THE CONNECTICUT
ECONOMIC DIGEST

Vol.12 No.9 A joint publication of the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development

SEPTEMBER 2007

IN THIS ISSUE...

In July...

Nonfarm Employment

Connecticut 1,700,600
Change over month 0.05%
Change over year 1.1%

United States 138,122,000
Change over month 0.07%
Change over year 1.4%

Unemployment Rate

Connecticut 4.5%
United States 4.6%

Consumer Price Index

United States 208.3
Change over year 2.4%

State Housing Market Cooled in 2006

By Kolie Sun, Senior Research Analyst, DECD

The housing sector has been a pillar of the economy for the last several years. As predicted by many analysts, it began shifting gears from a robust sector to one with somewhat lackluster performance in 2006 as evidenced by a few factors.

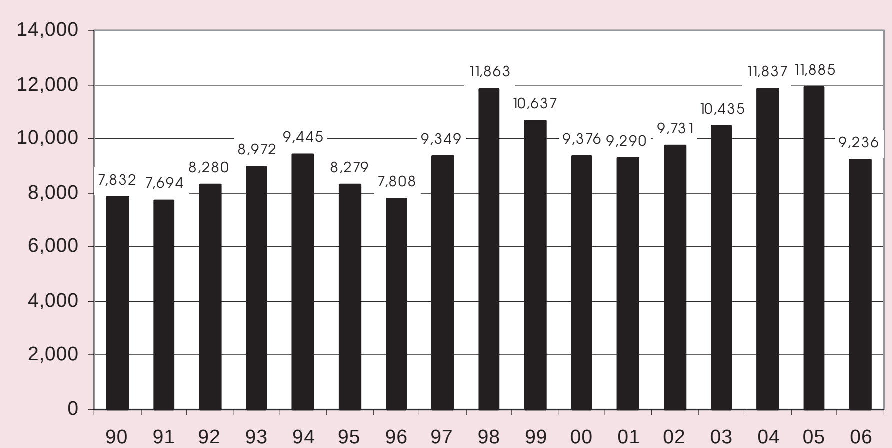
Housing Production

According to the Bureau of the Census, cities and towns in Connecticut authorized a total of 9,236 new housing units (that is, permits) including single and multi-family homes in 2006. This is a 22.3 percent decrease compared to the 11,885 units authorized the year before (chart below). Danbury led all cities and towns with 318 units authorized in 2006, followed by Hartford and Milford both with 281 units, and Manchester with 270 units. Municipalities in Hartford County authorized the largest number of units (2,305), accounting for 25 percent of the state total.

From 1990 to 2006, on average, the city of Stamford issued the largest number of permits (302) annually, while Canaan and Norfolk issued the fewest (3). During the same period, in annual average growth rate (AAGR) terms, Connecticut housing permits grew at a rate of 1.04 percent. Among all municipalities, 46 percent outperformed the state average permit growth rate, 10 percent had permit growth below the state average and the remaining 44 percent experienced declines. Most notable were New Canaan and Middlebury that enjoyed an AAGR of more than 15 percent, and North Branford and Thompson that experienced negative growth of 21 percent and 17 percent, respectively.

Based on the responses to the DECD annual demolition survey,

Connecticut New Housing Units Authorized, 1990-2006



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which 80 percent of towns completed, 1,584 units were demolished last year. As a result, DECD estimated the net gain was 7,652 housing units bringing the state's housing stock to a level of 1,439,221 units in 2006.

Home Prices and Household Income

Home prices have increased dramatically in recent years, but in 2006 there was virtually no change (Table 1). The Warren Group's data shows the state median home price was hovering at $275,000 last year. That value appreciated 66 percent, compared to $165,000 in 2000. Furthermore, this value more than doubled in comparison to that in 1995. Therefore, in terms of the rate of return, home buying (and ownership) is an excellent investment relative to others.

Table 1: State Median Home Sales Prices

	Prices	% chg
1995	$135,000	
2000	165,000	22.22%
2005	274,900	66.61%
2006	275,000	0.04%

Source: Warren Group

In 2006, Fairfield County had the highest median home price at $535,000, and Windham County had the lowest at $210,000. Only Litchfield County's median home price decreased, declining three percent from $255,500 in 2005 to $247,000 in 2006.

Household incomes correlate directly with housing affordability: higher household income means a family can afford a higher priced home. Connecticut's median household income of $60,941 was ranked third (behind New Jersey and Maryland) in 2005, according to the latest data from the American Community Survey. Median household income rose 13 percent since 2000, which is far behind the rate of median home price appreciation. Because of this situation, many families buy less expensive homes, and face home prices beyond their reach and stretch their incomes to pay for housing. In addition, families facing unaffordable homes near their work buy further away and commute longer distances. In the extreme, families facing high housing costs look elsewhere for employment. This situation exists not only in Connecticut, but in other states as well.

Construction Employment

The Residential and Non-Residential Construction Contract Awards are measures gauging housing activity and, therefore, can be used as proxies for residential and non-residential construction employment because the detailed data is not available.

As a result of two months of large contract awards in January and September 2006, Connecticut's non-residential construction contracts increased 69 percent while residential construction contracts decreased 11.6 percent. The combined contracts provided a net gain of 1.6 percent in construction employment, despite the statewide decline of new housing permits from 2005 to 2006. Though the growth rate of Connecticut's construction employment was below the U.S. level of 4.8 percent, it kept pace with the New England region.

Subprime Lending

Subprime loans are offered to consumers with impaired and limited credit histories and such loans generally carry a higher interest rate than prime loans to compensate for increased credit risk.

Subprime loans have gained significance in real estate transactions during the last few years. In Connecticut, the number of subprime loans grew nearly 60 percent from 2001 to 2005, while

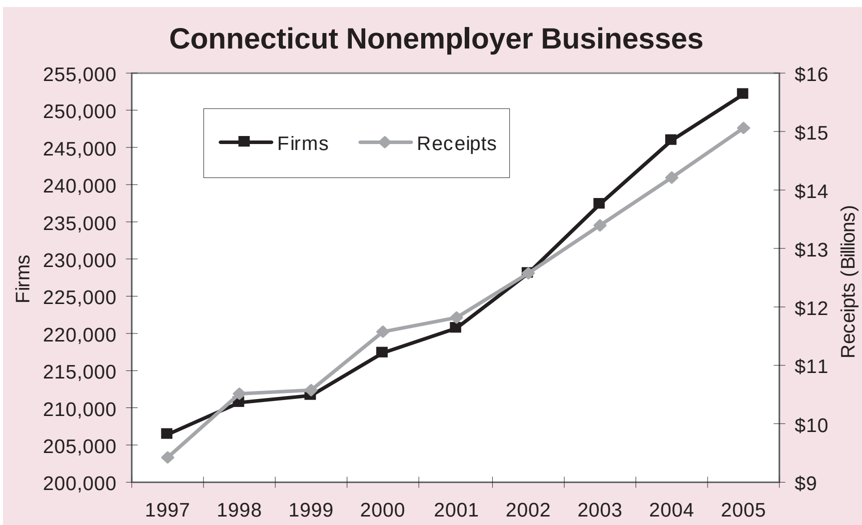
--Continued on page 5--

Connecticut Nonemployer Businesses Exceed Quarter Million

By Lincoln S. Dyer, Economist, DOL

Nonemployer Statistics: 2005, from the US Census Bureau, help to distinguish business activity originating from firms with conventional payrolls, that include paid employees and managerial hierarchies, apart from firms or establishments with *no* paid employees or hierarchal structures. Businesses without paid employees are known in the small business world as "Lone Wolves." Most of these nonemployer firms are part-time, home-based *self-employed businesses* or sole-proprietorships without paid employees. However, a number of nonemployer businesses are owned and operated by more than one individual.

Nonemployer firms can be partnerships or corporations, but they must have *no* paid employees and record business receipts of at least $1,000 in a calendar year to differentiate a real business pursuit from a leisure interest. Nonemployer statistics encompass all industries, and have been produced annually since 1997 under the NAICS industry classification system. Data for 2005 were released at the end June 2007, so there is some time lag on its availability but, hopefully, some of the most recent Connecticut trends will live on.



Lone Wolves

Israel Putnam, one of the state's Revolutionary War heroes, was known to have killed the last wolf in Pomfret, Connecticut in 1739 to help the local farming economy that was being ravished by these raiders. Nowadays, however, "lone wolves" or nonemployer businesses are the foundation of adaptable employment growth and the personification of the "division of labor," specialization, and entrepreneurship in the old New England Yankee self-reliant tradition of the state.

The state's tally of nonemployer businesses in 2005 was 252,044, and they produced $15,074,474,000 in net receipts according to IRS tax return information. That was about 9.1% of total Connecticut personal income in 2005. In 2005, Connecticut nonemployer businesses ranked number one in generating receipts per nonemployer firm among all states in the country, $59,809, just surpassing Nevada that year. That is an addition of 6,129 nonemployer businesses and $861,435,000 in receipts from the 2004 levels ($57,797 per firm and 9.0% of total personal income). On average, over 16 new nonemployer firms were started daily from 2004 to 2005 in Connecticut.

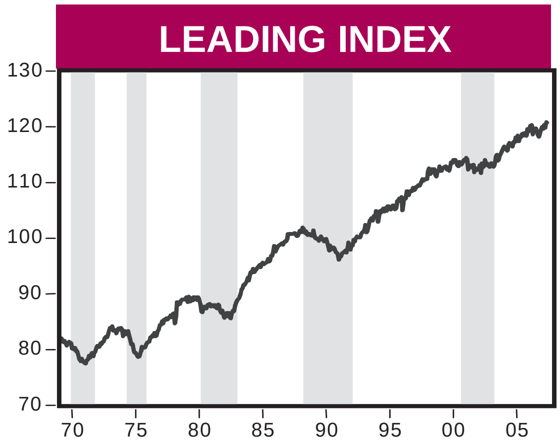
Since 1997, when the state recorded 206,352 nonemployer firms, producing over 9.4 billion dollars in receipts or 8.2% of personal income ($45,739 receipts per firm), 45,692 net new firms have been established. Annual receipts have increased by $5,636,048,000. These nonemployer firms are generating an increasing percentage of state personal income.

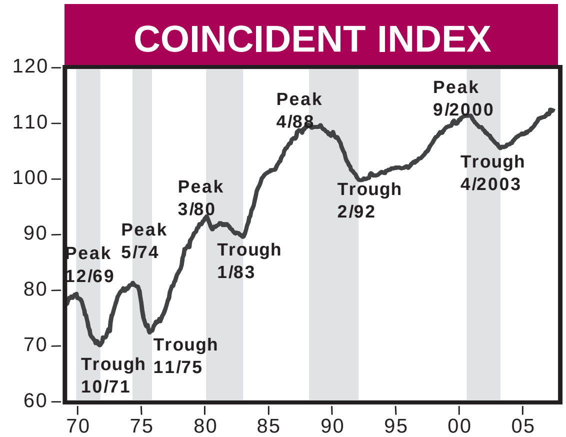
Connecticut's "Soul"

An interesting inference can be made to look at the potential job creation from these nonemployer firms, assuming each net sustaining "lone wolf" is at least one person working at one address in the state (although a person can set up more than one nonemployer firm). Presuming one additional sustaining firm equals one additional sustaining job, Connecticut produced 45,692 new "lone wolf" positions from 1997 to 2005, with no declining years.

