

OCTOBER 1998

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- Nonfarm employment in August increased by 8,400 over the month. (p.6)
- Housing permits through August were up 20.8 percent from the same period last year. (p.7)
- The number of new auto registrations processed through August was 12 percent above the same period last year. (p.7)
- The number of major attraction visitors to the State rose 12.7 percent thus far from last year. (p.7)

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Connecticut's Drug Sector: Healthy, Wealthy, And Getting Wiser

By Lincoln S. Dyer, Economist

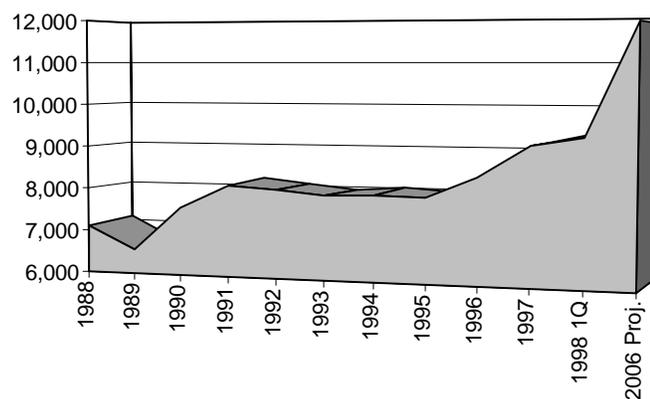
There is an industry well known for being immune to swings inherent in the business cycle. This sector's companies can regularly return double-digit profit gains, year in and year out, regardless of overall economic conditions and is often sought by investors as a safe-haven on Wall Street because of dependable earnings growth. This same industry commonly pays average salaries that generally reach twice the State's overall average wage. This sector also routinely spins off new companies or takes equity stakes to infuse capital to biotech startups as frequently as it consolidates in an era of merger mania. This industry group,

moreover, has some of the most potent direct job and earnings multipliers of any industry in the State and is a powerful engine of growth when it is aligned with academia, government, and free flowing venture capital. Most importantly, this sector, as a matter of course, saves numerous human and animal lives and makes difficult living situations more than just bearable. Naturally, the topic of above discussion is the drug manufacturing sector of the Nutmeg State.

The Metamorphosis

The sector is specifically defined as Standard Industry Classification (SIC) 283 - Drugs. This group comprises establish-

Connecticut Drug Sector Employment



Short-term employment drops in the drug sector reflect more of the selling of or spinning-off of less profitable divisions to concentrate on the "pipeline" than any real sector weakness.

ments principally engaged in manufacturing, fabricating, or processing medical chemicals and pharmaceutical products. This classification also includes firms working in the grading, grinding, and milling of botanicals. But increasingly in Connecticut, SIC 283 – Drugs means value-added *research and development*. The State's traditional manufacturing sub-component of the chemical industry is phasing out some of its on-going mass production processes and concentrating on the specific creation of patented compounds which have higher profit margin protection over time. This in turn leads to more emphasis on the acceleration of drug research to discover these prospective compounds. Nowadays, most of the employment growth in this sector is coming from increased laboratory research, clinical trial development expenditures, and patented compound fabrication. The focal point is now on the drug "pipeline", which leads to future revenue streams with high profit margins on patented pharmaceuticals, not the low-margin bulk chemical production that can be duplicated cheaper somewhere else.

An example of this would be the former making of penicillin, caffeine, and citric acid in the State. These compounds evolved to become almost bulk commodities that are now generally produced off shore so that companies can compete on cost with

other players in the basic production of these products. Once a patented drug loses its exclusivity, the profit margins suffer quickly, and it is no longer efficient to produce such compounds in Connecticut where a skilled and educated workforce demands wages among the highest in the nation. So, drug companies are re-evaluating their operations here to take advantage of Connecticut's intellectual capital to boost profit margins.

Additional circumstances have also facilitated the increased focus on R&D in Connecticut. Technology advances have allowed research scientists to screen many more prospective compounds in a shorter amount of time to gauge the bio-activity of certain substances. This provides a much larger array of prospective reactive compounds for further investigation. Consequently, more scientists are needed for this research. This falls right into play for Connecticut's highly educated workforce (which has among the nation's highest percentages of college degrees per capita). With more prospective substances as candidates for drug patents, the State is also benefiting from the clinical trial development and marketing aspects involved. In the near future, especially with a planned Pfizer expansion in New London that will be engrossed in clinical trials, the development and marketing aspects of the drug sector will expand in Con-

Some in-demand and well-paying occupations in the drug sector:

- Biological and medical scientists
- Biological, chemical, and agricultural technicians
- Bio-statisticians
- Chemists
- Clinical data examiners
- Clinical scientists
- Engineering, math, and natural science managers
- Math scientists
- Research scientists
- System analysts

THE CONNECTICUT ECONOMIC DIGEST

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necticut. Bringing drugs to market is as important to the bottom line as discovering them.

Environmental regulation and heightened corporate citizenship apparently have also helped redirect this sector's objectives. Pollution control efforts, both to meet DEP and EPA requirements and company ethics provisions, have instigated a shift to cleaner production processes that in turn has led to more automation in production. Fewer people are now involved in the actual production of drugs in the State, yet overall employment levels have grown, with the employment need being redirected to research. Research and development is fundamentally less polluting than bulk chemical production and this will reduce emissions, especially of elements like nitrogen, that have had a negative effect on Long Island Sound.

Furthermore, State research and development tax incentives were formerly only favorable for the truly large companies, but now they have been extended to more companies with much lower R&D spending thresholds. The benefits of these tax incentives will spread to smaller companies, further boosting research in this sector and in biotechnology in general.

A Viagra To The Economy

One science advocacy group (CURE) estimates that over 55% of the State's pharmaceutical industry (SIC 283) employment is now already involved with R&D. This percentage will undoubtedly increase as laboratory space shortages are being addressed in a resourceful manner and employment is projected to grow by better than 25% by 2006, to about 11,900 from 9,300 at the

Continued on page 4

Industry Clusters

Exports Up 1.5 Percent

Connecticut's merchandise exports, which had slipped 0.3 percent in the first quarter, were up 1.5 percent through the second quarter of 1998 from the same period last year. U.S. exports through the second quarter were up only 0.8 percent.

Connecticut's largest export industry, transportation equipment was up 13.7 percent; instruments were up 5.9 percent; and rubber and miscellaneous plastic products were up 4.9 percent. These gains were offset by decreases of 2.8 percent in industrial machinery; 11.9 percent in electronic equipment; 3.3 percent in chemicals; 23.6 percent in fabricated metals; 29.4 percent in primary metals; 19.4 percent in apparel; and 9.1 percent in paper and allied products, among the top ten export industries.

Connecticut's largest trading partner, Canada increased imports of Connecticut products 3.1 percent, while exports to Asian countries overall fell 11.8 percent. The dollar value of exports to all Asian countries represented 21.8 percent of Connecticut's total exports.

Among Connecticut's top ten export destinations, exports to Mexico were up 10.0 percent, along with exports to France, up 100 percent, Germany, up 10.7 percent, and the Netherlands, up 17.2 percent. Exports to the United Kingdom were down 16.4 percent. Exports to all of Connecticut's top ten trading partners were up 7.0 percent. ■

HOUSING UPDATE

August Housing Permits Up 20.8%

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development announced that Connecticut communities authorized 976 new housing units in August 1998, a 23.2 percent increase compared to August of 1997 when 792 were authorized.

The Department further indicated that the 976 units permitted in August 1998 represent a decrease of 24.7 percent from the 1,297 units permitted in July 1998. The year-to-date permits are up 20.8 percent, from 6,279 through August 1997, to 7,586 through August 1998.

"Housing permits continue to show strong, steady growth through August," Commissioner Abromaitis said. "More good news is the fact that the housing sector

experienced an increase in most of Connecticut's major cities, namely Bridgeport up 33 units, Hartford up 52 units, and Stamford up 62 units compared with the same period last year."

Reports from municipal officials throughout the state indicate that Fairfield County with 56.6 percent showed the greatest percentage increase in August compared to the same month a year ago. Middlesex County followed with a 50.0 percent increase.

Fairfield County documented the largest number of new, authorized units in August with 260. Hartford County followed with 214 units and New Haven County had 147 units. Danbury led all Connecticut communities with 56 units, followed by Stamford with 54 and Winchester with 49. ■

For more information on housing permits, see tables on pages 21-22.

end of 1997. Planned drug company laboratory expansions along with a new major clinical facility already under construction will lead this growth, indicating the emphasis on research. Pfizer in Groton and Bayer in West Haven, a couple of well-known pharmaceutical companies, are currently in the forefront of laboratory and clinical research space creation in the State. Besides adding more lab space, drug companies take equity stakes, buy marketing rights to prospective compounds from biotech firms, and set up joint partnerships that really provide almost a quadruple-boost to employment in the State. There are already some unique relationships in existence between drug companies and the State universities (Pfizer-UCONN) for example, and with Yale University in particular. Health centers will also play a pivotal supporting role in research and are essential for clinical trial programs and evaluations.

The drug sector certainly impacts various areas of business activity as exhibited by the direct-earnings and job multipliers of better than 2.20-to-1 for earnings (\$'s) and better than 3.33-to-1 for employment (number of jobs). Obviously, these jobs are worth keeping and are the ones a state should promote. These jobs have also shown that they stick around during times of recession. Connecticut already is a national hotbed for drug manufacturing employment along with New Jersey and Pennsylvania. For a national perspective, look at Connecticut's total nonfarm employment. While Connecticut has just 1.3% of the nation's nonagricultural jobs, its drug sector with about 9,200 positions in 1997, makes up over 3.5% of the nation's 260,300 drug sector jobs.

Nutmeg Panacea

The future of this sector looks bright in Connecticut, with many positive developments assisting growth down the road. The State has targeted the sector as part of the high technology industry cluster, providing support and incentives as a catalyst to further advance job creation, facilitate company expansion, and attract other pharmaceutical firms to the Nutmeg State. Industry-wide trends are also very favorable and they include a more industry



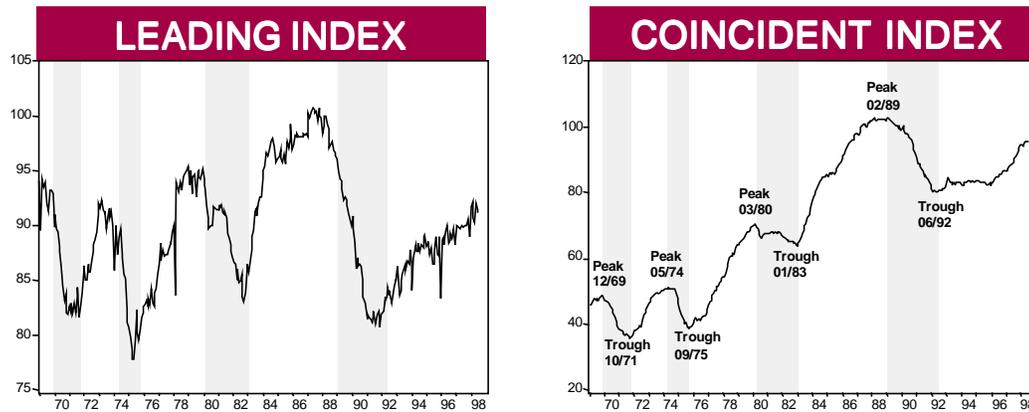
responsive FDA and the full realization that drug research is really the engine of growth for the sector. Companies are putting a higher percentage of revenues back into R&D as compared to the early 1990's. At Pfizer, almost 16% of sales went into R&D in 1997 (almost \$2 billion, with about \$1 billion being spent at the Pfizer Central Research facilities in Groton), up from 11% of sales in 1990. There is also the emergence of the focus on *lifestyle* drugs, like Viagra, that are in so much demand from the aging baby-boomers. These new drugs now enhance day-to-day life more than they cure a particular disease, opening up vast opportunities for new products. Increased research activity is also being applied in the area of drugs for animals. In addition more federal government research dollars are now inclined to go to non-military areas like

national health instead of into defense. Finally, the increasing prevalence of CRO's (Contract Research Organizations), which have the critical mass to conduct large clinical trials for drug companies, could also assist in the creation of high-paying job opportunities in the State as drug companies often have more prospective drug candidates than they can handle. They are already farming out more R&D to biotech firms and may eventually subcontract some work to the

CRO's. In the future, a similar seeding of research and testing firms is expected to grow around Pfizer's announced expansion on New London's waterfront.

