



LABOR SITUATION

Office of Research

FOR IMMEDIATE RELEASE

January 2010 Data

State Unemployment Rate Rises Slightly, Along with a Gain in Jobs

This issue of the Connecticut Labor Situation contains nonfarm employment, hours and earnings, and labor force data (including the unemployment rate) that have been revised as part of an annual benchmarking process that follows methods and procedures established by the U. S. Bureau of Labor Statistics (BLS). Additionally, with this publication's data, BLS has implemented changes in their methodologies for both nonfarm employment and labor force estimates that are explained in the "Labor Notes."

WETHERSFIELD, March 9, 2010 – The state's nonfarm employment in January was 1,610,400, an increase of 2,300 jobs from the revised December 2009 figure of 1,608,100, the Connecticut Department of Labor announced today. On a seasonally adjusted basis, this is a decrease of 52,500 from the January 2009 total of 1,662,900 jobs.

"Our January numbers show trends that are somewhat mixed, with a slightly higher unemployment rate despite a gain in jobs; lower average weekly earnings for private sector workers than a year ago, but higher wages for manufacturing production workers in that time; and average weekly initial claims that are up over the month, but down over the year," noted Labor Statistics Supervisor Salvatore DiPillo. "Still, compared to events of a year ago, we're seeing a moderation of trends in our indicators."

Nonfarm Employment

In January, six major industry sectors added jobs. **Leisure and hospitality** saw the most growth in jobs, adding 3,800, followed by **educational and health services**, which added 3,200 jobs. Job gains in other sectors were smaller. The **trade, transportation and utilities** sector added 400 jobs – all the result of gains in retail. **Government** similarly added 400 jobs. The **other services** sector added 300 jobs, while **information** gained 200. The sectors with the largest job losses in January were **professional and business** sectors, down 2,100 jobs, and **manufacturing** down 2,000 jobs. **The financial activities** sector took a somewhat smaller hit, with a job loss of 1,000, and **construction** lost 800 jobs. Since the beginning of the recession in March 2008, Connecticut has lost 101,100 jobs, representing an overall employment decline of 5.9 percent.

Employment in the **construction** sector was down 800 from December. With a total of 52,100 jobs, employment in **construction** is down 12.3 percent over the year – a loss of 7,300 jobs. The **construction** sector, which first began losing jobs in June 2007 – well before most other sectors – is currently down by 25 percent, or 17,100 jobs.

The **manufacturing** sector's employment was down 2,000 jobs in January, with all of its losses in firms producing durable goods. The **manufacturing** sector, with 166,000 jobs, is down 13,900 jobs, or 7.7 percent from a year ago. There were about half the number of workers in Connecticut's **manufacturing** sector in January 2010 than there were in 1990.

Employment in the **trade, transportation and utilities** sector was up slightly in January, adding 400 jobs. Gains in **retail** jobs offset losses in **wholesale** and **transportation, warehousing and utilities** industries. Employment in this sector, at 288,800, is down 11,500 or 3.8 percent since last January. Since January 2008 when this sector began losing jobs, employment is down by eight percent.

The **information** sector's employment was down 200 in January, bringing these jobs to a total of 34,600. Even before the recession this sector had been losing jobs as it underwent structural changes. In the past ten years its employment is down 20 percent, and has lost 4.9 percent of its workforce in the last year alone.

The **financial activities** sector dropped 1,000 jobs in January and a total of 5,500 over the year. Both component industries, **finance and insurance**, and **real estate** have contributed to this sector's jobs losses. With 135,100 jobs, this sector's employment is at its lowest level since 1998.

The **professional and business services** sector, which includes **temporary help agencies**, shed 2,100 jobs in January. **Professional and business services** has been losing jobs since January 2008, having lost 30,400 from that time, 18,600 of which were in the past year. Employment in this sector now stands at 178,700.

