THE CONNECTICUT
ECONOMIC DIGEST

Vol.9 No.9 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

SEPTEMBER 2004

IN THIS ISSUE...

In July...

Nonfarm Employment
- Connecticut 1,637,500
  - Change over month .... -0.30%
  - Change over year .... -0.1%
- United States 131,272,000
  - Change over month 0.02%
  - Change over year 1.1%

Unemployment Rate
- Connecticut 4.6%
- United States 5.5%

Consumer Price Index
- United States 189.4
  - Change over year 3.0%

Housing 2003 - the results are in

By Kolie Sun, Senior Research Analyst, DECD

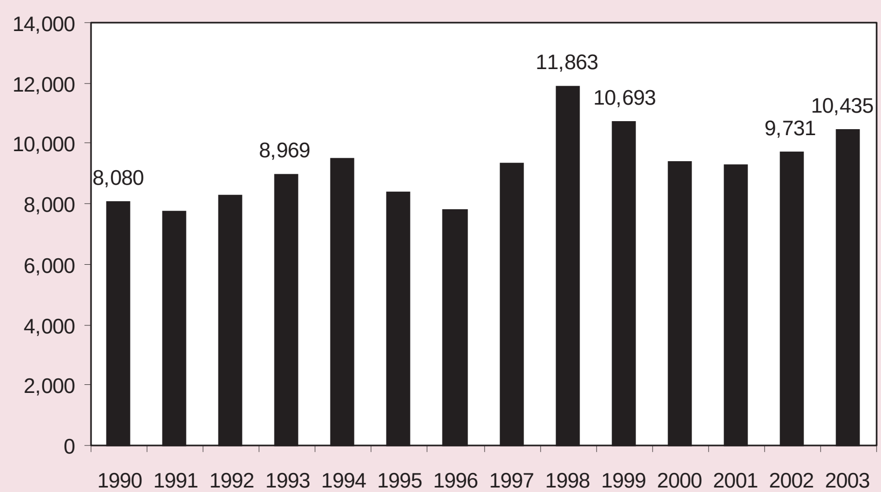
Amidst the economic uncertainty of recent years, Connecticut's housing sector has proven to be a resilient economic workhorse. This was proven once again in 2003, as permits grew for the third consecutive year and reached the third highest total since 1989. In this article, we will review the 2003 housing market in the areas of production, sales prices, interest rates, population and subsidized housing.

Housing production

According to data recently released by the U.S. Bureau of Census, Connecticut issued 10,435 new housing permits in 2003, a 7.2 percent increase from the 9,731 permits authorized in 2002 and a 16.3 percent increase from the 1993 level (See chart 1 below). The majority of the new units were single-family homes (8,180 units) that accounted for 78 percent of the permit total. Condominiums and apartments totaled 1,863 units, or 18 percent of the total. With 1,275 demolition permits issued in 2003, there was a net gain of 9,160 permits in 2003, which raised the total inventory of housing units to 1,410,962.

Among all counties, New London County showed the largest percentage gain of 27.8 percent. It became the fourth

CHART 1: Connecticut total housing units, 1990-2003



Source: US Census

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 $42. 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 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

Shaun B. Cashman, Commissioner
Thomas E. Hutton, 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
Rita Zangari, Deputy Commissioner

Compliance Office and Planning/Program Support
505 Hudson Street
Hartford, CT 06106-2502
Phone: (860) 270-8000
Fax: (860) 270-8188
E-Mail: decd@po.state.ct.us
Website: http://www.decd.org

Table 1:

State/County	New Housing Units 2002	2003	02-03 % Chg
State	9,731	10,435	7.2%
Fairfield	1,879	1,964	4.5%
Hartford	2,284	2,585	13.2%
Litchfield	807	732	-9.3%
Middlesex	820	821	0.1%
New Haven	1,701	1,826	7.3%
New London	956	1,222	27.8%
Tolland	742	731	-1.5%
Windham	542	554	2.2%
Share of 4 largest counties		72.8%	

Source: US Census

county with over 1,000 units of new housing authorizations after Hartford, Fairfield, and New Haven counties. All four of the largest counties, representing 82.6 percent of the State's population in 2003, accounted for 72.8 percent of all new permits (See table 1 above).

Hartford led all municipalities with 335 new units, followed by Bloomfield with 309, Milford with 284, Norwich with 247, and Darien with 222. All combined, the housing units from the top five municipalities accounted for 13.4 percent of the State's total.

Home sales prices and valuations

Using mid-point data for comparison purposes, second quarter 2003 figures from the New England Economic Indicators showed the median sales price for existing single-family homes in the Hartford region was $198,500, up 13.8 percent from a year earlier; the New Haven-Meriden area was $213,500, up 11.8 percent; and the national figure was $168,400, up 6.7 percent. From 1993 through 2003, the Hartford and New Haven-Meriden areas experienced fluctuations in prices, while the U.S. showed consistent growth. The national median home price increased 57 percent in ten years, while the Hartford region price grew approximately 45 percent. The New Haven-Meriden region's median price, on the other hand, grew at a rate that was less than half those totals, nearly 22 percent.

The home valuations recorded on building permits are the costs of construction. This figure excludes the cost of on-site development and improvements, and the cost of heating, plumbing, electrical and elevator installations. The total home valuations reached $1.664 billion in 2003, a 27.7 percent increase

Table 2:

State/City	Population Estimates: Census 2000	2003	% Change 2000-03	Housing Inventory: Census 2000	2003	% Change 2000-03
Connecticut	3,405,565	3,483,372	2.3%	1,385,975	1,410,962	1.8%
Bridgeport	139,529	139,664	0.1%	54,367	54,191	-0.3%
New Haven	123,626	124,512	0.7%	52,941	52,740	-0.4%
Hartford	124,121	124,387	0.2%	50,644	50,722	0.2%
Stamford	117,083	120,107	2.6%	47,317	47,934	1.3%
Waterbury	107,271	108,130	0.8%	46,827	46,988	0.3%

Data source: US Census

from $1.303 billion in 1993. The total construction cost for the 10,435 new units alone represented approximately one percent of the gross state product, a significant contribution to the State's economy.

Housing and population

Based on a three-year moving average of permit data, Connecticut's new housing market grew at an annual average rate of 1.7 percent from 1993 through 2003. About 61 percent of the towns and cities experienced growth while half of the State performed above the average. The Town of Vernon was the fastest growing community with regard to housing permits, with a growth rate of 24.8 percent; followed by Canton (20.1 percent), Hampton (19.4 percent) and Norwich (19.3 percent).

One of the factors that drives the growing housing market is the increase in population. Supporting this conclusion are the population estimates released in June of this year by the U.S. Census Bureau. This new data shows that Connecticut's population grew 2.3 percent on average between 2000 and 2003. Table 2 on page 2 shows the changes in population and housing stock in Connecticut's five largest cities. Stamford's population increase (3,024) exceeded the other four cities combined (2,146).

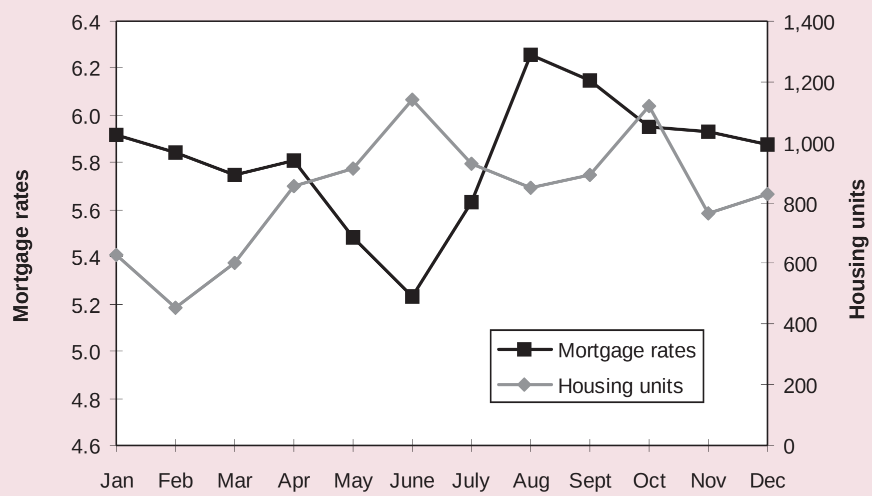
During the same period, the State's housing inventory increased 1.8 percent. Stamford, Waterbury and Hartford showed housing gains, while New Haven and Bridgeport experienced a net loss of housing stock. The loss of housing inventory was due to a high volume of demolitions that occurred in the last few years.

In comparing the growth rate of population and housing stock, it is noted that population grew at a faster rate than housing by 0.5 percent. This translates into a shortage of almost 6,700 housing units, and suggests that the demand for new housing outpaced supply.

Mortgage rates

Mortgage rates are indirectly related to interest rates set by the Federal Reserve Bank (Fed). In 2003, the Fed left interest rates unchanged. Mortgage rates in 2003 fluctuated between a low of 5.23 percent and a high of 6.25 percent. As chart 2 above shows, permits tended to rise when mortgage rates fell, and vice versa, clearly showing an inverse relationship between rates and permits. Data from the Federal Home Loan Mortgage Corporation showed that mortgage rates in 2003 reached a 33-year low of 5.23 percent. Accordingly, the housing market remained strong in 2003. As interest rates rise in 2004, a slow down in housing activity can be expected. The Fed has already raised rates by 0.25 percent to 1.25 percent in June of this year. This is likely to be the beginning of a series of rate hikes that may have adverse consequences for the housing sector.

CHART 2: 2003 Housing units vs. mortgage rates



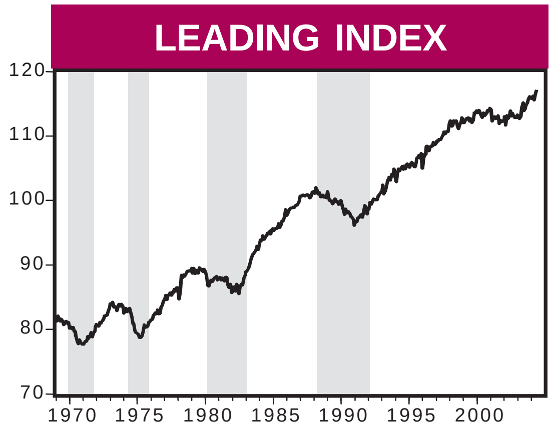
Source: US Census, Federal Home Loan Mortgage Corp.

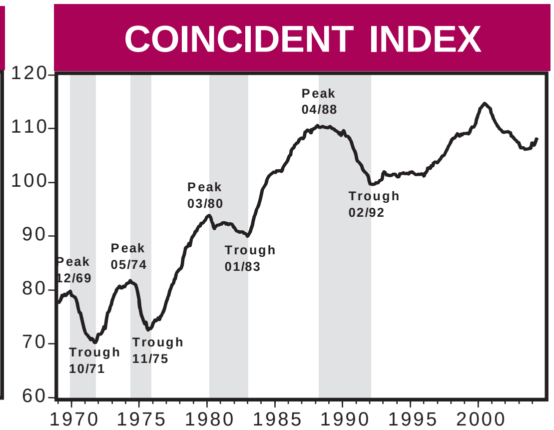
Subsidized housing units

The annual Affordable Housing Appeals Procedure List, published by the Department of Economic and Community Development, shows the percentage of assisted housing by municipality. Subsidized housing includes: (1) units receiving financial assistance from governmental programs such as State Rental Assistance; (2) housing currently financed by the Connecticut Housing Finance Authority; and (3) properties with deed restrictions requiring that the property be sold or rented at or below prices which equal less than the 80 percent of area median income. The income limits guidelines are established by the U.S. Department of Housing and Urban Development.