There appears to be a dynamic unfolding in this industry that summons the need to be on the cutting edge of drug exploration. This important industry sub-group has changed its processes to build more on intellectual capital than physical capital. The State of Connecticut has recognized this and is providing an improved research environment to retain and attract firms in this prime employing sector. Common sense tells us that these research jobs fit well with Connecticut's demographic makeup that includes a better-educated labor force, higher per capita incomes, and an aging population. Also, as a smaller state with slower but controlled growth, Connecticut needs jobs with potent direct multipliers to help further spread economic gains. One eighteenth-century scientist, Benjamin Franklin, would have noted that fostering research growth could make the State as well as its drug industry, healthy, wealthy, and a whole lot wiser. ■

LEADING AND COINCIDENT INDICATORS



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 1987=100.

Current Conditions, Bullish; Future Conditions, Less-Clear

The Connecticut coincident employment index paints a picture of continuing growth for the Connecticut economy. The coincident index has followed a strong upward trend for nearly the last three years, unlike its weaker upward movement during the initial phase of the current expansion. The Connecticut leading employment index, however, provides a less-clear vision of the future. The leading index has also been on an upward trend, albeit with less strength and with more ups and downs around this slower trend. The relative strength in the movement of the two indexes is illustrated by their growth rates over the last year — the coincident index rose by 7.3 percent while the leading index increased by only 1.4 percent.

The coincident index, a barometer of current employment activity, reached another new peak with the release of (preliminary) July data. The increase in

the coincident index results entirely from the fall in the unemployment rate from 3.8 to 3.4 percent. The other three components each generated small negative signals on a month-over-month basis.

The leading index, a barometer of future employment activity, backed off slightly for the second consecutive month. The June decrease in the leading index was largely a result of the higher initial claims for unemployment insurance. The July fall emerged as a result of lower Hartford help-wanted advertising and a higher short-duration unemployment rate.

A reversal in the direction of movement of the leading index for three consecutive months generally precedes a change in the direction of the economy by six months to a year. As a consequence, future movements in the leading index need close monitoring, since they will signal future movements in the Connecticut economy.

In summary, the coincident employment index rose from 89.2 in July 1997 to 95.7 in July 1998. All four index components, once again, point in a positive direction on a year-over-year basis with higher nonfarm employment, higher total employment, a lower insured unemployment rate, and a lower total unemployment rate.

The leading employment index rose from 89.8 in July 1997 to 91.1 in July 1998. Four of the five index components sent positive signals on a year-over-year basis with a lower short-duration (less than 15 weeks) unemployment rate, higher Hartford help-wanted advertising, higher total housing permits, and a longer average work week of manufacturing production workers. The other component sent a negative signal on a year-over-year basis with higher initial claims for unemployment insurance. ■

Source: Connecticut Center for Economic Analysis, University of Connecticut. Developed by Pami Dua [Economic Cycle Research Center; NY, NY] and Stephen M. Miller [(860) 486-3853, Storrs Campus]. Kathryn E. Parr and Hulya Varol [(860) 486-3022, Storrs Campus] provided research support.

ECONOMIC INDICATORS OF EMPLOYMENT

Total nonfarm employment increased by 36,100 over the year, or 2.2 percent. The transportation and public utilities sector was up the most at 7.4 percent from last year, due in part to the last year's UPS strike.

EMPLOYMENT BY MAJOR INDUSTRY DIVISION

	AUG		CHANGE		JUL
	1998	1997	NO.	%	1998
<i>(Seasonally adjusted; 000s)</i>					
TOTAL NONFARM	1,652.2	1,616.1	36.1	2.2	1,643.8
Private Sector	1,426.7	1,391.9	34.8	2.5	1,418.8
Construction and Mining	59.5	57.0	2.5	4.4	59.3
Manufacturing	278.8	277.2	1.6	0.6	277.2
Transportation, Public Utilities	77.2	71.9	5.3	7.4	76.3
Wholesale, Retail Trade	360.2	353.9	6.3	1.8	359.1
Finance, Insurance & Real Estate	135.9	131.1	4.8	3.7	135.8
Services	515.1	500.8	14.3	2.9	511.1
Government	225.5	224.2	1.3	0.6	225.0

Source: Connecticut Department of Labor

Labor force continued to decline as the number of unemployed persons fell over the year. August's initial claims data were higher than last year's level.

UNEMPLOYMENT

	AUG		CHANGE		JUL
	1998	1997	NO.	%	1998
<i>(Seasonally adjusted)</i>					
Unemployment Rate, resident (%)	3.5	4.9	-1.4	---	3.5
Labor Force, resident (000s)	1,716.5	1,722.9	-6.4	-0.4	1,709.3
Employed (000s)	1,656.8	1,637.8	19.0	1.2	1,650.3
Unemployed (000s)	59.7	85.1	-25.4	-29.8	59.0
Average Weekly Initial Claims	4,253	3,799	454	12.0	3,703
Help Wanted Index -- Htfd. (1987=100)	35	34	1	2.9	36
Avg. Insured Unemp. Rate (%)	2.10	2.27	-0.17	---	2.08

Sources: Connecticut Department of Labor; The Conference Board

Both the average weekly production worker earnings and output increased from a year ago.

MANUFACTURING ACTIVITY

	AUG		CHANGE		JUL
	1998	1997	NO.	%	1998
<i>(Not seasonally adjusted)</i>					
Average Weekly Hours	42.4	42.0	0.4	1.0	42.4
Average Hourly Earnings	\$14.78	\$14.50	\$0.28	1.9	\$14.89
Average Weekly Earnings	\$626.67	\$609.00	\$17.67	2.9	\$631.34
Mfg. Output Index (1982=100)*	122.8	121.5	1.3	1.1	125.9
Production Worker Hours (000s)	6,671	6,726	-55	-0.8	6,616
Productivity Index (1982=100)*	190.2	186.5	3.7	2.0	190.0

Source: Connecticut Department of Labor

*Seasonally adjusted

Personal income for fourth quarter 1998 is forecasted to increase 6.1 percent from a year ago. The wages component is expected to grow 7.7 percent.

INCOME (Quarterly)

	4Q*		CHANGE		3Q*
	1998	1997	NO.	%	1998
<i>(Seasonally adjusted)</i>					
<i>(Annualized; \$ Millions)</i>					
Personal Income	\$129,851	\$122,410	\$7,441	6.1	\$128,105
UI Covered Wages	\$69,273	\$64,324	\$4,949	7.7	\$68,309

Source: Bureau of Economic Analysis; July 1998 release

*Forecasted by Connecticut Department of Labor

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
New Housing Permits	AUG 1998	976	23.2	7,586	6,279	20.8
Electricity Sales (mil kWh)	JUN 1998	2,399	1.5	14,056	13,893	1.2
Retail Sales (Bil. \$)	JUN 1998	3.92	11.4	17.96	16.71	7.5
Construction Contracts						
Index (1980=100)	JUL 1998	308.1	-12.0	---	---	---
New Auto Registrations	AUG 1998	14,992	33.7	138,087	123,251	12.0
Air Cargo Tons	JUL 1998	12,004	22.5	80,367	76,643	4.9

Retail sales were up 7.5 percent from their year-to-date level a year ago. Air cargo tons for the year are up 4.9 percent.

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

BUSINESS STARTS AND TERMINATIONS

	AUG 1998	% CHANGE		YEAR TO DATE		
		M/M	Y/Y	NO.	% CHG	
STARTS						
Secretary of the State	1,434	-10.6	1.3	13,516	16.4	
Department of Labor	1,020	50.9	-3.2	7,123	-4.7	
TERMINATIONS						
Secretary of the State	333	11.7	25.7	2,589	5.6	
Department of Labor	866	-49.0	27.2	9,057	12.0	

Net business starts as reported by the State Department of Labor declined by 1,934 for the first eight months of this year.

Sources: Connecticut Secretary of the State -- corporations and other legal entities
Connecticut Department of Labor -- unemployment insurance program registrations

STATE TAX COLLECTIONS

(Millions of dollars)	AUG 1998	AUG 1997	%	FISCAL YEAR TOTALS		
				CHG	1997-98	1996-97
TOTAL ALL TAXES*	525.3	497.0	5.7	583.3	553.0	5.5
Corporate Tax	9.8	6.3	55.6	9.8	6.3	55.6
Personal Income Tax	193.8	189.1	2.5	207.6	201.1	3.2
Real Estate Conv. Tax	10.6	8.4	2.2	22.4	17.0	31.8
Sales & Use Tax	223.9	205.8	8.8	226.8	209.8	8.1

Overall tax collections were up 5.5 percent. The largest gains were in the sales and use tax, up 8.1 percent, and real estate conveyance taxes, up 31.8 percent.

Source: Connecticut Department of Revenue Services
*Includes all sources of tax revenue; Only selected taxes are displayed.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
Tourism Inquiries	AUG 1998	12,204	-18.7	232,324	230,319	0.9
Info Center Visitors	AUG 1998	86,628	8.4	397,190	373,785	6.3
Major Attraction Visitors	AUG 1998	379,058	10.5	1,522,316	1,350,361	12.7
Hotel-Motel Occupancy	JUL 1998	80.9	2.1	72.1	72.6	-0.7
Air Passenger Count	JUL 1998	503,019	4.6	3,204,445	3,147,830	1.8

Tourism indicators included a 12.7 percent gain in major attraction visitors, and a 6.3 percent increase in information center visitors, and a 1.8 percent increase in passengers.

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

Compensation costs for the nation rose 3.5 percent over the year, while the Northeast's increased by 2.9 percent.