On the flip side, over this same time period, total employment at employer-based businesses in all industries (an individual can have more than one job), while much higher at almost 1,644,274 positions and 52.5% of 2005 state personal income, generated a net gain of 46,775 jobs since 1997 and had some down years following the Connecticut business cycle.

While no complete silver bullet exists, Connecticut's nonemployer businesses have potentially generated almost as much employment growth (45,692 vs. 46,775 from 1997 to 2005) with less volatility (no recent down years) than the established employer-based businesses, and are often ready to fill or create any niche. Plus they help to stabilize the unemployment rate. Connecticut Yankee self-reliance lives on, strengthening the state's division of labor, which is the productive "soul" of any cooperative society. ■





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.

Cloudy Days in the Connecticut Economy in June 2007

The National Outlook

On August 17, the Federal Reserve, reacting to concerns about the subprime lending crisis that's rocked financial markets in recent weeks, cut its discount rate, half a percentage point, to 5.75%. The discount rate, the rate the Federal Reserve charges qualified lenders, mainly banks, for temporary loans, is largely symbolic. The Fed did not change its more closely watched federal funds rate, which affects credit cards, home equity lines of credit, car loans and other consumer loan rates. That rate remains at 5.25% last decided on August 6. Economists expect the discount rate cut could help convince banks it is acceptable to keep lending to companies or consumers that actually are creditworthy. The Fed wants to ensure appropriate liquidity to the markets without creating more uncertainty by cutting the federal funds rate. With this in mind, several market observers felt that Fed chairman Ben Bernanke needed to acknowledge the risk that the subprime mortgage crisis could hurt the broader economy. The near-term effects of that crisis are yet to be played out.

Connecticut Employment Indexes

The CCEA-ECRI Connecticut coincident employment index is a measure of contemporaneous activity and rose on a year-to-year basis from 111.0 in June 2006 to 112.7 in June 2007. Total employment (from a household survey) increased 1.75%, or 30,895, and nonfarm employment (from an employer survey) rose 1.21% since June 2006 and contributed positively to the annual change in this index. Both the total unemployment rate (4.3% vs. 4.23% a year ago) and the insured unemployment rate (2.39% vs. 2.37% a year ago) are negative contributors.

On a month-to-month basis, the June 2007 coincident employment index increased to 112.7 from 112.2 a month earlier. This reflects an accelerating 12-month moving average growth rate of this index (1.8% vs. 1.3% last month). Total employment increased by 2,100 persons and nonfarm employment increased by 4,000 jobs in June 2007 with both contributing positively to the index. The total insured employment rate inched downward from 2.45% last month to 2.39% in June and the total unemployment rate improved from 4.5% to 4.3%; both contributed positively to this index.

The CCEA-ECRI Connecticut leading employment index that estimates future activity improved from 119.7 in June 2006 to 120.5 in June 2007. Manufacturing employment decreased by 1,500 jobs from 196,100 a year ago, while construction added 1,700 jobs over the year (offsetting contributors). The following items contributed positively to the annual change in this index. Average weekly hours increased ever so slightly in both industries and Moody's Baa bond yield improved from 6.78% to 6.70%. Initial claims for unemployment insurance declined by 7% from 18,521 a year ago and the short duration unemployment rate decreased from 1.50% to 1.44% over the year.

Housing permits decreased significantly from 764 last June to 604 in June 2007. The Hartford help-wanted index declined slightly from a year ago as well and these latter two indicators contributed negatively to the annual change in the leading index.

On a month-to-month basis, the leading employment index worsened slightly from 120.8 to 120.5. Together, manufacturing and construction employment increased by 2,300 jobs over the month. Average weekly hours increased slightly in both industries and contributed positively to the index. In addition, initial claims declined by 742 (positive), while short duration unemployment inched up (negative), and the Hartford help-wanted index remained unchanged. Housing permits declined by 18% for the month contributing negatively to this index.

The moderation of the 12-month moving average growth rate (1.53% vs. 2.19% last month) of the leading index portends perhaps more sanguine growth in the Connecticut economy in the near term.

Stan McMillen [(860) 270-8166, DECD, 505 Hudson Street, Hartford, CT 06106-7106]. *Professors Pami Dua and Stephen M. Miller, in cooperation with Anirvan Banerji at the Economic Cycle Research Institute developed the leading and coincident employment indexes. The views expressed herein are the author's own and do not necessarily represent those of the Department of Economics, the University of Connecticut, the Connecticut Department of Labor or the Connecticut Department of Economic and Community Development. Components of the indexes are described in the Technical Notes on page 23.*

--Continued from page 2--

the total number of loans increased at a much slower 22 percent pace. The share of subprime loans accounted for 15.5 percent of all mortgage loans in 2005, an increase from its share of 11.9 percent in 2001 (Table 2).

Table 2:	Total # Loans	# Subprime Loans	Share
2001	202,021	23,956	11.9%
2002	260,077	31,017	11.9%
2003	375,873	43,963	11.7%
2004	242,292	38,151	15.7%
2005	247,121	38,247	15.5%
% chg 2001-05	22.3%	59.7%	

Source: Economy.com

When financial institutions provide mortgage loans to customers, they face the risk of loans being folded or properties being foreclosed. According to the U.S. Foreclosure Market Report from RealtyTrac.com, 0.8 percent of households in Connecticut experienced some type of foreclosure in 2006, compared to 1.1 percent in the nation. Colorado ranked first with the highest foreclosure rate at three percent of households, while Vermont ranked lowest with near zero. Connecticut ranked 17th.

Because of the nature of subprime loans, subprime lenders foreclose properties more frequently than conventional lenders. From 2000 to 2006, about 5.3 percent of subprime mortgages and refinancing loans went into foreclosure as reported by Economy.com. For conventional loans, the rate was 0.4 percent of mortgages and refinancings. A high foreclosure rate has an adverse effect on the economy (decreased household consumption and dislocated families).

Subprime lending helps boost homeownership, but may bring problems if the unemployment rate rises, as people struggle to make timely mortgage payments. “Done right, subprime lending provides an important source of mortgage financing for families with imperfect financial or credit histories,” Fannie Mae CEO Franklin Raines said. “Done wrong, subprime lending is a huge rip-off that siphons wealth and hope from people who have very little to begin with.” [1]

Conclusion

The Connecticut housing market did slow down in 2006 mainly due to rising energy prices, higher interest rates and the fallout of the subprime industry. These factors ensured that the extraordinarily high permit totals for 2004 and 2005 would not be sustained in 2006. This downturn, however, was not unique to Connecticut—it was felt throughout New England and the nation as a whole.

This slowdown is expected to continue into 2007 due to the same factors. Richard F. Syron, the head of Freddie Mac may have said it best when he made the following assessment: “I think on a national level the whole housing market has another year and a half of tough times ahead of it.” [2] ■

[1] Subprime Loan Market Grows Despite Troubles, December 7, 2004, by Sue Kirchhoff and Sandra Block, USA Today

[2] The Washington Post, http://blog.washingtonpost.com/washbizblog/2007/07/freddic_mac_chief_sees_tough_t.html

GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2007	2Q 2006	CHANGE NO.	CHANGE %	1Q 2007
Employment Indexes (1992=100)*					
Leading	120.4	119.2	1.1	1.0	120.0
Coincident	112.4	110.9	1.4	1.3	112.0
General Drift Indicator (1986=100)*					
Leading	108.5	108.3	0.2	0.2	108.9
Coincident	112.0	110.0	2.0	1.8	111.9
Banknorth Business Barometer (1992=100)**	122.1	120.1	2.0	1.7	123.6

*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)	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM	1,700.6	1,681.8	18.8	1.1	1,699.8
Natural Res & Mining (Not Sea. Adj.)	0.8	0.8	0.0	0.0	0.8
Construction	68.6	67.0	1.6	2.4	68.5
Manufacturing	193.0	194.8	-1.8	-0.9	193.6
Trade, Transportation & Utilities	312.7	310.8	1.9	0.6	312.9
Information	37.6	37.6	0.0	0.0	37.6
Financial Activities	145.4	144.2	1.2	0.8	145.4
Professional and Business Services	208.1	204.1	4.0	2.0	210.5
Educational and Health Services	287.1	280.6	6.5	2.3	284.8
Leisure and Hospitality Services	135.3	132.2	3.1	2.3	135.8
Other Services	64.1	63.5	0.6	0.9	64.1
Government*	247.9	246.2	1.7	0.7	245.8

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

Initial claims for unemployment insurance fell from a year ago.

UNEMPLOYMENT

(Seasonally adjusted)	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
Unemployment Rate, resident (%)	4.5	4.4	0.1	---	4.3
Labor Force, resident (000s)	1,877.4	1,847.2	30.2	1.6	1,875.6
Employed (000s)	1,793.6	1,766.7	26.9	1.5	1,795.0
Unemployed (000s)	83.9	80.6	3.3	4.1	80.6
Average Weekly Initial Claims	4,094	4,125	-31	-0.8	4,132
Help Wanted Index -- Htfd. (1987=100)	8	10	-2	-20.0	10
Avg. Insured Unemp. Rate (%)	2.58	2.53	0.04	---	2.35

Sources: Connecticut Department of Labor; The Conference Board

The production worker weekly earnings rose over the year.

MANUFACTURING ACTIVITY

(Not seasonally adjusted)	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007	MAY 2007
Average Weekly Hours	42.3	42.4	-0.1	-0.2	42.2	--
Average Hourly Earnings	20.64	19.60	1.04	5.3	20.57	--
Average Weekly Earnings	873.07	831.04	42.03	5.1	868.05	--
CT Mfg. Production Index (2000=100)	105.7	108.3	-2.6	-2.4	108.2	111.3
Production Worker Hours (000s)	4,858	4,939	-81	-1.6	4,916	--
Industrial Electricity Sales (mil kWh)*	434	458	-23.9	-5.2	447	468

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

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

INCOME

(Seasonally adjusted) (Annualized; $ Millions)	4Q* 2007	4Q 2006	CHANGE NO.	CHANGE %	3Q* 2007
Personal Income	$183,932	$176,899	$7,033	4.0	$182,376
UI Covered Wages	$93,713	$91,093	$2,620	2.9	$93,378

Source: Bureau of Economic Analysis: June 2007 release
**Forecasted by Connecticut Department of Labor*

BUSINESS ACTIVITY

New auto registrations decreased over the year.