In 2003, there were 152,658

--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.

Little progress made in the first half of 2004

Although growth in the U.S. economy appears to have moderated in recent months, nevertheless, the Federal Reserve raised its target Federal funds rate by 25 basis points at its FOMC meeting August 10 to 1½ percent. This is widely interpreted to be a reflection of the Federal Reserve's belief that the recent softness in the economy is only temporary. Moreover, the continued increase in energy costs may potentially pose an inflationary threat for the near future. With the presidential election two months away, and the polls are not showing a clear front runner, employers may adopt a wait-and-see attitude. Thus, the recent softness in the U.S. economy, especially in the job market may continue into the next few months.

This month, the two employment indices provide moderately good news. The revised CCEA-ECRI Connecticut coincident employment index rose on a year-to-year basis from 106.32 in June 2003 to 107.86 in June 2004. All four components of this index are positive contributors, with a lower insured unemployment rate, a lower total unemployment rate, higher total nonfarm employment, and higher total employment. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut coincident employment index fell from 108.05 in May 2004 to 107.86 in June 2004. A lower insured unemployment rate is the sole positive contributor to the index, while both lower total nonfarm employment and lower total employment contributed negatively to the index. The total unemployment rate remained stable at 4.6 percent, however.

The revised CCEA-ECRI Connecticut leading employment index provided welcome news. It rose from 113.87 in June 2003 to 117.16 in June 2004. Four components of this index are positive contributors, with higher total housing permits, lower initial claims for unemployment insurance, a lower short duration (less than 15 weeks) unemployment rate, and higher average weekly hours worked in manufacturing and construction. A higher Moody's Baa corporate bond yield, and a lower Hartford help-wanted advertising index are the two negative contributors. On a sequential month-to-month basis, the revised CCEA-ECRI Connecticut leading employment index rose from 116.49 in May 2004 to 117.16 in June 2004. Higher total housing permits, a lower short duration (less than 15 weeks) unemployment rate, and a higher help wanted index are positive contributors. On the other hand, a higher Moody's Baa corporate bond yield, higher initial claims for unemployment insurance, and lower average weekly hours worked in manufacturing and construction are the three negative contributors to this index.

After increasing for the past two months, total employment in Connecticut fell by 3,500 persons employed in June 2004. Total nonfarm employment fell by 2,000 jobs in June 2004 after increasing by about 4,000 jobs in each of the previous two months. The total unemployment rate, however, remained constant at 4.6 percent for April through June 2004, while the insured unemployment rate fell in each of the last three months. These indicators present mixed signals, and thus perhaps it is best not to read too much into month-to-month fluctuations. Taking a longer-term view, both the insured unemployment rate and the total unemployment rate fell for the first half of 2004, from 3.20 percent to 2.81, and from 4.7 percent to 4.6 percent, respectively. Both total nonfarm employment and total employment rose modestly for the same period, by about 3,000 jobs and 1,000 persons employed, respectively. Thus, we have made modest progress in the first half of 2004. As the leading employment index continues to improve, I am optimistic that we will continue to make progress for the second half of 2004. ■

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.

--Continued from page 3--

subsidized housing units, 11 percent of the Census 2000 housing stock. The largest five cities shared more than 40 percent of the subsidized units, while the City of Hartford showed the largest number and percentage of assisted units. Connecticut General Statue 8-30g states that municipalities with more than ten percent of their housing stock designated as assisted housing units are exempt from the appeal process. Through the appeal process, developers are entitled to appeal decisions made by a local board or commission in regard to affordable housing projects. Currently, 29 cities and towns are on the exempt list.

Outlook

Will the housing sector continue to grow in 2004? It depends on a number of factors. Certainly, the overall economy plays an important role as do interest rates and personal income. Halfway into this year, new permits have increased almost 18 percent compared to a year ago. That fact, combined with Connecticut's improved economy, leads me to believe that the housing market will keep pace with—if not surpass—2003 levels. ■

HOUSING UPDATE

July year-to-date permits up 19 percent

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development (DECD) announced that Connecticut communities authorized 1,154 new housing units in July 2004, a 24.4 percent increase compared to July of 2003 when 928 units were authorized.

The Department further indicated that the 1,154 units permitted in July 2004 represent a 10.1 percent decrease from the 1,283 units permitted in June 2004. The year-to-date permits are up 19.0 percent, from 5,526 through July 2003, to 6,577 through July 2004.

The Stamford Labor Market Area showed the largest increase in terms of units (95) and percentage growth (215.9) compared to a year ago. Danbury led all municipalities with 90 units, followed by Stamford with 61, and Southington with 41. From a county perspective, only Hartford County showed year-to-date loss.

See data tables on pages 19 and 22.

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2004	2Q 2003	CHANGE NO.	CHANGE %	1Q 2004
Employment Indexes (1992=100)*					
Leading	116.4	114.2	2.2	1.9	116.0
Coincident	107.8	106.4	1.4	1.3	107.2
General Drift Indicator (1986=100)*					
Leading	102.3	100.9	1.4	1.4	102.1
Coincident	101.5	101.2	0.3	0.3	101.6
Banknorth Business Barometer (1992=100)**	117.5	115.7	1.8	1.6	117.0

*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 decreased by 100 over the year.

EMPLOYMENT BY INDUSTRY SECTOR

(Seasonally adjusted; 000s)	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM	1637.5	1,639.0	-1.5	-0.1	1,642.4
Construction	62.2	61.7	0.5	0.8	61.8
Manufacturing	195.7	198.5	-2.8	-1.4	194.8
Information	39.6	39.5	0.1	0.3	39.5
Financial Activities	143.3	143.8	-0.5	-0.3	143.5
Professional and Business Services	193.8	195.4	-1.6	-0.8	194.0
Government*	242.0	243.7	-1.7	-0.7	244.7

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 fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
Unemployment Rate, resident (%)	4.6	5.7	-1.1	---	4.6
Labor Force, resident (000s)	1,793.5	1,804.4	-10.9	-0.6	1,792.8
Employed (000s)	1,711.4	1,702.1	9.3	0.5	1,710.7
Unemployed (000s)	82.1	102.3	-20.2	-19.7	82.0
Average Weekly Initial Claims	3,917	4,962	-1,045	-21.1	4,079
Help Wanted Index -- Htfd. (1987=100)	10	8	2	25.0	12
Avg. Insured Unemp. Rate (%)	2.82	3.33	-0.51	---	2.63

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004	MAY 2004
Average Weekly Hours	41.4	40.5	0.9	2.2	42.0	--
Average Hourly Earnings	18.25	17.89	0.36	2.0	18.08	--
Average Weekly Earnings	755.55	724.55	31.00	4.3	759.36	--
CT Mfg. Production Index (1986=100)*	115.1	115.2	-0.1	-0.1	114.8	117.4
Production Worker Hours (000s)	4,804	4,781	23	0.5	4,987	--
Industrial Electricity Sales (mil kWh)**	443	459	-16.0	-3.5	473	441

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

Personal income for fourth quarter 2004 is forecasted to increase 4.6 percent from a year earlier.

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	4Q* 2004	4Q 2003	CHANGE NO.	CHANGE %	3Q* 2004
Personal Income	$159,536	$152,468	$7,068	4.6	$157,850
UI Covered Wages	$82,162	$78,058	$4,104	5.3	$81,551

Source: Bureau of Economic Analysis: July 2004 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
New Housing Permits	JUL 2004	1,154	24.4	6,577	5,526	19.0
Electricity Sales (mil kWh)	MAY 2004	2,435	5.6	13,125	12,820	2.4
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts Index (1980=100)	JUL 2004	588.5	84.9	---	---	---
New Auto Registrations	JUL 2004	18,633	-23.1	136,144	140,149	-2.9
Air Cargo Tons	JUL 2004	12,807	10.3	87,870	78,986	11.2
Exports (Bil. $)	2Q 2004	2.17	3.3	4.33	4.10	5.6

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

Year-to-date new housing permits were up 19 percent from a year ago.

BUSINESS STARTS AND TERMINATIONS

	MO/QTR	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
STARTS						
Secretary of the State	JUL 2004	2,280	5.6	17,426	15,781	10.4
Department of Labor*	3Q 2003	1,900	-10.0	4,144	4,362	-5.0
TERMINATIONS						
Secretary of the State	JUL 2004	594	-2.8	5,213	5,883	-11.4
Department of Labor*	3Q 2003	1,046	-18.1	2,635	3,873	-32.0

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

Net business formation, as measured by starts minus stops registered with the Secretary of the State, was up 23.4 percent to 12,213 from the same period last year.

STATE REVENUES

(Millions of dollars)	JUL 2004	JUL 2003	% CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
TOTAL ALL REVENUES*	NA	40.4	NA	NA	5,160.0	NA
Corporate Tax	NA	0.0	NA	NA	261.4	NA
Personal Income Tax	NA	0.0	NA	NA	2,428.4	NA
Real Estate Conv. Tax	NA	0.0	NA	NA	57.0	NA
Sales & Use Tax	NA	8.7	NA	NA	1,512.3	NA
Indian Gaming Payments**	39.0	36.2	7.7	238.2	230.2	3.5

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.*

Gaming payments revenue increased 3.5 percent so far this year from the year-to-date level last year.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y % CHG	YEAR TO DATE CURRENT	YEAR TO DATE PRIOR	% CHG
Info Center Visitors	JUL 2004	69,745	-27.2	221,129	254,353	-13.1
Major Attraction Visitors	JUL 2004	289,624	0.6	1,079,427	1,080,380	-0.1
Air Passenger Count	JUL 2004	609,473	5.7	3,864,070	3,641,288	6.1
Indian Gaming Slots (Mil.$)*	JUL 2004	1,927	10.8	11,723	11,217	4.5
Travel and Tourism Index**	2Q 2004	---	-1.0	---	---	---

Sources: Connecticut Department of Transportation, Bureau of Aviation and Ports; Connecticut Department of Economic and Community Development; Connecticut Lodging & Attractions Association; Division of Special Revenue
**See page 23 for explanation*
***The Connecticut Economy, Connecticut Center for Economic Analysis, University of Connecticut*

Year-to-date air passenger traffic was up 6.1 percent from a year ago.

Compensation cost for the nation rose 4.0 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers *(June 1989=100)*	Seasonally Adjusted JUN 2004	MAR 2004	3-Mo % Chg	Not Seasonally Adjusted JUN 2004	JUN 2003	12-Mo % Chg
UNITED STATES TOTAL	173.0	171.3	1.0	173.0	166.4	4.0
Wages and Salaries	164.4	163.5	0.6	164.5	160.4	2.6
Benefit Costs	194.5	191.2	1.7	195.3	182.0	7.3
NORTHEAST TOTAL	---	---	---	172.3	165.2	4.3
Wages and Salaries	---	---	---	163.6	158.4	3.3

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

The July U.S. inflation rate was 3.0 percent. New England consumer Connecticut consumer confidence increased 32.1 percent from a year ago.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
Connecticut**	2Q 2004	---	NA	---
CPI-U (1982-84=100)				
U.S. City Average	JUL 2004	189.4	3.0	-0.2
Purchasing Power of $ (1982-84=$1.00)	JUL 2004	$0.528	-2.9	0.2
Northeast Region	JUL 2004	201.0	3.9	0.0
NY-Northern NJ-Long Island	JUL 2004	205.5	3.9	-0.2
Boston-Brockton-Nashua***	JUL 2004	208.9	2.9	0.1
CPI-W (1982-84=100)				
U.S. City Average	JUL 2004	184.9	3.0	-0.2
CONSUMER CONFIDENCE (1985=100)				
Connecticut**	2Q 2004	105.4	32.1	12.1
New England	JUL 2004	102.2	79.9	2.1
U.S.	JUL 2004	106.1	3.2	37.8

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

July's 30-year conventional mortgage rate fell to 6.06 percent over the month.

