BRAC) list.

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

--Continued from page 3--

industry clusters, it is important to address that clusters are not frozen in time. That is, a cluster is a motion picture, not a snapshot. Once formed, the set of inter-firm networks changes through time. Clustering is the result of interactions between or among a number of firms, usually within geographic proximity, and in the same, or related industries. Once this dynamic reaches '*critical mass*' and is sustained, it passes through a series of stages. Thus, factors that once gave rise to the birth and rapid development of a cluster may no longer exist. Further, two major threats may endanger the continued viability of a cluster: (i) *Internal Threats* arising from structural rigidities, and (ii) *External Threats* that can arise from cyclical disturbances, fundamental technological changes, and competition from other clusters.[2] In addition, two important longer-wave phenomena can heavily impact a cluster's birth, life span, and death: the *Product Cycle* and the *Technology Cycle*, including *Technological Discontinuities*. A case in point is Boston's Route 128 in the late 1980's.[3] Rapid increases in the computing power of PCs in the last half of the eighties suddenly rendered the minicomputer obsolete. Overnight, the thriving minicomputer cluster along Route 128, which included such successful firms as DEC and Data General, came to an abrupt end in a fit of '*creative destruction.*'

On the other hand, clusters can reinvent themselves, and come back from the brink. Further, declining employment may not necessarily indicate the maturity or impending decay and death of a cluster. It may reflect a period of rapid technological change, where member firms are substituting capital for labor and raising productivity, while maintaining, or even increasing, their output and sales. The point to keep in mind is that, just because a cluster exists does not automatically imply that it is in its embryonic, or rapid-growth stage. Thus, for any selected time-period, a given industry cluster can be in any stage of its life cycle, depending on the factors discussed above.

Summary

Workforce development is increasingly critical to economic development aimed at making industry clusters more competitive. Industry cluster analysis is a *demand-driven* labor force initiative that assists the workforce investment system in identifying the training and recruitment assistance needed to supply businesses with skilled workers, as well as the training and support needed to increase worker opportunities for sustained, rewarding employment. Additionally, identifying clusters helps industries to identify and foster strategic relationships with other industries to reap the benefits of informational spillovers. Finally, the analysis of industry clusters allows for an additional informative perspective of workforce demand and supply in the marketplace. ■

[1] Industry Clusters. "Industry Cluster Initiative." Department of Economic and Community Development. <http://www.youbelonginct.com/user-cgi/pages.cgi?dbkey=116&level=2&category=business> August 2, 2004.
[2] Karlson, Charlie, Börje Johnsson, and Roger R. Stough, "Industrial Clusters and Inter-Firm Networks: An Introduction," *INDUSTRIAL CLUSTERS AND INTER-FIRM NETWORKS*, Charlie Karlson, Börje Johnsson, and Roger R. Stough Editors, Edward Alger Publishers: Northampton, MA (2005).
[3] Buenda, Fernando, "Toward a System Dynamics-Based Theory of Industry Clusters," *INDUSTRIAL CLUSTERS AND INTER-FIRM NETWORKS* (2005).

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2005	2Q 2004	CHANGE NO.	CHANGE %	1Q 2005
Employment Indexes (1992=100)*					
Leading	118.3	116.6	1.7	1.5	117.7
Coincident	108.0	107.0	1.0	0.9	107.4
General Drift Indicator (1986=100)*					
Leading	103.5	102.9	0.6	0.6	103.9
Coincident	103.2	101.9	1.3	1.3	103.1
Banknorth Business Barometer (1992=100)**	117.1	114.4	2.7	2.4	116.9

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

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

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

Total nonfarm employment increased over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM	1671.8	1,652.1	19.7	1.2	1,670.2
Construction	71.2	66.1	5.1	7.7	71.1
Manufacturing	196.7	197.3	-0.6	-0.3	197.3
Trade, Transportation and Utilities	317.3	308.7	8.6	2.8	316.2
Information	39.2	39.1	0.1	0.3	39.1
Financial Activities	141.2	140.6	0.6	0.4	141.1
Professional and Business Services	199.2	198.0	1.2	0.6	199.9
Leisure and Hospitality	131.0	127.6	3.4	2.7	131.4
Government*	244.5	243.0	1.5	0.6	242.1

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

Initial claims for unemployment insurance rose from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
Unemployment Rate, resident (%)	5.4	4.8	0.6	---	5.1
Labor Force, resident (000s)	1,813.8	1,797.0	16.8	0.9	1,802.0
Employed (000s)	1,716.5	1,710.5	6.0	0.4	1,709.3
Unemployed (000s)	97.3	86.5	10.8	12.5	92.7
Average Weekly Initial Claims	4,261	4,061	200	4.9	4,197
Help Wanted Index -- Htfd. (1987=100)	8	9	-1	-11.1	10
Avg. Insured Unemp. Rate (%)	2.27	2.71	-0.44	---	2.59

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005	JUN 2005
Average Weekly Hours	41.8	41.3	0.5	1.2	42.1	--
Average Hourly Earnings	18.94	18.36	0.58	3.2	18.76	--
Average Weekly Earnings	791.69	758.27	33.42	4.4	789.80	--
CT Mfg. Production Index (1986=100)*	115.9	115.3	0.5	0.5	120.3	118.1
Production Worker Hours (000s)	4,925	4,864	61	1.3	4,960	--
Industrial Electricity Sales (mil kWh)**	460	475	-14.8	-3.1	451	448

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

Personal income for fourth quarter 2005 is forecasted to increase from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	4Q* 2005	4Q 2004	CHANGE NO.	CHANGE %	3Q* 2005
Personal Income	$167,975	$163,330	$4,645	2.8	$166,150
UI Covered Wages	$85,274	$84,948	$326	0.4	$85,196

Source: Bureau of Economic Analysis: March 2005 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

New auto registrations increased from a year ago.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Electricity Sales (mil kWh)	JUN 2005	2,870	6.3	15,817	15,764	0.3
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	AUG 2005	500.1	22.9	---	---	---
New Auto Registrations	AUG 2005	28,911	23.9	161,488	159,487	1.3
Air Cargo Tons	AUG 2005	13,395	7.2	104,113	100,362	3.7
Exports (Bil. $)	2Q 2005	2.35	8.3	4.66	4.33	7.6

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

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	AUG 2005	2,501	5.8	20,580	19,911	3.4
Department of Labor*	1Q 2005	2,685	-6.5	2,685	2,873	-6.5
TERMINATIONS						
Secretary of the State	AUG 2005	614	8.1	5,646	5,809	-2.8
Department of Labor*	1Q 2005	1,149	-35.6	1,149	1,783	-35.6

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

STATE REVENUES

Gaming payments were up from a year ago.

(Millions of dollars)	AUG 2005	AUG 2004	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	NA	NA	NA	NA	NA	NA
Corporate Tax	NA	NA	NA	NA	NA	NA
Personal Income Tax	NA	NA	NA	NA	NA	NA
Real Estate Conv. Tax	NA	NA	NA	NA	NA	NA
Sales & Use Tax	NA	NA	NA	NA	NA	NA
Indian Gaming Payments**	37.6	36.8	2.3	283.3	275.0	3.0

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

TOURISM AND TRAVEL

Gaming slots fell over the year.

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	AUG 2005	48,973	-14.5	250,106	280,647	-10.9
Major Attraction Visitors	AUG 2005	287,321	-5.8	1,283,740	1,384,389	-7.3
Air Passenger Count	AUG 2005	669,914	8.3	4,990,932	4,482,708	11.3
Indian Gaming Slots (Mil.$)*	AUG 2005	1,768	-3.9	13,240	13,562	-2.4
Travel and Tourism Index**	2Q 2005	---	5.9	---	---	---

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 3.2 percent over the year.

EMPLOYMENT COST INDEX

	Seasonally Adjusted			Not Seasonally Adjusted		
Private Industry Workers	**JUN**	**MAR**	**3-Mo**	**JUN**	**JUN**	**12-Mo**
(June 1989=100)	**2005**	**2005**	**% Chg**	**2005**	**2004**	**% Chg**
UNITED STATES TOTAL	178.4	177.3	0.6	178.5	173.0	3.2
Wages and Salaries	168.4	167.4	0.6	168.4	164.5	2.4
Benefit Costs	203.6	202.0	0.8	204.9	195.3	4.9
NORTHEAST TOTAL	---	---	---	177.6	172.3	3.1
Wages and Salaries	---	---	---	167.3	163.6	2.3

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

U.S. inflation rate increased 3.6 percent over the year.