The **educational and health services** sector was one of only two sectors to have gained jobs over the year. Indeed, this sector seems to be comparatively immune to the recession's effects – both component industries, **educational services** and **healthcare and social assistance**, have steadily added jobs over the course of the recession. Employment in the **educational and health services** sector now at 307,100, is up by 6,200 from last January.

There was a gain of 3,800 jobs in the **leisure and hospitality** sector, with employment gains evenly divided between the **arts, entertainment and recreation** and **accommodations and food services** industries. This sector has weathered the recession fairly well in Connecticut and is one of only two sectors to have added jobs over the year.

The **other services** sector, which includes **repair and maintenance services, personal and laundry services** and **religious, grantmaking, civic, and professional organizations**, had a small gain of 300 in January. Since December 2006, when this sector began losing jobs, employment is down 3,300 jobs or 3.6 percent, though employment has held steady in the past year.

Also showing a slight gain in January was the **government** sector, with 400 jobs added. All of the gains were in **federal government**. Since last year, employment in the **government** sector is down 4,700 jobs with most of the losses in **state government** due to a retirement incentive offered to employees last summer.

Labor Market Areas: There were job gains in four of the six major Labor Market Areas (LMAs) between December and January, with the New Haven LMA adding the most number of jobs, 1,800; while the Waterbury LMA added 500 jobs; the Danbury LMA added 300 jobs; and the Norwich-New London LMA added 200. Hartford, the largest LMA, lost the most jobs, 4,800, while the Bridgeport-Stamford LMA's job count remained steady over the month. All of Connecticut LMAs lost jobs over the year.

Hours and Earnings: Beginning with January 2010, the Labor Department is now publishing hours and earnings data for all private sector industries. Prior to this change, these data were produced for manufacturing production workers only. The workweek for all employees in the private sector, not seasonally adjusted, averaged 33.1 hours, down 0.2 hours from January 2009. Average hourly earnings, at \$27.77 not seasonally adjusted, were down \$0.19 from a year ago at this time. This resulted in an average weekly wage for private sector employees of \$919.19, down \$11.88, a decrease of approximately 1.3 percent over the year. Information for the manufacturing production workweek can be found in the "Hours and Earnings" table of this release.

Labor Force Data

Connecticut's seasonally adjusted labor force was down 12,200 from December 2009, bringing the January 2010 total to 1,883,000. This represents a decrease of 11,200 people over the year.

Unemployment: Based on the household survey, the estimate of people unemployed, seasonally adjusted, increased in January by 4,200 to 170,100, while the unemployment rate increased from the December 2009 rate of 8.8 percent to 9.0 percent. This is 0.7 percentage points lower than the national rate of 9.7 percent. In comparison with the state's January 2009 unemployment rate of 7.1 percent, this month's unemployment number represents an increase of 1.9 percentage points over the year. The number of people unemployed increased by 37,200 from last year at this time. Average weekly initial unemployment claims in January 2010 for first-time filers increased over the month by 605 to 5,611, but were down 14.2 percent, or 927 claims from last year.

Unemployment rates and the number of unemployed people, not seasonally adjusted, were up over the year in all of the state's nine labor market areas in January 2010. The Danbury LMA had the lowest unemployment rate at 8.5 percent, followed by the Bridgeport-Stamford LMA at 9.0 percent, and the Norwich-New London LMA at 9.3 percent. The Waterbury LMA had the highest unemployment rate at 13.3 percent.

The nonfarm employment estimate, derived from a survey of businesses, is a measure of jobs in the state; the unemployment rate, based on a household survey, is a measure of the work status of people who live in Connecticut.

Contact: Nancy Steffens

(860) 263-6535

3-9-10

Labor market information is available on the Internet at www.ctdol.state.ct.us/lmi
200 Folly Brook Boulevard, Wethersfield, CT 06109-1114 - www.ct.gov/dol
An Equal Opportunity/Affirmative Action Employer

- Labor Notes -

Changes in Estimation Procedures

Nonfarm Employment: Monthly nonfarm employment data are widely recognized by policymakers, business analysts, and the media as a critical and sensitive gauge of the health of the state economy, specifically our labor markets. These data, reflecting jobs in the state, have been estimated by the Connecticut Department of Labor based on the response from a survey of employers conducted monthly through a joint state-federal undertaking with the U.S. Bureau of Labor Statistics (BLS).