INTEREST RATES

(Percent)	JUL 2004	JUN 2004	JUL 2003
Prime	4.25	4.00	4.00
Federal Funds	1.26	1.03	1.01
3 Month Treasury Bill	1.33	1.27	0.90
6 Month Treasury Bill	1.66	1.60	0.95
1 Year Treasury Bill	2.10	2.12	1.21
3 Year Treasury Note	3.05	3.26	2.23
5 Year Treasury Note	3.69	3.93	3.15
7 Year Treasury Note	4.11	4.35	3.76
10 Year Treasury Note	4.50	4.73	4.32
20 Year Treasury Note	5.24	5.45	5.21
Conventional Mortgage	6.06	6.29	5.63

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

Seven out of the nine states in the region added jobs over the year.

(Seasonally adjusted; 000s)	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
Connecticut	1,637.5	1,639.0	-1.5	-0.1	1,642.4
Maine	611.5	605.9	5.6	0.9	610.1
Massachusetts	3,183.0	3,184.9	-1.9	-0.1	3,171.4
New Hampshire	629.5	617.1	12.4	2.0	626.6
New Jersey	4,042.2	3,985.3	56.9	1.4	4,042.8
New York	8,448.0	8,389.4	58.6	0.7	8,464.9
Pennsylvania	5,636.8	5,600.5	36.3	0.6	5,639.6
Rhode Island	489.9	485.5	4.4	0.9	488.7
Vermont	299.7	298.7	1.0	0.3	301.5
United States	131,272.0	129,814.0	1,458.0	1.1	131,240.0

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)	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
Connecticut	1,793.5	1,804.4	-10.9	-0.6	1,792.8
Maine	697.6	693.8	3.8	0.5	699.9
Massachusetts	3,414.8	3,411.8	3.0	0.1	3,408.2
New Hampshire	733.6	721.6	12.0	1.7	729.0
New Jersey	4,420.8	4,392.0	28.8	0.7	4,402.0
New York	9,328.6	9,300.5	28.1	0.3	9,308.3
Pennsylvania	6,264.9	6,164.4	100.5	1.6	6,238.8
Rhode Island	572.2	575.5	-3.3	-0.6	569.2
Vermont	354.1	351.1	3.0	0.9	353.4
United States	147,856.0	146,652.0	1,204.0	0.8	147,279.0

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

UNEMPLOYMENT RATES

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

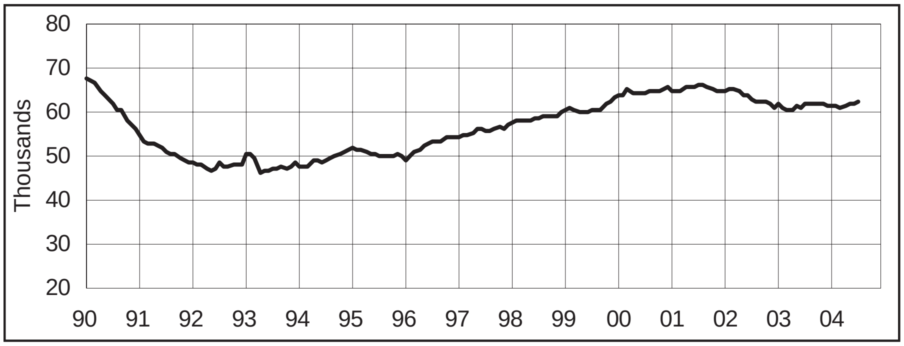
(Seasonally adjusted)	JUL 2004	JUL 2003	CHANGE	JUN 2004
Connecticut	4.6	5.7	-1.1	4.6
Maine	4.2	5.1	-0.9	4.1
Massachusetts	5.3	5.8	-0.5	5.3
New Hampshire	3.9	4.3	-0.4	3.9
New Jersey	5.0	6.1	-1.1	4.7
New York	5.9	6.4	-0.5	6.2
Pennsylvania	5.3	5.6	-0.3	5.6
Rhode Island	5.7	5.3	0.4	5.8
Vermont	3.4	4.6	-1.2	3.4
United States	5.5	6.2	-0.7	5.6

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

STATE

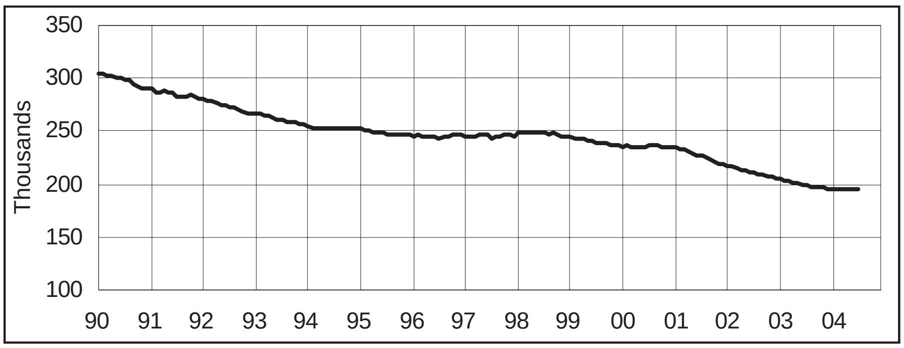
ECONOMIC INDICATOR TRENDS

CONSTRUCTION EMPLOYMENT *(Seasonally adjusted)*



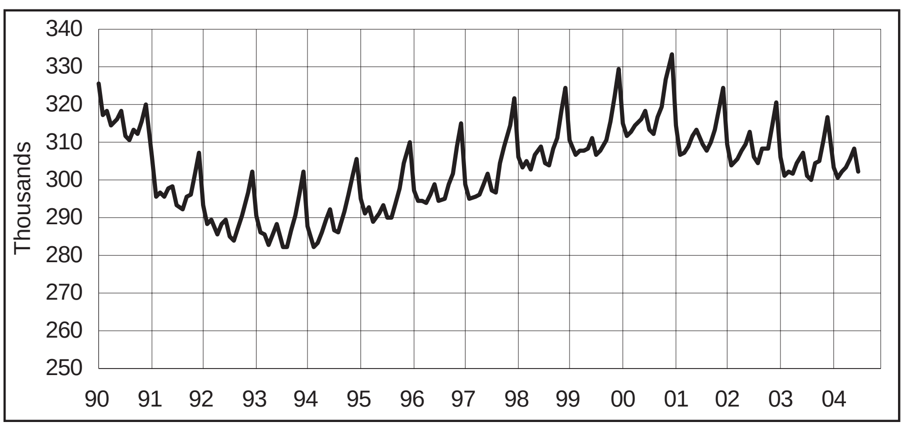
Month	2002	2003	2004
Jan	65.0	61.9	61.6
Feb	65.2	61.0	61.2
Mar	65.3	60.6	60.8
Apr	64.7	60.4	61.2
May	64.0	61.2	62.0
Jun	63.7	61.1	61.8
Jul	63.0	61.7	62.2
Aug	62.6	61.8	
Sep	62.3	61.8	
Oct	62.2	62.0	
Nov	61.9	61.9	
Dec	61.1	61.4	

MANUFACTURING EMPLOYMENT *(Seasonally adjusted)*



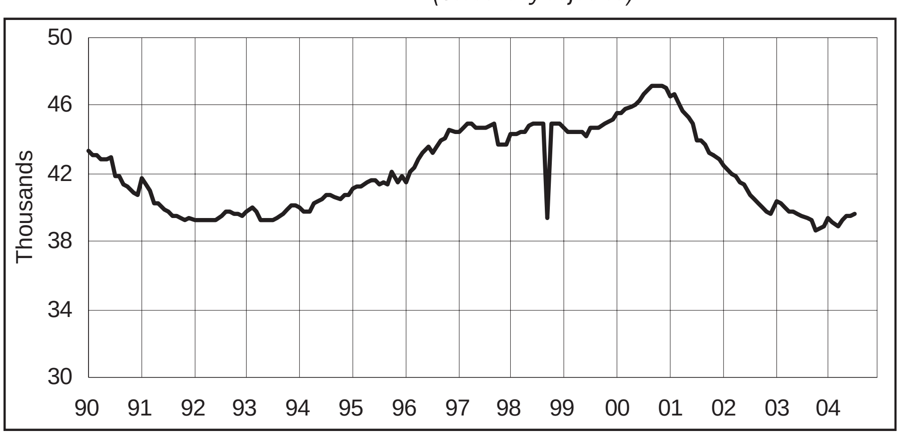
Month	2002	2003	2004
Jan	217.6	204.5	195.0
Feb	216.3	203.2	194.3
Mar	215.1	202.3	194.5
Apr	213.8	201.7	194.5
May	213.0	200.6	194.7
Jun	211.5	199.7	194.8
Jul	210.4	198.5	195.7
Aug	209.6	197.5	
Sep	208.3	196.6	
Oct	207.3	196.9	
Nov	206.2	196.7	
Dec	205.1	196.2	

TRADE, TRANSPORTATION, & UTILITIES EMP. *(Not seasonally adjusted)*



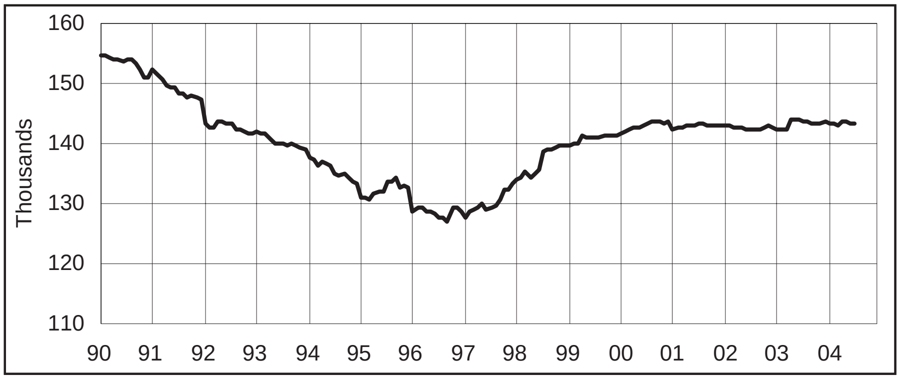
Month	2002	2003	2004
Jan	309.4	306.3	303.2
Feb	303.8	300.9	300.7
Mar	305.4	302.5	302.3
Apr	307.7	301.7	303.2
May	309.7	304.3	305.7
Jun	312.7	307.2	308.4
Jul	305.9	301.3	302.1
Aug	304.3	300.1	
Sep	308.6	304.6	
Oct	308.2	304.9	
Nov	314.3	310.8	
Dec	320.4	316.4	