CONSUMER NEWS

			% CHANGE	
(Not seasonally adjusted)	**MO/QTR**	**LEVEL**	**Y/Y**	**P/P***
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	AUG 2005	196.4	3.6	0.5
Purchasing Power of $ (1982-84=$1.00)	AUG 2005	$0.509	-3.5	-0.5
Northeast Region	AUG 2005	208.7	3.8	0.4
NY-Northern NJ-Long Island	AUG 2005	214.1	4.1	0.8
Boston-Brockton-Nashua**	JUL 2005	217.2	4.0	1.2
CPI-W (1982-84=100)				
U.S. City Average	AUG 2005	192.1	3.8	0.6
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2005	87.2	-17.3	4.8
New England	AUG 2005	100.6	22.2	23.7
U.S.	AUG 2005	105.6	7.0	1.9

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

30-year conventional mortgage rate rose to 5.82 percent over the month.

INTEREST RATES

	AUG	**JUL**	**AUG**
(Percent)	**2005**	**2005**	**2004**
Prime	6.44	6.25	4.42
Federal Funds	3.50	3.26	1.43
3 Month Treasury Bill	3.52	3.29	1.50
6 Month Treasury Bill	3.78	3.53	1.76
1 Year Treasury Bill	3.87	3.64	2.02
3 Year Treasury Note	4.08	3.91	2.88
5 Year Treasury Note	4.12	3.98	3.47
7 Year Treasury Note	4.18	4.06	3.90
10 Year Treasury Note	4.26	4.18	4.28
20 Year Treasury Note	4.53	4.48	5.07
Conventional Mortgage	5.82	5.70	5.87

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
Connecticut	1,671.8	1,652.1	19.7	1.2	1,670.2
Maine	620.7	614.5	6.2	1.0	618.6
Massachusetts	3,209.2	3,179.7	29.5	0.9	3,214.3
New Hampshire	643.1	628.8	14.3	2.3	640.7
New Jersey	4,057.4	4,008.6	48.8	1.2	4,055.6
New York	8,534.6	8,454.0	80.6	1.0	8,527.6
Pennsylvania	5,711.6	5,640.6	71.0	1.3	5,706.9
Rhode Island	495.8	489.4	6.4	1.3	496.4
Vermont	308.8	303.4	5.4	1.8	308.2
United States	133,999.0	131,750.0	2,249.0	1.7	133,830.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
Connecticut	1,813.8	1,797.0	16.8	0.9	1,802.0
Maine	712.4	701.2	11.2	1.6	710.4
Massachusetts	3,365.4	3,391.4	-26.0	-0.8	3,376.8
New Hampshire	740.2	723.8	16.4	2.3	734.8
New Jersey	4,441.8	4,395.7	46.1	1.0	4,434.8
New York	9,362.4	9,361.1	1.3	0.0	9,396.3
Pennsylvania	6,289.4	6,282.8	6.6	0.1	6,312.9
Rhode Island	573.7	561.9	11.8	2.1	570.8
Vermont	352.5	353.5	-1.0	-0.3	352.2
United States	149,841.0	147,676.0	2,165.0	1.5	149,573.0

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

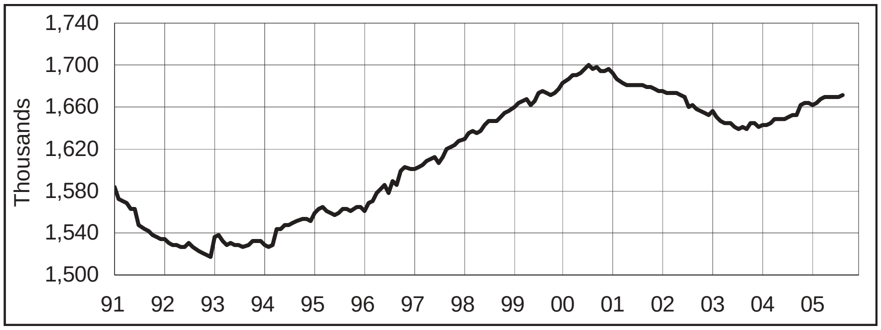
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	AUG 2005	AUG 2004	CHANGE	JUL 2005
Connecticut	5.4	4.8	0.6	5.1
Maine	5.0	4.7	0.3	4.9
Massachusetts	4.2	5.0	-0.8	4.7
New Hampshire	3.5	3.7	-0.2	3.6
New Jersey	4.2	4.8	-0.6	4.1
New York	4.7	5.6	-0.9	5.1
Pennsylvania	5.0	5.6	-0.6	5.1
Rhode Island	5.2	5.1	0.1	5.1
Vermont	3.5	3.6	-0.1	3.6
United States	4.9	5.4	-0.5	5.0

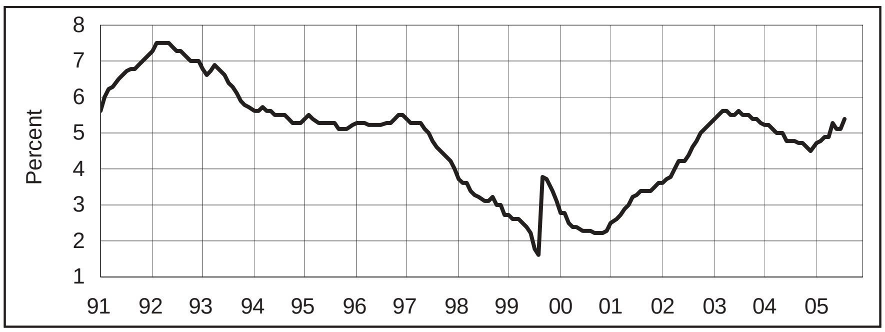
Source: U.S. Department of Labor, Bureau of Labor Statistics

NONFARM EMPLOYMENT *(Seasonally adjusted)*



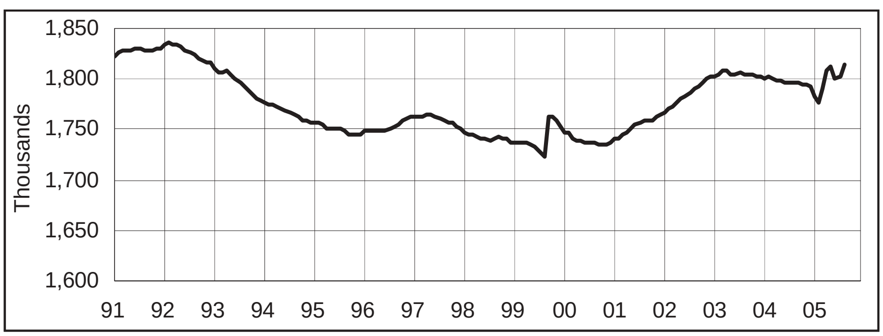
Month	2003	2004	2005
Jan	1,656.7	1,642.1	1,661.0
Feb	1,650.7	1,643.2	1,664.2
Mar	1,647.1	1,644.3	1,666.7
Apr	1,644.1	1,648.0	1,669.6
May	1,644.1	1,648.1	1,669.8
Jun	1,641.8	1,648.6	1,670.3
Jul	1,639.1	1,650.7	1,670.2
Aug	1,640.1	1,652.1	1,671.8
Sep	1,638.8	1,652.4	
Oct	1,645.7	1,662.1	
Nov	1,645.0	1,664.5	
Dec	1,641.1	1,664.6	

UNEMPLOYMENT RATE *(Seasonally adjusted)*



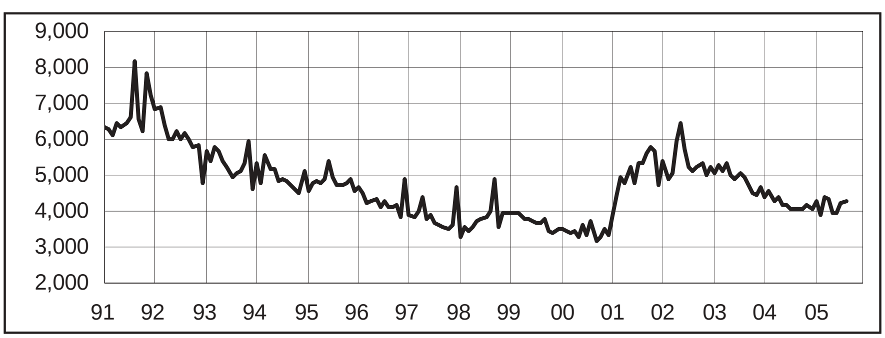
Month	2003	2004	2005
Jan	5.4	5.2	4.7
Feb	5.5	5.2	4.8
Mar	5.6	5.1	4.9
Apr	5.6	5.0	4.9
May	5.5	5.0	5.3
Jun	5.5	4.8	5.1
Jul	5.6	4.8	5.1
Aug	5.5	4.8	5.4
Sep	5.5	4.7	
Oct	5.4	4.7	
Nov	5.4	4.6	
Dec	5.3	4.5	