			Y/Y %	YEAR TO DATE		%
	MONTH	LEVEL	CHG	CURRENT	PRIOR	CHG
New Housing Permits*	JUL 2007	846	4.8	4,673	5,655	-17.4
Electricity Sales (mil kWh)	MAY 2007	2,727	11.9	13,586	12,646	7.4
Retail Sales (Bil. $)	OCT 2003	3.28	-0.6	34.19	34.55	-1.0
Construction Contracts						
Index (1980=100)	JUL 2007	342.5	-30.4	---	---	---
New Auto Registrations	JUL 2007	16,763	-10.4	120,076	122,558	-2.0
Air Cargo Tons	JUL 2007	12,457	0.8	91,949	90,819	1.2
Exports (Bil. $)	2Q 2007	3.48	7.9	6.70	5.99	12.0

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

BUSINESS STARTS AND TERMINATIONS

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

			Y/Y %	YEAR TO DATE		%
	MO/QTR	LEVEL	CHG	CURRENT	PRIOR	CHG
STARTS						
Secretary of the State	JUL 2007	2,525	15.5	19,141	18,729	2.2
Department of Labor*	1Q2007	2,670	-11.3	2,670	3,011	-11.3
TERMINATIONS						
Secretary of the State	JUL 2007	724	15.8	5,894	5,353	10.1
Department of Labor*	1Q2007	1,052	-32.8	1,052	1,566	-32.8

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.

				YEAR TO DATE		
	JUL	JUL	%			%
(Millions of dollars)	2007	2006	CHG	CURRENT	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**	41.0	40.1	2.3	250.0	252.2	-0.9

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

TOURISM AND TRAVEL

Gaming slots rose over the year.

			Y/Y %	YEAR TO DATE		%
	MONTH	LEVEL	CHG	CURRENT	PRIOR	CHG
Info Center Visitors	JUL 2007	62,475	3.4	215,969	220,417	-2.0
Major Attraction Visitors	JUL 2007	262,110	0.7	987,668	978,372	1.0
Air Passenger Count	JUL 2007	602,714	-5.6	3,805,502	4,146,326	-8.2
Indian Gaming Slots (Mil.$)*	JUL 2007	1,908	3.9	11,516	11,538	-0.2
Travel and Tourism Index**	2Q 2007	---	2.0	---	---	---

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

Compensation cost for the nation rose 3.1 percent over the year.

EMPLOYMENT COST INDEX

Private Industry Workers (Dec. 2005 = 100)	Seasonally Adjusted JUN 2007	MAR 2006	3-Mo % Chg	Not Seasonally Adjusted JUN 2007	JUN 2006	12-Mo % Chg
UNITED STATES TOTAL	104.8	103.9	0.9	104.9	101.7	3.1
Wages and Salaries	105.1	104.3	0.8	105.1	101.7	3.3
Benefit Costs	104.2	103.1	1.1	104.3	101.7	2.6
NORTHEAST TOTAL	---	---	---	105.1	101.8	3.2
Wages and Salaries	---	---	---	105.1	101.7	3.3

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

U.S. inflation rate increased 2.4 percent over the year.

CONSUMER NEWS

(Not seasonally adjusted)	MO/QTR	LEVEL	% CHANGE Y/Y	P/P*
CONSUMER PRICES				
CPI-U (1982-84=100)				
U.S. City Average	JUL 2007	208.3	2.4	0.0
Purchasing Power of $ (1982-84=$1.00)	JUL 2007	$0.480	-2.3	0.0
Northeast Region	JUL 2007	221.9	2.0	0.1
NY-Northern NJ-Long Island	JUL 2007	228.6	2.5	0.1
Boston-Brockton-Nashua**	JUL 2007	226.9	0.8	0.3
CPI-W (1982-84=100)				
U.S. City Average	JUL 2007	203.7	2.3	-0.1
CONSUMER CONFIDENCE (1985=100)				
Connecticut***	2Q 2007	NA	NA	NA
New England	JUL 2007	NA	NA	NA
U.S.	JUL 2007	NA	NA	NA

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

Conventional mortgage rate rose to 6.70 percent over the month.

INTEREST RATES

(Percent)	JUL 2007	JUN 2007	JUL 2006
Prime	8.25	8.25	8.25
Federal Funds	5.26	5.25	5.24
3 Month Treasury Bill	4.96	4.74	5.08
6 Month Treasury Bill	5.04	4.95	5.27
1 Year Treasury Note	4.96	4.96	5.22
3 Year Treasury Note	4.82	5.00	5.07
5 Year Treasury Note	4.88	5.03	5.04
7 Year Treasury Note	4.93	5.05	5.05
10 Year Treasury Note	5.00	5.10	5.09
20 Year Treasury Note	5.19	5.29	5.25
Conventional Mortgage	6.70	6.66	6.76

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

NONFARM EMPLOYMENT

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

(Seasonally adjusted; 000s)	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
Connecticut	1,700.6	1,681.8	18.8	1.1	1,699.8
Maine	617.9	614.0	3.9	0.6	619.7
Massachusetts	3,285.1	3,246.1	39.0	1.2	3,280.9
New Hampshire	652.6	640.6	12.0	1.9	649.1
New Jersey	4,100.9	4,075.8	25.1	0.6	4,095.5
New York	8,707.1	8,614.8	92.3	1.1	8,695.3
Pennsylvania	5,796.3	5,752.5	43.8	0.8	5,802.7
Rhode Island	499.4	492.8	6.6	1.3	499.2
Vermont	308.1	306.1	2.0	0.7	310.6
United States	138,122.0	136,252.0	1,870.0	1.4	138,030.0

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

LABOR FORCE

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

(Seasonally adjusted; 000s)	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
Connecticut	1,877.4	1,847.2	30.2	1.6	1,875.6
Maine	710.8	711.5	-0.7	-0.1	712.3
Massachusetts	3,425.2	3,406.2	19.0	0.6	3,427.2
New Hampshire	748.5	737.5	11.0	1.5	746.8
New Jersey	4,478.9	4,524.6	-45.7	-1.0	4,499.9
New York	9,446.1	9,512.4	-66.3	-0.7	9,470.5
Pennsylvania	6,262.7	6,304.8	-42.1	-0.7	6,295.5
Rhode Island	574.5	578.0	-3.5	-0.6	579.1
Vermont	359.7	361.0	-1.3	-0.4	360.9
United States	153,231.0	151,558.0	1,673.0	1.1	153,072.0

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

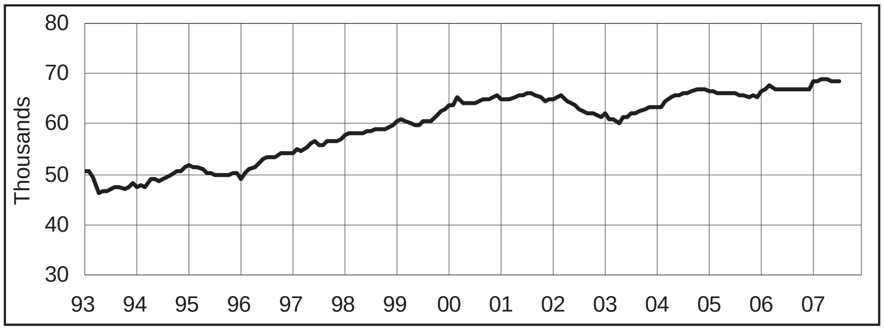
UNEMPLOYMENT RATES

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

(Seasonally adjusted)	JUL 2007	JUL 2006	CHANGE	JUN 2007
Connecticut	4.5	4.4	0.1	4.3
Maine	4.8	4.7	0.1	4.4
Massachusetts	5.1	5.0	0.1	4.9
New Hampshire	3.9	3.5	0.4	4.0
New Jersey	4.6	4.7	-0.1	4.3
New York	4.9	4.6	0.3	4.7
Pennsylvania	4.3	4.7	-0.4	4.1
Rhode Island	5.0	5.2	-0.2	4.7
Vermont	4.1	3.7	0.4	3.8
United States	4.6	4.8	-0.2	4.5

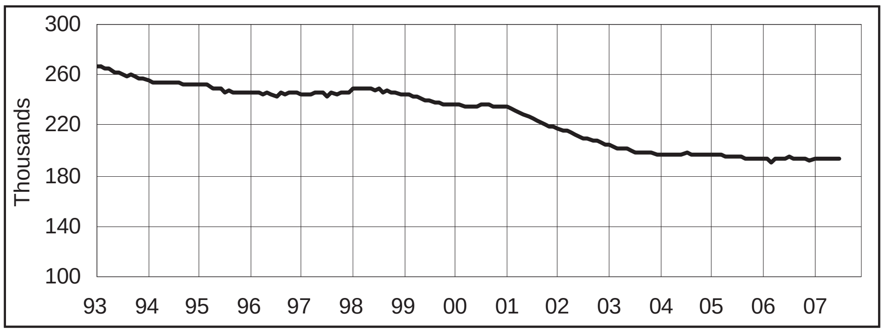
Source: U.S. Department of Labor, Bureau of Labor Statistics

CONSTRUCTION EMPLOYMENT *(Seasonally adjusted)*



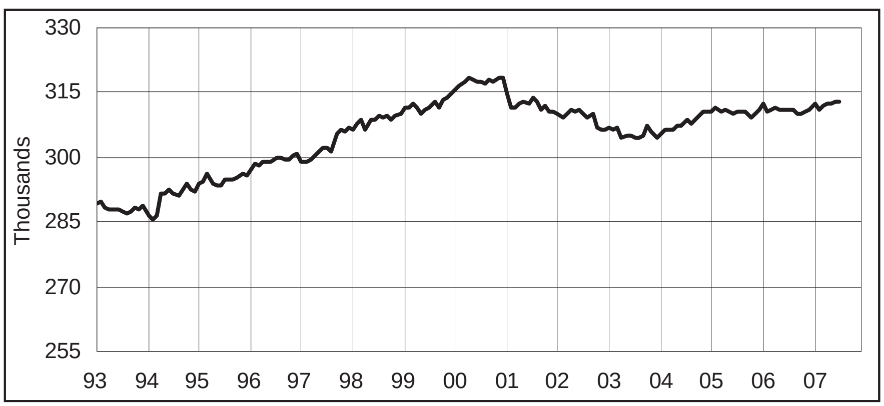
Month	2005	2006	2007
Jan	66.7	66.6	68.4
Feb	66.4	67.1	68.6
Mar	66.3	67.6	68.7
Apr	66.2	66.9	68.9
May	66.0	66.8	68.3
Jun	66.1	66.9	68.5
Jul	66.0	67.0	68.6
Aug	65.9	67.1	
Sep	65.8	67.1	
Oct	65.4	67.0	
Nov	65.6	66.9	
Dec	65.2	66.8	