INFORMATION EMPLOYMENT *(Seasonally adjusted)*



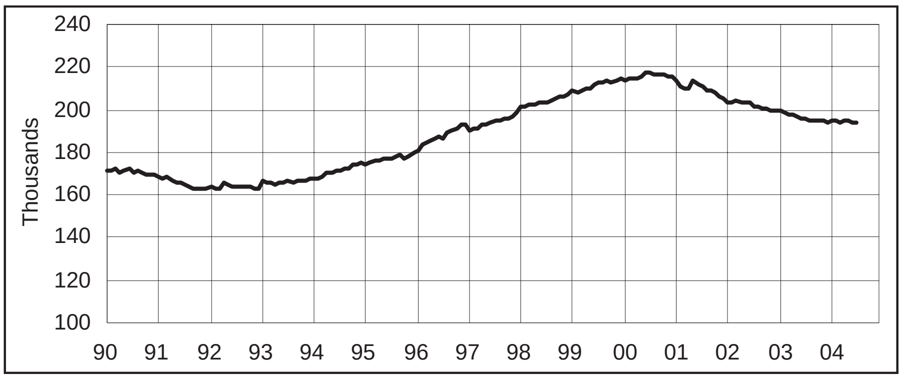
Month	2002	2003	2004
Jan	42.5	40.4	39.4
Feb	42.2	40.2	39.1
Mar	42.0	40.0	38.9
Apr	41.8	39.8	39.3
May	41.5	39.7	39.5
Jun	41.3	39.6	39.5
Jul	40.8	39.5	39.6
Aug	40.5	39.4	
Sep	40.3	39.2	
Oct	40.0	38.7	
Nov	39.7	38.8	
Dec	39.6	38.9	

FINANCIAL ACTIVITIES EMPLOYMENT *(Seasonally adjusted)*



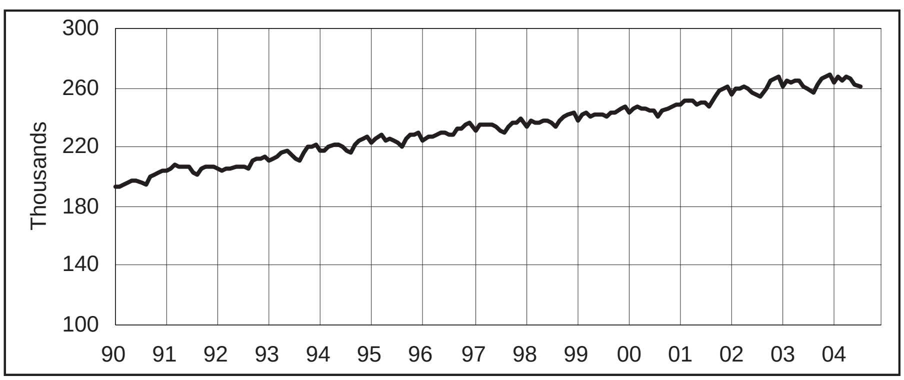
Month	2002	2003	2004
Jan	143.0	142.5	143.2
Feb	142.9	142.4	143.2
Mar	142.7	142.3	143.0
Apr	142.6	143.9	143.7
May	142.6	143.9	143.6
Jun	142.4	143.9	143.5
Jul	142.3	143.8	143.3
Aug	142.4	143.6	
Sep	142.5	143.4	
Oct	142.6	143.4	
Nov	142.9	143.3	
Dec	142.7	143.6	

PROFESSIONAL & BUSINESS SERV. EMPLOYMENT *(Seasonally adjusted)*



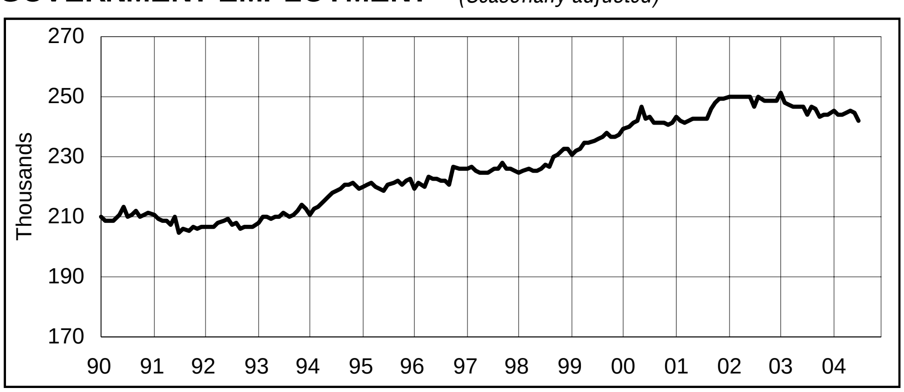
Month	2002	2003	2004
Jan	203.6	199.2	194.6
Feb	203.4	198.8	194.8
Mar	204.2	197.8	193.7
Apr	203.5	197.3	194.6
May	203.2	196.5	194.7
Jun	202.9	195.7	194.0
Jul	201.9	195.4	193.8
Aug	201.5	195.2	
Sep	200.5	195.3	
Oct	200.2	194.7	
Nov	199.9	195.0	
Dec	199.4	194.2	

EDUCATIONAL & HEALTH SERV. EMPLOYMENT *(Not seasonally adjusted)*



Month	2002	2003	2004
Jan	255.1	261.1	263.2
Feb	258.9	264.3	267.2
Mar	258.9	263.0	265.5
Apr	260.3	265.0	267.5
May	259.6	264.3	266.7
Jun	257.1	260.8	262.7
Jul	255.9	259.0	260.8
Aug	253.7	256.1	
Sep	259.4	261.5	
Oct	264.4	266.6	
Nov	266.5	268.2	
Dec	266.9	268.6	

GOVERNMENT EMPLOYMENT* *(Seasonally adjusted)*



Month	2002	2003	2004
Jan	250.0	251.3	245.3
Feb	250.1	247.7	244.0
Mar	250.0	247.4	244.1
Apr	249.7	246.8	244.6
May	249.9	247.0	245.5
Jun	250.3	246.6	244.7
Jul	246.6	243.7	242.0
Aug	250.0	246.8	
Sep	248.9	246.0	
Oct	248.5	243.1	
Nov	248.9	244.3	
Dec	248.7	244.2	

**Includes Indian tribal government employment*

CONNECTICUT

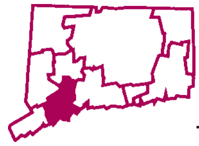
Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT……………	**1,633,400**	**1,632,900**	**500**	**0.0**	**1,659,000**
GOODS PRODUCING INDUSTRIES…………..	**261,200**	**263,300**	**-2,100**	**-0.8**	**260,900**
CONSTRUCTION, NAT. RES. & MINING…….	**66,600**	**66,400**	**200**	**0.3**	**65,500**
MANUFACTURING……………………………	**194,600**	**196,900**	**-2,300**	**-1.2**	**195,400**
Durable Goods………………………………	**143,900**	**145,600**	**-1,700**	**-1.2**	**144,300**
Fabricated Metal………………………………	32,600	32,700	-100	-0.3	32,700
Machinery……………………………………	17,600	18,400	-800	-4.3	17,700
Computer and Electronic Product…………..	15,000	15,800	-800	-5.1	15,000
Electrical Equipment………………………..	10,600	10,400	200	1.9	10,800
Transportation Equipment	42,400	43,400	-1,000	-2.3	42,400
Aerospace Product and Parts………………	29,600	30,400	-800	-2.6	29,600
Non-Durable Goods…………………………	**50,700**	**51,300**	**-600**	**-1.2**	**51,100**
Printing and Related…………………………	7,500	7,900	-400	-5.1	7,600
Chemical………………………………………	17,600	17,500	100	0.6	17,700
Plastics and Rubber Products………………	8,200	8,000	200	2.5	8,300
SERVICE PROVIDING INDUSTRIES…………	**1,372,200**	**1,369,600**	**2,600**	**0.2**	**1,398,100**
TRADE, TRANSPORTATION, UTILITIES…..	**302,100**	**301,300**	**800**	**0.3**	**308,400**
Wholesale Trade………………………………	65,800	65,700	100	0.2	65,900
Retail Trade……………………………………	190,300	190,000	300	0.2	192,800
Motor Vehicle and Parts Dealers……………	22,700	22,700	0	0.0	22,700
Building Material………………………………	16,700	16,700	0	0.0	17,100
Food and Beverage Stores…………………..	43,700	43,800	-100	-0.2	44,700
General Merchandise Stores…………………	23,100	23,000	100	0.4	23,100
Transportation, Warehousing, & Utilities……..	46,000	45,600	400	0.9	49,700
Utilities…………………………………………	8,600	8,800	-200	-2.3	8,600
Transportation and Warehousing……………	37,400	36,800	600	1.6	41,100
INFORMATION…………………………………	**39,700**	**39,700**	**0**	**0.0**	**39,700**
Telecommunications…………………………..	14,000	14,100	-100	-0.7	14,000
FINANCIAL ACTIVITIES………………………	**144,600**	**145,400**	**-800**	**-0.6**	**144,400**
Finance and Insurance………………………..	123,700	124,500	-800	-0.6	123,600
Credit Intermediation…………………………	32,700	33,300	-600	-1.8	33,200
Securities and Commodity Contracts……….	18,200	17,600	600	3.4	17,900
Insurance Carriers & Related Activities…….	67,800	68,600	-800	-1.2	67,600
Real Estate and Rental and Leasing………….	20,900	20,900	0	0.0	20,800
PROFESSIONAL & BUSINESS SERVICES	**194,700**	**196,600**	**-1,900**	**-1.0**	**196,700**
Professional, Scientific………………………..	86,400	87,300	-900	-1.0	86,900
Legal Services………………………………..	15,300	15,100	200	1.3	15,400
Computer Systems Design…………………..	17,600	18,200	-600	-3.3	17,600
Management of Companies…………………..	27,600	27,800	-200	-0.7	27,700
Administrative and Support…………………..	80,700	81,500	-800	-1.0	82,100
Employment Services………………………..	26,000	26,100	-100	-0.4	26,600
EDUCATIONAL AND HEALTH SERVICES	**260,800**	**259,000**	**1,800**	**0.7**	**262,700**
Educational Services…………………………..	44,100	43,500	600	1.4	45,700
Health Care and Social Assistance…………..	216,700	215,500	1,200	0.6	217,000
Hospitals………………………………………	54,400	54,400	0	0.0	54,300
Nursing & Residential Care Facilities……….	57,400	56,900	500	0.9	57,400
Social Assistance……………………………	33,100	33,000	100	0.3	33,400
LEISURE AND HOSPITALITY…………………	**140,700**	**136,000**	**4,700**	**3.5**	**138,400**
Arts, Entertainment, and Recreation………….	31,900	30,100	1,800	6.0	29,400
Accommodation and Food Services………….	108,800	105,900	2,900	2.7	109,000
Food Serv., Restaurants, Drinking Places…..	96,200	93,000	3,200	3.4	96,900
OTHER SERVICES……………………………	**64,300**	**63,700**	**600**	**0.9**	**63,900**
GOVERNMENT ………………………………	**225,300**	**227,900**	**-2,600**	**-1.1**	**243,900**
Federal Government………………………….	20,300	20,900	-600	-2.9	20,300
State Government……………………………..	60,600	62,000	-1,400	-2.3	61,100
**Local Government……………………………..	144,400	145,000	-600	-0.4	162,500