LABOR FORCE *(Seasonally adjusted)*



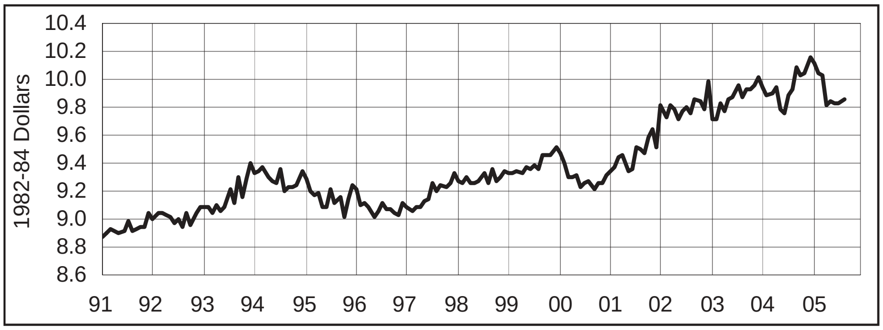
Month	2003	2004	2005
Jan	1,803.3	1,800.9	1,782.3
Feb	1,805.2	1,802.0	1,776.7
Mar	1,808.0	1,801.2	1,789.6
Apr	1,807.4	1,798.3	1,808.0
May	1,804.5	1,799.0	1,812.9
Jun	1,805.2	1,796.8	1,800.5
Jul	1,806.2	1,796.8	1,802.0
Aug	1,805.1	1,797.0	1,813.8
Sep	1,804.7	1,795.5	
Oct	1,803.4	1,794.9	
Nov	1,803.3	1,794.1	
Dec	1,802.7	1,791.5	

AVERAGE WEEKLY INITIAL CLAIMS *(Seasonally adjusted)*



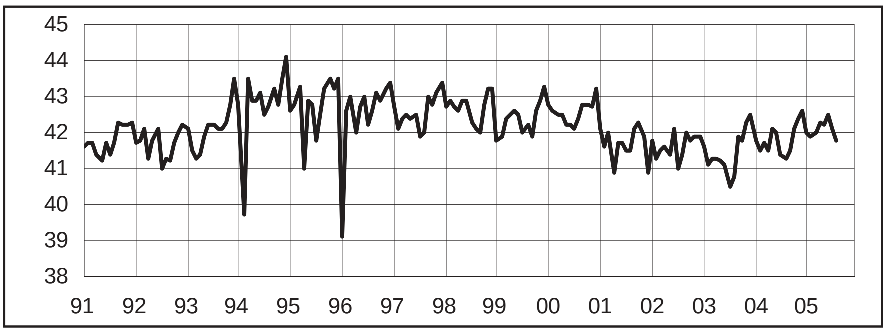
Month	2003	2004	2005
Jan	5,038	4,382	4,287
Feb	5,295	4,564	3,915
Mar	5,126	4,299	4,404
Apr	5,319	4,376	4,320
May	5,002	4,173	3,940
Jun	4,897	4,179	3,971
Jul	5,072	4,033	4,197
Aug	4,924	4,061	4,261
Sep	4,720	4,060	
Oct	4,504	4,037	
Nov	4,445	4,170	
Dec	4,675	4,030	

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



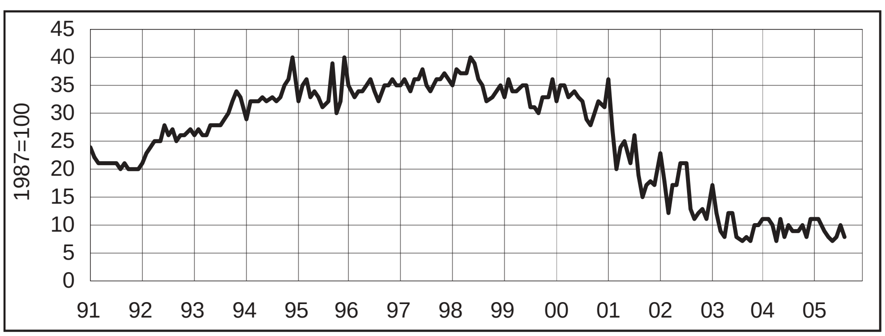
Month	2003	2004	2005
Jan	$9.71	$9.94	$10.12
Feb	$9.72	$9.89	$10.04
Mar	$9.83	$9.90	$10.03
Apr	$9.78	$9.94	$9.82
May	$9.86	$9.78	$9.84
Jun	$9.88	$9.76	$9.83
Jul	$9.96	$9.88	$9.82
Aug	$9.87	$9.92	$9.86
Sep	$9.93	$10.08	
Oct	$9.93	$10.02	
Nov	$9.95	$10.05	
Dec	$10.01	$10.16	

AVG MANUFACTURING WEEKLY HOURS *(Not seasonally adjusted)*



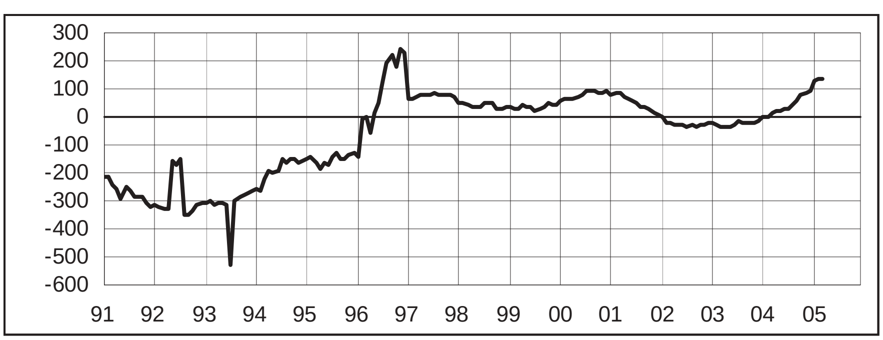
Month	2003	2004	2005
Jan	41.6	41.8	42.0
Feb	41.1	41.5	41.9
Mar	41.3	41.7	42.0
Apr	41.3	41.5	42.3
May	41.2	42.1	42.2
Jun	41.1	42.0	42.5
Jul	40.5	41.4	42.1
Aug	40.8	41.3	41.8
Sep	41.9	41.5	
Oct	41.8	42.1	
Nov	42.3	42.4	
Dec	42.5	42.6	

HARTFORD HELP WANTED INDEX *(Seasonally adjusted)*



Month	2003	2004	2005
Jan	17	11	11
Feb	12	11	11
Mar	9	10	9
Apr	8	7	8
May	12	11	7
Jun	12	8	8
Jul	8	10	10
Aug	7	9	8
Sep	8	9	
Oct	7	10	
Nov	10	8	
Dec	10	11	

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



Month	2003	2004	2005
Jan	-25	0	127
Feb	-30	3	134
Mar	-34	14	138
Apr	-36	20	
May	-34	24	
Jun	-31	25	
Jul	-16	27	
Aug	-24	44	
Sep	-20	56	
Oct	-24	76	
Nov	-21	83	
Dec	-16	92	