The BLS recently put into effect changes to estimation procedures that will produce results that will rely almost exclusively on the sample of employers selected and their response, greatly minimizing state analyst involvement and input. This will have an effect on the jobs data published for Connecticut. As a result, published estimates for Connecticut will be more volatile than in the past; that is, they will show wider and more variable movement from month to month. This will be evident particularly for industry sectors of the economy for which the samples are smaller, and at times when response rates for a particular month are low. These changes in estimation procedures were used to produce the state nonfarm employment estimates for January 2010 contained in this publication.

With these changes, it will be important for data users to keep in mind that it is best to look at the employment estimates over several months in order to better understand the state's economic condition and trends with respect to the labor market.

Unemployment Rate: Beginning with data published in this month's Labor Situation, a new methodology has been applied to seasonally adjust state unemployment rates. Developed by BLS, the methodology for this "Smoothed Seasonal Adjustment" (SSA) incorporates a long-run trend smoothing procedure, resulting in estimates that are less volatile than those previously produced. The goal in smoothing is to eliminate fluctuations due to volatility from non-economic factors but not those due to the business cycle. The use of the SSA methodology is effective in reducing the number of spurious turning points in current estimates. Additionally, SSA estimation can reduce revisions in historical estimates and remove the potential disconnection between historically benchmarked and current estimates. Revisions in seasonally adjusted labor force data have been made back to 1976.

New Data Series

With the release of January 2010 data, hours and earnings estimates for *all* workers in the private nonfarm industry sectors will be available. Historically, the Department of Labor has published average hours and earnings only for production workers in the goods-producing industries – construction and manufacturing. The all employee hours and earnings series are more comprehensive in coverage, thereby providing improved information for analyzing economic trends and for constructing other major economic indicators, including nonfarm productivity and personal income. Further information on the Connecticut's all employee hours and earnings data will appear in our March 2010 issue of The Connecticut Economic Digest to be released later this month.

NONFARM EMPLOYMENT

Jobs - by Place of Work

CONNECTICUT AND THE UNITED STATES - Seasonally Adjusted

	Jan. 2010	Dec. 2009	Nov. 2009	Oct. 2009	Jan. 2009	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
CONNECTICUT	1,610,400	1,608,100	1,610,700	1,617,200	1,662,900	2,300	0.1%	-52,500	-3.2%
Goods Producing Industries									
Construction	52,100	52,900	52,800	53,700	59,400	-800	-1.5%	-7,300	-12.3%
Manufacturing	166,000	168,000	167,800	168,500	179,900	-2,000	-1.2%	-13,900	-7.7%
Durable Goods	127,100	129,200	129,200	129,900	138,400	-2,100	-1.6%	-11,300	-8.2%
Nondurable Goods	38,900	38,800	38,600	38,600	41,500	100	0.3%	-2,600	-6.3%
Service Providing Industries									
Trade, Transportation & Utilities	288,800	288,400	289,800	290,300	300,300	400	0.1%	-11,500	-3.8%
Wholesale	63,100	63,700	63,700	64,100	67,400	-600	-0.9%	-4,300	-6.4%
Retail	177,300	175,600	177,200	177,800	181,100	1,700	1.0%	-3,800	-2.1%
Transp, Warehousing & Utilities	48,400	49,100	48,900	48,400	51,800	-700	-1.4%	-3,400	-6.6%
Information	34,600	34,400	34,600	34,300	36,400	200	0.6%	-1,800	-4.9%
Financial Activities	135,100	136,100	136,400	136,100	140,600	-1,000	-0.7%	-5,500	-3.9%
Finance & Insurance	116,300	117,300	117,500	117,300	120,700	-1,000	-0.9%	-4,400	-3.6%
Real Estate, Rental & Leasing	18,800	18,800	18,900	18,800	19,900	0	0.0%	-1,100	-5.5%
Professional & Business Services	178,700	180,800	181,800	186,600	197,300	-2,100	-1.2%	-18,600	-9.4%
Prof, Scientific & Tech Services	79,700	80,600	81,100	85,100	90,600	-900	-1.1%	-10,900	-12.0%
Admn & Support & Waste Mgt Serv	73,700	74,800	75,400	76,400	80,100	-1,100	-1.5%	-6,400	-8.0%
Educational & Health Services	307,100	303,900	303,200	303,100	300,900	3,200	1.1%	6,200	2.1%
Educational Services	60,600	58,600	57,700	58,200	58,400	2,000	3.4%	2,200	3.8%
Health Care & Social Assistance	246,500	245,300	245,500	244,900	242,500	1,200	0.5%	4,000	1.6%
Leisure and Hospitality	138,800	135,000	134,600	135,300	134,000	3,800	2.8%	4,800	3.6%
Arts, Entertainment & Recreation	25,500	23,600	23,800	23,700	23,400	1,900	8.1%	2,100	9.0%
Accommodation & Food Services	113,300	111,400	110,800	111,600	110,600	1,900	1.7%	2,700	2.4%
Other Services	62,100	61,800	62,100	62,100	62,200	300	0.5%	-100	-0.2%
Government**	246,600	246,200	247,000	246,600	251,300	400	0.2%	-4,700	-1.9%
UNITED STATES	129,527,000	129,547,000	129,697,000	129,633,000	133,549,000	-20,000	0.0% *	-4,022,000	-3.0%