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

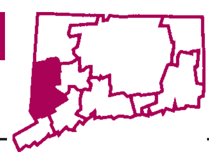
BRIDGEPORT LMA



	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
	Not Seasonally Adjusted				
TOTAL NONFARM EMPLOYMENT…………….	**181,900**	**182,600**	**-700**	**-0.4**	**185,700**
GOODS PRODUCING INDUSTRIES……………	**35,400**	**36,300**	**-900**	**-2.5**	**35,800**
CONSTRUCTION, NAT. RES. & MINING…….	**7,200**	**7,200**	**0**	**0.0**	**7,100**
MANUFACTURING…………………………….	**28,200**	**29,100**	**-900**	**-3.1**	**28,700**
Durable Goods……………………………….	**23,500**	**24,200**	**-700**	**-2.9**	**23,900**
SERVICE PROVIDING INDUSTRIES………….	**146,500**	**146,300**	**200**	**0.1**	**149,900**
TRADE, TRANSPORTATION, UTILITIES…..	**35,500**	**35,700**	**-200**	**-0.6**	**36,100**
Wholesale Trade………………………………	7,000	7,100	-100	-1.4	7,000
Retail Trade……………………………………	23,700	23,400	300	1.3	24,000
Transportation, Warehousing, & Utilities……..	4,800	5,200	-400	-7.7	5,100
INFORMATION………………………………….	**4,100**	**4,300**	**-200**	**-4.7**	**4,200**
FINANCIAL ACTIVITIES……………………….	**13,700**	**13,300**	**400**	**3.0**	**13,700**
PROFESSIONAL & BUSINESS SERVICES	**18,700**	**19,700**	**-1,000**	**-5.1**	**19,200**
EDUCATIONAL AND HEALTH SERVICES	**32,000**	**31,300**	**700**	**2.2**	**32,000**
LEISURE AND HOSPITALITY………………….	**15,400**	**14,500**	**900**	**6.2**	**15,200**
Accommodation and Food Services…………	11,500	11,100	400	3.6	11,400
OTHER SERVICES…………………………….	**6,500**	**6,700**	**-200**	**-3.0**	**6,600**
GOVERNMENT ……………………………….	**20,600**	**20,800**	**-200**	**-1.0**	**22,900**
Federal………………………………………….	1,800	1,900	-100	-5.3	1,800
State & Local……………………………………	18,800	18,900	-100	-0.5	21,100

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

DANBURY LMA



	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
	Not Seasonally Adjusted				
TOTAL NONFARM EMPLOYMENT…………….	**88,900**	**88,300**	**600**	**0.7**	**90,400**
GOODS PRODUCING INDUSTRIES……………	**16,000**	**16,900**	**-900**	**-5.3**	**16,300**
CONSTRUCTION, NAT. RES. & MINING…….	**4,400**	**4,300**	**100**	**2.3**	**4,400**
MANUFACTURING…………………………….	**11,600**	**12,600**	**-1,000**	**-7.9**	**11,900**
SERVICE PROVIDING INDUSTRIES………….	**72,900**	**71,400**	**1,500**	**2.1**	**74,100**
TRADE, TRANSPORTATION, UTILITIES…..	**19,200**	**18,500**	**700**	**3.8**	**19,500**
Wholesale Trade………………………………	3,000	2,800	200	7.1	2,900
Retail Trade……………………………………	14,500	14,000	500	3.6	14,800
INFORMATION………………………………….	**2,600**	**2,800**	**-200**	**-7.1**	**2,600**
FINANCIAL ACTIVITIES……………………….	**4,300**	**4,300**	**0**	**0.0**	**4,300**
PROFESSIONAL & BUSINESS SERVICES	**9,800**	**10,300**	**-500**	**-4.9**	**9,900**
EDUCATIONAL AND HEALTH SERVICES	**13,700**	**13,000**	**700**	**5.4**	**13,800**
LEISURE AND HOSPITALITY………………….	**7,600**	**7,700**	**-100**	**-1.3**	**7,400**
OTHER SERVICES…………………………….	**4,300**	**4,000**	**300**	**7.5**	**4,200**
GOVERNMENT ……………………………….	**11,400**	**10,800**	**600**	**5.6**	**12,400**
Federal………………………………………….	700	800	-100	-12.5	700
State & Local……………………………………	10,700	10,000	700	7.0	11,700

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.
**Total excludes workers idled due to labor-management disputes.*

HARTFORD LMA

Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT	**582,300**	**590,500**	**-8,200**	**-1.4**	**591,900**
GOODS PRODUCING INDUSTRIES	**90,400**	**95,600**	**-5,200**	**-5.4**	**90,900**
CONSTRUCTION, NAT. RES. & MINING	**21,200**	**22,300**	**-1,100**	**-4.9**	**20,900**
MANUFACTURING	**69,200**	**73,300**	**-4,100**	**-5.6**	**70,000**
Durable Goods	**57,100**	**60,400**	**-3,300**	**-5.5**	**57,800**
Fabricated Metal	14,000	14,800	-800	-5.4	14,400
Non-Durable Goods	**12,100**	**12,900**	**-800**	**-6.2**	**12,200**
SERVICE PROVIDING INDUSTRIES	**491,900**	**494,900**	**-3,000**	**-0.6**	**501,000**
TRADE, TRANSPORTATION, UTILITIES	**99,400**	**101,800**	**-2,400**	**-2.4**	**101,400**
Wholesale Trade	22,800	22,600	200	0.9	22,900
Retail Trade	58,500	60,600	-2,100	-3.5	59,400
Transportation, Warehousing, & Utilities	18,100	18,600	-500	-2.7	19,100
Transportation and Warehousing	14,400	14,900	-500	-3.4	15,400
INFORMATION	**11,500**	**11,900**	**-400**	**-3.4**	**11,500**
FINANCIAL ACTIVITIES	**71,200**	**73,400**	**-2,200**	**-3.0**	**71,100**
Finance and Insurance	65,700	67,300	-1,600	-2.4	65,600
Insurance Carriers & Related Activities	48,500	49,500	-1,000	-2.0	48,200
PROFESSIONAL & BUSINESS SERVICES	**61,900**	**60,900**	**1,000**	**1.6**	**62,400**
Professional, Scientific	27,200	27,400	-200	-0.7	27,400
Administrative and Support	26,200	26,600	-400	-1.5	26,400
EDUCATIONAL AND HEALTH SERVICES	**87,400**	**87,200**	**200**	**0.2**	**88,000**
Health Care and Social Assistance	78,400	77,800	600	0.8	78,500
LEISURE AND HOSPITALITY	**45,000**	**43,900**	**1,100**	**2.5**	**44,800**
Accommodation and Food Services	36,400	35,100	1,300	3.7	36,600
Food Serv., Restaurants, Drinking Places	32,400	31,800	600	1.9	32,400
OTHER SERVICES	**24,600**	**24,600**	**0**	**0.0**	**24,600**
GOVERNMENT	**90,900**	**91,200**	**-300**	**-0.3**	**97,200**
Federal	7,100	7,200	-100	-1.4	7,100
State & Local	83,800	84,000	-200	-0.2	90,100

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 2003.
**Total excludes workers idled due to labor-management disputes.*

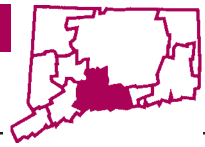
BUSINESS AND ECONOMIC NEWS

- **School enrollment and labor force participation**
  Typically, youths who are enrolled in school (in U.S.) are less likely to be in the labor force than those who are not enrolled in school. In 1969 and 1979, when the baby boomers composed the entire youth population, their school enrollment rates were 46.6 percent and 42.1 percent, respectively. Even with the high percentage of young men enrolled in school in the late 1960s, generation X and the echo boomers in later years had higher school enrollment rates than the baby boom generation had. Conversely, in every age-and-sex subset of the youth population other than women aged 20 to 24 years, the labor force participation rate was lower in 2002 than it had been in 1979. From 1979 through 2002, the overall labor force participation rate for persons 16 to 24 years of age similarly edged down as their school enrollment rate rose.
  (The Editor's Desk, Bureau of Labor Statistics, http://www.bls.gov/opub/ted/2004/jul/wk4/art01.htm)

- **How outsourcing creates jobs for Americans**
  Outsourcing is the result of increased economic globalization and in the long run leads to insourcing of better higher-

--Continued on the following page--

NEW HAVEN LMA



Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT	**252,000**	**252,400**	**-400**	**-0.2**	**254,900**
GOODS PRODUCING INDUSTRIES	**40,900**	**41,500**	**-600**	**-1.4**	**40,400**
CONSTRUCTION, NAT. RES. & MINING	**10,200**	**10,600**	**-400**	**-3.8**	**9,900**
MANUFACTURING	**30,700**	**30,900**	**-200**	**-0.6**	**30,500**
Durable Goods	**20,500**	**20,200**	**300**	**1.5**	**20,300**
Non-Durable Goods	**10,200**	**10,700**	**-500**	**-4.7**	**10,200**
SERVICE PROVIDING INDUSTRIES	**211,100**	**210,900**	**200**	**0.1**	**214,500**
TRADE, TRANSPORTATION, UTILITIES	**45,400**	**46,200**	**-800**	**-1.7**	**45,600**
Wholesale Trade	10,200	10,300	-100	-1.0	10,200
Retail Trade	27,600	28,400	-800	-2.8	27,500
Transportation, Warehousing, & Utilities	7,600	7,500	100	1.3	7,900
INFORMATION	**9,300**	**9,200**	**100**	**1.1**	**9,300**
Telecommunications	6,100	5,900	200	3.4	6,000
FINANCIAL ACTIVITIES	**14,100**	**13,900**	**200**	**1.4**	**13,700**
Finance and Insurance	10,000	10,100	-100	-1.0	9,900
PROFESSIONAL & BUSINESS SERVICES	**25,300**	**25,500**	**-200**	**-0.8**	**25,500**
Administrative and Support	10,100	11,500	-1,400	-12.2	10,500
EDUCATIONAL AND HEALTH SERVICES	**57,400**	**56,700**	**700**	**1.2**	**58,700**
Educational Services	19,100	18,700	400	2.1	20,100
Health Care and Social Assistance	38,300	38,000	300	0.8	38,600
LEISURE AND HOSPITALITY	**18,400**	**18,800**	**-400**	**-2.1**	**18,300**
Accommodation and Food Services	14,900	15,100	-200	-1.3	14,900
OTHER SERVICES	**10,700**	**10,300**	**400**	**3.9**	**10,500**
GOVERNMENT	**30,500**	**30,300**	**200**	**0.7**	**32,900**
Federal	5,200	5,600	-400	-7.1	5,200
State & Local	25,300	24,700	600	2.4	27,700

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

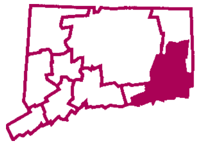
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

paying jobs in the U.S., according to a brief analysis written by NCPA Senior Fellow Bruce Bartlett.
(What's New 08-02-2004, National Center for Policy Analysis, http://www.ncpa.org/pub/ba/ba480/)

- **Assessing job quality**
  Using jobs data from the Bureau of Labor Statistics, the voter-advocacy group *Factcheck.org* recently weighed in on the debate over the quality of the jobs being added to the U.S. workforce. Factcheck.org purported to find "good evidence that job quality has increased over the past year or more." EPI's new Issue Brief, Assessing Job Quality <http://www.epinet.org/content.cfm/issuebriefs_ib200> , shows that Factcheck.org's analysis is flawed, and the BLS data do not support the conclusion that the U.S. labor market is seeing an improvement in job quality. Authors Elise Gould, Lawrence Mishel, Jared Bernstein, and Lee Price examine the data behind the Factcheck.org claims and find that, in fact, the evidence shows that the industry and occupation categories growing most quickly over the past year pay less than those growing at a slower pace.
  (EPI News, July 2004,Economic Policy Institute, http://www.epinet.org)