EMPLOYMENT COST INDEX (Quarterly)

Private Industry Workers (June 1989=100)	Seasonally Adjusted			Not Seasonally Adjusted		
	JUN	MAR	3-Mo	JUN	JUN	12-Mo
	1998	1997	%Chg	1998	1997	%Chg
UNITED STATES TOTAL	137.2	136.0	0.9	137.5	132.8	3.5
Wages and Salaries	134.9	133.6	1.0	134.9	129.7	4.0
Benefit Costs	143.2	142.1	0.8	143.7	140.1	2.6
NORTHEAST TOTAL	---	---	---	137.0	133.1	2.9
Wages and Salaries	---	---	---	133.8	129.8	3.1

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

The U.S. inflation rate for August fell to 1.6 percent, the same as the Northeast region price level, with a 2.2 percent increase for the Boston area. Consumer confidence for both the U.S. and New England remained higher than a year ago.

CONSUMER NEWS

(Not seasonally adjusted)	AUG	JUL	AUG	% CHG	
	1998	1998	1997	M/M	Y/Y
CONSUMER PRICE INDEX (1982-1984=100)					
<i>All Urban Consumers</i>					
U.S. City Average	163.4	163.2	160.8	0.1	1.6
Purchasing Power of Consumer Dollar: (1982-84=\$1.00)	\$0.612	\$0.613	\$0.622	-0.1	-1.6
Northeast Region	170.5	169.9	167.8	0.4	1.6
NY-Northern NJ-Long Island	174.2	173.6	170.8	0.3	2.0
Boston-Brockton-Nashua*	---	170.7	---		2.2
<i>Urban Wage Earners and Clerical Workers</i>					
U.S. City Average	160.0	159.8	157.8	0.1	1.4
CONSUMER CONFIDENCE (1985=100)					
U.S.	133.1	137.2	127.6	-3.0	4.3
New England	128.7	122.7	119.2	4.9	8.0

*The Boston CPI can be used as a proxy for New England and is measured every other month.
Sources: U.S. Department of Labor, Bureau of Labor Statistics; The Conference Board

Except for a constant prime rate and slightly higher federal funds rate, all interest rates were uniformly lower than a year ago. The 30-year conventional mortgage rate dropped to a low 6.92 percent.

INTEREST RATES

(Percent)	AUG	JUL	AUG
	1998	1998	1997
Prime	8.50	8.50	8.50
Federal Funds	5.55	5.54	5.54
3 Month Treasury Bill	4.94	4.96	5.13
6 Month Treasury Bill	4.97	5.03	5.17
1 Year Treasury Bill	5.21	5.36	5.56
3 Year Treasury Note	5.24	5.47	6.06
5 Year Treasury Note	5.27	5.46	6.16
7 Year Treasury Note	5.36	5.52	6.29
10 Year Treasury Note	5.34	5.46	6.30
30 Year Treasury Bond	5.54	5.68	6.58
Conventional Mortgage	6.92	6.95	7.48

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

COMPARATIVE REGIONAL DATA

NONFARM EMPLOYMENT

<i>(Seasonally adjusted; 000s)</i>	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
Connecticut	1,652.2	1,616.1	36.1	2.2	1,643.8
Maine	565.4	555.2	10.2	1.8	564.1
Massachusetts	3,210.6	3,125.8	84.8	2.7	3,212.4
New Hampshire	571.7	572.4	-0.7	-0.1	575.6
New Jersey	3,803.9	3,724.1	79.8	2.1	3,796.4
New York	8,166.7	8,032.9	133.8	1.7	8,138.4
Pennsylvania	5,464.6	5,395.4	69.2	1.3	5,464.2
Rhode Island	452.8	449.7	3.1	0.7	454.6
Vermont	284.1	279.2	4.9	1.8	282.3
United States	126,184.0	122,894.0	3,290.0	2.7	125,819.0

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

New Hampshire was the only state in the region to lose jobs over the year.

LABOR FORCE

<i>(Seasonally adjusted; 000s)</i>	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
Connecticut	1,716.5	1,722.9	-6.4	-0.4	1,709.3
Maine	654.0	655.6	-1.6	-0.2	652.2
Massachusetts	3,252.1	3,271.2	-19.1	-0.6	3,255.0
New Hampshire	648.5	649.1	-0.6	-0.1	653.3
New Jersey	4,183.4	4,200.5	-17.1	-0.4	4,187.6
New York	8,769.8	8,834.9	-65.1	-0.7	8,769.1
Pennsylvania	5,974.3	5,987.8	-13.5	-0.2	5,984.1
Rhode Island	499.2	506.0	-6.8	-1.3	500.1
Vermont	332.9	325.9	7.0	2.1	333.3
United States	137,415.0	136,404.0	1,011.0	0.7	137,296.0

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

All but Vermont in the region experienced declines in the labor force from a year ago.

UNEMPLOYMENT RATES

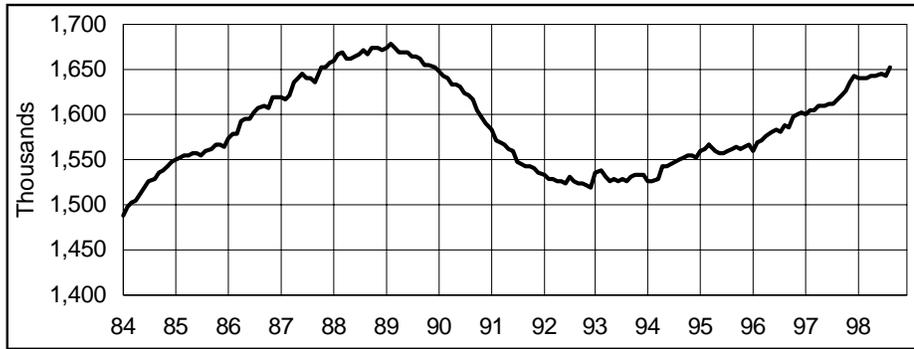
<i>(Seasonally adjusted)</i>	AUG	AUG	CHANGE		JUL
	1998	1997			1998
Connecticut	3.5	4.9	-1.4		3.5
Maine	4.4	5.3	-0.9		4.6
Massachusetts	3.0	4.1	-1.1		3.1
New Hampshire	2.1	3.0	-0.9		2.4
New Jersey	4.8	5.0	-0.2		4.9
New York	5.3	6.4	-1.1		5.5
Pennsylvania	4.4	5.2	-0.8		4.5
Rhode Island	4.8	5.2	-0.4		4.4
Vermont	2.9	3.9	-1.0		3.5
United States	4.5	4.9	-0.4		4.5

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

Connecticut posted the largest unemployment rate drop in the region over the year.

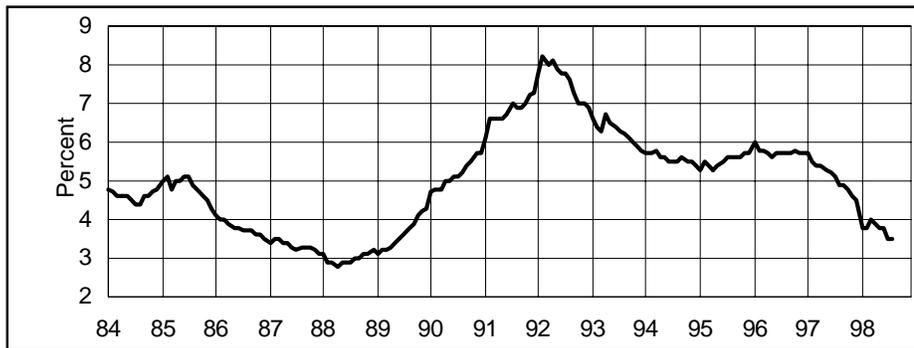
ECONOMIC INDICATOR TRENDS

NONFARM EMPLOYMENT (Seasonally adjusted)



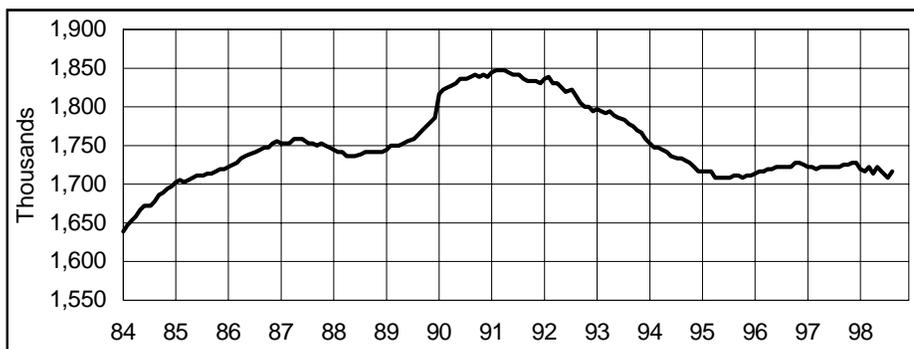
Month	1996	1997	1998
Jan	1,560.2	1,600.5	1,639.6
Feb	1,570.2	1,603.9	1,641.2
Mar	1,571.3	1,605.6	1,639.6
Apr	1,576.8	1,608.8	1,641.9
May	1,581.5	1,609.3	1,641.8
Jun	1,583.9	1,611.1	1,644.9
Jul	1,580.7	1,611.9	1,643.8
Aug	1,588.9	1,616.1	1,652.2
Sep	1,586.7	1,621.7	
Oct	1,598.2	1,627.2	
Nov	1,600.4	1,634.6	
Dec	1,601.9	1,642.6	

UNEMPLOYMENT RATE (Seasonally adjusted)



Month	1996	1997	1998
Jan	6.0	5.7	3.8
Feb	5.8	5.5	3.8
Mar	5.8	5.4	4.0
Apr	5.7	5.4	3.9
May	5.6	5.3	3.8
Jun	5.7	5.2	3.8
Jul	5.7	5.1	3.5
Aug	5.7	4.9	3.5
Sep	5.7	4.9	
Oct	5.8	4.8	
Nov	5.7	4.6	
Dec	5.7	4.5	

LABOR FORCE (Seasonally adjusted)



Month	1996	1997	1998
Jan	1,714.4	1,723.6	1,720.0
Feb	1,717.2	1,720.8	1,716.8
Mar	1,717.7	1,720.5	1,722.4
Apr	1,718.5	1,722.2	1,714.9
May	1,719.2	1,721.0	1,721.1
Jun	1,721.5	1,721.7	1,718.0
Jul	1,721.0	1,722.0	1,709.3
Aug	1,722.4	1,722.9	1,716.5
Sep	1,722.0	1,723.9	
Oct	1,727.1	1,725.7	
Nov	1,726.9	1,726.6	
Dec	1,726.1	1,728.2	

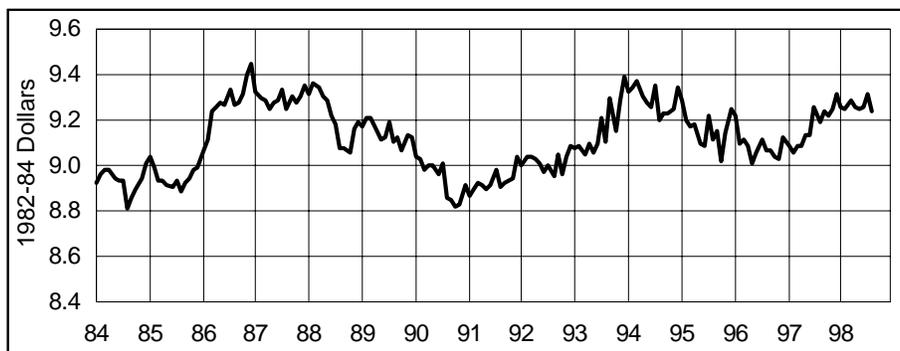
AVERAGE WEEKLY INITIAL CLAIMS (Seasonally adjusted)