LABOR MARKET AREAS

Labor Market Area employment estimates are made independently of Statewide estimates.

Seasonally Adjusted data	Jan. 2010	Dec. 2009	Nov. 2009	Oct. 2009	Jan. 2009	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
Bridgeport-Stamford	396,600	396,600	397,100	397,900	407,900	0	0.0%	-11,300	-2.8%
Danbury	64,600	64,300	64,500	65,100	67,700	300	0.5%	-3,100	-4.6%
Hartford	531,600	536,400	539,000	539,500	548,500	-4,800	-0.9%	-16,900	-3.1%
New Haven	266,000	264,200	264,400	263,500	271,300	1,800	0.7%	-5,300	-2.0%
Norwich-New London	130,900	130,700	131,000	130,900	133,500	200	0.2%	-2,600	-1.9%
Waterbury	61,300	60,800	61,100	61,400	64,300	500	0.8%	-3,000	-4.7%
Not Seasonally Adjusted data									
Enfield	45,400	45,800	46,200	45,800	46,700	-400	-0.9%	-1,300	-2.8%
Torrington	34,500	35,000	35,000	35,000	35,200	-500	-1.4%	-700	-2.0%
Willimantic-Danielson	35,900	35,900	36,600	36,400	36,000	0	0.0%	-100	-0.3%

* Less than 0.05% ** Includes Native American tribal government employment

Data in this publication are benchmarked to March 2009. Current month's nonfarm employment data are preliminary, previous months' data are revised. Nonfarm employment, hours and earnings, and labor force data included in this publication are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