NEW LONDON LMA

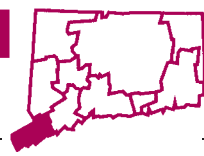


Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT……………	**148,600**	**148,400**	**200**	**0.1**	**148,700**
GOODS PRODUCING INDUSTRIES……………	**24,300**	**24,300**	**0**	**0.0**	**24,500**
CONSTRUCTION, NAT. RES. & MINING………	**5,000**	**4,900**	**100**	**2.0**	**5,000**
MANUFACTURING……………………………	**19,300**	**19,400**	**-100**	**-0.5**	**19,500**
Durable Goods………………………………	**11,900**	**11,900**	**0**	**0.0**	**12,000**
Non-Durable Goods…………………………	**7,400**	**7,500**	**-100**	**-1.3**	**7,500**
SERVICE PROVIDING INDUSTRIES……………	**124,300**	**124,100**	**200**	**0.2**	**124,200**
TRADE, TRANSPORTATION, UTILITIES…..	**24,700**	**24,400**	**300**	**1.2**	**24,800**
Wholesale Trade……………………………	2,300	2,300	0	0.0	2,300
Retail Trade…………………………………	18,400	18,100	300	1.7	18,200
Transportation, Warehousing, & Utilities………	4,000	4,000	0	0.0	4,300
INFORMATION…………………………………	**2,400**	**2,400**	**0**	**0.0**	**2,400**
FINANCIAL ACTIVITIES………………………	**3,800**	**3,700**	**100**	**2.7**	**3,700**
PROFESSIONAL & BUSINESS SERVICES	**10,700**	**10,800**	**-100**	**-0.9**	**11,100**
EDUCATIONAL AND HEALTH SERVICES	**19,000**	**18,600**	**400**	**2.2**	**19,400**
Health Care and Social Assistance……………	17,000	16,600	400	2.4	17,100
LEISURE AND HOSPITALITY…………………	**17,900**	**17,700**	**200**	**1.1**	**17,000**
Accommodation and Food Services…………	14,800	14,700	100	0.7	14,200
Food Serv., Restaurants, Drinking Places…..	11,200	11,000	200	1.8	11,000
OTHER SERVICES……………………………	**4,400**	**4,300**	**100**	**2.3**	**4,400**
GOVERNMENT ………………………………	**41,400**	**42,200**	**-800**	**-1.9**	**41,400**
Federal…………………………………………	2,600	2,600	0	0.0	2,600
**State & Local…………………………………	38,800	39,600	-800	-2.0	38,800

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

STAMFORD LMA



Not Seasonally Adjusted

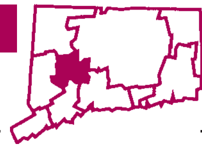
	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT……………	**197,500**	**197,500**	**0**	**0.0**	**198,500**
GOODS PRODUCING INDUSTRIES……………	**16,300**	**17,000**	**-700**	**-4.1**	**16,100**
CONSTRUCTION, NAT. RES. & MINING………	**6,400**	**6,300**	**100**	**1.6**	**6,300**
MANUFACTURING……………………………	**9,900**	**10,700**	**-800**	**-7.5**	**9,800**
SERVICE PROVIDING INDUSTRIES……………	**181,200**	**180,500**	**700**	**0.4**	**182,400**
TRADE, TRANSPORTATION, UTILITIES…..	**34,400**	**34,700**	**-300**	**-0.9**	**34,900**
Wholesale Trade……………………………	7,300	7,500	-200	-2.7	7,400
Retail Trade…………………………………	22,700	23,000	-300	-1.3	23,000
Transportation, Warehousing, & Utilities………	4,400	4,200	200	4.8	4,500
INFORMATION…………………………………	**6,500**	**6,500**	**0**	**0.0**	**6,500**
FINANCIAL ACTIVITIES………………………	**27,700**	**27,300**	**400**	**1.5**	**27,500**
Finance and Insurance…………………………	23,700	23,400	300	1.3	23,500
PROFESSIONAL & BUSINESS SERVICES	**44,500**	**44,800**	**-300**	**-0.7**	**45,100**
Professional, Scientific………………………	18,200	20,600	-2,400	-11.7	18,400
Management of Companies……………………	9,900	9,800	100	1.0	9,900
Administrative and Support……………………	16,400	14,400	2,000	13.9	16,800
EDUCATIONAL AND HEALTH SERVICES	**23,100**	**22,900**	**200**	**0.9**	**22,700**
Health Care and Social Assistance……………	20,200	19,600	600	3.1	19,600
LEISURE AND HOSPITALITY…………………	**18,600**	**17,900**	**700**	**3.9**	**18,000**
Accommodation and Food Services…………	11,200	11,400	-200	-1.8	11,200
OTHER SERVICES……………………………	**9,200**	**9,300**	**-100**	**-1.1**	**9,100**
GOVERNMENT ………………………………	**17,200**	**17,100**	**100**	**0.6**	**18,600**
Federal…………………………………………	1,600	1,700	-100	-5.9	1,600
State & Local…………………………………	15,600	15,400	200	1.3	17,000

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

WATERBURY LMA

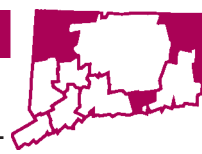


Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT	**83,400**	**82,900**	**500**	**0.6**	**84,600**
GOODS PRODUCING INDUSTRIES	**16,800**	**16,500**	**300**	**1.8**	**16,600**
CONSTRUCTION, NAT. RES. & MINING	**3,800**	**3,800**	**0**	**0.0**	**3,700**
MANUFACTURING	**13,000**	**12,700**	**300**	**2.4**	**12,900**
Durable Goods	**10,600**	**10,500**	**100**	**1.0**	**10,500**
SERVICE PROVIDING INDUSTRIES	**66,600**	**66,400**	**200**	**0.3**	**68,000**
TRADE, TRANSPORTATION, UTILITIES	**15,900**	**15,300**	**600**	**3.9**	**16,200**
Wholesale Trade	2,200	2,300	-100	-4.3	2,100
Retail Trade	11,300	10,700	600	5.6	11,500
Transportation, Warehousing, & Utilities	2,400	2,300	100	4.3	2,600
INFORMATION	**1,400**	**1,300**	**100**	**7.7**	**1,400**
FINANCIAL ACTIVITIES	**3,600**	**3,500**	**100**	**2.9**	**3,600**
PROFESSIONAL & BUSINESS SERVICES	**8,600**	**8,600**	**0**	**0.0**	**8,900**
EDUCATIONAL AND HEALTH SERVICES	**15,300**	**15,200**	**100**	**0.7**	**15,400**
Health Care and Social Assistance	14,000	13,900	100	0.7	14,100
LEISURE AND HOSPITALITY	**6,400**	**6,100**	**300**	**4.9**	**6,300**
OTHER SERVICES	**3,200**	**3,300**	**-100**	**-3.0**	**3,200**
GOVERNMENT	**12,200**	**13,100**	**-900**	**-6.9**	**13,000**
Federal	700	700	0	0.0	700
State & Local	11,500	12,400	-900	-7.3	12,300

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

SMALLER LMAS



Not Seasonally Adjusted

	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
TOTAL NONFARM EMPLOYMENT					
DANIELSON LMA	**21,700**	**21,100**	**600**	**2.8**	**22,300**
LOWER RIVER LMA	**10,600**	**10,200**	**400**	**3.9**	**10,800**
TORRINGTON LMA	**29,000**	**28,600**	**400**	**1.4**	**29,200**

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

NOTE: More industry detail data is available for the State and its ten 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.

LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	JUL 2004	JUL 2003	CHANGE NO.	CHANGE %	JUN 2004
CONNECTICUT	Civilian Labor Force	1,838,300	1,850,200	-11,900	-0.6	1,816,000
	Employed	1,749,000	1,740,700	8,300	0.5	1,729,600
	Unemployed	89,300	109,400	-20,100	-18.4	86,500
	Unemployment Rate	4.9	5.9	-1.0	---	4.8
BRIDGEPORT LMA	Civilian Labor Force	233,000	235,300	-2,300	-1.0	231,400
	Employed	219,200	218,100	1,100	0.5	218,200
	Unemployed	13,800	17,200	-3,400	-19.8	13,300
	Unemployment Rate	5.9	7.3	-1.4	---	5.7
DANBURY LMA	Civilian Labor Force	120,400	119,600	800	0.7	118,700
	Employed	116,300	114,600	1,700	1.5	114,900
	Unemployed	4,100	5,000	-900	-18.0	3,700
	Unemployment Rate	3.4	4.2	-0.8	---	3.2
DANIELSON LMA	Civilian Labor Force	37,500	36,900	600	1.6	37,600
	Employed	35,700	34,600	1,100	3.2	35,700
	Unemployed	1,800	2,300	-500	-21.7	1,800
	Unemployment Rate	4.8	6.2	-1.4	---	4.9
HARTFORD LMA	Civilian Labor Force	613,800	624,500	-10,700	-1.7	607,800
	Employed	581,200	585,100	-3,900	-0.7	576,100
	Unemployed	32,600	39,400	-6,800	-17.3	31,700
	Unemployment Rate	5.3	6.3	-1.0	---	5.2
LOWER RIVER LMA	Civilian Labor Force	14,500	14,000	500	3.6	14,300
	Employed	14,100	13,500	600	4.4	13,800
	Unemployed	400	500	-100	-20.0	400
	Unemployment Rate	2.9	3.7	-0.8	---	2.9
NEW HAVEN LMA	Civilian Labor Force	294,200	295,400	-1,200	-0.4	290,800
	Employed	279,600	277,500	2,100	0.8	276,800
	Unemployed	14,600	17,900	-3,300	-18.4	14,100
	Unemployment Rate	5.0	6.1	-1.1	---	4.8
NEW LONDON LMA	Civilian Labor Force	178,000	178,300	-300	-0.2	174,200
	Employed	170,500	169,300	1,200	0.7	166,800
	Unemployed	7,500	9,000	-1,500	-16.7	7,400
	Unemployment Rate	4.2	5.0	-0.8	---	4.3
STAMFORD LMA	Civilian Labor Force	201,400	201,200	200	0.1	197,500
	Employed	195,500	193,700	1,800	0.9	191,800
	Unemployed	5,900	7,500	-1,600	-21.3	5,700
	Unemployment Rate	2.9	3.7	-0.8	---	2.9
TORRINGTON LMA	Civilian Labor Force	42,000	41,700	300	0.7	41,400
	Employed	40,300	39,600	700	1.8	39,800
	Unemployed	1,700	2,100	-400	-19.0	1,600
	Unemployment Rate	4.1	5.0	-0.9	---	3.9
WATERBURY LMA	Civilian Labor Force	122,800	122,900	-100	-0.1	121,200
	Employed	115,200	113,500	1,700	1.5	113,700
	Unemployed	7,700	9,400	-1,700	-18.1	7,500
	Unemployment Rate	6.3	7.7	-1.4	---	6.2
UNITED STATES	Civilian Labor Force	149,217,000	147,822,000	1,395,000	0.9	148,478,000
	Employed	140,700,000	138,503,000	2,197,000	1.6	139,861,000
	Unemployed	8,518,000	9,319,000	-801,000	-8.6	8,616,000
	Unemployment Rate	5.7	6.3	-0.6	---	5.8