Month	1996	1997	1998
Jan	4,702	3,946	3,386
Feb	4,666	3,903	3,578
Mar	4,192	4,012	3,444
Apr	4,250	4,326	3,493
May	4,374	3,768	3,677
Jun	4,211	4,100	4,093
Jul	4,355	3,621	3,703
Aug	4,223	3,799	4,253
Sep	4,194	3,629	
Oct	4,193	3,503	
Nov	3,881	3,670	
Dec	4,383	4,178	

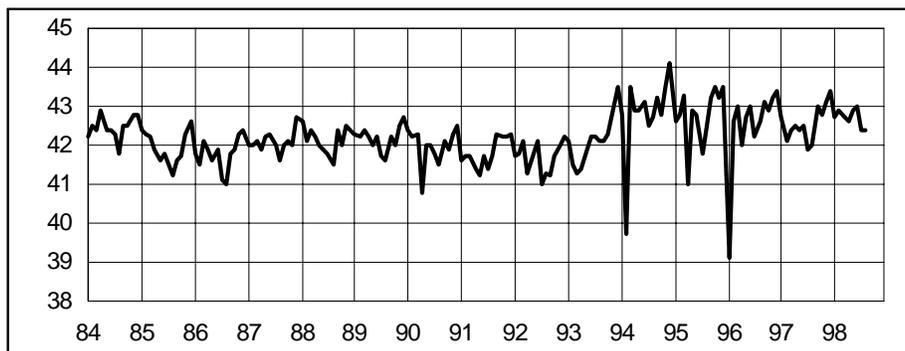
ECONOMIC INDICATOR TRENDS

REAL AVG MANUFACTURING HOURLY EARNINGS (Not seasonally adjusted)



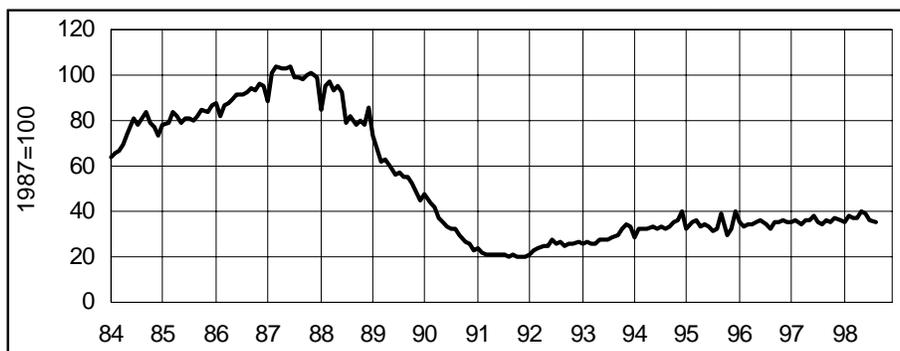
Month	1996	1997	1998
Jan	\$9.22	\$9.09	\$9.26
Feb	9.10	9.06	9.25
Mar	9.12	9.08	9.29
Apr	9.09	9.09	9.26
May	9.01	9.13	9.25
Jun	9.06	9.14	9.26
Jul	9.12	9.26	9.32
Aug	9.07	9.19	9.24
Sep	9.07	9.24	
Oct	9.04	9.22	
Nov	9.03	9.25	
Dec	9.12	9.32	

AVG MANUFACTURING WEEKLY HOURS (Not seasonally adjusted)



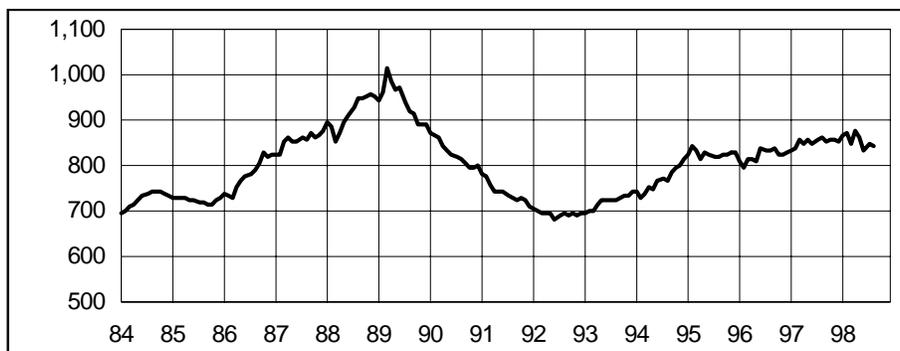
Month	1996	1997	1998
Jan	39.1	42.7	42.7
Feb	42.6	42.1	42.9
Mar	43.0	42.4	42.7
Apr	42.0	42.5	42.6
May	42.7	42.4	42.9
Jun	43.0	42.5	43.0
Jul	42.2	41.9	42.4
Aug	42.6	42.0	42.4
Sep	43.1	43.0	
Oct	42.9	42.8	
Nov	43.2	43.1	
Dec	43.4	43.4	

HARTFORD HELP WANTED INDEX (Seasonally adjusted)



Month	1996	1997	1998
Jan	35	35	35
Feb	33	36	38
Mar	34	34	37
Apr	34	36	37
May	35	36	40
Jun	36	38	39
Jul	34	35	36
Aug	32	34	35
Sep	35	36	
Oct	35	35	
Nov	36	37	
Dec	35	36	

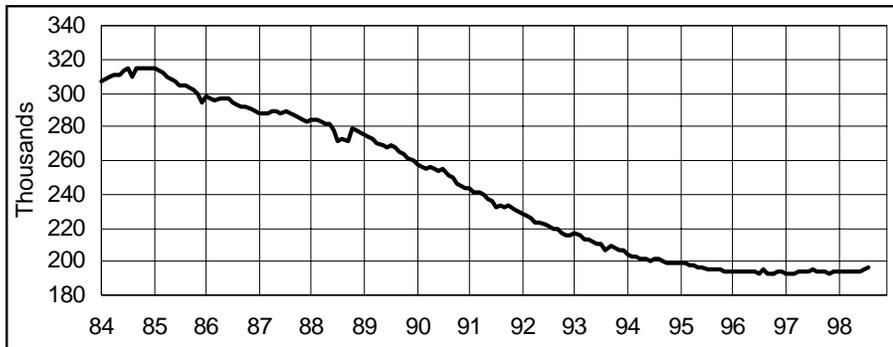
DOL NEWLY REGISTERED EMPLOYERS (12-month moving average)



Month	1996	1997	1998
Jan	810	833	868
Feb	794	840	870
Mar	812	856	846
Apr	813	849	878
May	811	856	861
Jun	838	848	836
Jul	833	856	849
Aug	833	862	841
Sep	838	854	
Oct	825	859	
Nov	825	859	
Dec	828	852	

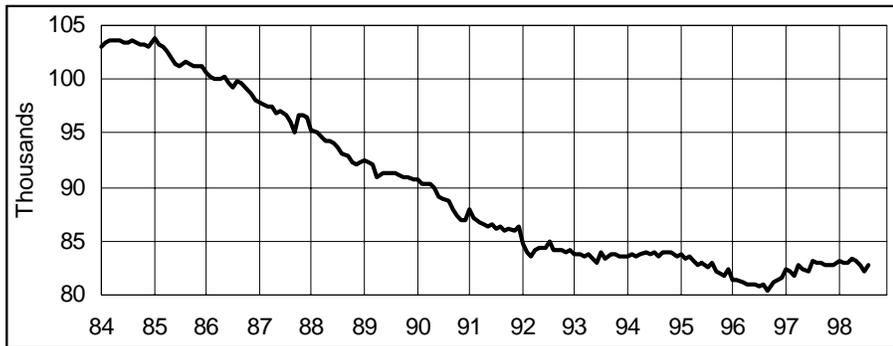
ECONOMIC INDICATOR TRENDS

DURABLE MANUFACTURING EMPLOYMENT (Seasonally adjusted)



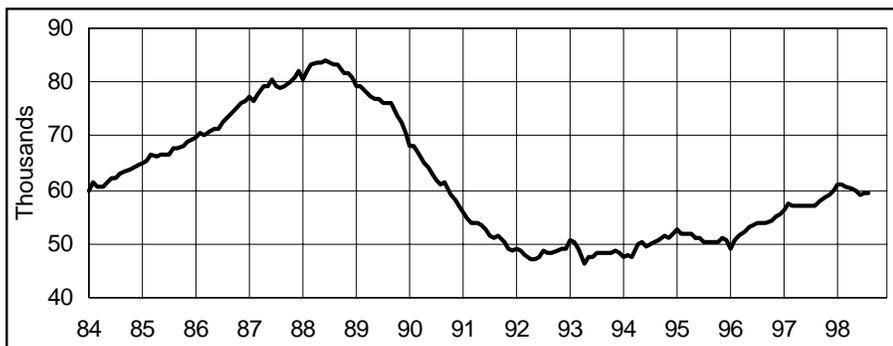
Month	1996	1997	1998
Jan	194.0	192.9	194.0
Feb	194.3	193.0	194.0
Mar	193.6	193.2	194.0
Apr	194.1	193.5	194.3
May	194.0	193.5	193.5
Jun	193.6	194.0	193.7
Jul	192.7	195.1	195.0
Aug	194.9	194.3	196.1
Sep	192.7	193.7	
Oct	192.9	193.7	
Nov	194.1	193.3	
Dec	193.8	193.6	

NONDURABLE MANUFACTURING EMPLOYMENT (Seasonally adjusted)



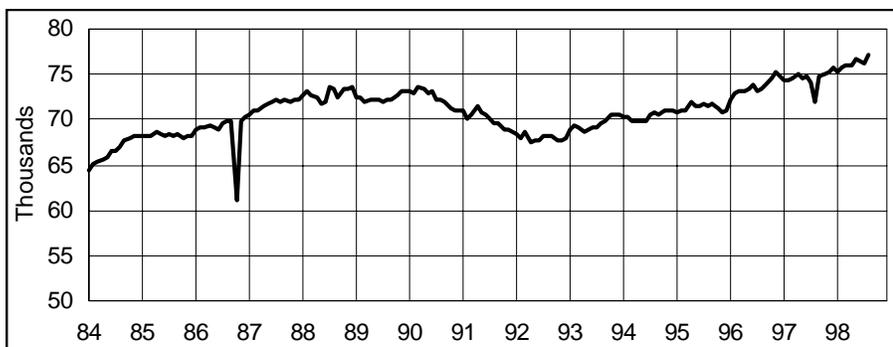
Month	1996	1997	1998
Jan	81.4	82.3	83.1
Feb	81.3	82.1	82.9
Mar	81.1	81.8	83.0
Apr	80.9	82.7	83.3
May	81.0	82.4	83.2
Jun	81.0	82.2	82.7
Jul	80.8	83.1	82.2
Aug	81.0	82.9	82.7
Sep	80.4	82.9	
Oct	81.2	82.8	
Nov	81.3	82.7	
Dec	81.5	82.7	