MANUFACTURING EMPLOYMENT *(Seasonally adjusted)*



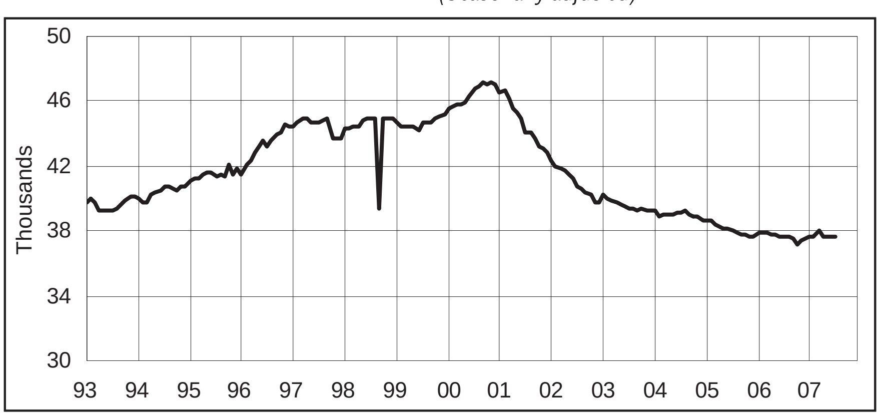
Month	2005	2006	2007
Jan	196.7	194.1	193.0
Feb	196.4	194.4	193.2
Mar	196.1	191.0	193.0
Apr	195.8	194.2	193.3
May	195.7	194.1	193.3
Jun	195.5	194.3	193.6
Jul	195.5	194.8	193.0
Aug	194.6	194.2	
Sep	194.2	193.6	
Oct	194.1	193.3	
Nov	193.9	193.0	
Dec	193.7	192.8	

TRADE, TRANSPORTATION, & UTILITIES EMP. *(Seasonally adjusted)*



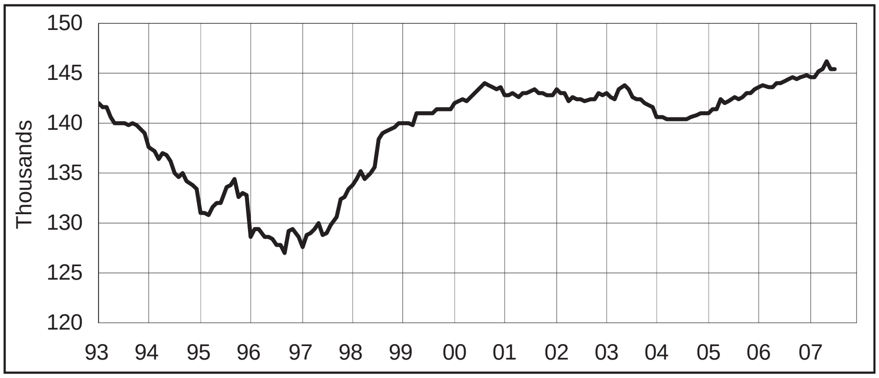
Month	2005	2006	2007
Jan	310.7	312.2	312.2
Feb	311.5	310.4	310.9
Mar	310.6	311.2	311.9
Apr	311.1	311.3	312.4
May	310.6	311.1	312.5
Jun	310.3	311.2	312.9
Jul	310.5	310.8	312.7
Aug	310.5	310.8	
Sep	310.7	310.1	
Oct	309.2	310.1	
Nov	309.9	310.5	
Dec	311.0	311.2	

INFORMATION EMPLOYMENT *(Seasonally adjusted)*



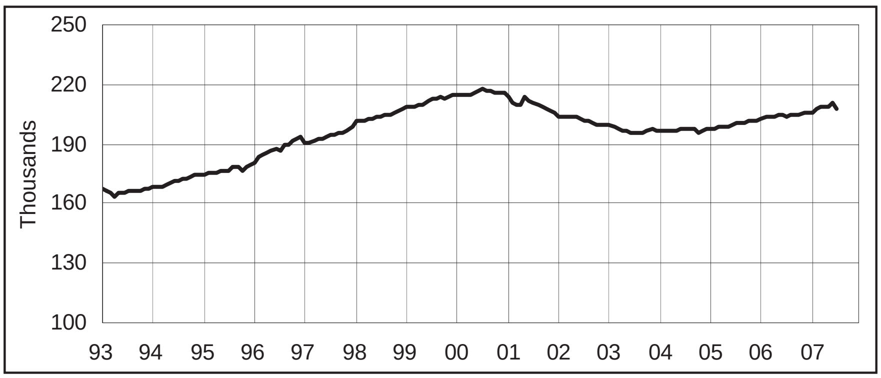
Month	2005	2006	2007
Jan	38.6	37.9	37.7
Feb	38.7	37.9	37.7
Mar	38.4	37.9	38.0
Apr	38.3	37.8	37.6
May	38.2	37.8	37.7
Jun	38.2	37.6	37.6
Jul	38.0	37.6	37.6
Aug	37.9	37.6	
Sep	37.8	37.5	
Oct	37.8	37.2	
Nov	37.7	37.4	
Dec	37.7	37.5	

FINANCIAL ACTIVITIES EMPLOYMENT *(Seasonally adjusted)*



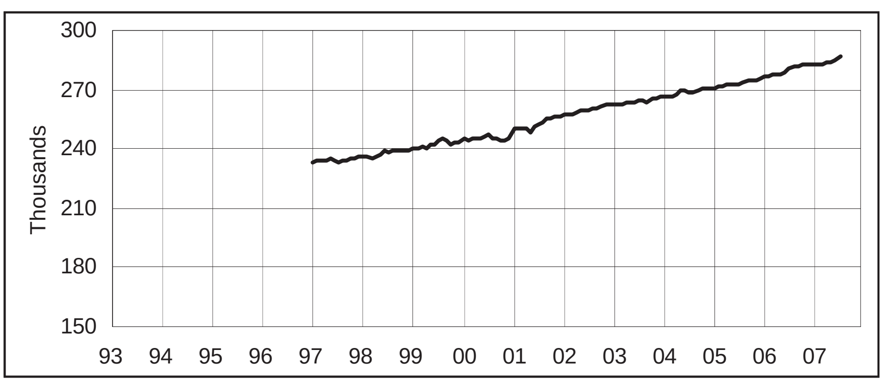
Month	2005	2006	2007
Jan	141.1	143.6	144.6
Feb	141.5	143.8	144.7
Mar	141.3	143.7	145.2
Apr	142.4	143.7	145.5
May	141.9	144.0	146.2
Jun	142.2	144.1	145.4
Jul	142.7	144.2	145.4
Aug	142.4	144.5	
Sep	142.7	144.6	
Oct	142.9	144.5	
Nov	143.0	144.7	
Dec	143.3	144.8	

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



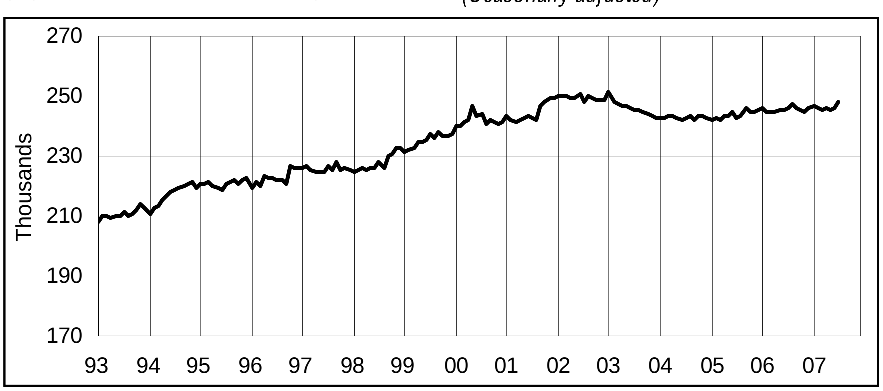
Month	2005	2006	2007
Jan	197.9	202.4	205.3
Feb	198.1	203.3	207.6
Mar	198.3	203.8	208.3
Apr	198.8	204.1	209.2
May	198.8	204.3	209.2
Jun	199.5	204.8	210.5
Jul	201.0	204.1	208.1
Aug	200.3	204.5	
Sep	201.1	204.9	
Oct	201.3	204.5	
Nov	201.8	205.3	
Dec	202.1	206.2	

EDUCATIONAL & HEALTH SERV. EMPLOYMENT *(Seasonally adjusted)*



Month	2005	2006	2007
Jan	270.8	276.5	283.2
Feb	271.7	276.6	282.8
Mar	271.7	277.2	282.6
Apr	272.8	277.8	283.9
May	272.8	278.2	283.7
Jun	273.0	279.0	284.8
Jul	273.1	280.6	287.1
Aug	273.5	281.8	
Sep	274.3	281.8	
Oct	274.7	282.5	
Nov	275.0	283.1	
Dec	275.7	283.1	

GOVERNMENT EMPLOYMENT* *(Seasonally adjusted)*



Includes Indian tribal government employment

Month	2005	2006	2007
Jan	241.7	245.8	246.4
Feb	242.4	245.0	246.3
Mar	241.7	244.8	245.5
Apr	243.6	245.0	245.9
May	243.4	245.4	245.4
Jun	244.9	245.3	245.8
Jul	243.0	246.2	247.9
Aug	243.2	247.5	
Sep	246.0	246.2	
Oct	244.9	245.3	
Nov	244.6	245.0	
Dec	245.5	245.7	