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

CONNECTICUT

(Not seasonally adjusted)	AVG WEEKLY EARNINGS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004	AVG WEEKLY HOURS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004	AVG HOURLY EARNINGS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004
MANUFACTURING	**$755.55**	**$724.55**	**$31.00**	**$759.36**	**41.4**	**40.5**	**0.9**	**42.0**	**$18.25**	**$17.89**	**$0.36**	**$18.08**
DURABLE GOODS	**779.58**	**749.88**	**29.70**	**788.05**	**41.6**	**40.6**	**1.0**	**42.3**	**18.74**	**18.47**	**0.27**	**18.63**
Fabricated Metal	690.54	655.90	34.63	699.25	41.8	41.2	0.6	42.2	16.52	15.92	0.60	16.57
Machinery	771.44	750.80	20.64	774.24	40.2	40.0	0.2	40.9	19.19	18.77	0.42	18.93
Computer & Electronic	615.05	572.22	42.82	620.40	39.3	39.6	-0.3	40.0	15.65	14.45	1.20	15.51
Transport. Equipment	976.09	917.28	58.81	976.23	42.2	41.6	0.6	42.5	23.13	22.05	1.08	22.97
NON-DUR. GOODS	**694.42**	**664.58**	**29.84**	**689.71**	**40.8**	**40.4**	**0.4**	**41.3**	**17.02**	**16.45**	**0.57**	**16.70**
CONSTRUCTION	**900.16**	**925.29**	**-25.13**	**901.59**	**38.8**	**40.3**	**-1.5**	**39.7**	**23.20**	**22.96**	**0.24**	**22.71**

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004	AVG WEEKLY HOURS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004	AVG HOURLY EARNINGS JUL 2004	JUL 2003	CHG Y/Y	JUN 2004
Bridgeport	$854.91	$767.68	$87.23	$830.22	41.4	39.9	1.5	41.1	$20.65	$19.24	$1.41	$20.20
Danbury	684.22	690.90	-6.68	672.80	40.8	39.1	1.7	39.6	16.77	17.67	-0.90	16.99
Danielson*												
Hartford	858.64	786.77	71.87	860.87	43.3	41.3	2.0	43.5	19.83	19.05	0.78	19.79
Lower River*												
New Haven	670.03	717.78	-47.75	644.68	42.3	42.0	0.3	41.7	15.84	17.09	-1.25	15.46
New London	766.19	740.51	25.68	770.28	41.8	41.3	0.5	42.3	18.33	17.93	0.40	18.21
Stamford*												
Torrington*												
Waterbury	751.94	602.21	149.73	775.46	38.8	34.1	4.7	40.6	19.38	17.66	1.72	19.10

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2003.

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

NEW HOUSING PERMITS LMA

	JUL 2004	JUL 2003	CHANGE Y/Y UNITS	CHANGE Y/Y %	YTD 2004	YTD 2003	CHANGE YTD UNITS	CHANGE YTD %	JUN 2004
Connecticut	1,154	928	226	24.4	6,577	5,526	1,051	19.0	1,283
LMAs:									
Bridgeport	77	99	-22	-22.2	757	490	267	54.5	208
Danbury	153	84	69	82.1	609	411	198	48.2	97
Danielson	56	42	14	33.3	282	206	76	36.9	73
Hartford	429	360	69	19.2	2,425	2,380	45	1.9	375
Lower River	12	8	4	50.0	57	60	-3	-5.0	11
New Haven	86	81	5	6.2	545	489	56	11.5	121
New London	112	117	-5	-4.3	791	537	254	47.3	212
Stamford	139	44	95	215.9	615	423	192	45.4	91
Torrington	25	34	-9	-26.5	178	175	3	1.7	40
Waterbury	65	59	6	10.2	318	355	-37	-10.4	55

Additional data by town are on page 22.

LABOR FORCE ESTIMATES BY TOWN

(By Place of Residence - Not Seasonally Adjusted)

JULY 2004

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT	**232,976**	**219,153**	**13,823**	**5.9**
Ansonia	9,377	8,627	750	8.0
Beacon Falls	3,067	2,900	167	5.4
BRIDGEPORT	**63,845**	**58,454**	**5,391**	**8.4**
Derby	6,873	6,331	542	7.9
Easton	3,639	3,540	99	2.7
Fairfield	28,817	27,836	981	3.4
Milford	28,526	27,103	1,423	5.0
Monroe	10,457	10,059	398	3.8
Oxford	5,597	5,349	248	4.4
Seymour	8,518	8,026	492	5.8
Shelton	20,919	19,813	1,106	5.3
Stratford	25,815	24,246	1,569	6.1
Trumbull	17,526	16,869	657	3.7
DANBURY	**120,441**	**116,349**	**4,092**	**3.4**
Bethel	10,001	9,642	359	3.6
Bridgewater	1,005	982	23	2.3
Brookfield	8,849	8,533	316	3.6
DANBURY	**41,610**	**40,048**	**1,562**	**3.8**
New Fairfield	7,378	7,112	266	3.6
New Milford	15,202	14,690	512	3.4
Newtown	13,351	12,904	447	3.3
Redding	4,620	4,491	129	2.8
Ridgefield	13,196	12,870	326	2.5
Roxbury	1,165	1,133	32	2.7
Sherman	2,185	2,136	49	2.2
Washington	1,877	1,807	70	3.7
DANIELSON	**37,514**	**35,728**	**1,786**	**4.8**
Brooklyn	4,186	4,031	155	3.7
Eastford	995	965	30	3.0
Hampton	1,283	1,228	55	4.3
KILLINGLY	**9,688**	**9,073**	**615**	**6.3**
Pomfret	2,457	2,362	95	3.9
Putnam	4,799	4,533	266	5.5
Scotland	967	953	14	1.4
Sterling	1,835	1,747	88	4.8
Thompson	4,856	4,625	231	4.8
Union	460	440	20	4.3
Voluntown	1,558	1,488	70	4.5
Woodstock	4,430	4,284	146	3.3
HARTFORD	**613,807**	**581,189**	**32,618**	**5.3**
Andover	1,713	1,649	64	3.7
Ashford	2,248	2,159	89	4.0
Avon	8,313	8,074	239	2.9
Barkhamsted	2,068	1,971	97	4.7
Berlin	9,773	9,359	414	4.2
Bloomfield	10,307	9,686	621	6.0
Bolton	2,890	2,788	102	3.5
Bristol	31,954	30,186	1,768	5.5

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Burlington	4,715	4,510	205	4.3
Canton	5,051	4,834	217	4.3
Chaplin	1,217	1,152	65	5.3
Colchester	7,638	7,285	353	4.6
Columbia	2,773	2,662	111	4.0
Coventry	6,497	6,207	290	4.5
Cromwell	7,042	6,765	277	3.9
Durham	3,638	3,495	143	3.9
East Granby	2,649	2,559	90	3.4
East Haddam	4,592	4,389	203	4.4
East Hampton	7,513	7,210	303	4.0
East Hartford	26,695	24,726	1,969	7.4
East Windsor	5,530	5,241	289	5.2
Ellington	7,738	7,436	302	3.9
Enfield	23,619	22,430	1,189	5.0
Farmington	12,453	12,013	440	3.5
Glastonbury	17,108	16,619	489	2.9
Granby	5,734	5,546	188	3.3
Haddam	4,169	4,022	147	3.5
HARTFORD	**51,570**	**46,288**	**5,282**	**10.2**
Harwinton	2,909	2,774	135	4.6
Hebron	4,702	4,508	194	4.1
Lebanon	3,724	3,534	190	5.1
Manchester	29,236	27,764	1,472	5.0
Mansfield	10,014	9,692	322	3.2
Marlborough	3,100	2,988	112	3.6
Middlefield	2,280	2,197	83	3.6
Middletown	23,746	22,557	1,189	5.0
New Britain	34,616	31,763	2,853	8.2
New Hartford	3,564	3,389	175	4.9
Newington	15,770	15,149	621	3.9
Plainville	9,466	8,959	507	5.4
Plymouth	6,245	5,898	347	5.6
Portland	4,699	4,481	218	4.6
Rocky Hill	10,335	9,922	413	4.0
Simsbury	12,098	11,780	318	2.6
Somers	4,448	4,281	167	3.8
Southington	21,784	20,811	973	4.5
South Windsor	14,150	13,692	458	3.2
Stafford	5,734	5,410	324	5.7
Suffield	6,973	6,717	256	3.7
Tolland	7,755	7,483	272	3.5
Vernon	15,939	15,157	782	4.9
West Hartford	29,055	27,890	1,165	4.0
Wethersfield	12,597	11,995	602	4.8
Willington	3,486	3,342	144	4.1
Winchester	5,715	5,288	427	7.5
Windham	10,858	10,025	833	7.7
Windsor	14,873	14,081	792	5.3
Windsor Locks	6,731	6,401	330	4.9

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)

JULY 2004

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
LOWER RIVER	**14,506**	**14,090**	**416**	**2.9**
Chester	2,325	2,264	61	2.6
Deep River	2,947	2,857	90	3.1
Essex	3,952	3,846	106	2.7
Lyme	1,269	1,239	30	2.4
Westbrook	4,012	3,883	129	3.2
NEW HAVEN	**294,178**	**279,604**	**14,574**	**5.0**
Bethany	3,049	2,953	96	3.1
Branford	17,195	16,488	707	4.1
Cheshire	15,004	14,520	484	3.2
Clinton	7,675	7,345	330	4.3
East Haven	15,992	15,089	903	5.6
Guilford	12,449	12,110	339	2.7
Hamden	32,130	30,693	1,437	4.5
Killingworth	3,364	3,269	95	2.8
Madison	9,507	9,234	273	2.9
MERIDEN	**31,609**	**29,745**	**1,864**	**5.9**
NEW HAVEN	**59,227**	**55,015**	**4,212**	**7.1**
North Branford	8,252	7,955	297	3.6
North Haven	13,176	12,655	521	4.0
Orange	7,088	6,884	204	2.9
Wallingford	24,502	23,540	962	3.9
West Haven	29,376	27,669	1,707	5.8
Woodbridge	4,582	4,440	142	3.1
***NEW LONDON**	**158,644**	**151,930**	**6,714**	**4.2**
Bozrah	1,673	1,613	60	3.6
Canterbury	3,100	2,964	136	4.4
East Lyme	11,507	11,177	330	2.9
Franklin	1,277	1,241	36	2.8
Griswold	6,662	6,282	380	5.7
Groton	18,906	18,056	850	4.5
Ledyard	9,111	8,778	333	3.7
Lisbon	2,688	2,550	138	5.1
Montville	12,561	12,113	448	3.6
NEW LONDON	**14,520**	**13,629**	**891**	**6.1**
No. Stonington	3,295	3,183	112	3.4
NORWICH	**21,328**	**20,149**	**1,179**	**5.5**
Old Lyme	4,767	4,655	112	2.3
Old Saybrook	6,797	6,596	201	3.0
Plainfield	9,123	8,570	553	6.1
Preston	2,926	2,812	114	3.9
Salem	2,577	2,491	86	3.3
Sprague	1,887	1,783	104	5.5
Stonington	11,708	11,429	279	2.4
Waterford	12,232	11,862	370	3.0

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

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW LONDON	**178,039**	**170,531**	**7,508**	**4.2**
Hopkinton, RI	5,064	4,792	272	5.4
Westerly, RI	14,331	13,809	522	3.6