CONSTRUCTION & MINING EMPLOYMENT (Seasonally adjusted)



Month	1996	1997	1998
Jan	49.3	56.2	60.9
Feb	50.8	57.6	60.9
Mar	51.5	57.2	60.6
Apr	52.2	57.0	60.4
May	53.1	57.0	59.8
Jun	53.6	57.0	59.2
Jul	53.8	57.0	59.3
Aug	53.7	57.0	59.5
Sep	53.8	58.0	
Oct	54.4	58.5	
Nov	55.0	58.9	
Dec	55.3	59.7	

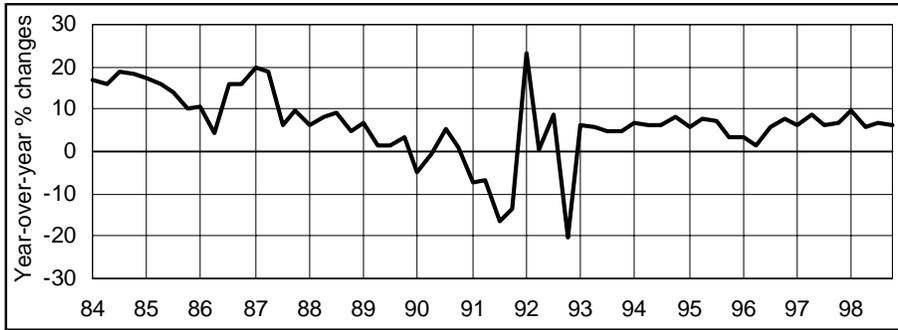
TRANSPORT. & PUBLIC UTIL EMPLOYMENT (Seasonally adjusted)



Month	1996	1997	1998
Jan	72.3	74.4	75.3
Feb	73.0	74.4	75.8
Mar	73.2	74.5	76.1
Apr	73.2	75.1	76.0
May	73.4	74.6	76.7
Jun	73.9	74.7	76.4
Jul	73.2	74.2	76.3
Aug	73.5	71.9	77.2
Sep	73.8	74.8	
Oct	74.6	75.0	
Nov	75.2	75.3	
Dec	74.7	75.7	

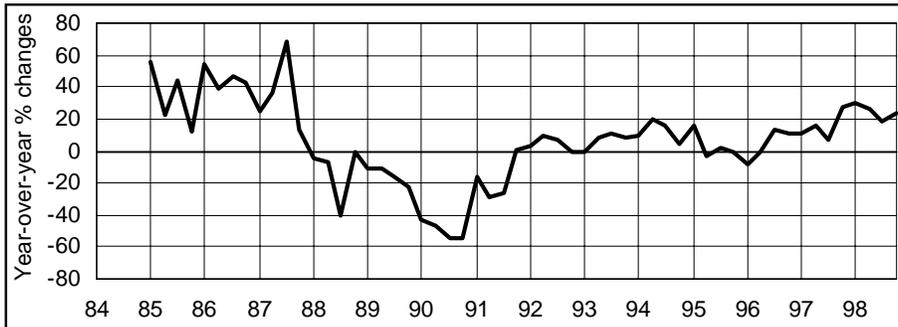
ECONOMIC INDICATOR TRENDS

SALES TAX



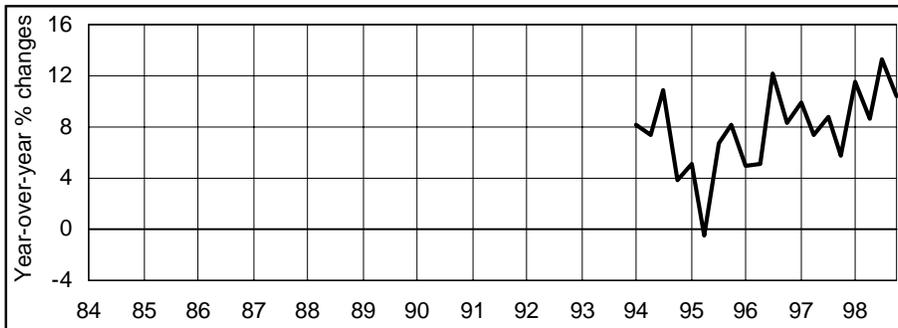
Quarter	FY 96	FY 97	FY 98
First	3.2	6.5	9.5
Second	1.6	8.7	6.0
Third	6.0	6.3	7.0
Fourth	7.6	7.0	6.4

REAL ESTATE TAX



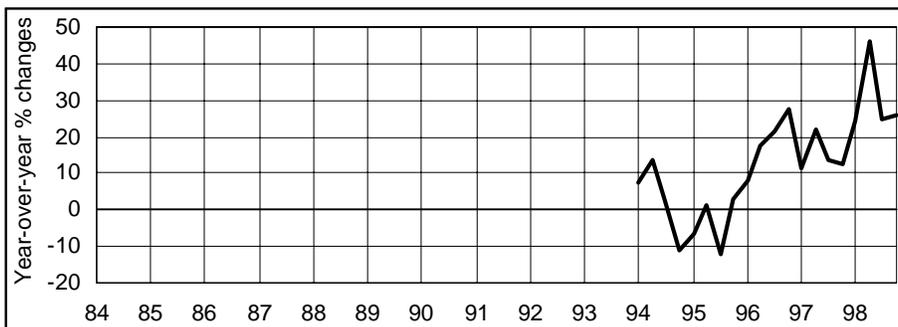
Quarter	FY 96	FY 97	FY 98
First	-8.3	10.3	29.8
Second	-0.2	15.4	26.0
Third	13.6	6.8	18.2
Fourth	11.4	28.1	23.9

PERSONAL INCOME TAX : SALARIES & WAGES



Quarter	FY 96	FY 97	FY 98
First	4.9	9.9	11.6
Second	5.2	7.4	8.6
Third	12.1	8.8	13.3
Fourth	8.3	5.7	10.4

PERSONAL INCOME TAX : ALL OTHER SOURCES



Quarter	FY 96	FY 97	FY 98
First	8.0	11.2	24.1
Second	17.6	22.1	45.9
Third	21.5	13.7	24.8
Fourth	27.4	12.6	25.9

Note: These economic growth rates were derived by the Office of Fiscal Analysis and were made by comparing tax collections in each quarter with the same quarter in the previous year and were adjusted for legislative changes

NONFARM EMPLOYMENT ESTIMATES

CONNECTICUT



Not Seasonally Adjusted

	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	1,638,100	1,606,800	31,300	1.9	1,637,800
GOODS PRODUCING INDUSTRIES	341,000	338,300	2,700	0.8	338,700
CONSTRUCTION & MINING	65,000	62,100	2,900	4.7	64,300
MANUFACTURING	276,000	276,200	-200	-0.1	274,400
Durable	193,400	193,300	100	0.1	192,800
Lumber & Furniture	5,200	5,200	0	0.0	5,300
Stone, Clay & Glass	3,000	3,000	0	0.0	3,000
Primary Metals	9,100	9,100	0	0.0	8,900
Fabricated Metals	34,300	34,300	0	0.0	34,100
Machinery & Computer Equipment	34,800	34,100	700	2.1	34,800
Electronic & Electrical Equipment	29,100	28,800	300	1.0	29,100
Transportation Equipment	49,500	50,000	-500	-1.0	49,300
Instruments	21,900	22,300	-400	-1.8	22,100
Miscellaneous Manufacturing	6,500	6,500	0	0.0	6,200
Nondurable	82,600	82,900	-300	-0.4	81,600
Food	8,400	8,400	0	0.0	8,500
Textiles	2,200	2,000	200	10.0	2,000
Apparel	4,300	4,600	-300	-6.5	4,300
Paper	7,900	8,000	-100	-1.3	7,800
Printing & Publishing	25,600	25,600	0	0.0	25,400
Chemicals	21,300	21,200	100	0.5	21,200
Rubber & Plastics	10,800	10,800	0	0.0	10,400
Other Nondurable Manufacturing	2,100	2,300	-200	-8.7	2,000
SERVICE PRODUCING INDUSTRIES	1,297,100	1,268,500	28,600	2.3	1,299,100
TRANS., COMM. & UTILITIES	75,600	69,900	5,700	8.2	75,000
Transportation	43,200	38,700	4,500	11.6	42,700
Motor Freight & Warehousing	12,200	11,900	300	2.5	11,700
Other Transportation	31,000	26,800	4,200	15.7	31,000
Communications	20,200	18,900	1,300	6.9	20,100
Utilities	12,200	12,300	-100	-0.8	12,200
TRADE	360,300	355,100	5,200	1.5	359,600
Wholesale	85,900	83,900	2,000	2.4	86,300
Retail	274,400	271,200	3,200	1.2	273,300
General Merchandise	27,200	27,300	-100	-0.4	27,000
Food Stores	53,100	52,300	800	1.5	52,600
Auto Dealers & Gas Stations	26,800	27,100	-300	-1.1	26,900
Restaurants	79,500	79,400	100	0.1	79,500
Other Retail Trade	87,800	85,100	2,700	3.2	87,300
FINANCE, INS. & REAL ESTATE	137,100	132,300	4,800	3.6	136,800
Finance	49,500	46,200	3,300	7.1	49,300
Banking	24,300	23,800	500	2.1	24,200
Insurance	71,100	70,000	1,100	1.6	71,100
Insurance Carriers	59,800	58,900	900	1.5	59,800
Real Estate	16,500	16,100	400	2.5	16,400
SERVICES	514,600	502,400	12,200	2.4	515,700
Hotels & Lodging Places	11,900	11,500	400	3.5	12,000
Personal Services	17,400	17,400	0	0.0	17,300
Business Services	107,800	103,000	4,800	4.7	107,300
Health Services	157,900	157,200	700	0.4	157,900
Legal & Engineering Services	54,000	52,000	2,000	3.8	53,900
Educational Services	37,300	36,300	1,000	2.8	38,300
Other Services	128,300	125,000	3,300	2.6	129,000
GOVERNMENT	209,500	208,800	700	0.3	212,000
Federal	22,400	22,600	-200	-0.9	22,400
**State, Local & Other Government	187,100	186,200	900	0.5	189,600

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

NONFARM EMPLOYMENT ESTIMATES

BRIDGEPORT LMA



Not Seasonally Adjusted

	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	180,400	181,300	-900	-0.5	181,200
GOODS PRODUCING INDUSTRIES	46,400	46,800	-400	-0.9	46,000
CONSTRUCTION & MINING	7,000	7,000	0	0.0	7,000
MANUFACTURING	39,400	39,800	-400	-1.0	39,000
Durable Goods	32,300	32,600	-300	-0.9	32,000
Fabricated Metals	4,300	4,300	0	0.0	4,300
Industrial Machinery	6,300	6,400	-100	-1.6	6,200
Electronic Equipment	6,600	6,500	100	1.5	6,600
Transportation Equipment	8,800	9,000	-200	-2.2	8,500
Nondurable Goods	7,100	7,200	-100	-1.4	7,000
Printing & Publishing	2,100	2,100	0	0.0	2,100
SERVICE PRODUCING INDUSTRIES	134,000	134,500	-500	-0.4	135,200
TRANS., COMM. & UTILITIES	6,900	6,500	400	6.2	7,100
TRADE	41,000	40,900	100	0.2	40,800
Wholesale	9,800	9,900	-100	-1.0	9,700
Retail	31,200	31,000	200	0.6	31,100
FINANCE, INS. & REAL ESTATE	10,300	10,400	-100	-1.0	10,300
SERVICES	57,000	57,100	-100	-0.2	58,100
Business Services	13,900	13,500	400	3.0	13,900
Health Services	18,900	19,200	-300	-1.6	19,000
GOVERNMENT	18,800	19,600	-800	-4.1	18,900
Federal	2,200	2,200	0	0.0	2,200
State & Local	16,600	17,400	-800	-4.6	16,700

For further information on the Bridgeport Labor Market Area contact Arthur Famiglietti at (860) 566-3472.