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

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

CONNECTICUT

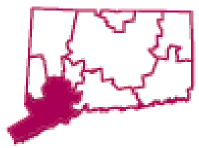
Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT	**1,662,300**	**1,642,600**	**19,700**	**1.2**	**1,664,900**
GOODS PRODUCING INDUSTRIES	**272,500**	**267,800**	**4,700**	**1.8**	**272,200**
CONSTRUCTION, NAT. RES. & MINING	**76,200**	**71,100**	**5,100**	**7.2**	**75,800**
MANUFACTURING	**196,300**	**196,700**	**-400**	**-0.2**	**196,400**
Durable Goods	**146,600**	**146,300**	**300**	**0.2**	**146,600**
Fabricated Metal	33,700	33,600	100	0.3	33,700
Machinery	18,500	18,700	-200	-1.1	18,500
Computer and Electronic Product	15,200	15,400	-200	-1.3	15,200
Electrical Equipment	10,400	10,300	100	1.0	10,400
Transportation Equipment	43,500	43,200	300	0.7	43,500
Aerospace Product and Parts	30,100	29,800	300	1.0	30,200
Non-Durable Goods	**49,700**	**50,400**	**-700**	**-1.4**	**49,800**
Printing and Related	8,100	8,100	0	0.0	8,100
Chemical	17,100	17,300	-200	-1.2	17,000
Plastics and Rubber Products	7,500	7,600	-100	-1.3	7,400
SERVICE PROVIDING INDUSTRIES	**1,389,800**	**1,374,800**	**15,000**	**1.1**	**1,392,700**
TRADE, TRANSPORTATION, UTILITIES	**310,800**	**303,100**	**7,700**	**2.5**	**312,400**
Wholesale Trade	67,300	65,900	1,400	2.1	67,300
Retail Trade	196,300	191,700	4,600	2.4	197,000
Motor Vehicle and Parts Dealers	23,500	23,100	400	1.7	23,500
Building Material	17,200	16,500	700	4.2	17,500
Food and Beverage Stores	44,000	43,700	300	0.7	44,100
General Merchandise Stores	26,100	24,700	1,400	5.7	26,000
Transportation, Warehousing, & Utilities	47,200	45,500	1,700	3.7	48,100
Utilities	8,600	8,700	-100	-1.1	8,600
Transportation and Warehousing	38,600	36,800	1,800	4.9	39,500
INFORMATION	**39,400**	**39,300**	**100**	**0.3**	**39,400**
Telecommunications	13,200	13,700	-500	-3.6	13,300
FINANCIAL ACTIVITIES	**142,500**	**142,100**	**400**	**0.3**	**142,300**
Finance and Insurance	121,500	121,400	100	0.1	121,200
Credit Intermediation	32,000	32,000	0	0.0	31,900
Securities and Commodity Contracts	19,800	18,700	1,100	5.9	19,800
Insurance Carriers & Related Activities	64,800	65,900	-1,100	-1.7	64,700
Real Estate and Rental and Leasing	21,000	20,700	300	1.4	21,100
PROFESSIONAL & BUSINESS SERVICES	**200,800**	**200,200**	**600**	**0.3**	**200,400**
Professional, Scientific	86,800	87,400	-600	-0.7	86,700
Legal Services	15,000	15,000	0	0.0	15,100
Computer Systems Design	18,800	18,500	300	1.6	18,700
Management of Companies	24,700	25,700	-1,000	-3.9	25,000
Administrative and Support	89,300	87,100	2,200	2.5	88,700
Employment Services	31,000	30,400	600	2.0	30,400
EDUCATIONAL AND HEALTH SERVICES	**265,200**	**261,500**	**3,700**	**1.4**	**267,600**
Educational Services	44,300	43,200	1,100	2.5	45,900
Health Care and Social Assistance	220,900	218,300	2,600	1.2	221,700
Hospitals	56,300	55,700	600	1.1	56,200
Nursing & Residential Care Facilities	57,300	57,300	0	0.0	57,700
Social Assistance	35,200	34,000	1,200	3.5	35,800
LEISURE AND HOSPITALITY	**138,600**	**136,600**	**2,000**	**1.5**	**140,200**
Arts, Entertainment, and Recreation	29,800	29,500	300	1.0	31,100
Accommodation and Food Services	108,800	107,100	1,700	1.6	109,100
Food Serv., Restaurants, Drinking Places	95,700	94,200	1,500	1.6	96,100
OTHER SERVICES	**64,400**	**63,800**	**600**	**0.9**	**65,200**
GOVERNMENT	**228,100**	**228,200**	**-100**	**0.0**	**225,200**
Federal Government	20,200	20,200	0	0.0	20,200
State Government	58,900	59,500	-600	-1.0	59,100
**Local Government	149,000	148,500	500	0.3	145,900

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

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

BRIDGEPORT - STAMFORD LMA

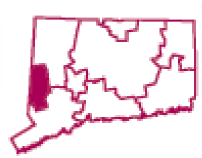


Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT	**409,900**	**407,400**	**2,500**	**0.6**	**413,200**
GOODS PRODUCING INDUSTRIES	**55,800**	**57,000**	**-1,200**	**-2.1**	**55,800**
CONSTRUCTION, NAT. RES. & MINING	**15,400**	**15,500**	**-100**	**-0.6**	**15,300**
MANUFACTURING	**40,400**	**41,500**	**-1,100**	**-2.7**	**40,500**
Durable Goods	**29,100**	**30,000**	**-900**	**-3.0**	**29,300**
SERVICE PROVIDING INDUSTRIES	**354,100**	**350,400**	**3,700**	**1.1**	**357,400**
TRADE, TRANSPORTATION, UTILITIES	**73,500**	**73,700**	**-200**	**-0.3**	**74,300**
Wholesale Trade	14,600	14,900	-300	-2.0	14,700
Retail Trade	49,500	49,300	200	0.4	49,900
Transportation, Warehousing, & Utilities	9,400	9,500	-100	-1.1	9,700
INFORMATION	**12,100**	**12,100**	**0**	**0.0**	**12,100**
FINANCIAL ACTIVITIES	**43,000**	**42,200**	**800**	**1.9**	**43,000**
Finance and Insurance	36,300	35,600	700	2.0	36,300
PROFESSIONAL & BUSINESS SERVICES	**69,200**	**70,700**	**-1,500**	**-2.1**	**69,200**
EDUCATIONAL AND HEALTH SERVICES	**59,100**	**58,600**	**500**	**0.9**	**59,500**
Health Care and Social Assistance	51,300	50,800	500	1.0	51,500
LEISURE AND HOSPITALITY	**35,700**	**34,900**	**800**	**2.3**	**36,400**
Accommodation and Food Services	24,000	24,000	0	0.0	24,200
OTHER SERVICES	**17,600**	**17,300**	**300**	**1.7**	**17,800**
GOVERNMENT	**43,900**	**40,900**	**3,000**	**7.3**	**45,100**
Federal	3,600	3,600	0	0.0	3,600
State & Local	40,300	37,300	3,000	8.0	41,500

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

DANBURY LMA



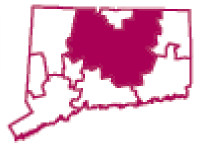
Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT	**67,700**	**67,000**	**700**	**1.0**	**67,900**
GOODS PRODUCING INDUSTRIES	**13,300**	**13,400**	**-100**	**-0.7**	**13,000**
SERVICE PROVIDING INDUSTRIES	**54,400**	**53,600**	**800**	**1.5**	**54,900**
TRADE, TRANSPORTATION, UTILITIES	**15,600**	**15,500**	**100**	**0.6**	**15,700**
Retail Trade	11,800	11,900	-100	-0.8	11,900
PROFESSIONAL & BUSINESS SERVICES	**8,700**	**8,500**	**200**	**2.4**	**8,700**
LEISURE AND HOSPITALITY	**5,500**	**5,500**	**0**	**0.0**	**5,500**
GOVERNMENT	**6,800**	**5,800**	**1,000**	**17.2**	**7,000**
Federal	600	600	0	0.0	600
State & Local	6,200	5,200	1,000	19.2	6,400

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

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

HARTFORD LMA



Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT	**533,600**	**530,700**	**2,900**	**0.5**	**536,800**
GOODS PRODUCING INDUSTRIES	**86,300**	**86,500**	**-200**	**-0.2**	**86,200**
CONSTRUCTION, NAT. RES. & MINING	**22,400**	**22,700**	**-300**	**-1.3**	**22,300**
MANUFACTURING	**63,900**	**63,800**	**100**	**0.2**	**63,900**
Durable Goods	**53,600**	**53,600**	**0**	**0.0**	**53,700**
Transportation Equipment	18,800	18,300	500	2.7	18,700
SERVICE PROVIDING INDUSTRIES	**447,300**	**444,200**	**3,100**	**0.7**	**450,600**
TRADE, TRANSPORTATION, UTILITIES	**87,700**	**87,400**	**300**	**0.3**	**88,300**
Wholesale Trade	18,700	19,100	-400	-2.1	18,700
Retail Trade	56,000	55,100	900	1.6	56,100
Transportation, Warehousing, & Utilities	13,000	13,200	-200	-1.5	13,500
Transportation and Warehousing	9,400	9,600	-200	-2.1	9,800
INFORMATION	**11,800**	**11,400**	**400**	**3.5**	**11,700**
FINANCIAL ACTIVITIES	**68,200**	**68,700**	**-500**	**-0.7**	**68,500**
Depository Credit Institutions	8,000	7,900	100	1.3	8,000
Insurance Carriers & Related Activities	44,800	46,500	-1,700	-3.7	45,000
PROFESSIONAL & BUSINESS SERVICES	**58,700**	**57,700**	**1,000**	**1.7**	**58,600**
Professional, Scientific	27,300	26,800	500	1.9	27,500
Administrative and Support	25,700	25,100	600	2.4	25,600
EDUCATIONAL AND HEALTH SERVICES	**82,800**	**81,900**	**900**	**1.1**	**83,900**
Health Care and Social Assistance	73,300	72,700	600	0.8	73,900
Ambulatory Health Care	22,200	22,000	200	0.9	22,300
LEISURE AND HOSPITALITY	**39,600**	**39,200**	**400**	**1.0**	**40,300**
Accommodation and Food Services	31,600	31,000	600	1.9	31,600
OTHER SERVICES	**20,900**	**20,800**	**100**	**0.5**	**21,100**
GOVERNMENT	**77,600**	**77,100**	**500**	**0.6**	**78,200**
Federal	6,200	6,100	100	1.6	6,100
State & Local	71,400	71,000	400	0.6	72,100