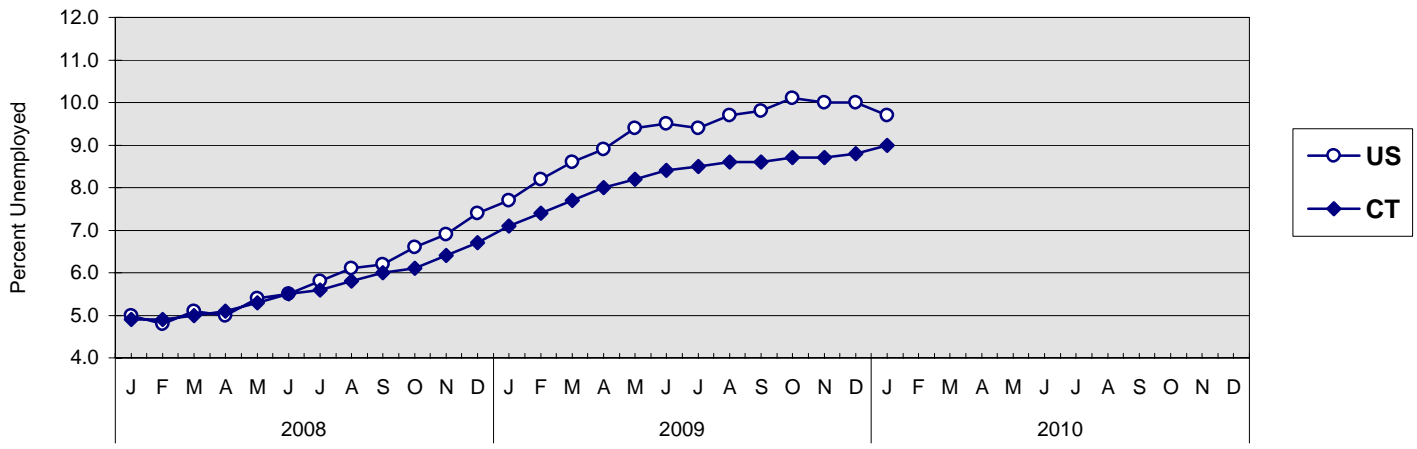
UNEMPLOYMENT

Persons Unemployed - by Place of Residence

CONNECTICUT AND THE UNITED STATES - Seasonally Adjusted

	January 2010		January 2009		Change		December 2009		
	Number	Rate	Number	Rate	Number	Points	Number	Rate	
CONNECTICUT									
Unemployed	170,100	9.0	132,900	7.1	37,200	1.9	165,900	8.8	
Labor Force	1,897,200		1,882,900		14,300		1,890,300		
UNITED STATES									
Unemployed	14,837,000	9.7	11,919,000	7.7	2,918,000	2.0	15,267,000	10.0	
Labor Force	153,170,000		154,140,000		-970,000		153,059,000		