DANBURY LMA



Not Seasonally Adjusted

	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	86,600	85,300	1,300	1.5	86,900
GOODS PRODUCING INDUSTRIES	22,400	22,600	-200	-0.9	22,400
CONSTRUCTION & MINING	3,900	3,700	200	5.4	4,000
MANUFACTURING	18,500	18,900	-400	-2.1	18,400
Durable Goods	9,800	9,800	0	0.0	9,800
Machinery & Electric Equipment	4,800	4,800	0	0.0	4,800
Instruments	2,800	2,700	100	3.7	2,800
Nondurable Goods	8,700	9,100	-400	-4.4	8,600
Printing & Publishing	2,500	2,700	-200	-7.4	2,500
Chemicals	3,500	3,500	0	0.0	3,300
SERVICE PRODUCING INDUSTRIES	64,200	62,700	1,500	2.4	64,500
TRANS., COMM. & UTILITIES	2,500	2,300	200	8.7	2,500
TRADE	22,100	22,200	-100	-0.5	21,900
Wholesale	4,100	3,900	200	5.1	4,100
Retail	18,000	18,300	-300	-1.6	17,800
FINANCE, INS. & REAL ESTATE	5,000	4,500	500	11.1	4,900
SERVICES	25,700	24,900	800	3.2	25,900
GOVERNMENT	8,900	8,800	100	1.1	9,300
Federal	800	800	0	0.0	900
State & Local	8,100	8,000	100	1.3	8,400

For further information on the Danbury Labor Market Area contact Arthur Famiglietti at (860) 566-3472.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

NONFARM EMPLOYMENT ESTIMATES

DANIELSON LMA



Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	20,700	20,000	700	3.5	20,500
GOODS PRODUCING INDUSTRIES	7,100	7,000	100	1.4	7,000
CONSTRUCTION & MINING	1,000	900	100	11.1	1,000
MANUFACTURING	6,100	6,100	0	0.0	6,000
Durable Goods	2,600	2,700	-100	-3.7	2,600
Nondurable Goods	3,500	3,400	100	2.9	3,400
SERVICE PRODUCING INDUSTRIES	13,600	13,000	600	4.6	13,500
TRANS., COMM. & UTILITIES	500	500	0	0.0	500
TRADE	4,700	4,600	100	2.2	4,600
Wholesale	700	700	0	0.0	700
Retail	4,000	3,900	100	2.6	3,900
FINANCE, INS. & REAL ESTATE	600	600	0	0.0	600
SERVICES	4,800	4,500	300	6.7	4,800
GOVERNMENT	3,000	2,800	200	7.1	3,000
Federal	100	100	0	0.0	100
State & Local	2,900	2,700	200	7.4	2,900

For further information on the Danielson Labor Market Area contact Noreen Passardi at (860) 566-3470.

HARTFORD LMA



Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	590,000	590,200	-200	0.0	595,600
GOODS PRODUCING INDUSTRIES	113,500	113,300	200	0.2	114,200
CONSTRUCTION & MINING	21,000	21,200	-200	-0.9	20,800
MANUFACTURING	92,500	92,100	400	0.4	93,400
Durable Goods	73,500	73,100	400	0.5	74,600
Primary & Fabricated Metals	17,500	17,800	-300	-1.7	17,600
Industrial Machinery	13,800	14,300	-500	-3.5	14,500
Electronic Equipment	6,200	6,300	-100	-1.6	6,200
Transportation Equipment	27,600	26,300	1,300	4.9	27,900
Nondurable Goods	19,000	19,000	0	0.0	18,800
Printing & Publishing	7,500	7,700	-200	-2.6	7,500
SERVICE PRODUCING INDUSTRIES	476,500	476,900	-400	-0.1	481,400
TRANS., COMM. & UTILITIES	25,600	24,700	900	3.6	26,100
Transportation	14,400	13,800	600	4.3	14,900
Communications & Utilities	11,200	10,900	300	2.8	11,200
TRADE	123,000	123,900	-900	-0.7	122,800
Wholesale	30,400	30,500	-100	-0.3	30,700
Retail	92,600	93,400	-800	-0.9	92,100
FINANCE, INS. & REAL ESTATE	69,000	69,100	-100	-0.1	69,200
Deposit & Nondeposit Institutions	9,700	9,500	200	2.1	9,700
Insurance Carriers	46,300	46,700	-400	-0.9	46,400
SERVICES	172,300	171,500	800	0.5	173,400
Business Services	32,000	32,200	-200	-0.6	31,900
Health Services	59,500	59,600	-100	-0.2	59,600
GOVERNMENT	86,600	87,700	-1,100	-1.3	89,900
Federal	8,000	8,100	-100	-1.2	8,000
State & Local	78,600	79,600	-1,000	-1.3	81,900

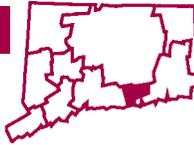
For further information on the Hartford Labor Market Area contact Arthur Famiglietti at (860) 566-3472.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

NONFARM EMPLOYMENT ESTIMATES

LOWER RIVER LMA



Not Seasonally Adjusted

	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	10,100	10,200	-100	-1.0	9,900
GOODS PRODUCING INDUSTRIES	3,500	3,600	-100	-2.8	3,400
CONSTRUCTION & MINING	400	400	0	0.0	300
MANUFACTURING	3,100	3,200	-100	-3.1	3,100
Durable Goods	2,400	2,500	-100	-4.0	2,400
Electronic Equipment	800	800	0	0.0	800
Other Durable Goods	1,600	1,700	-100	-5.9	1,600
Nondurable Goods	700	700	0	0.0	700
Rubber & Plastics	300	300	0	0.0	300
Other Nondurable Goods	400	400	0	0.0	400
SERVICE PRODUCING INDUSTRIES	6,600	6,600	0	0.0	6,500
TRANS., COMM. & UTILITIES	500	400	100	25.0	400
TRADE	2,300	2,200	100	4.5	2,300
Wholesale	400	400	0	0.0	400
Retail	1,900	1,800	100	5.6	1,900
FINANCE, INS. & REAL ESTATE	400	400	0	0.0	400
SERVICES	2,600	2,800	-200	-7.1	2,600
GOVERNMENT	800	800	0	0.0	800
Federal	0	0	0	0.0	0
State & Local	800	800	0	0.0	800

For further information on the Lower River Labor Market Area contact Noreen Passardi at (860) 566-3470.

NEW HAVEN LMA



Not Seasonally Adjusted

	AUG	AUG	CHANGE		JUL
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	247,700	247,600	100	0.0	248,200
GOODS PRODUCING INDUSTRIES	48,800	49,200	-400	-0.8	48,400
CONSTRUCTION & MINING	10,100	10,100	0	0.0	9,900
MANUFACTURING	38,700	39,100	-400	-1.0	38,500
Durable Goods	24,300	24,600	-300	-1.2	24,100
Primary & Fabricated Metals	6,500	6,600	-100	-1.5	6,500
Electronic Equipment	5,200	5,000	200	4.0	5,100
Nondurable Goods	14,400	14,500	-100	-0.7	14,400
Paper, Printing & Publishing	5,000	5,100	-100	-2.0	5,000
Chemicals & Allied	6,200	6,000	200	3.3	6,300
SERVICE PRODUCING INDUSTRIES	198,900	198,400	500	0.3	199,800
TRANS., COMM. & UTILITIES	16,100	15,600	500	3.2	16,100
Communications & Utilities	9,100	8,800	300	3.4	9,000
TRADE	53,200	52,900	300	0.6	53,100
Wholesale	13,200	12,800	400	3.1	13,400
Retail	40,000	40,100	-100	-0.2	39,700
Eating & Drinking Places	11,300	11,600	-300	-2.6	11,200
FINANCE, INS. & REAL ESTATE	13,000	13,200	-200	-1.5	13,000
Finance	3,800	4,000	-200	-5.0	3,800
Insurance	7,200	7,000	200	2.9	7,100
SERVICES	86,800	86,700	100	0.1	87,400
Business Services	12,000	12,600	-600	-4.8	12,100
Health Services	29,100	29,300	-200	-0.7	29,100
GOVERNMENT	29,800	30,000	-200	-0.7	30,200
Federal	5,300	5,700	-400	-7.0	5,300
State & Local	24,500	24,300	200	0.8	24,900

For further information on the New Haven Labor Market Area contact J. Charles Joo at (860) 566-3470.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

NONFARM EMPLOYMENT ESTIMATES

NEW LONDON LMA



Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	141,400	138,600	2,800	2.0	141,300
GOODS PRODUCING INDUSTRIES	29,300	29,500	-200	-0.7	29,000
CONSTRUCTION & MINING	4,900	4,700	200	4.3	4,900
MANUFACTURING	24,400	24,800	-400	-1.6	24,100
Durable Goods	14,500	15,100	-600	-4.0	14,500
Primary & Fabricated Metals	2,300	2,200	100	4.5	2,200
Other Durable Goods	12,200	12,900	-700	-5.4	12,300
Nondurable Goods	9,900	9,700	200	2.1	9,600
Paper & Allied	1,000	1,000	0	0.0	1,000
Other Nondurable Goods	7,600	7,300	300	4.1	7,500
SERVICE PRODUCING INDUSTRIES	112,100	109,100	3,000	2.7	112,300
TRANS., COMM. & UTILITIES	6,600	6,200	400	6.5	6,700
TRADE	29,400	29,100	300	1.0	29,000
Wholesale	2,800	2,700	100	3.7	2,800
Retail	26,600	26,400	200	0.8	26,200
Eating & Drinking Places	9,000	9,000	0	0.0	8,900
Other Retail	17,700	17,400	300	1.7	17,400
FINANCE, INS. & REAL ESTATE	4,000	3,800	200	5.3	4,000
SERVICES	35,600	34,600	1,000	2.9	36,000
Personal & Business Services	6,500	6,300	200	3.2	6,700
Health Services	11,700	11,300	400	3.5	11,700
GOVERNMENT	36,500	35,400	1,100	3.1	36,600
Federal	2,700	2,800	-100	-3.6	2,700
State & Local	33,800	32,600	1,200	3.7	33,900
**Local	30,000	28,900	1,100	3.8	30,200

For further information on the New London Labor Market Area contact Lincoln Dyer at (860) 566-3470.