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

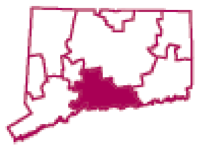
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2004.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Fatal work injuries by occupation in 2004**
  The two occupations with the highest rates of fatal injury in 2004 (U.S.) were logging workers and aircraft pilots and flight engineers (both with a rate of 92.4 fatal injuries per 100,000 employed). The rate for fishers and related fishing workers was 86.4 per 100,000. In 2003, these occupations' rates of fatal injuries were all higher than the 2004 rates. In 2004, the rate of fatal on-the-job injuries for all workers was 4.1 fatalities per 100,000 workers. Other occupations with rates far above the average for all workers were structural iron and steel workers (47.0 per 100,000), refuse and recyclable material collectors (43.2 per 100,000) and farmers and ranchers (37.5 per 100,000). The Census of Fatal Occupational Injuries, part of the BLS Injuries, Illnesses, and Fatalities program, provides the most complete count of fatal work injuries available. For more information on fatal work injuries by occupation, see "National Census of Fatal Occupational Injuries in 2004," news release USDL 05-1598. (The Editor's Desk, Bureau of Labor Statistics, September 13, 2005)

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT	**268,500**	**267,900**	**600**	**0.2**	**269,500**
GOODS PRODUCING INDUSTRIES	**46,400**	**46,500**	**-100**	**-0.2**	**46,800**
CONSTRUCTION, NAT. RES. & MINING	**12,500**	**12,500**	**0**	**0.0**	**12,700**
MANUFACTURING	**33,900**	**34,000**	**-100**	**-0.3**	**34,100**
Durable Goods	**22,900**	**23,300**	**-400**	**-1.7**	**22,900**
SERVICE PROVIDING INDUSTRIES	**222,100**	**221,400**	**700**	**0.3**	**222,700**
TRADE, TRANSPORTATION, UTILITIES	**50,400**	**50,100**	**300**	**0.6**	**49,900**
Wholesale Trade	11,500	11,300	200	1.8	11,500
Retail Trade	32,100	31,300	800	2.6	31,700
Transportation, Warehousing, & Utilities	6,800	7,500	-700	-9.3	6,700
INFORMATION	**9,000**	**8,700**	**300**	**3.4**	**8,900**
Telecommunications	5,200	5,400	-200	-3.7	5,200
FINANCIAL ACTIVITIES	**13,300**	**14,200**	**-900**	**-6.3**	**13,500**
Finance and Insurance	9,200	10,500	-1,300	-12.4	9,400
PROFESSIONAL & BUSINESS SERVICES	**25,000**	**26,100**	**-1,100**	**-4.2**	**25,000**
Administrative and Support	12,400	12,200	200	1.6	11,900
EDUCATIONAL AND HEALTH SERVICES	**59,100**	**59,200**	**-100**	**-0.2**	**59,800**
Educational Services	18,600	18,900	-300	-1.6	19,000
Health Care and Social Assistance	40,500	40,300	200	0.5	40,800
LEISURE AND HOSPITALITY	**23,500**	**21,900**	**1,600**	**7.3**	**23,400**
Accommodation and Food Services	19,500	17,800	1,700	9.6	19,700
OTHER SERVICES	**11,400**	**10,800**	**600**	**5.6**	**11,100**
GOVERNMENT	**30,400**	**30,400**	**0**	**0.0**	**31,100**
Federal	5,400	5,500	-100	-1.8	5,400
State & Local	25,000	24,900	100	0.4	25,700

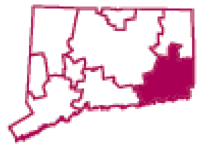
For further information on the New Haven Labor Market Area contact Joseph Slepski at (860) 263-6278.

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

BUSINESS AND ECONOMIC NEWS (Cont.)

- **Alternative employment arrangements and worker preferences**
  In February 2005, there were 10.3 million independent contractors, 2.5 million on-call workers, and 1.2 million temporary help agency workers (U.S.). These types of workers are considered to have alternative employment arrangements, in contrast to traditional arrangements. The majority of independent contractors (82 percent) preferred their work arrangement to a traditional job, while only 32 percent of temporary help agency workers preferred their current arrangement. Among on-call workers, 46 percent preferred their current arrangement while 45 percent would prefer a traditional job. These data are from a supplement to the February 2005 Current Population Survey. The percentages on the chart for each group do not sum to 100, because in some cases the worker response was "It depends" and in other cases a response was not available. To find out more, see Contingent and Alternative Employment Arrangements, February 2005, news release USDL 05-1433. (The Editor's Desk, Bureau of Labor Statistics, August 4, 2005)

NORWICH - NEW LONDON LMA

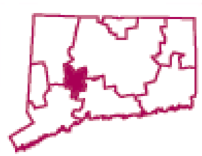


Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT...............	**138,300**	**135,900**	**2,400**	**1.8**	**139,000**
GOODS PRODUCING INDUSTRIES............	**23,100**	**22,400**	**700**	**3.1**	**23,100**
CONSTRUCTION, NAT. RES. & MINING.....	**5,100**	**4,800**	**300**	**6.3**	**5,200**
MANUFACTURING................................	**18,000**	**17,600**	**400**	**2.3**	**17,900**
Durable Goods....................................	**11,300**	**11,000**	**300**	**2.7**	**11,300**
Non-Durable Goods.............................	**6,700**	**6,600**	**100**	**1.5**	**6,600**
SERVICE PROVIDING INDUSTRIES...........	**115,200**	**113,500**	**1,700**	**1.5**	**115,900**
TRADE, TRANSPORTATION, UTILITIES.....	**22,500**	**21,900**	**600**	**2.7**	**22,500**
Wholesale Trade..................................	1,900	1,900	0	0.0	1,900
Retail Trade...	16,500	16,200	300	1.9	16,500
Transportation, Warehousing, & Utilities....	4,100	3,800	300	7.9	4,100
INFORMATION.....................................	**2,000**	**2,100**	**-100**	**-4.8**	**2,000**
FINANCIAL ACTIVITIES..........................	**3,400**	**3,400**	**0**	**0.0**	**3,400**
PROFESSIONAL & BUSINESS SERVICES	**10,200**	**10,100**	**100**	**1.0**	**10,300**
EDUCATIONAL AND HEALTH SERVICES	**18,000**	**17,400**	**600**	**3.4**	**18,100**
Health Care and Social Assistance...........	15,900	15,400	500	3.2	15,900
LEISURE AND HOSPITALITY...................	**15,900**	**15,700**	**200**	**1.3**	**15,900**
Accommodation and Food Services..........	13,000	12,700	300	2.4	13,000
Food Serv., Restaurants, Drinking Places.	10,400	10,200	200	2.0	10,500
OTHER SERVICES................................	**4,000**	**3,900**	**100**	**2.6**	**4,100**
GOVERNMENT	**39,200**	**39,000**	**200**	**0.5**	**39,600**
Federal...	2,300	2,400	-100	-4.2	2,200
**State & Local.......................................	36,900	36,600	300	0.8	37,400

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

WATERBURY LMA



Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT...............	**69,000**	**68,000**	**1,000**	**1.5**	**68,600**
GOODS PRODUCING INDUSTRIES............	**14,700**	**13,900**	**800**	**5.8**	**14,200**
CONSTRUCTION, NAT. RES. & MINING.....	**3,500**	**3,100**	**400**	**12.9**	**3,200**
MANUFACTURING................................	**11,200**	**10,800**	**400**	**3.7**	**11,000**
SERVICE PROVIDING INDUSTRIES...........	**54,300**	**54,100**	**200**	**0.4**	**54,400**
TRADE, TRANSPORTATION, UTILITIES.....	**13,000**	**13,000**	**0**	**0.0**	**13,100**
Wholesale Trade..................................	2,100	2,100	0	0.0	2,100
Retail Trade...	8,900	9,100	-200	-2.2	9,000
Transportation, Warehousing, & Utilities....	2,000	1,800	200	11.1	2,000
INFORMATION.....................................	**1,100**	**1,100**	**0**	**0.0**	**1,100**
FINANCIAL ACTIVITIES..........................	**3,000**	**2,800**	**200**	**7.1**	**2,800**
PROFESSIONAL & BUSINESS SERVICES	**6,100**	**5,900**	**200**	**3.4**	**5,800**
EDUCATIONAL AND HEALTH SERVICES	**14,200**	**13,800**	**400**	**2.9**	**14,300**
Health Care and Social Assistance...........	13,000	12,800	200	1.6	13,100
LEISURE AND HOSPITALITY...................	**5,000**	**5,200**	**-200**	**-3.8**	**5,000**
OTHER SERVICES................................	**2,900**	**2,800**	**100**	**3.6**	**2,900**
GOVERNMENT	**9,000**	**9,500**	**-500**	**-5.3**	**9,400**
Federal...	600	600	0	0.0	600
State & Local.......................................	8,400	8,900	-500	-5.6	8,800