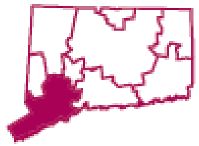
CONNECTICUT

Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**1,691,300**	**1,672,800**	**18,500**	**1.1**	**1,717,000**
GOODS PRODUCING INDUSTRIES	**265,800**	**265,900**	**-100**	**0.0**	**266,700**
CONSTRUCTION, NAT. RES. & MINING	**73,400**	**71,700**	**1,700**	**2.4**	**72,300**
MANUFACTURING	**192,400**	**194,200**	**-1,800**	**-0.9**	**194,400**
Durable Goods	**145,200**	**145,800**	**-600**	**-0.4**	**146,500**
Fabricated Metal	33,700	33,600	100	0.3	34,200
Machinery	18,300	18,100	200	1.1	18,400
Computer and Electronic Product	14,400	14,600	-200	-1.4	14,400
Transportation Equipment	43,600	44,100	-500	-1.1	44,000
Aerospace Product and Parts	31,900	31,600	300	0.9	32,000
Non-Durable Goods	**47,200**	**48,400**	**-1,200**	**-2.5**	**47,900**
Chemical	15,800	16,600	-800	-4.8	16,300
SERVICE PROVIDING INDUSTRIES	**1,425,500**	**1,406,900**	**18,600**	**1.3**	**1,450,300**
TRADE, TRANSPORTATION, UTILITIES	**308,700**	**306,500**	**2,200**	**0.7**	**315,300**
Wholesale Trade	69,600	67,900	1,700	2.5	69,700
Retail Trade	189,600	189,700	-100	-0.1	191,800
Motor Vehicle and Parts Dealers	21,800	22,400	-600	-2.7	22,000
Building Material	17,800	17,300	500	2.9	18,300
Food and Beverage Stores	42,600	41,600	1,000	2.4	43,000
General Merchandise Stores	23,400	23,900	-500	-2.1	23,300
Transportation, Warehousing, & Utilities	49,500	48,900	600	1.2	53,800
Utilities	8,000	8,200	-200	-2.4	8,000
Transportation and Warehousing	41,500	40,700	800	2.0	45,800
INFORMATION	**37,800**	**37,800**	**0**	**0.0**	**37,900**
Telecommunications	13,000	12,500	500	4.0	12,900
FINANCIAL ACTIVITIES	**146,300**	**145,700**	**600**	**0.4**	**146,200**
Finance and Insurance	125,200	124,200	1,000	0.8	125,000
Credit Intermediation	31,600	32,200	-600	-1.9	31,700
Securities and Commodity Contracts	22,200	21,000	1,200	5.7	22,000
Insurance Carriers & Related Activities	66,500	66,100	400	0.6	66,300
Real Estate and Rental and Leasing	21,100	21,500	-400	-1.9	21,200
PROFESSIONAL & BUSINESS SERVICES	**210,000**	**205,400**	**4,600**	**2.2**	**213,400**
Professional, Scientific	95,300	91,700	3,600	3.9	94,700
Legal Services	14,500	14,700	-200	-1.4	14,400
Computer Systems Design	22,000	20,400	1,600	7.8	21,800
Management of Companies	24,600	24,900	-300	-1.2	24,700
Administrative and Support	90,100	88,800	1,300	1.5	94,000
Employment Services	32,100	31,400	700	2.2	35,500
EDUCATIONAL AND HEALTH SERVICES	**282,000**	**275,900**	**6,100**	**2.2**	**281,800**
Educational Services	50,600	48,500	2,100	4.3	51,500
Health Care and Social Assistance	231,400	227,400	4,000	1.8	230,300
Hospitals	58,400	57,400	1,000	1.7	58,000
Nursing & Residential Care Facilities	58,300	57,800	500	0.9	58,300
Social Assistance	40,600	38,900	1,700	4.4	40,100
LEISURE AND HOSPITALITY	**145,700**	**142,700**	**3,000**	**2.1**	**144,500**
Arts, Entertainment, and Recreation	30,300	29,800	500	1.7	28,600
Accommodation and Food Services	115,400	112,900	2,500	2.2	115,900
Food Serv., Restaurants, Drinking Places	101,200	99,300	1,900	1.9	102,700
OTHER SERVICES	**65,600**	**64,900**	**700**	**1.1**	**65,200**
GOVERNMENT	**229,400**	**228,000**	**1,400**	**0.6**	**246,000**
Federal Government	19,400	19,700	-300	-1.5	19,400
State Government	63,700	61,700	2,000	3.2	64,900
Local Government**	146,300	146,600	-300	-0.2	161,700

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

BRIDGEPORT - STAMFORD LMA

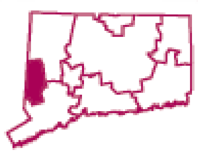


Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**425,100**	**418,400**	**6,700**	**1.6**	**429,200**
GOODS PRODUCING INDUSTRIES	**58,800**	**57,300**	**1,500**	**2.6**	**58,900**
CONSTRUCTION, NAT. RES. & MINING	**17,900**	**16,400**	**1,500**	**9.1**	**17,600**
MANUFACTURING	**40,900**	**40,900**	**0**	**0.0**	**41,300**
Durable Goods	**30,500**	**30,000**	**500**	**1.7**	**30,700**
SERVICE PROVIDING INDUSTRIES	**366,300**	**361,100**	**5,200**	**1.4**	**370,300**
TRADE, TRANSPORTATION, UTILITIES	**75,900**	**75,100**	**800**	**1.1**	**77,300**
Wholesale Trade	14,600	14,600	0	0.0	14,700
Retail Trade	50,600	50,200	400	0.8	51,100
Transportation, Warehousing, & Utilities	10,700	10,300	400	3.9	11,500
INFORMATION	**11,200**	**11,400**	**-200**	**-1.8**	**11,300**
FINANCIAL ACTIVITIES	**46,100**	**44,300**	**1,800**	**4.1**	**45,800**
Finance and Insurance	39,500	37,600	1,900	5.1	39,200
PROFESSIONAL & BUSINESS SERVICES	**72,400**	**71,300**	**1,100**	**1.5**	**73,300**
EDUCATIONAL AND HEALTH SERVICES	**60,100**	**60,100**	**0**	**0.0**	**60,000**
Health Care and Social Assistance	51,300	51,500	-200	-0.4	51,300
LEISURE AND HOSPITALITY	**37,400**	**36,700**	**700**	**1.9**	**36,800**
Accommodation and Food Services	26,500	25,600	900	3.5	26,700
OTHER SERVICES	**17,500**	**17,800**	**-300**	**-1.7**	**17,300**
GOVERNMENT	**45,700**	**44,400**	**1,300**	**2.9**	**48,500**
Federal	3,300	3,400	-100	-2.9	3,300
State & Local	42,400	41,000	1,400	3.4	45,200

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

DANBURY LMA



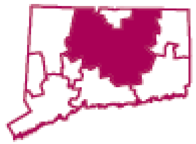
Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**69,500**	**69,000**	**500**	**0.7**	**70,900**
GOODS PRODUCING INDUSTRIES	**13,500**	**13,300**	**200**	**1.5**	**13,600**
SERVICE PROVIDING INDUSTRIES	**56,000**	**55,700**	**300**	**0.5**	**57,300**
TRADE, TRANSPORTATION, UTILITIES	**15,300**	**15,400**	**-100**	**-0.6**	**15,700**
Retail Trade	11,500	11,600	-100	-0.9	11,700
PROFESSIONAL & BUSINESS SERVICES	**8,700**	**8,700**	**0**	**0.0**	**8,900**
LEISURE AND HOSPITALITY	**5,900**	**5,800**	**100**	**1.7**	**6,000**
GOVERNMENT	**7,400**	**7,300**	**100**	**1.4**	**8,300**
Federal	600	600	0	0.0	600
State & Local	6,800	6,700	100	1.5	7,700

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes.*

HARTFORD LMA



Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**550,100**	**547,800**	**2,300**	**0.4**	**557,100**
GOODS PRODUCING INDUSTRIES	**88,500**	**88,600**	**-100**	**-0.1**	**89,200**
CONSTRUCTION, NAT. RES. & MINING	**23,500**	**23,600**	**-100**	**-0.4**	**23,500**
MANUFACTURING	**65,000**	**65,000**	**0**	**0.0**	**65,700**
Durable Goods	**53,900**	**54,200**	**-300**	**-0.6**	**54,600**
Transportation Equipment	18,900	19,000	-100	-0.5	18,900
SERVICE PROVIDING INDUSTRIES	**461,600**	**459,200**	**2,400**	**0.5**	**467,900**
TRADE, TRANSPORTATION, UTILITIES	**87,800**	**88,200**	**-400**	**-0.5**	**90,100**
Wholesale Trade	19,900	20,000	-100	-0.5	20,100
Retail Trade	54,300	54,700	-400	-0.7	55,100
Transportation, Warehousing, & Utilities	13,600	13,500	100	0.7	14,900
Transportation and Warehousing	10,800	10,400	400	3.8	12,100
INFORMATION	**12,100**	**12,100**	**0**	**0.0**	**12,100**
FINANCIAL ACTIVITIES	**67,900**	**68,200**	**-300**	**-0.4**	**67,700**
Depository Credit Institutions	7,800	7,700	100	1.3	7,800
Insurance Carriers & Related Activities	46,600	45,800	800	1.7	46,300
PROFESSIONAL & BUSINESS SERVICES	**62,300**	**61,000**	**1,300**	**2.1**	**62,200**
Professional, Scientific	30,200	29,200	1,000	3.4	30,000
Administrative and Support	26,300	25,800	500	1.9	26,600
EDUCATIONAL AND HEALTH SERVICES	**87,400**	**85,900**	**1,500**	**1.7**	**87,100**
Health Care and Social Assistance	77,800	75,900	1,900	2.5	77,100
Ambulatory Health Care	22,900	22,500	400	1.8	23,000
LEISURE AND HOSPITALITY	**42,800**	**42,200**	**600**	**1.4**	**42,800**
Accommodation and Food Services	35,700	33,700	2,000	5.9	36,000
OTHER SERVICES	**21,200**	**21,100**	**100**	**0.5**	**21,300**
GOVERNMENT	**80,100**	**80,500**	**-400**	**-0.5**	**84,600**
Federal	6,000	6,000	0	0.0	5,900
State & Local	74,100	74,500	-400	-0.5	78,700

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 2006.
**Total excludes workers idled due to labor-management disputes.*

BUSINESS AND ECONOMIC NEWS

- **Fatal work injuries in 2006**
  There were 5,703 fatal work injuries in the United States in 2006, down slightly from the revised total of 5,734 fatalities in 2005. Of the 5,703 fatal work injuries in 2006, 5,202 occurred in private industry. Service-providing industries in the private sector accounted for 47 percent (2,693 fatalities), while private goods-producing industries accounted for 44 percent (2,509 fatalities). Government workers accounted for 9 percent (501) of fatalities. The overall rate of fatal work injuries in 2006 was 3.9 per 100,000 workers, down from a rate of 4.0 per 100,000 in 2005. The rate for the U.S. in 2006 was lower than the rate for any year since the fatality census was first conducted in 1992. 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, see "National Census of Fatal Occupational Injuries in 2006," news release USDL 07-1202. Data for 2006 are preliminary. The total for 2001 excludes

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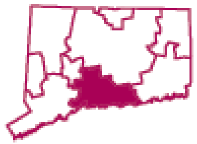
NEW HAVEN LMA



Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**271,000**	**272,800**	**-1,800**	**-0.7**	**278,600**
GOODS PRODUCING INDUSTRIES	**44,200**	**45,000**	**-800**	**-1.8**	**44,200**
CONSTRUCTION, NAT. RES. & MINING	**12,000**	**12,000**	**0**	**0.0**	**11,800**
MANUFACTURING	**32,200**	**33,000**	**-800**	**-2.4**	**32,400**
Durable Goods	**22,000**	**22,700**	**-700**	**-3.1**	**22,100**
SERVICE PROVIDING INDUSTRIES	**226,800**	**227,800**	**-1,000**	**-0.4**	**234,400**
TRADE, TRANSPORTATION, UTILITIES	**50,300**	**50,900**	**-600**	**-1.2**	**51,300**
Wholesale Trade	11,400	11,800	-400	-3.4	11,400
Retail Trade	30,800	30,800	0	0.0	31,200
Transportation, Warehousing, & Utilities	8,100	8,300	-200	-2.4	8,700
INFORMATION	**8,200**	**8,100**	**100**	**1.2**	**8,300**
FINANCIAL ACTIVITIES	**14,600**	**14,200**	**400**	**2.8**	**14,700**
Finance and Insurance	10,500	10,400	100	1.0	10,600
PROFESSIONAL & BUSINESS SERVICES	**25,500**	**25,900**	**-400**	**-1.5**	**26,500**
Administrative and Support	12,700	12,600	100	0.8	13,700
EDUCATIONAL AND HEALTH SERVICES	**64,300**	**64,200**	**100**	**0.2**	**64,900**
Educational Services	21,500	21,600	-100	-0.5	21,700
Health Care and Social Assistance	42,800	42,600	200	0.5	43,200
LEISURE AND HOSPITALITY	**22,200**	**22,700**	**-500**	**-2.2**	**22,000**
Accommodation and Food Services	18,400	18,600	-200	-1.1	18,300
OTHER SERVICES	**11,600**	**11,100**	**500**	**4.5**	**11,400**
GOVERNMENT	**30,100**	**30,700**	**-600**	**-2.0**	**35,300**
Federal	5,300	5,400	-100	-1.9	5,300
State & Local	24,800	25,300	-500	-2.0	30,000

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

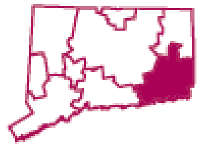
Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes. **Value less than 50*

BUSINESS AND ECONOMIC NEWS (Cont.)

work-related fatalities that resulted from the September 11 terrorist attacks, which were tabulated separately. (The Editor's Desk, Bureau of Labor Statistics, August 10, 2007)

- **Job openings by industry, June 2007**
  In June, the job openings rate for the nation as a whole increased slightly to 3.0 percent after remaining steady at 2.9 percent for the prior 4 months. The seasonally adjusted job openings rate was highest in June in professional and business services-4.3 percent. Accommodation and food services (part of leisure and hospitality) had a job openings rate of 4.0 percent. The job openings rate rose in June in retail trade (part of trade, transportation, and utilities) and in professional and business services, but fell in construction. These data come from the Job Openings and Labor Turnover Survey. These data are seasonally adjusted. Data for the most recent month are preliminary. To learn more, see "Job Openings and Labor Turnover: June 2007," news release USDL 07-1201. The job openings rate is the number of openings divided by employment plus job openings. (The Editor's Desk, Bureau of Labor Statistics, August 9, 2007)

NORWICH - NEW LONDON LMA

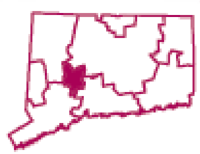


Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**137,600**	**137,400**	**200**	**0.1**	**137,700**
GOODS PRODUCING INDUSTRIES	**20,900**	**21,800**	**-900**	**-4.1**	**21,200**
CONSTRUCTION, NAT. RES. & MINING	**4,600**	**4,600**	**0**	**0.0**	**4,500**
MANUFACTURING	**16,300**	**17,200**	**-900**	**-5.2**	**16,700**
Durable Goods	**10,800**	**11,300**	**-500**	**-4.4**	**10,900**
Non-Durable Goods	**5,500**	**5,900**	**-400**	**-6.8**	**5,800**
SERVICE PROVIDING INDUSTRIES	**116,700**	**115,600**	**1,100**	**1.0**	**116,500**
TRADE, TRANSPORTATION, UTILITIES	**23,300**	**22,600**	**700**	**3.1**	**23,400**
Wholesale Trade	2,300	2,200	100	4.5	2,200
Retail Trade	16,600	16,300	300	1.8	16,600
Transportation, Warehousing, & Utilities	4,400	4,100	300	7.3	4,600
INFORMATION	**2,100**	**2,100**	**0**	**0.0**	**2,100**
FINANCIAL ACTIVITIES	**3,500**	**3,600**	**-100**	**-2.8**	**3,500**
PROFESSIONAL & BUSINESS SERVICES	**10,600**	**10,300**	**300**	**2.9**	**10,500**
EDUCATIONAL AND HEALTH SERVICES	**19,300**	**18,900**	**400**	**2.1**	**19,300**
Health Care and Social Assistance	16,800	16,600	200	1.2	16,800
LEISURE AND HOSPITALITY	**15,700**	**15,500**	**200**	**1.3**	**15,000**
Accommodation and Food Services	12,900	12,600	300	2.4	12,400
Food Serv., Restaurants, Drinking Places	10,500	10,200	300	2.9	10,200
OTHER SERVICES	**4,000**	**3,900**	**100**	**2.6**	**4,000**
GOVERNMENT	**38,200**	**38,700**	**-500**	**-1.3**	**38,700**
Federal	2,500	2,500	0	0.0	2,500
State & Local**	35,700	36,200	-500	-1.4	36,200

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

WATERBURY LMA



Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT	**68,700**	**67,400**	**1,300**	**1.9**	**70,800**
GOODS PRODUCING INDUSTRIES	**12,700**	**12,800**	**-100**	**-0.8**	**12,700**
CONSTRUCTION, NAT. RES. & MINING	**3,000**	**3,000**	**0**	**0.0**	**2,900**
MANUFACTURING	**9,700**	**9,800**	**-100**	**-1.0**	**9,800**
SERVICE PROVIDING INDUSTRIES	**56,000**	**54,600**	**1,400**	**2.6**	**58,100**
TRADE, TRANSPORTATION, UTILITIES	**13,500**	**13,000**	**500**	**3.8**	**13,800**
Wholesale Trade	2,200	2,200	0	0.0	2,200
Retail Trade	9,500	9,000	500	5.6	9,500
Transportation, Warehousing, & Utilities	1,800	1,800	0	0.0	2,100
INFORMATION	**900**	**900**	**0**	**0.0**	**900**
FINANCIAL ACTIVITIES	**2,500**	**2,600**	**-100**	**-3.8**	**2,500**
PROFESSIONAL & BUSINESS SERVICES	**6,400**	**6,300**	**100**	**1.6**	**7,100**
EDUCATIONAL AND HEALTH SERVICES	**14,600**	**14,400**	**200**	**1.4**	**15,000**
Health Care and Social Assistance	13,300	13,300	0	0.0	13,700
LEISURE AND HOSPITALITY	**6,000**	**5,200**	**800**	**15.4**	**5,900**
OTHER SERVICES	**2,900**	**2,900**	**0**	**0.0**	**2,900**
GOVERNMENT	**9,200**	**9,300**	**-100**	**-1.1**	**10,000**
Federal	600	600	0	0.0	600
State & Local	8,600	8,700	-100	-1.1	9,400

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 2006.
**Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.*

SMALLER LMAS

Not Seasonally Adjusted

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT					
ENFIELD LMA……………………………….	**47,600**	**48,000**	**-400**	**-0.8**	**48,700**
TORRINGTON LMA………………………….	**37,700**	**37,300**	**400**	**1.1**	**38,600**
WILLIMANTIC - DANIELSON LMA………….	**36,900**	**36,200**	**700**	**1.9**	**38,400**

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

	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
TOTAL NONFARM EMPLOYMENT……………	**296,100**	**294,900**	**1,200**	**0.4**	**302,000**
GOODS PRODUCING INDUSTRIES…………	**47,300**	**48,900**	**-1,600**	**-3.3**	**47,500**
CONSTRUCTION, NAT. RES. & MINING…..	**11,900**	**12,000**	**-100**	**-0.8**	**11,600**
MANUFACTURING…………………………..	**35,400**	**36,900**	**-1,500**	**-4.1**	**35,900**
Durable Goods………………………………	**22,600**	**23,300**	**-700**	**-3.0**	**23,100**
Non-Durable Goods…………………………	**12,800**	**13,600**	**-800**	**-5.9**	**12,800**
SERVICE PROVIDING INDUSTRIES………..	**248,800**	**246,000**	**2,800**	**1.1**	**254,500**
TRADE, TRANSPORTATION, UTILITIES…..	**61,200**	**60,400**	**800**	**1.3**	**62,300**
Wholesale Trade………………………………	12,000	11,700	300	2.6	11,900
Retail Trade……………………………………	36,300	35,600	700	2.0	36,500
Transportation, Warehousing, & Utilities….	12,900	13,100	-200	-1.5	13,900
INFORMATION………………………………..	**4,400**	**4,400**	**0**	**0.0**	**4,400**
FINANCIAL ACTIVITIES……………………..	**17,400**	**17,300**	**100**	**0.6**	**17,300**
Finance and Insurance………………………	13,200	13,400	-200	-1.5	13,100
Insurance Carriers & Related Activities….	8,700	8,400	300	3.6	8,600
PROFESSIONAL & BUSINESS SERVICES	**24,900**	**24,300**	**600**	**2.5**	**25,200**
EDUCATIONAL AND HEALTH SERVICES	**55,100**	**54,000**	**1,100**	**2.0**	**54,900**
Educational Services…………………………	11,200	11,200	0	0.0	10,900
Health Care and Social Assistance……….	43,900	42,800	1,100	2.6	44,000
LEISURE AND HOSPITALITY……………….	**29,100**	**28,700**	**400**	**1.4**	**29,100**
OTHER SERVICES……………………………	**11,700**	**12,000**	**-300**	**-2.5**	**11,500**
GOVERNMENT ……………………………….	**45,000**	**44,900**	**100**	**0.2**	**49,800**
Federal…………………………………………	6,600	6,600	0	0.0	6,600
State & Local…………………………………	38,400	38,300	100	0.3	43,200

* New England City and Town Area

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.
**Total excludes workers idled due to labor-management disputes.*