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
STAMFORD	**201,437**	**195,544**	**5,893**	**2.9**
Darien	10,125	9,928	197	1.9
Greenwich	32,157	31,537	620	1.9
New Canaan	9,914	9,756	158	1.6
NORWALK	**50,581**	**48,782**	**1,799**	**3.6**
STAMFORD	**69,113**	**66,650**	**2,463**	**3.6**
Weston	5,361	5,245	116	2.2
Westport	14,850	14,509	341	2.3
Wilton	9,335	9,137	198	2.1
TORRINGTON	**42,008**	**40,274**	**1,734**	**4.1**
Canaan**	769	753	16	2.1
Colebrook	886	869	17	1.9
Cornwall	855	837	18	2.1
Goshen	1,651	1,580	71	4.3
Hartland	1,111	1,072	39	3.5
Kent**	2,090	2,057	33	1.6
Litchfield	4,469	4,310	159	3.6
Morris	1,324	1,283	41	3.1
Norfolk	962	907	55	5.7
North Canaan**	2,319	2,265	54	2.3
Salisbury**	2,524	2,483	41	1.6
Sharon**	2,188	2,166	22	1.0
TORRINGTON	**20,173**	**19,017**	**1,156**	**5.7**
Warren	689	675	14	2.0
WATERBURY	**122,832**	**115,152**	**7,680**	**6.3**
Bethlehem	2,077	2,016	61	2.9
Middlebury	3,693	3,543	150	4.1
Naugatuck	17,569	16,500	1,069	6.1
Prospect	5,111	4,893	218	4.3
Southbury	7,903	7,529	374	4.7
Thomaston	4,366	4,150	216	4.9
WATERBURY	**55,002**	**50,690**	**4,312**	**7.8**
Watertown	12,568	11,924	644	5.1
Wolcott	9,041	8,561	480	5.3
Woodbury	5,504	5,346	158	2.9

Not Seasonally Adjusted:				
CONNECTICUT	1,838,300	1,749,000	89,300	4.9
UNITED STATES	149,217,000	140,700,000	8,518,000	5.7
Seasonally Adjusted:				
CONNECTICUT	1,793,500	1,711,400	82,100	4.6
UNITED STATES	147,856,000	139,660,000	8,196,000	5.5

**The Bureau of Labor Statistics has identified these five towns as a separate area to report labor force data. For the convenience of our data users, data for these towns are included in the Torrington LMA. For the same purpose, data for the town of Thompson, which is officially part of the Worcester, MA MSA, is included in the Danielson LMA.

LABOR FORCE CONCEPTS (Continued)

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

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

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

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	JUL 2004	YR TO DATE 2004	YR TO DATE 2003
Andover	2	16	5
Ansonia	0	8	13
Ashford	4	20	18
Avon	9	54	104
Barkhamsted	2	11	9
Beacon Falls	2	18	6
Berlin	9	49	59
Bethany	3	22	22
Bethel	2	21	35
Bethlehem	1	3	6
Bloomfield	21	85	271
Bolton	1	7	0
Bozrah	1	8	4
Branford	1	26	21
Bridgeport	9	54	61
Bridgewater	0	7	2
Bristol	15	65	83
Brookfield	3	53	43
Brooklyn	5	30	18
Burlington	5	23	43
Canaan	0	0	2
Canterbury	1	11	18
Canton	14	85	54
Chaplin	2	14	10
Cheshire	3	27	22
Chester	1	6	6
Clinton	2	23	28
Colchester	8	46	54
Colebrook	1	6	2
Columbia	1	17	19
Cornwall	1	9	8
Coventry	1	25	34
Cromwell	10	35	42
Danbury	90	272	74
Darien	21	84	105
Deep River	2	9	3
Derby	1	9	9
Durham	4	28	25
East Granby	3	12	18
East Haddam	7	35	28
East Hampton	13	89	86
East Hartford	1	8	2
East Haven	4	20	25
East Lyme	13	53	38
East Windsor	6	42	18
Eastford	2	14	5
Easton	0	7	4
Ellington	5	33	79
Enfield	7	32	22
Essex	3	14	21
Fairfield	6	114	46
Farmington	23	85	65
Franklin	1	3	4
Glastonbury	10	62	33
Goshen	4	32	26
Granby	6	42	32
Greenwich	14	105	79
Griswold	5	40	28
Groton	5	229	91
Guilford	4	54	50
Haddam	10	31	27
Hamden	2	28	32
Hampton	3	18	11
Hartford	22	74	140
Hartland	1	7	4
Harwinton	3	21	14
Hebron	3	21	22
Kent	1	10	7
Killingly	10	46	54
Killingworth	2	16	17
Lebanon	11	54	20
Ledyard	6	42	51
Lisbon	2	11	9
Litchfield	4	17	15
Lyme	1	4	6
Madison	8	28	23
Manchester	13	99	59
Mansfield	3	24	28
Marlborough	4	25	29
Meriden	16	55	58
Middlebury	5	29	13
Middlefield	2	7	12
Middletown	19	133	104
Milford	7	236	50
Monroe	0	14	18
Montville	14	47	52
Morris	0	6	3
Naugatuck	11	44	31
New Britain	0	17	21
New Canaan	5	36	32
New Fairfield	5	32	14
New Hartford	1	27	27
New Haven	4	22	28
New London	5	21	3
New Milford	21	70	74
Newington	13	29	18
Newtown	25	85	100
Norfolk	0	1	3
North Branford	7	37	16
North Canaan	3	7	4
North Haven	3	48	36
North Stonington	3	15	15
Norwalk	21	171	54
Norwich	22	121	60
Old Lyme	3	20	17
Old Saybrook	0	20	18
Orange	2	20	24
Oxford	15	117	88
Plainfield	5	34	31
Plainville	2	17	32
Plymouth	11	38	16
Pomfret	3	17	23
Portland	5	114	23
Preston	2	13	13
Prospect	3	23	10
Putnam	5	29	8
Redding	0	8	20
Ridgefield	3	30	24
Rocky Hill	6	61	41
Roxbury	0	7	9
Salem	3	20	9
Salisbury	1	8	8
Scotland	3	10	4
Seymour	4	29	28
Sharon	3	12	6
Shelton	15	70	51
Sherman	3	19	13
Simsbury	0	10	16
Somers	4	26	25
South Windsor	6	54	36
Southbury	12	63	59
Southington	41	107	124
Sprague	1	7	5
Stafford	9	47	27
Stamford	61	122	49
Sterling	12	30	24
Stonington	14	52	38
Stratford	2	34	42
Suffield	5	30	39
Thomaston	6	20	9
Thompson	6	21	17
Tolland	2	51	55
Torrington	5	54	78
Trumbull	16	47	74
Union	0	1	1
Vernon	15	116	91
Voluntown	2	8	8
Wallingford	21	99	66
Warren	1	9	9
Washington	1	5	3
Waterbury	9	44	121
Waterford	6	24	33
Watertown	5	35	25
West Hartford	6	30	13
West Haven	3	13	9
Westbrook	5	24	24
Weston	1	7	7
Westport	13	69	81
Wethersfield	1	5	11
Willington	2	18	14
Wilton	3	21	16
Winchester	7	20	10
Windham	1	11	10
Windsor	9	53	32
Windsor Locks	4	35	31
Wolcott	7	32	48
Woodbridge	1	7	12
Woodbury	6	25	33
Woodstock	5	58	33

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 multiple variable coefficient regression model, which uses results from the Current Population Survey (CPS), a monthly survey of Connecticut households, counts of claimants for unemployment benefits, and establishment employment estimates. Due to the small size of the sample taken in Connecticut, the CPS results are subject to significant sampling error and produce considerable month-to-month fluctuations in estimates derived from the sample. In general, the CPS estimates, at the 90 percent confidence level, have an error range of about 1.5 percentage points on a rate of 6.0 percent. An accepted method for calculating the error range for model estimates is currently not available. Labor force data, reflecting persons employed by place of residence, are not directly comparable to the place-of-work industry employment series. In the labor force estimates, workers involved in labor disputes are counted as employed. The labor force data also includes agricultural workers, unpaid family workers, domestics and the self-employed. Because of these conceptual differences, total labor force employment is almost always different from nonfarm wage and salary employment.

LABOR MARKET AREAS

All Labor Market Areas in Connecticut except three are federally designated areas for developing labor statistics. Industry employment data for the Danielson, Lower River and Torrington Labor Market Areas are prepared exclusively by the Connecticut Department of Labor, following the same statistical procedures used to prepare estimates for the other Labor Market Areas, which are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The Bureau of Labor Statistics has identified the five towns of Canaan, Kent, North Canaan, Salisbury and Sharon as a separate area for reporting labor force data. For the convenience of our data users, data for these towns are included in the Torrington Labor Market Area. For the same purpose, data for the town of Thompson, which is officially part of the Worcester Metropolitan Statistical Area, are included in the Danielson Labor Market Area. Also, data for Hopkinton and Westerly, Rhode Island are included in the New London Labor Market Area.

LEADING AND COINCIDENT EMPLOYMENT INDICES

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

NONFARM EMPLOYMENT ESTIMATES

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

UI COVERED WAGES

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

ECONOMIC INDICATORS AT A GLANCE

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

Leading Employment Index	**+2.9**
Coincident Employment Index	**+1.4**
Leading General Drift Indicator	**+1.4**
Coincident General Drift Indicator	**+0.3**
Banknorth Business Barometer	**+1.6**
Total Nonfarm Employment	**-0.1**
Unemployment	**-1.1**
Labor Force	-0.6
Employed	+0.5
Unemployed	-19.7
Average Weekly Initial Claims	**-21.1**
Help Wanted Index -- Hartford	**+25.0**
Average Ins. Unempl. Rate	**-0.51***
Average Weekly Hours, Mfg	**+2.2**
Average Hourly Earnings, Mfg	**+2.0**
Average Weekly Earnings, Mfg	**+4.3**
CT Mfg. Production Index	**-0.1**
Production Worker Hours	+0.5
Industrial Electricity Sales	-3.5
Personal Income	**+4.6**
UI Covered Wages	**+5.3**

Business Activity	
New Housing Permits	+24.4
Electricity Sales	+5.6
Retail Sales	-0.6
Construction Contracts Index	+84.9
New Auto Registrations	-23.1
Air Cargo Tons	+10.3
Exports	+3.3
Business Starts	
Secretary of the State	+5.6
Dept. of Labor	-10.0
Business Terminations	
Secretary of the State	-2.8
Dept. of Labor	-18.1
State Revenues	**NA**
Corporate Tax	NA
Personal Income Tax	NA
Real Estate Conveyance Tax	NA
Sales & Use Tax	NA
Indian Gaming Payments	+7.7

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

Tourism and Travel	
Info Center Visitors	-27.2
Attraction Visitors	+0.6
Air Passenger Count	+5.7
Indian Gaming Slots	+10.8
Travel and Tourism Index	-1.0
Employment Cost Index (U.S.)	
Total	+4.0
Wages & Salaries	+2.6
Benefit Costs	+7.3
Consumer Prices	
Connecticut	NA
U.S. City Average	+3.0
Northeast Region	+3.9
NY-NJ-Long Island	+3.9
Boston-Brockton-Nashua	+2.9
Consumer Confidence	
Connecticut	+32.1
New England	+79.9
U.S.	+3.2
Interest Rates	
Prime	+0.25*
Conventional Mortgage	+0.43*

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

We would appreciate your input:

- **o What article topics would you like to see covered in future issues?**
- **o 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.

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