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 2004.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA……………………………………	**44,900**	**45,400**	**-500**	**-1.1**	**44,200**
TORRINGTON LMA……………………………	**35,600**	**36,400**	**-800**	**-2.2**	**35,900**
WILLIMANTIC - DANIELSON LMA………….	**35,300**	**34,600**	**700**	**2.0**	**35,600**

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

	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
TOTAL NONFARM EMPLOYMENT……………	**292,400**	**291,300**	**1,100**	**0.4**	**292,900**
GOODS PRODUCING INDUSTRIES…………	**51,700**	**50,800**	**900**	**1.8**	**50,500**
CONSTRUCTION, NAT. RES. & MINING…..	**11,800**	**11,200**	**600**	**5.4**	**11,700**
MANUFACTURING……………………………	**39,900**	**39,600**	**300**	**0.8**	**38,800**
Durable Goods………………………………	**25,200**	**24,900**	**300**	**1.2**	**24,100**
Non-Durable Goods…………………………	**14,700**	**14,700**	**0**	**0.0**	**14,700**
SERVICE PROVIDING INDUSTRIES……….	**240,700**	**240,500**	**200**	**0.1**	**242,400**
TRADE, TRANSPORTATION, UTILITIES…..	**59,600**	**59,100**	**500**	**0.8**	**60,100**
Wholesale Trade……………………………	11,600	11,000	600	5.5	11,600
Retail Trade…………………………………	36,100	35,800	300	0.8	36,500
Transportation, Warehousing, & Utilities….	11,900	12,300	-400	-3.3	12,000
INFORMATION…………………………………	**4,300**	**4,700**	**-400**	**-8.5**	**4,300**
FINANCIAL ACTIVITIES………………………	**16,400**	**16,500**	**-100**	**-0.6**	**16,300**
Finance and Insurance………………………	12,400	12,500	-100	-0.8	12,300
Insurance Carriers & Related Activities….	7,800	7,800	0	0.0	7,800
PROFESSIONAL & BUSINESS SERVICES	**24,400**	**24,200**	**200**	**0.8**	**24,200**
EDUCATIONAL AND HEALTH SERVICES	**51,800**	**51,500**	**300**	**0.6**	**52,400**
Educational Services………………………	9,600	9,600	0	0.0	10,100
Health Care and Social Assistance……….	42,200	41,900	300	0.7	42,300
LEISURE AND HOSPITALITY………………	**29,000**	**28,500**	**500**	**1.8**	**29,100**
OTHER SERVICES……………………………	**11,500**	**11,600**	**-100**	**-0.9**	**11,700**
GOVERNMENT ………………………………	**43,700**	**44,400**	**-700**	**-1.6**	**44,300**
Federal…………………………………………	7,000	6,800	200	2.9	7,000
State & Local…………………………………	36,700	37,600	-900	-2.4	37,300

* New England City and Town Area

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

LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	AUG 2005	AUG 2004	CHANGE NO.	CHANGE %	JUL 2005
CONNECTICUT	Civilian Labor Force	1,840,700	1,818,500	22,200	1.2	1,844,400
	Employed	1,743,200	1,731,800	11,400	0.7	1,743,900
	Unemployed	97,500	86,700	10,800	12.5	100,500
	Unemployment Rate	5.3	4.8	0.5	---	5.4
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	470,200	465,000	5,200	1.1	472,200
	Employed	446,900	444,500	2,400	0.5	448,100
	Unemployed	23,300	20,500	2,800	13.7	24,100
	Unemployment Rate	5.0	4.4	0.6	---	5.1
DANBURY LMA	Civilian Labor Force	90,800	89,600	1,200	1.3	91,100
	Employed	87,100	86,300	800	0.9	87,100
	Unemployed	3,700	3,300	400	12.1	4,000
	Unemployment Rate	4.1	3.7	0.4	---	4.4
ENFIELD LMA	Civilian Labor Force	48,200	47,700	500	1.0	48,000
	Employed	45,800	45,300	500	1.1	45,800
	Unemployed	2,300	2,400	-100	-4.2	2,200
	Unemployment Rate	4.9	5.1	-0.2	---	4.7
HARTFORD LMA	Civilian Labor Force	572,700	566,500	6,200	1.1	574,300
	Employed	541,000	537,900	3,100	0.6	541,300
	Unemployed	31,700	28,600	3,100	10.8	33,000
	Unemployment Rate	5.5	5.0	0.5	---	5.7
NEW HAVEN LMA	Civilian Labor Force	306,400	302,700	3,700	1.2	306,400
	Employed	289,400	288,100	1,300	0.5	289,100
	Unemployed	16,900	14,600	2,300	15.8	17,200
	Unemployment Rate	5.5	4.8	0.7	---	5.6
NORWICH - NEW LONDON LMA	Civilian Labor Force	155,000	151,300	3,700	2.4	155,100
	Employed	147,600	144,900	2,700	1.9	147,500
	Unemployed	7,400	6,400	1,000	15.6	7,600
	Unemployment Rate	4.8	4.2	0.6	---	4.9
TORRINGTON LMA	Civilian Labor Force	53,500	54,600	-1,100	-2.0	53,800
	Employed	50,900	52,100	-1,200	-2.3	51,100
	Unemployed	2,600	2,500	100	4.0	2,700
	Unemployment Rate	4.9	4.5	0.4	---	5.1
WATERBURY LMA	Civilian Labor Force	102,000	100,000	2,000	2.0	101,700
	Employed	95,200	94,100	1,100	1.2	94,700
	Unemployed	6,700	5,900	800	13.6	7,000
	Unemployment Rate	6.6	5.9	0.7	---	6.9
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	55,700	54,400	1,300	2.4	55,700
	Employed	52,500	51,500	1,000	1.9	52,500
	Unemployed	3,200	2,900	300	10.3	3,200
	Unemployment Rate	5.8	5.4	0.4	---	5.7
UNITED STATES	Civilian Labor Force	150,469,000	148,166,000	2,303,000	1.6	151,122,000
	Employed	143,142,000	140,226,000	2,916,000	2.1	143,283,000
	Unemployed	7,327,000	7,940,000	-613,000	-7.7	7,839,000
	Unemployment Rate	4.9	5.4	-0.5	---	5.2

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

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005	AVG WEEKLY HOURS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005	AVG HOURLY EARNINGS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005
MANUFACTURING	**$791.69**	**$758.27**	**$33.42**	**$789.80**	**41.8**	**41.3**	**0.5**	**42.1**	**$18.94**	**$18.36**	**$0.58**	**$18.76**
DURABLE GOODS	**825.30**	**791.27**	**34.03**	**816.06**	**42.0**	**41.8**	**0.2**	**42.0**	**19.65**	**18.93**	**0.72**	**19.43**
Fabricated Metal	735.84	700.57	35.27	728.89	42.0	41.9	0.1	42.6	17.52	16.72	0.80	17.11
Machinery	789.58	777.60	11.98	784.57	40.7	40.5	0.2	40.4	19.40	19.20	0.20	19.42
Computer & Electronic	630.82	611.27	19.55	632.02	39.5	39.9	-0.4	39.6	15.97	15.32	0.65	15.96
Transport. Equipment	1,034.05	991.73	42.32	1,020.57	42.8	42.6	0.2	42.4	24.16	23.28	0.88	24.07
NON-DUR. GOODS	**707.94**	**677.37**	**30.57**	**721.22**	**41.4**	**40.2**	**1.2**	**42.3**	**17.10**	**16.85**	**0.25**	**17.05**
CONSTRUCTION	**940.44**	**897.42**	**43.02**	**932.14**	**39.9**	**38.9**	**1.0**	**39.1**	**23.57**	**23.07**	**0.50**	**23.84**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005	AVG WEEKLY HOURS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005	AVG HOURLY EARNINGS AUG 2005	AUG 2004	CHG Y/Y	JUL 2005
Bridgeport - Stamford	$781.34	$883.62	-$102.28	$804.27	40.4	42.4	-2.0	41.5	$19.34	$20.84	-$1.50	$19.38
Hartford	914.73	880.82	33.91	906.27	43.6	43.8	-0.2	43.3	20.98	20.11	0.87	20.93
New Haven	683.88	624.99	58.89	718.25	41.7	41.5	0.2	42.5	16.40	15.06	1.34	16.90
Norwich - New London	778.32	763.00	15.32	777.71	41.4	41.4	0.0	41.7	18.80	18.43	0.37	18.65
Waterbury	837.79	726.07	111.72	760.42	42.1	38.6	3.5	39.4	19.90	18.81	1.09	19.30

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

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- August 2005 had the announcement that C-Town Markets will open in the Dixwell Plaza in New Haven with 35 jobs. Big Y Supermarket has opened in Tolland, creating 175 jobs. Cabela's Inc., a marketer of outdoor merchandise, announced that they will open a superstore at the Rentschler Field site in East Hartford. This store, which could open in 2007, will employ 450 people. New Haven Fitness, with 14 employees, and Peebles Department Store in Barkhamsted, with 24 workers have opened. Fall 2005 will bring a Ninety Nine Restaurant to Torrington with 80 new jobs being created.