U.S. AND CONNECTICUT UNEMPLOYMENT RATES - Seasonally Adjusted 2008 - 2010



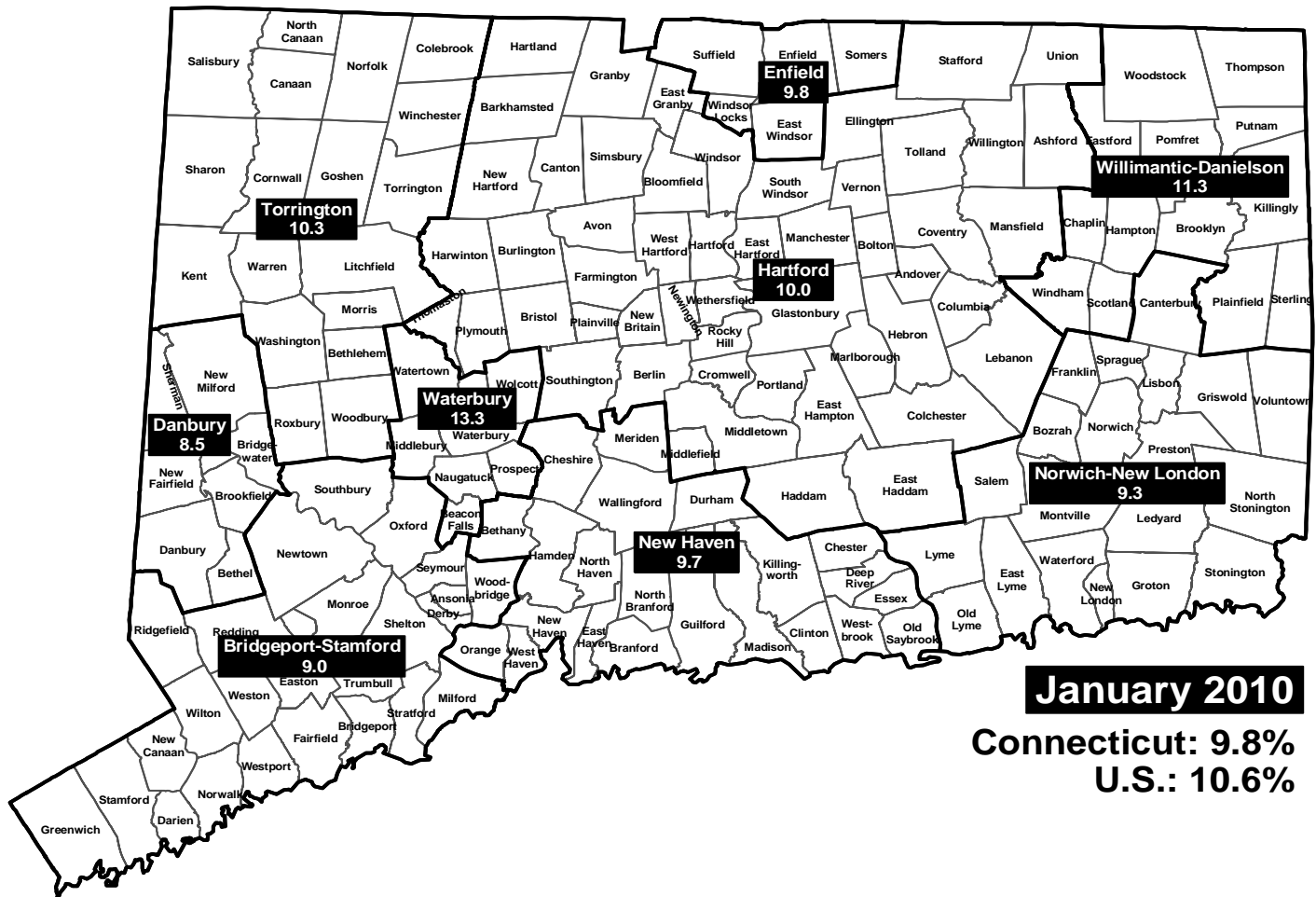
LABOR MARKET AREAS - Not Seasonally Adjusted

	January 2010		January 2009		Change		December 2009	
	Number	Rate	Number	Rate	Number	Points	Number	Rate
Bridgeport-Stamford	43,200	9.0	33,500	7.1	9,700	1.9	37,300	7.8
Danbury	7,800	8.5	5,900	6.5	1,900	2.0	6,500	7.2
Enfield	4,800	9.8	3,700	7.6	1,100	2.2	4,400	8.8
Hartford	59,800	10.0	45,400	7.7	14,400	2.3	50,900	8.6
New Haven	30,800	9.7	23,800	7.7	7,000	2.0	26,100	8.3
Norwich-New London	14,300	9.3	11,900	7.9	2,400	1.4	12,200	8.0
Torrington	5,700	10.3	4,300	8.0	1,400	2.3	4,600	8.6
Waterbury	13,700	13.3	10,300	10.3	3,400	3.0	11,800	11.7
Willimantic-Danielson	6,800	11.3	5,500	9.3	1,300	2.0	5,700	9.8
CONNECTICUT	185,100	9.8	143,000	7.7	42,100	2.1	158,200	8.4
UNITED STATES	16,147,000	10.6	13,009,000	8.5	3,138,000	2.1	14,740,000	9.7