STAMFORD LMA



Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	209,800	204,700	5,100	2.5	210,300
GOODS PRODUCING INDUSTRIES	33,000	34,100	-1,100	-3.2	32,800
CONSTRUCTION & MINING	6,100	6,100	0	0.0	6,000
MANUFACTURING	26,900	28,000	-1,100	-3.9	26,800
Durable Goods	14,300	14,500	-200	-1.4	14,200
Industrial Machinery	3,900	3,600	300	8.3	3,800
Electronic Equipment	2,600	2,500	100	4.0	2,600
Nondurable Goods	12,600	13,500	-900	-6.7	12,600
Paper, Printing & Publishing	6,200	6,300	-100	-1.6	6,100
Chemicals & Allied	3,100	3,400	-300	-8.8	3,200
Other Nondurable	3,300	3,800	-500	-13.2	3,300
SERVICE PRODUCING INDUSTRIES	176,800	170,600	6,200	3.6	177,500
TRANS., COMM. & UTILITIES	9,900	10,000	-100	-1.0	10,000
Communications & Utilities	3,000	3,100	-100	-3.2	3,000
TRADE	46,900	46,000	900	2.0	47,000
Wholesale	12,200	12,300	-100	-0.8	12,100
Retail	34,700	33,700	1,000	3.0	34,900
FINANCE, INS. & REAL ESTATE	26,500	23,800	2,700	11.3	26,400
SERVICES	76,400	73,900	2,500	3.4	76,800
Business Services	23,000	21,900	1,100	5.0	22,800
Engineering & Mgmt. Services	10,900	10,200	700	6.9	11,000
Other Services	42,500	41,800	700	1.7	43,000
GOVERNMENT	17,100	16,900	200	1.2	17,300
Federal	1,900	1,800	100	5.6	1,900
State & Local	15,200	15,100	100	0.7	15,400

For further information on the Stamford Labor Market Area contact Joseph Slepki at (860) 566-7823.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

NONFARM EMPLOYMENT ESTIMATES

TORRINGTON LMA

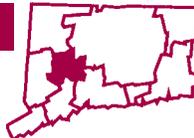


Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	28,800	28,800	0	0.0	29,000
GOODS PRODUCING INDUSTRIES	8,400	8,500	-100	-1.2	8,600
CONSTRUCTION & MINING	2,200	2,100	100	4.8	2,300
MANUFACTURING	6,200	6,400	-200	-3.1	6,300
Durable Goods	4,300	4,400	-100	-2.3	4,400
Primary & Fabricated Metals	500	500	0	0.0	500
Industrial Machinery	1,200	1,200	0	0.0	1,200
Electronic Equipment	500	500	0	0.0	500
Other Durable Goods	2,100	2,200	-100	-4.5	2,200
Nondurable Goods	1,900	2,000	-100	-5.0	1,900
Rubber & Plastics	900	1,000	-100	-10.0	900
Other Nondurable Goods	1,000	1,000	0	0.0	1,000
SERVICE PRODUCING INDUSTRIES	20,400	20,300	100	0.5	20,400
TRANS., COMM. & UTILITIES	500	500	0	0.0	500
TRADE	6,500	6,200	300	4.8	6,500
Wholesale	600	700	-100	-14.3	600
Retail	5,900	5,500	400	7.3	5,900
FINANCE, INS. & REAL ESTATE	900	900	0	0.0	900
SERVICES	9,200	9,300	-100	-1.1	9,200
GOVERNMENT	3,300	3,400	-100	-2.9	3,300
Federal	200	200	0	0.0	200
State & Local	3,100	3,200	-100	-3.1	3,100

For further information on the Torrington Labor Market Area contact Joseph Slepki at (860) 566-7823.

WATERBURY LMA



Not Seasonally Adjusted

	AUG 1998	AUG 1997	CHANGE		JUL 1998
			NO.	%	
TOTAL NONFARM EMPLOYMENT	88,100	86,400	1,700	2.0	88,300
GOODS PRODUCING INDUSTRIES	22,600	22,400	200	0.9	22,400
CONSTRUCTION & MINING	3,700	3,500	200	5.7	3,600
MANUFACTURING	18,900	18,900	0	0.0	18,800
Durable Goods	14,900	14,700	200	1.4	14,800
Primary Metals	700	700	0	0.0	700
Fabricated Metals	6,700	6,500	200	3.1	6,500
Machinery & Electric Equipment	5,000	4,900	100	2.0	5,000
Nondurable Goods	4,000	4,200	-200	-4.8	4,000
Paper, Printing & Publishing	1,300	1,200	100	8.3	1,200
SERVICE PRODUCING INDUSTRIES	65,500	64,000	1,500	2.3	65,900
TRANS., COMM. & UTILITIES	3,500	3,300	200	6.1	3,700
TRADE	18,700	17,400	1,300	7.5	18,600
Wholesale	3,000	3,100	-100	-3.2	3,000
Retail	15,700	14,300	1,400	9.8	15,600
FINANCE, INS. & REAL ESTATE	4,200	4,400	-200	-4.5	4,200
SERVICES	27,200	26,900	300	1.1	27,200
Personal & Business	7,500	7,000	500	7.1	7,200
Health Services	10,200	10,300	-100	-1.0	10,200
GOVERNMENT	11,900	12,000	-100	-0.8	12,200
Federal	800	800	0	0.0	800
State & Local	11,100	11,200	-100	-0.9	11,400

For further information on the Waterbury Labor Market Area contact Joseph Slepki at (860) 566-7823.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

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

LABOR FORCE ESTIMATES

<i>(Not seasonally adjusted)</i>		EMPLOYMENT	AUG	AUG	CHANGE		JUL
		STATUS	1998	1997	NO.	%	1998
CONNECTICUT	Civilian Labor Force		1,747,600	1,754,300	-6,700	-0.4	1,763,100
	Employed		1,686,600	1,668,300	18,300	1.1	1,693,200
	Unemployed		61,100	86,000	-24,900	-29.0	69,900
	Unemployment Rate		3.5	4.9	-1.4	---	4.0
BRIDGEPORT LMA	Civilian Labor Force		219,000	222,300	-3,300	-1.5	220,800
	Employed		209,300	209,400	-100	0.0	210,100
	Unemployed		9,800	12,900	-3,100	-24.0	10,700
	Unemployment Rate		4.5	5.8	-1.3	---	4.9
DANBURY LMA	Civilian Labor Force		111,900	111,100	800	0.7	112,500
	Employed		109,000	107,100	1,900	1.8	109,300
	Unemployed		2,900	3,900	-1,000	-25.6	3,200
	Unemployment Rate		2.6	3.5	-0.9	---	2.9
DANIELSON LMA	Civilian Labor Force		34,300	33,900	400	1.2	34,500
	Employed		32,800	31,700	1,100	3.5	32,700
	Unemployed		1,400	2,200	-800	-36.4	1,900
	Unemployment Rate		4.2	6.4	-2.1	---	5.4
HARTFORD LMA	Civilian Labor Force		587,600	594,000	-6,400	-1.1	595,700
	Employed		566,500	563,500	3,000	0.5	571,600
	Unemployed		21,200	30,500	-9,300	-30.5	24,100
	Unemployment Rate		3.6	5.1	-1.5	---	4.0
LOWER RIVER LMA	Civilian Labor Force		13,100	13,200	-100	-0.8	13,000
	Employed		12,800	12,800	0	0.0	12,600
	Unemployed		300	500	-200	-40.0	400
	Unemployment Rate		2.6	3.5	-0.9	---	3.0
NEW HAVEN LMA	Civilian Labor Force		273,000	276,200	-3,200	-1.2	274,700
	Employed		263,400	262,200	1,200	0.5	263,600
	Unemployed		9,600	14,100	-4,500	-31.9	11,100
	Unemployment Rate		3.5	5.1	-1.6	---	4.0
NEW LONDON LMA	Civilian Labor Force		160,700	160,300	400	0.2	161,600
	Employed		154,600	151,800	2,800	1.8	154,500
	Unemployed		6,100	8,500	-2,400	-28.2	7,100
	Unemployment Rate		3.8	5.3	-1.5	---	4.4
STAMFORD LMA	Civilian Labor Force		203,000	199,400	3,600	1.8	204,300
	Employed		198,500	193,300	5,200	2.7	199,100
	Unemployed		4,500	6,100	-1,600	-26.2	5,200
	Unemployment Rate		2.2	3.0	-0.8	---	2.5
TORRINGTON LMA	Civilian Labor Force		40,000	40,000	0	0.0	40,200
	Employed		38,900	38,500	400	1.0	39,100
	Unemployed		1,000	1,500	-500	-33.3	1,100
	Unemployment Rate		2.6	3.8	-1.2	---	2.8
WATERBURY LMA	Civilian Labor Force		122,000	120,900	1,100	0.9	122,800
	Employed		117,200	114,400	2,800	2.4	117,200
	Unemployed		4,800	6,600	-1,800	-27.3	5,600
	Unemployment Rate		3.9	5.4	-1.5	---	4.6
UNITED STATES	Civilian Labor Force		138,379,000	137,460,000	919,000	0.7	139,336,000
	Employed		132,206,000	130,865,000	1,341,000	1.0	132,769,000
	Unemployed		6,173,000	6,594,000	-421,000	-6.4	6,567,000
	Unemployment Rate		4.5	4.8	-0.3	---	4.7

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

MANUFACTURING HOURS AND EARNINGS

(Not seasonally adjusted)	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	AUG		CHG	JUL	AUG		CHG	JUL	AUG		CHG	JUL
	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998
MANUFACTURING	\$626.67	\$609.00	\$17.67	\$631.34	42.4	42.0	0.4	42.4	\$14.78	\$14.50	\$0.28	\$14.89
DURABLE GOODS	636.19	618.87	17.32	644.96	42.3	42.1	0.2	42.6	15.04	14.70	0.34	15.14
Lumber & Furniture	485.20	467.12	18.08	495.85	41.9	40.2	1.7	42.2	11.58	11.62	-0.04	11.75
Stone, Clay and Glass	613.87	602.69	11.18	616.07	44.1	43.8	0.3	45.5	13.92	13.76	0.16	13.54
Primary Metals	592.68	590.04	2.64	629.97	42.7	43.1	-0.4	43.9	13.88	13.69	0.19	14.35
Fabricated Metals	584.78	583.19	1.59	580.74	41.8	42.6	-0.8	41.6	13.99	13.69	0.30	13.96
Machinery	668.39	662.89	5.50	675.30	43.6	43.9	-0.3	43.4	15.33	15.10	0.23	15.56
Electrical Equipment	498.89	489.22	9.67	507.99	39.5	40.1	-0.6	41.0	12.63	12.20	0.43	12.39
Trans. Equipment	803.52	776.67	26.84	821.40	42.9	41.6	1.3	43.3	18.73	18.67	0.06	18.97
Instruments	605.82	567.75	38.08	597.80	43.9	41.9	2.0	42.7	13.80	13.55	0.25	14.00
Miscellaneous Mfg	583.78	549.88	33.91	607.08	40.4	41.5	-1.1	42.1	14.45	13.25	1.20	14.42
NONDUR. GOODS	603.64	586.45	17.19	599.76	42.6	41.8	0.8	42.0	14.17	14.03	0.14	14.28
Food	548.43	508.00	40.44	535.86	44.3	41.2	3.1	42.8	12.38	12.33	0.05	12.52
Textiles	491.97	486.36	5.61	478.38	41.1	42.0	-0.9	40.2	11.97	11.58	0.39	11.90
Apparel	309.49	339.16	-29.67	320.02	36.8	39.3	-2.5	36.7	8.41	8.63	-0.22	8.72
Paper	714.20	699.43	14.77	703.49	45.9	45.3	0.6	45.8	15.56	15.44	0.12	15.36
Printing & Publishing	608.23	571.78	36.45	602.49	40.2	38.4	1.8	40.3	15.13	14.89	0.24	14.95
Chemicals	798.13	793.38	4.75	835.38	45.4	44.9	0.5	45.9	17.58	17.67	-0.09	18.20
Rubber & Misc. Plast.	519.01	497.25	21.76	478.00	43.0	42.5	0.5	39.8	12.07	11.70	0.37	12.01
CONSTRUCTION	828.78	799.03	29.75	834.96	41.9	41.9	0.0	42.6	19.78	19.07	0.71	19.60