- August 2005 had the announcement that International Paper, the world's largest paper company, will move their headquarters from Stamford to Memphis by August 1, 2006. It is expected that 150 people will lose their jobs as a result.

- DEPARTMENT NEWS: The fall 2005 Connecticut Department of Labor Job Fairs will be on Tuesday September 15th at the Economy Inn in New London, Tuesday September 27th, at Rentschler Field in East Hartford and Tuesday October 18th, at the Holiday Inn in North Haven. Job Fairs will run from 11:00 a.m. to 3:00 p.m. More information can be obtained by visiting the Job Fair and Conference webpage at www.ctjobfairs.com, or by calling the hotline at (860) 263-6306.

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)

AUGUST 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD				
	470,186	**446,902**	**23,284**	**5.0**
Ansonia	10,100	9,406	694	6.9
Bridgeport	63,536	58,209	5,327	8.4
Darien	8,976	8,660	316	3.5
Derby	6,997	6,518	479	6.8
Easton	3,753	3,628	125	3.3
Fairfield	28,649	27,447	1,202	4.2
Greenwich	30,113	29,100	1,013	3.4
Milford	30,993	29,630	1,363	4.4
Monroe	10,697	10,206	491	4.6
New Canaan	8,873	8,566	307	3.5
Newtown	14,005	13,418	587	4.2
Norwalk	48,345	46,374	1,971	4.1
Oxford	6,371	6,066	305	4.8
Redding	4,550	4,367	183	4.0
Ridgefield	11,766	11,331	435	3.7
Seymour	9,138	8,651	487	5.3
Shelton	22,472	21,371	1,101	4.9
Southbury	8,891	8,511	380	4.3
Stamford	66,986	63,879	3,107	4.6
Stratford	26,455	24,849	1,606	6.1
Trumbull	17,818	17,092	726	4.1
Weston	4,916	4,748	168	3.4
Westport	12,550	12,108	442	3.5
Wilton	8,342	8,044	298	3.6
Woodbridge	4,890	4,721	169	3.5
DANBURY	**90,810**	**87,091**	**3,719**	**4.1**
Bethel	10,899	10,463	436	4.0
Bridgewater	1,041	1,006	35	3.4
Brookfield	8,936	8,597	339	3.8
Danbury	43,801	41,980	1,821	4.2
New Fairfield	7,690	7,354	336	4.4
New Milford	16,301	15,629	672	4.1
Sherman	2,142	2,063	79	3.7
ENFIELD	**48,179**	**45,831**	**2,348**	**4.9**
East Windsor	5,935	5,605	330	5.6
Enfield	23,756	22,591	1,165	4.9
Somers	4,643	4,422	221	4.8
Suffield	6,956	6,674	282	4.1
Windsor Locks	6,889	6,539	350	5.1
HARTFORD	**572,738**	**541,007**	**31,731**	**5.5**
Andover	1,951	1,860	91	4.7
Ashford	2,508	2,403	105	4.2
Avon	8,762	8,484	278	3.2
Barkhamsted	2,158	2,078	80	3.7
Berlin	10,769	10,283	486	4.5
Bloomfield	9,641	8,996	645	6.7
Bolton	3,062	2,928	134	4.4
Bristol	33,552	31,712	1,840	5.5
Burlington	5,117	4,906	211	4.1

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,330	5,124	206	3.9
Colchester	8,535	8,149	386	4.5
Columbia	2,953	2,837	116	3.9
Coventry	6,909	6,583	326	4.7
Cromwell	7,689	7,339	350	4.6
East Granby	2,857	2,730	127	4.4
East Haddam	5,055	4,822	233	4.6
East Hampton	6,624	6,142	482	7.3
East Hartford	25,646	23,723	1,923	7.5
Ellington	8,392	8,033	359	4.3
Farmington	12,547	12,024	523	4.2
Glastonbury	17,849	17,189	660	3.7
Granby	6,076	5,839	237	3.9
Haddam	4,629	4,446	183	4.0
Hartford	48,605	43,588	5,017	10.3
Hartland	1,177	1,136	41	3.5
Harwinton	3,056	2,948	108	3.5
Hebron	5,329	5,121	208	3.9
Lebanon	4,199	3,976	223	5.3
Manchester	31,550	29,900	1,650	5.2
Mansfield	12,255	11,653	602	4.9
Marlborough	3,453	3,322	131	3.8
Middlefield	2,383	2,267	116	4.9
Middletown	26,001	24,635	1,366	5.3
New Britain	34,785	31,915	2,870	8.3
New Hartford	3,613	3,489	124	3.4
Newington	16,517	15,730	787	4.8
Plainville	10,052	9,533	519	5.2
Plymouth	6,739	6,344	395	5.9
Portland	5,125	4,910	215	4.2
Rocky Hill	10,465	10,014	451	4.3
Simsbury	11,892	11,441	451	3.8
Southington	23,455	22,421	1,034	4.4
South Windsor	14,221	13,655	566	4.0
Stafford	6,769	6,369	400	5.9
Thomaston	4,567	4,313	254	5.6
Tolland	8,078	7,755	323	4.0
Union	458	441	17	3.7
Vernon	16,833	16,075	758	4.5
West Hartford	29,385	27,905	1,480	5.0
Wethersfield	13,400	12,725	675	5.0
Willington	3,894	3,719	175	4.5
Windsor	15,871	15,077	794	5.0

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

LABOR FORCE CONCEPTS

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

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

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

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

AUGUST 2005

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**306,365**	**289,425**	**16,940**	**5.5**
Bethany	2,984	2,856	128	4.3
Branford	17,222	16,443	779	4.5
Cheshire	14,588	13,974	614	4.2
Chester	2,256	2,171	85	3.8
Clinton	7,909	7,555	354	4.5
Deep River	2,584	2,474	110	4.3
Durham	4,109	3,945	164	4.0
East Haven	15,955	15,068	887	5.6
Essex	3,745	3,618	127	3.4
Guilford	12,663	12,223	440	3.5
Hamden	31,041	29,316	1,725	5.6
Killingworth	3,513	3,397	116	3.3
Madison	9,898	9,568	330	3.3
Meriden	31,082	29,108	1,974	6.4
New Haven	55,337	50,864	4,473	8.1
North Branford	8,191	7,814	377	4.6
North Haven	12,890	12,242	648	5.0
Old Saybrook	5,416	5,206	210	3.9
Orange	7,052	6,778	274	3.9
Wallingford	24,833	23,652	1,181	4.8
Westbrook	3,642	3,472	170	4.7
West Haven	29,455	27,681	1,774	6.0
***NORWICH-NEW LONDON**				
	141,285	**134,369**	**6,916**	**4.9**
Bozrah	1,525	1,444	81	5.3
Canterbury	3,197	3,045	152	4.8
East Lyme	10,012	9,592	420	4.2
Franklin	1,219	1,177	42	3.4
Griswold	7,280	6,888	392	5.4
Groton	19,975	18,991	984	4.9
Ledyard	8,789	8,430	359	4.1
Lisbon	2,698	2,538	160	5.9
Lyme	1,189	1,150	39	3.3
Montville	11,315	10,806	509	4.5
New London	14,195	13,301	894	6.3
No. Stonington	3,366	3,225	141	4.2
Norwich	21,281	20,033	1,248	5.9
Old Lyme	4,394	4,232	162	3.7
Preston	2,917	2,783	134	4.6
Salem	2,654	2,541	113	4.3
Sprague	1,875	1,755	120	6.4
Stonington	10,791	10,426	365	3.4
Voluntown	1,657	1,575	82	4.9
Waterford	10,958	10,439	519	4.7

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

	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NORWICH-NEW LONDON				
	155,011	**147,603**	**7,408**	**4.8**
Westerly, RI	13,726	13,234	492	3.6