LMA LABOR FORCE ESTIMATES

(Not seasonally adjusted)	EMPLOYMENT STATUS	JUL 2007	JUL 2006	CHANGE NO.	CHANGE %	JUN 2007
CONNECTICUT	Civilian Labor Force	1,916,800	1,881,400	35,400	1.9	1,900,300
	Employed	1,825,400	1,792,200	33,200	1.9	1,813,800
	Unemployed	91,400	89,200	2,200	2.5	86,500
	Unemployment Rate	4.8	4.7	0.1	---	4.6
BRIDGEPORT - STAMFORD LMA	Civilian Labor Force	493,600	480,700	12,900	2.7	487,200
	Employed	472,300	459,800	12,500	2.7	467,000
	Unemployed	21,400	20,900	500	2.4	20,200
	Unemployment Rate	4.3	4.3	0.0	---	4.1
DANBURY LMA	Civilian Labor Force	95,000	93,000	2,000	2.2	94,500
	Employed	91,400	89,400	2,000	2.2	91,100
	Unemployed	3,600	3,600	0	0.0	3,400
	Unemployment Rate	3.8	3.8	0.0	---	3.6
ENFIELD LMA	Civilian Labor Force	50,100	49,300	800	1.6	50,200
	Employed	47,800	47,100	700	1.5	47,700
	Unemployed	2,200	2,200	0	0.0	2,400
	Unemployment Rate	4.5	4.4	0.1	---	4.8
HARTFORD LMA	Civilian Labor Force	598,300	589,000	9,300	1.6	592,200
	Employed	568,500	560,100	8,400	1.5	564,100
	Unemployed	29,800	28,900	900	3.1	28,100
	Unemployment Rate	5.0	4.9	0.1	---	4.7
NEW HAVEN LMA	Civilian Labor Force	316,100	312,800	3,300	1.1	315,400
	Employed	299,800	297,100	2,700	0.9	300,300
	Unemployed	16,200	15,700	500	3.2	15,100
	Unemployment Rate	5.1	5.0	0.1	---	4.8
NORWICH - NEW LONDON LMA	Civilian Labor Force	157,100	155,300	1,800	1.2	153,900
	Employed	150,200	148,300	1,900	1.3	147,500
	Unemployed	6,800	6,900	-100	-1.4	6,400
	Unemployment Rate	4.4	4.5	-0.1	---	4.1
TORRINGTON LMA	Civilian Labor Force	57,300	55,600	1,700	3.1	57,000
	Employed	54,800	53,200	1,600	3.0	54,700
	Unemployed	2,500	2,400	100	4.2	2,300
	Unemployment Rate	4.3	4.3	0.0	---	4.1
WATERBURY LMA	Civilian Labor Force	104,200	101,900	2,300	2.3	104,200
	Employed	97,800	95,800	2,000	2.1	98,300
	Unemployed	6,400	6,200	200	3.2	5,900
	Unemployment Rate	6.1	6.0	0.1	---	5.7
WILLIMANTIC-DANIELSON LMA	Civilian Labor Force	58,900	57,500	1,400	2.4	59,100
	Employed	55,700	54,400	1,300	2.4	55,900
	Unemployed	3,100	3,100	0	0.0	3,200
	Unemployment Rate	5.3	5.4	-0.1	---	5.4
UNITED STATES	Civilian Labor Force	154,871,000	153,208,000	1,663,000	1.1	154,252,000
	Employed	147,315,000	145,606,000	1,709,000	1.2	146,958,000
	Unemployed	7,556,000	7,602,000	-46,000	-0.6	7,295,000
	Unemployment Rate	4.9	5.0	-0.1	---	4.7

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

MANUFACTURING HOURS AND EARNINGS

CONNECTICUT

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	JUL		CHG	JUN	JUL		CHG	JUN	JUL		CHG	JUN
(Not seasonally adjusted)	2007	2006	Y/Y	2007	2007	2006	Y/Y	2007	2007	2006	Y/Y	2007
MANUFACTURING	**$873.07**	**$831.04**	**$42.03**	**$868.05**	**42.3**	**42.4**	**-0.1**	**42.2**	**$20.64**	**$19.60**	**$1.04**	**$20.57**
DURABLE GOODS	**903.50**	**860.38**	**43.12**	**902.26**	**42.2**	**42.3**	**-0.1**	**42.3**	**21.41**	**20.34**	**1.07**	**21.33**
Fabricated Metal	801.38	769.45	31.92	794.39	42.2	42.7	-0.5	42.3	18.99	18.02	0.97	18.78
Machinery	845.42	809.93	35.49	836.81	41.0	40.7	0.3	40.9	20.62	19.90	0.72	20.46
Computer & Electronic	710.89	667.20	43.69	704.82	40.3	40.0	0.3	40.6	17.64	16.68	0.96	17.36
Transport. Equipment	1,125.07	1,067.16	57.91	1,119.53	42.6	43.1	-0.5	42.6	26.41	24.76	1.65	26.28
NON-DUR. GOODS	**787.37**	**755.85**	**31.52**	**775.57**	**42.4**	**42.8**	-0.4	**41.9**	**18.57**	**17.66**	**0.91**	**18.51**
CONSTRUCTION	**915.46**	**902.87**	**12.59**	**912.59**	**38.4**	**38.7**	**-0.3**	**38.9**	**23.84**	**23.33**	**0.51**	**23.46**

LMAs

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	JUL		CHG	JUN	JUL		CHG	JUN	JUL		CHG	JUN
MANUFACTURING	2007	2006	Y/Y	2007	2007	2006	Y/Y	2007	2007	2006	Y/Y	2007
Bridgeport - Stamford	$902.37	$853.79	$48.58	$889.13	43.3	42.1	1.2	42.4	$20.84	$20.28	$0.56	$20.97
New Haven	790.83	724.40	66.43	780.69	36.8	41.3	-4.5	37.3	21.49	17.54	3.95	20.93
Norwich - New London	850.15	804.75	45.40	864.13	41.9	42.2	-0.3	42.8	20.29	19.07	1.22	20.19

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

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 2006.

BUSINESS AND EMPLOYMENT CHANGES ANNOUNCED IN THE NEWS MEDIA

- In late July 2007, B.J. Ryan's, a restaurant employing 20 people, opened on Main and Hoyt Streets in Norwalk. The Shack, an East Lyme restaurant, will be moving to New London and will hire 15 additional workers. Zara, a clothing and accessories national chain, will open a store in Greenwich, in September, that will have 40-50 employees. Volubilis Food Inc. will open an olive oil processing plant in Waterbury, in September, with 12 employees being sought.

- On September 20, 2007, Pitney Bowes, a manufacturer of mail equipment, will lay off 48 workers in Danbury as information technology jobs will be outsourced.

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)

JULY 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
BRIDGEPORT-STAMFORD	**493,617**	**472,263**	**21,354**	**4.3**
Ansonia	10,508	9,855	653	6.2
Bridgeport	65,718	60,942	4,776	7.3
Darien	9,646	9,353	293	3.0
Derby	7,243	6,825	418	5.8
Easton	3,952	3,820	132	3.3
Fairfield	29,771	28,578	1,193	4.0
Greenwich	31,702	30,741	961	3.0
Milford	33,032	31,707	1,325	4.0
Monroe	11,227	10,755	472	4.2
New Canaan	9,370	9,076	294	3.1
Newtown	14,985	14,489	496	3.3
Norwalk	50,797	48,936	1,861	3.7
Oxford	7,261	6,964	297	4.1
Redding	4,771	4,632	139	2.9
Ridgefield	12,360	11,959	401	3.2
Seymour	9,647	9,156	491	5.1
Shelton	23,708	22,686	1,022	4.3
Southbury	9,506	9,138	368	3.9
Stamford	69,831	67,160	2,671	3.8
Stratford	27,386	26,014	1,372	5.0
Trumbull	18,796	18,127	669	3.6
Weston	5,158	5,012	146	2.8
Westport	13,309	12,880	429	3.2
Wilton	8,787	8,486	301	3.4
Woodbridge	5,147	4,974	173	3.4
DANBURY	**95,031**	**91,395**	**3,636**	**3.8**
Bethel	11,332	10,923	409	3.6
Bridgewater	1,082	1,047	35	3.2
Brookfield	9,415	9,058	357	3.8
Danbury	45,948	44,147	1,801	3.9
New Fairfield	7,943	7,641	302	3.8
New Milford	17,065	16,408	657	3.8
Sherman	2,245	2,171	74	3.3
ENFIELD	**50,075**	**47,826**	**2,249**	**4.5**
East Windsor	6,216	5,946	270	4.3
Enfield	24,519	23,316	1,203	4.9
Somers	4,793	4,577	216	4.5
Suffield	7,413	7,139	274	3.7
Windsor Locks	7,135	6,848	287	4.0
HARTFORD	**598,251**	**568,452**	**29,799**	**5.0**
Andover	2,035	1,961	74	3.6
Ashford	2,683	2,570	113	4.2
Avon	9,371	9,087	284	3.0
Barkhamsted	2,281	2,193	88	3.9
Berlin	11,261	10,842	419	3.7
Bloomfield	10,295	9,723	572	5.6
Bolton	3,145	3,028	117	3.7
Bristol	35,096	33,322	1,774	5.1
Burlington	5,457	5,269	188	3.4

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
HARTFORD cont....				
Canton	5,825	5,624	201	3.5
Colchester	8,979	8,604	375	4.2
Columbia	3,136	3,011	125	4.0
Coventry	7,222	6,892	330	4.6
Cromwell	8,004	7,702	302	3.8
East Granby	2,987	2,885	102	3.4
East Haddam	5,290	5,071	219	4.1
East Hampton	7,084	6,680	404	5.7
East Hartford	26,112	24,461	1,651	6.3
Ellington	8,852	8,513	339	3.8
Farmington	13,211	12,726	485	3.7
Glastonbury	18,664	18,040	624	3.3
Granby	6,433	6,194	239	3.7
Haddam	4,898	4,733	165	3.4
Hartford	49,873	45,333	4,540	9.1
Hartland	1,228	1,189	39	3.2
Harwinton	3,241	3,109	132	4.1
Hebron	5,624	5,415	209	3.7
Lebanon	4,447	4,243	204	4.6
Manchester	32,706	31,197	1,509	4.6
Mansfield	13,504	12,759	745	5.5
Marlborough	3,690	3,553	137	3.7
Middlefield	2,452	2,347	105	4.3
Middletown	27,197	25,904	1,293	4.8
New Britain	35,748	33,043	2,705	7.6
New Hartford	3,917	3,739	178	4.5
Newington	17,070	16,348	722	4.2
Plainville	10,326	9,869	457	4.4
Plymouth	7,023	6,660	363	5.2
Portland	5,512	5,260	252	4.6
Rocky Hill	10,998	10,545	453	4.1
Simsbury	12,382	11,980	402	3.2
Southington	24,710	23,699	1,011	4.1
South Windsor	15,163	14,604	559	3.7
Stafford	7,026	6,688	338	4.8
Thomaston	4,775	4,533	242	5.1
Tolland	8,557	8,238	319	3.7
Union	483	464	19	3.9
Vernon	17,651	16,880	771	4.4
West Hartford	30,300	28,902	1,398	4.6
Wethersfield	13,733	13,145	588	4.3
Willington	4,045	3,878	167	4.1
Windsor	16,549	15,797	752	4.5

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

LABOR FORCE CONCEPTS

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

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

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

LABOR FORCE ESTIMATES BY TOWN

Town

(By Place of Residence - Not Seasonally Adjusted)