LMAs

MANUFACTURING	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	AUG		CHG	JUL	AUG		CHG	JUL	AUG		CHG	JUL
	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998
Bridgeport	\$637.73	\$628.08	\$9.65	\$633.77	41.6	41.9	-0.3	40.6	\$15.33	\$14.99	\$0.34	\$15.61
Danbury	600.65	642.57	-41.92	627.10	41.0	43.3	-2.3	42.4	14.65	14.84	-0.19	14.79
Danielson	477.00	466.34	10.66	433.21	40.7	40.8	-0.1	36.9	11.72	11.43	0.29	11.74
Hartford	658.26	643.44	14.82	676.08	42.8	42.0	0.8	43.2	15.38	15.32	0.06	15.65
Lower River	522.29	513.34	8.95	519.79	40.3	41.6	-1.3	39.8	12.96	12.34	0.62	13.06
New Haven	619.48	607.99	11.49	616.55	41.8	41.7	0.1	41.8	14.82	14.58	0.24	14.75
New London	659.59	638.24	21.35	663.56	42.2	42.1	0.1	42.4	15.63	15.16	0.47	15.65
Stamford	531.56	551.14	-19.58	545.66	38.8	40.2	-1.4	39.2	13.70	13.71	-0.01	13.92
Torrington	522.90	538.80	-15.90	535.08	41.5	41.8	-0.3	42.0	12.60	12.89	-0.29	12.74
Waterbury	594.74	591.41	3.33	596.83	42.3	43.2	-0.9	42.6	14.06	13.69	0.37	14.01

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NEW HOUSING PERMITS

	AUG	AUG	CHANGE Y/Y		YTD		CHANGE YTD		JUL
	1998	1997	UNITS	%	1998	1997	UNITS	%	1998
	Connecticut	976	792	184	23.2	7,586	6,279	1,307	20.8
Counties:									
Fairfield	260	166	94	56.6	2,079	1,362	717	52.6	548
Hartford	214	183	31	16.9	1,922	1,468	454	30.9	261
Litchfield	119	120	-1	-0.8	532	514	18	3.5	73
Middlesex	69	46	23	50.0	467	382	85	22.3	61
New Haven	147	131	16	12.2	1,278	1,473	-195	-13.2	170
New London	73	60	13	21.7	605	514	91	17.7	92
Tolland	57	51	6	11.8	463	354	109	30.8	56
Windham	37	35	2	5.7	240	212	28	13.2	36

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	AUG 1998	YR TO DATE 1998	YR TO DATE 1997	TOWN	AUG 1998	YR TO DATE 1998	YR TO DATE 1997	TOWN	AUG 1998	YR TO DATE 1998	YR TO DATE 1997
Andover	3	17	20	Griswold	8	28	30	Preston	2	13	14
Ansonia	7	18	11	Groton	14	88	52	Prospect	5	37	33
Ashford	4	25	13	Guilford	7	96	90	Putnam	1	8	8
Avon	16	148	86	Haddam	2	11	17	Redding	2	28	20
Barkhamsted	3	20	16	Hamden	4	66	80	Ridgefield	13	94	85
Beacon Falls	2	19	19	Hampton	1	11	9	Rocky Hill	16	78	61
Berlin	6	62	50	Hartford	3	70	18	Roxbury	4	20	5
Bethany	1	17	17	Hartland	0	3	4	Salem	3	17	9
Bethel	3	25	24	Harwinton	2	14	24	Salisbury	0	6	1
Bethlehem	3	12	6	Hebron	7	52	51	Scotland	1	11	11
Bloomfield	2	21	29	Kent	1	8	8	Seymour	5	38	46
Bolton	3	14	16	Killingly	5	20	24	Sharon	1	3	2
Bozrah	0	4	5	Killingworth	5	38	34	Shelton	9	149	109
Branford	6	25	32	Lebanon	1	16	30	Sherman	2	11	15
Bridgeport	3	83	50	Ledyard	5	51	33	Simsbury	5	58	43
Bridgewater	0	6	3	Lisbon	2	15	15	Somers	11	31	24
Bristol	10	61	63	Litchfield	3	26	90	South Windsor	12	103	83
Brookfield	8	124	32	Lyme	2	12	11	Southbury	9	71	64
Brooklyn	0	5	1	Madison	9	66	69	Southington	31	163	102
Burlington	5	31	35	Manchester	18	349	298	Sprague	0	1	3
Canaan	2	2	2	Mansfield	6	37	31	Stafford	3	25	19
Canterbury	2	15	12	Marlborough	3	21	25	Stamford	54	195	133
Canton	4	29	21	Meriden	1	32	26	Sterling	3	13	17
Chaplin	1	11	10	Middlebury	3	16	21	Stonington	6	59	50
Cheshire	6	66	146	Middlefield	2	10	11	Stratford	6	33	37
Chester	0	7	17	Middletown	11	90	78	Suffield	11	167	39
Clinton	6	54	23	Milford	16	99	121	Thomaston	3	29	24
Colchester	4	75	70	Monroe	6	68	91	Thompson	3	15	13
Colebrook	2	9	3	Montville	2	28	16	Tolland	9	84	68
Columbia	2	19	15	Morris	1	5	2	Torrington	9	50	53
Cornwall	0	4	5	Naugatuck	4	33	26	Trumbull	15	100	66
Coventry	5	39	45	New Britain	1	5	6	Union	1	4	3
Cromwell	7	37	17	New Canaan	9	44	39	Vernon	1	17	17
Danbury	56	553	160	New Fairfield	0	16	27	Voluntown	2	15	11
Darien	3	15	18	New Hartford	5	23	23	Wallingford	8	120	84
Deep River	3	17	10	New Haven	0	58	0	Warren	1	6	5
Derby	3	21	21	New London	0	1	0	Washington	2	8	10
Durham	2	28	29	New Milford	10	75	72	Waterbury	2	36	30
East Granby	2	14	15	Newington	3	67	39	Waterford	10	57	45
East Haddam	18	58	52	Newtown	19	177	119	Watertown	7	56	68
East Hampton	3	30	20	Norfolk	1	2	1	West Hartford	1	10	7
East Hartford	0	2	2	North Branford	1	38	49	West Haven	4	19	36
East Haven	13	47	120	North Canaan	0	3	5	Westbrook	3	41	23
East Lyme	8	57	53	North Haven	1	75	44	Weston	1	12	8
East Windsor	3	17	14	No. Stonington	2	28	19	Westport	4	31	20
Eastford	0	6	6	Norwalk	12	90	66	Wethersfield	5	57	51
Easton	4	29	24	Norwich	0	16	19	Willington	3	11	5
Ellington	3	113	40	Old Lyme	2	24	25	Wilton	5	31	44
Enfield	7	49	56	Old Saybrook	3	18	27	Winchester	49	55	5
Essex	2	20	11	Orange	1	12	18	Windham	2	19	12
Fairfield	12	86	82	Oxford	13	66	40	Windsor	7	34	29
Farmington	9	80	102	Plainfield	6	26	33	Windsor Locks	0	5	12
Franklin	0	0	4	Plainville	12	27	23	Wolcott	13	58	118
Glastonbury	17	159	116	Plymouth	2	27	16	Woodbridge	3	29	112
Goshen	1	9	19	Pomfret	4	23	19	Woodbury	7	54	46
Granby	5	32	39	Portland	2	8	13	Woodstock	4	32	24
Greenwich	14	85	93								

BUSINESS STARTS AND TERMINATIONS

DOL newly registered employers are those businesses newly registered with the Labor Department's unemployment insurance program (including reopened accounts) during the month. DOL discontinued employers are those accounts that are terminated due to inactivity (no employees) or business closure. Registrations and terminations of business entities as recorded with the Secretary of the State are an indication of new business formation and activity. These 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. *There is no separate consumer price index for Connecticut or any area within the state.*

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.

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 takes 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 five individual employment-related series -the average workweek of manufacturing production workers, Hartford help-wanted advertising, short-duration (less than 15 weeks) unemployment rate, initial claims for unemployment insurance and total housing permits. While not an employment-sector variable, housing permits are closely related to construction employment. The *coincident employment index* is a composite indicator of four individual employment-related series -the total unemployment rate, nonfarm employment (employer survey), total employment (household survey) and the insured unemployment rate. All data are seasonally adjusted and come from the Connecticut Labor Department and from the Federal Reserve Bank of Boston.

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) 566-7823 for a more comprehensive breakout of nonfarm employment estimates.

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 5-9 for reference months)

Leading Employment Index +1.4	Business Activity	Tourism and Travel
Coincident Employment Index +7.3	New Housing Permits +23.2	Tourism Inquiries -18.7
Total Nonfarm Employment +2.2	Electricity Sales +1.5	Tourism Info Centers +8.4
Unemployment -1.4*	Retail Sales +11.4	Attraction Visitors +10.5
Labor Force -0.4	Construction Contracts Index -12.0	Hotel-Motel Occupancy +2.1
Employed +1.2	New Auto Registrations +33.7	Air Passenger Count +4.6
Unemployed -29.8	Air Cargo Tons +22.5	
Average Weekly Initial Claims +12.0	Business Starts	Employment Cost Index (U.S.)
Help Wanted Index -- Hartford +2.9	Secretary of the State +1.3	Total +3.5
Average Ins. Unempl. Rate -0.17*	Dept. of Labor -3.2	Wages & Salaries +4.0
Average Weekly Hours, Mfg +1.0	Business Terminations	Benefit Costs +2.6
Average Hourly Earnings, Mfg +1.9	Secretary of the State +25.7	Consumer Price Index
Average Weekly Earnings, Mfg +2.9	Dept. of Labor +27.2	U.S. City Average +1.6
Manufacturing Output +1.1	State Tax Collections +5.7	Northeast Region +1.6
Production Worker Hours -0.8	Corporate Tax +55.6	NY-NJ-Long Island +2.0
Productivity +2.0	Personal Income Tax +2.5	Boston-Brockton-Nashua +2.2
Personal Income +6.1	Real Estate Conveyance Tax +2.2	Consumer Confidence
UI Covered Wages +7.7	Sales & Use Tax +8.8	U.S. +4.3
		New England +8.0
		Interest Rates
		Prime 0.0*
		Conventional Mortgage -0.56*

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

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