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	**53,499**	**50,882**	**2,617**	**4.9**
Bethlehem	2,014	1,940	74	3.7
Canaan	606	582	24	4.0
Colebrook	821	799	22	2.7
Cornwall	817	790	27	3.3
Goshen	1,509	1,445	64	4.2
Kent	1,568	1,516	52	3.3
Litchfield	4,338	4,132	206	4.7
Morris	1,315	1,250	65	4.9
Norfolk	954	913	41	4.3
North Canaan	1,740	1,655	85	4.9
Roxbury	1,337	1,300	37	2.8
Salisbury	1,981	1,906	75	3.8
Sharon	1,553	1,499	54	3.5
Torrington	18,865	17,766	1,099	5.8
Warren	711	682	29	4.1
Washington	1,957	1,874	83	4.2
Winchester	6,009	5,637	372	6.2
Woodbury	5,402	5,197	205	3.8
WATERBURY	**101,960**	**95,225**	**6,735**	**6.6**
Beacon Falls	3,245	3,074	171	5.3
Middlebury	3,712	3,553	159	4.3
Naugatuck	17,295	16,294	1,001	5.8
Prospect	5,292	5,052	240	4.5
Waterbury	50,950	46,840	4,110	8.1
Watertown	12,471	11,860	611	4.9
Wolcott	8,995	8,552	443	4.9
WILLIMANTIC-DANIELSON				
	55,722	**52,511**	**3,211**	**5.8**
Brooklyn	3,635	3,491	144	4.0
Chaplin	1,371	1,297	74	5.4
Eastford	946	894	52	5.5
Hampton	1,109	1,046	63	5.7
Killingly	9,081	8,511	570	6.3
Plainfield	8,284	7,717	567	6.8
Pomfret	2,190	2,084	106	4.8
Putnam	5,091	4,811	280	5.5
Scotland	949	919	30	3.2
Sterling	1,833	1,741	92	5.0
Thompson	5,239	5,003	236	4.5
Windham	11,613	10,786	827	7.1
Woodstock	4,380	4,211	169	3.9

Not Seasonally Adjusted:				
CONNECTICUT	**1,840,700**	**1,743,200**	**97,500**	**5.3**
UNITED STATES	**150,469,000**	**143,142,000**	**7,327,000**	**4.9**
Seasonally Adjusted:				
CONNECTICUT	**1,813,800**	**1,716,500**	**97,300**	**5.4**
UNITED STATES	**149,841,000**	**142,449,000**	**7,391,000**	**4.9**

LABOR FORCE CONCEPTS (Continued)

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

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

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

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	AUG 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	AUG 2005	YR TO DATE 2005	YR TO DATE 2004	TOWN	AUG 2005	YR TO DATE 2005	YR TO DATE 2004
Andover	2	10	16	Griswold	na	na	na	Preston	3	20	15
Ansonia	3	12	8	Groton	6	126	245	Prospect	na	na	na
Ashford	1	11	22	Guilford	9	50	58	Putnam	4	26	34
Avon	5	54	66	Haddam	4	35	40	Redding	na	na	na
Barkhamsted	na	na	na	Hamden	2	19	30	Ridgefield	4	25	33
Beacon Falls	na	na	na	Hampton	3	15	20	Rocky Hill	11	61	66
Berlin	8	49	56	Hartford	8	101	74	Roxbury	na	na	na
Bethany	na	na	na	Hartland	na	na	na	Salem	4	20	22
Bethel	0	6	22	Harwinton	1	12	23	Salisbury	na	na	na
Bethlehem	na	na	na	Hebron	na	na	na	Scotland	0	6	11
Bloomfield	na	na	na	Kent	2	9	11	Seymour	16	45	31
Bolton	0	3	8	Killingly	22	78	60	Sharon	3	9	15
Bozrah	1	10	10	Killingworth	na	na	na	Shelton	8	88	98
Branford	na	na	na	Lebanon	1	27	63	Sherman	na	na	na
Bridgeport	10	176	57	Ledyard	2	31	52	Simsbury	7	29	15
Bridgewater	na	na	na	Lisbon	1	12	13	Somers	3	19	29
Bristol	14	84	81	Litchfield	na	na	na	South Windsor	3	43	69
Brookfield	na	na	na	Lyme	0	7	4	Southbury	5	54	71
Brooklyn	6	50	35	Madison	6	23	31	Southington	17	117	120
Burlington	5	25	33	Manchester	12	125	113	Sprague	0	15	7
Canaan	0	3	0	Mansfield	5	39	31	Stafford	na	na	na
Canterbury	2	17	14	Marlborough	3	21	29	Stamford	36	198	143
Canton	14	83	106	Meriden	3	88	68	Sterling	na	na	na
Chaplin	2	13	16	Middlebury	na	na	na	Stonington	5	44	63
Cheshire	1	28	30	Middlefield	0	2	7	Stratford	7	24	37
Chester	na	na	na	Middletown	19	174	151	Suffield	22	71	39
Clinton	2	23	23	Milford	27	213	240	Thomaston	na	na	na
Colchester	5	55	53	Monroe	7	32	17	Thompson	na	na	na
Colebrook	0	4	6	Montville	6	56	52	Tolland	5	76	57
Columbia	6	28	21	Morris	1	6	7	Torrington	11	65	71
Cornwall	1	6	10	Naugatuck	14	63	56	Trumbull	6	30	53
Coventry	4	27	32	New Britain	na	na	na	Union	0	4	2
Cromwell	2	10	38	New Canaan	4	43	42	Vernon	17	146	129
Danbury	70	344	303	New Fairfield	na	na	na	Voluntown	1	4	9
Darien	na	na	na	New Hartford	2	26	30	Wallingford	27	110	143
Deep River	1	3	10	New Haven	19	78	48	Warren	2	9	10
Derby	na	na	na	New London	8	50	26	Washington	na	na	na
Durham	4	32	32	New Milford	6	57	83	Waterbury	3	100	54
East Granby	3	18	13	Newington	3	30	31	Waterford	2	27	25
East Haddam	9	33	40	Newtown	6	78	91	Watertown	7	45	40
East Hampton	14	102	109	Norfolk	0	3	3	West Hartford	1	14	32
East Hartford	na	na	na	North Branford	na	na	na	West Haven	na	na	na
East Haven	6	55	27	North Canaan	1	7	8	Westbrook	3	26	28
East Lyme	4	66	64	North Haven	0	115	54	Weston	na	na	na
East Windsor	4	55	55	North Stonington	3	20	18	Westport	11	78	84
Eastford	2	11	17	Norwalk	2	98	232	Wethersfield	na	na	na
Easton	2	7	7	Norwich	20	230	140	Willington	1	9	20
Ellington	6	52	41	Old Lyme	na	na	na	Wilton	na	na	na
Enfield	na	na	na	Old Saybrook	5	39	21	Winchester	6	29	27
Essex	2	6	15	Orange	na	na	na	Windham	5	52	13
Fairfield	13	84	138	Oxford	29	168	147	Windsor	na	na	na
Farmington	1	71	100	Plainfield	17	39	35	Windsor Locks	na	na	na
Franklin	0	2	4	Plainville	3	14	20	Wolcott	3	38	46
Glastonbury	5	50	77	Plymouth	4	14	39	Woodbridge	na	na	na
Goshen	5	30	37	Pomfret	1	10	19	Woodbury	4	25	27
Granby	4	47	48	Portland	3	34	117	Woodstock	4	50	66
Greenwich	22	133	117								

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	**+0.5**
Leading General Drift Indicator	**+0.6**
Coincident General Drift Indicator	**+1.3**
Banknorth Business Barometer	**+2.4**
Total Nonfarm Employment	**+1.2**
Unemployment Rate	**+0.6**
Labor Force	+0.9
Employed	+0.4
Unemployed	+12.5
Average Weekly Initial Claims	**+4.9**
Help Wanted Index -- Hartford	**-11.1**
Average Ins. Unempl. Rate	**-0.44***
Average Weekly Hours, Mfg	**+1.2**
Average Hourly Earnings, Mfg	**+3.2**
Average Weekly Earnings, Mfg	**+4.4**
CT Mfg. Production Index	**+0.5**
Production Worker Hours	+1.3
Industrial Electricity Sales	-3.1
Personal Income	**+2.8**
UI Covered Wages	**+0.4**

Business Activity	
Electricity Sales	+6.3
Retail Sales	-0.6
Construction Contracts Index	+22.9
New Auto Registrations	+23.9
Air Cargo Tons	+7.2
Exports	+8.3
Business Starts	
Secretary of the State	+5.8
Dept. of Labor	-6.5
Business Terminations	
Secretary of the State	+8.1
Dept. of Labor	-35.6
State Revenues	**NA**
Corporate Tax	NA
Personal Income Tax	NA
Real Estate Conveyance Tax	NA
Sales & Use Tax	NA
Indian Gaming Payments	+2.3

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

Tourism and Travel	
Info Center Visitors	-14.5
Attraction Visitors	-5.8
Air Passenger Count	+8.3
Indian Gaming Slots	-3.9
Travel and Tourism Index	+5.9
Employment Cost Index (U.S.)	
Total	+3.2
Wages & Salaries	+2.4
Benefit Costs	+4.9
Consumer Prices	
U.S. City Average	+3.6
Northeast Region	+3.8
NY-NJ-Long Island	+4.1
Boston-Brockton-Nashua	+4.0
Consumer Confidence	
Connecticut	-17.3
New England	-+22.2
U.S.	+7.0
Interest Rates	
Prime	+2.02*
Conventional Mortgage	-0.05*

THE CONNECTICUT
ECONOMIC DIGEST

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

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The Connecticut Economic Digest is available on the internet at:
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