JULY 2007

LMA/TOWNS	LABOR FORCE	EMPLOYED	UNEMPLOYED	%
NEW HAVEN	**316,052**	**299,824**	**16,228**	**5.1**
Bethany	3,153	3,026	127	4.0
Branford	17,697	16,942	755	4.3
Cheshire	15,027	14,377	650	4.3
Chester	2,333	2,236	97	4.2
Clinton	8,112	7,778	334	4.1
Deep River	2,642	2,536	106	4.0
Durham	4,291	4,147	144	3.4
East Haven	16,390	15,575	815	5.0
Essex	3,859	3,725	134	3.5
Guilford	13,189	12,743	446	3.4
Hamden	31,639	30,025	1,614	5.1
Killingworth	3,642	3,523	119	3.3
Madison	10,268	9,934	334	3.3
Meriden	32,197	30,393	1,804	5.6
New Haven	56,988	52,610	4,378	7.7
North Branford	8,546	8,160	386	4.5
North Haven	13,389	12,784	605	4.5
Old Saybrook	5,573	5,361	212	3.8
Orange	7,477	7,200	277	3.7
Wallingford	25,724	24,633	1,091	4.2
Westbrook	3,738	3,591	147	3.9
West Haven	30,175	28,523	1,652	5.5
***NORWICH-NEW LONDON**	**143,479**	**137,262**	**6,217**	**4.3**
Bozrah	1,557	1,474	83	5.3
Canterbury	3,310	3,172	138	4.2
East Lyme	10,027	9,667	360	3.6
Franklin	1,243	1,197	46	3.7
Griswold	7,430	7,076	354	4.8
Groton	20,816	19,878	938	4.5
Ledyard	8,935	8,629	306	3.4
Lisbon	2,711	2,588	123	4.5
Lyme	1,204	1,166	38	3.2
Montville	11,352	10,879	473	4.2
New London	14,275	13,449	826	5.8
No. Stonington	3,427	3,297	130	3.8
Norwich	21,556	20,484	1,072	5.0
Old Lyme	4,445	4,287	158	3.6
Preston	2,969	2,854	115	3.9
Salem	2,727	2,627	100	3.7
Sprague	1,871	1,779	92	4.9
Stonington	11,002	10,629	373	3.4
Voluntown	1,695	1,615	80	4.7
Waterford	10,926	10,514	412	3.8

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

NORWICH-NEW LONDON	**157,080**	**150,243**	**6,837**	**4.4**
Westerly, RI	13,601	12,981	620	4.6

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	**57,253**	**54,792**	**2,461**	**4.3**
Bethlehem	2,145	2,061	84	3.9
Canaan	643	616	27	4.2
Colebrook	875	855	20	2.3
Cornwall	872	850	22	2.5
Goshen	1,673	1,613	60	3.6
Kent	1,674	1,626	48	2.9
Litchfield	4,639	4,448	191	4.1
Morris	1,392	1,325	67	4.8
Norfolk	1,007	969	38	3.8
North Canaan	1,846	1,759	87	4.7
Roxbury	1,448	1,404	44	3.0
Salisbury	2,115	2,041	74	3.5
Sharon	1,660	1,607	53	3.2
Torrington	20,309	19,293	1,016	5.0
Warren	776	745	31	4.0
Washington	2,059	1,980	79	3.8
Winchester	6,329	6,003	326	5.2
Woodbury	5,792	5,598	194	3.3
WATERBURY	**104,206**	**97,844**	**6,362**	**6.1**
Beacon Falls	3,354	3,188	166	4.9
Middlebury	3,929	3,760	169	4.3
Naugatuck	17,715	16,762	953	5.4
Prospect	5,439	5,211	228	4.2
Waterbury	51,675	47,838	3,837	7.4
Watertown	12,787	12,221	566	4.4
Wolcott	9,306	8,863	443	4.8
WILLIMANTIC-DANIELSON	**58,854**	**55,716**	**3,138**	**5.3**
Brooklyn	3,934	3,736	198	5.0
Chaplin	1,472	1,406	66	4.5
Eastford	1,020	977	43	4.2
Hampton	1,207	1,157	50	4.1
Killingly	9,603	9,075	528	5.5
Plainfield	8,652	8,161	491	5.7
Pomfret	2,345	2,244	101	4.3
Putnam	5,312	5,056	256	4.8
Scotland	1,015	991	24	2.4
Sterling	2,036	1,942	94	4.6
Thompson	5,527	5,246	281	5.1
Windham	12,018	11,193	825	6.9
Woodstock	4,712	4,531	181	3.8

Not Seasonally Adjusted:				
CONNECTICUT	**1,916,800**	**1,825,400**	**91,400**	**4.8**
UNITED STATES	**154,871,000**	**147,315,000**	**7,556,000**	**4.9**
Seasonally Adjusted:				
CONNECTICUT	**1,877,400**	**1,793,600**	**83,900**	**4.5**
UNITED STATES	**153,231,000**	**146,110,000**	**7,121,000**	**4.6**

LABOR FORCE CONCEPTS (Continued)

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

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

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

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	JUL 2007	YR TO DATE 2007	YR TO DATE 2006
Andover	3	5	3
Ansonia	0	5	4
Ashford	3	8	12
Avon	4	27	41
Barkhamsted	na	na	na
Beacon Falls	na	na	na
Berlin	8	71	71
Bethany	na	na	na
Bethel	0	5	34
Bethlehem	na	na	na
Bloomfield	na	na	na
Bolton	0	8	8
Bozrah	1	4	8
Branford	na	na	na
Bridgeport	11	75	102
Bridgewater	na	na	na
Bristol	8	56	45
Brookfield	na	na	na
Brooklyn	4	21	43
Burlington	1	17	14
Canaan	0	4	1
Canterbury	0	5	16
Canton	1	14	20
Chaplin	2	9	11
Cheshire	5	27	46
Chester	na	na	na
Clinton	0	4	15
Colchester	1	24	49
Colebrook	0	0	3
Columbia	2	6	14
Cornwall	1	5	4
Coventry	7	18	39
Cromwell	3	23	15
Danbury	24	187	279
Darien	na	na	na
Deep River	2	4	4
Derby	na	na	na
Durham	3	20	24
East Granby	2	14	24
East Haddam	2	26	24
East Hampton	7	46	57
East Hartford	na	na	na
East Haven	2	16	30
East Lyme	6	27	72
East Windsor	2	29	47
Eastford	2	4	8
Easton	0	3	6
Ellington	10	55	64
Enfield	na	na	na
Essex	1	8	3
Fairfield	7	56	64
Farmington	6	26	76
Franklin	0	4	3
Glastonbury	9	53	76
Goshen	3	21	24
Granby	9	22	27
Greenwich	20	117	127
Griswold	na	na	na
Groton	7	25	38
Guilford	6	22	40
Haddam	5	30	30
Hamden	1	13	15
Hampton	2	9	14
Hartford	25	81	182
Hartland	na	na	na
Harwinton	2	10	16
Hebron	na	na	na
Kent	0	5	8
Killingly	4	46	69
Killingworth	na	na	na
Lebanon	5	8	28
Ledyard	0	7	25
Lisbon	1	8	11
Litchfield	na	na	na
Lyme	2	5	2
Madison	1	13	26
Manchester	22	313	96
Mansfield	5	29	41
Marlborough	3	15	16
Meriden	2	34	43
Middlebury	na	na	na
Middlefield	0	2	3
Middletown	19	127	125
Milford	25	162	169
Monroe	3	13	12
Montville	5	17	19
Morris	1	4	3
Naugatuck	6	27	46
New Britain	na	na	na
New Canaan	6	27	39
New Fairfield	na	na	na
New Hartford	3	10	11
New Haven	5	26	95
New London	5	31	41
New Milford	2	17	54
Newington	12	46	64
Newtown	3	25	23
Norfolk	2	4	3
North Branford	na	na	na
North Canaan	0	3	3
North Haven	0	4	20
North Stonington	0	12	7
Norwalk	16	46	48
Norwich	3	55	71
Old Lyme	na	na	na
Old Saybrook	2	6	13
Orange	na	na	na
Oxford	12	44	97
Plainfield	1	7	15
Plainville	3	24	7
Plymouth	2	11	14
Pomfret	0	4	9
Portland	0	4	13
Preston	1	10	19
Prospect	na	na	na
Putnam	3	15	19
Redding	na	na	na
Ridgefield	9	81	24
Rocky Hill	6	21	42
Roxbury	na	na	na
Salem	1	6	9
Salisbury	na	na	na
Scotland	1	5	6
Seymour	5	19	36
Sharon	3	6	5
Shelton	14	56	71
Sherman	na	na	na
Simsbury	6	11	59
Somers	7	25	16
South Windsor	3	23	48
Southbury	2	25	19
Southington	19	77	59
Sprague	0	2	4
Stafford	na	na	na
Stamford	96	455	156
Sterling	na	na	na
Stonington	6	24	41
Stratford	3	34	20
Suffield	2	18	18
Thomaston	na	na	na
Thompson	na	na	na
Tolland	0	25	37
Torrington	5	49	47
Trumbull	3	18	60
Union	0	1	3
Vernon	16	110	114
Voluntown	0	7	5
Wallingford	12	56	55
Warren	0	7	5
Washington	na	na	na
Waterbury	29	103	113
Waterford	5	31	22
Watertown	6	28	40
West Hartford	12	49	61
West Haven	na	na	na
Westbrook	1	15	23
Weston	na	na	na
Westport	8	47	56
Wethersfield	na	na	na
Willington	1	3	13
Wilton	na	na	na
Winchester	2	16	22
Windham	2	9	13
Windsor	na	na	na
Windsor Locks	na	na	na
Wolcott	5	25	33
Woodbridge	na	na	na
Woodbury	3	17	15
Woodstock	3	16	36

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	**+0.7**
Coincident Employment Index	**+1.5**
Leading General Drift Indicator	**+0.2**
Coincident General Drift Indicator	**+1.8**
Banknorth Business Barometer	**+1.7**
Total Nonfarm Employment	**+1.1**
Unemployment Rate	**+0.1**
Labor Force	+1.6
Employed	+1.5
Unemployed	+4.1
Average Weekly Initial Claims	**-0.8**
Help Wanted Index -- Hartford	**-20.0**
Avg Insured Unempl. Rate	**+0.04***
Average Weekly Hours, Mfg	**-0.2**
Average Hourly Earnings, Mfg	**+5.3**
Average Weekly Earnings, Mfg	**+5.1**
CT Mfg. Production Index	**-2.4**
Production Worker Hours	-1.6
Industrial Electricity Sales	-5.2
Personal Income	**+4.0**
UI Covered Wages	**+2.9**

Business Activity	
New Housing Permits	+4.8
Electricity Sales	+11.9
Retail Sales	-0.6
Construction Contracts Index	-30.4
New Auto Registrations	-10.4
Air Cargo Tons	+0.8
Exports	+7.9
Business Starts	
Secretary of the State	+15.5
Dept. of Labor	-11.3
Business Terminations	
Secretary of the State	+15.8
Dept. of Labor	-32.8
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	+3.4
Attraction Visitors	+0.7
Air Passenger Count	-5.6
Indian Gaming Slots	+3.9
Travel and Tourism Index	+2.0
Employment Cost Index (U.S.)	
Total	+3.1
Wages & Salaries	+3.3
Benefit Costs	+2.6
Consumer Prices	
U.S. City Average	+2.4
Northeast Region	+2.0
NY-NJ-Long Island	+2.5
Boston-Brockton-Nashua	+0.8
Consumer Confidence	
Connecticut	NA
New England	NA
U.S.	NA
Interest Rates	
Prime	0.00*
Conventional Mortgage	-0.06*

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