UNEMPLOYMENT RATES

Not Seasonally Adjusted

LABOR MARKET AREAS



HOURS AND EARNINGS

CONNECTICUT Statewide - Not Seasonally Adjusted

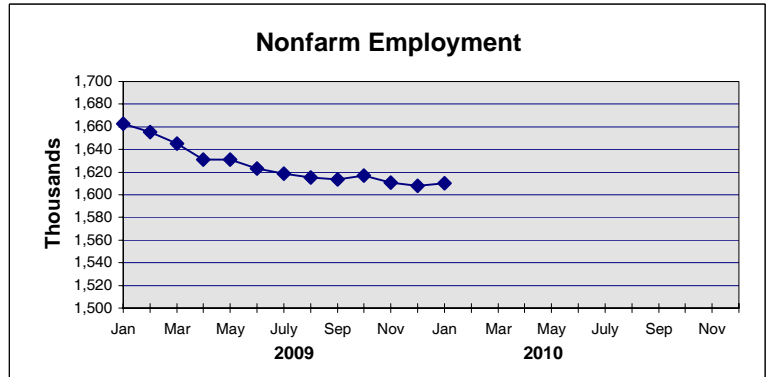
	Average Weekly Earnings				Average Weekly Hours				Average Hourly Earnings			
	Jan. 2010	Jan. 2009	Change over Yr.	Dec. 2009	Jan. 2010	Jan. 2009	Change over Yr.	Dec. 2009	Jan. 2010	Jan. 2009	Change over Yr.	Dec. 2009
Private Industry All Employees	\$919.19	\$931.07	-\$11.88	\$914.29	33.1	33.3	-0.2	32.7	\$27.77	\$27.96	-\$0.19	\$27.96
Manufacturing Production Workers	\$959.65	\$927.67	\$31.98	\$969.72	41.4	41.9	-0.5	41.3	\$23.18	\$22.14	\$1.04	\$23.48

Hours and earnings are also developed for the state's major industry sectors and Labor Market Areas. They can be found on our website at www.ctdol.state.ct.us/lmi.

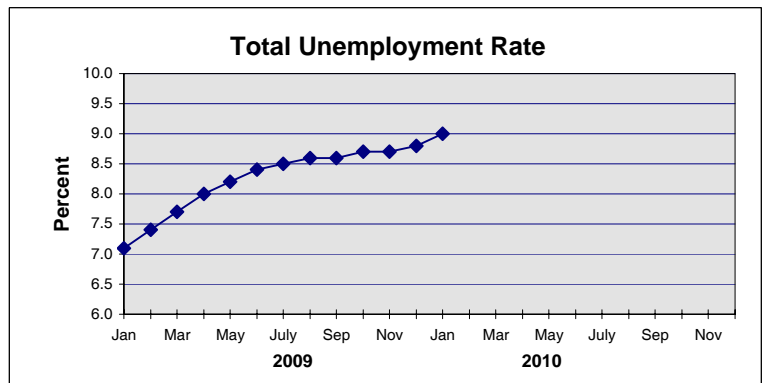
TRENDS

Seasonally Adjusted

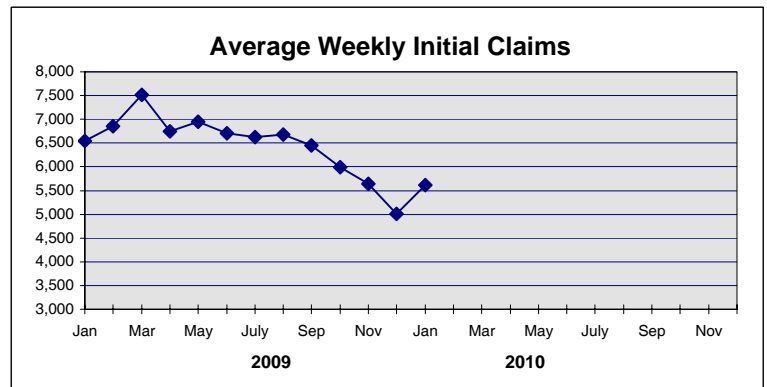
	Nonfarm Employment (000s)	Total Unemployment Rate
2009		
Jan	1,662.9	7.1
Feb	1,655.6	7.4
Mar	1,645.1	7.7
Apr	1,631.1	8.0
May	1,630.8	8.2
Jun	1,623.2	8.4
July	1,618.6	8.5
Aug	1,615.0	8.6
Sep	1,613.6	8.6
Oct	1,617.2	8.7
Nov	1,610.7	8.7
Dec	1,608.1	8.8



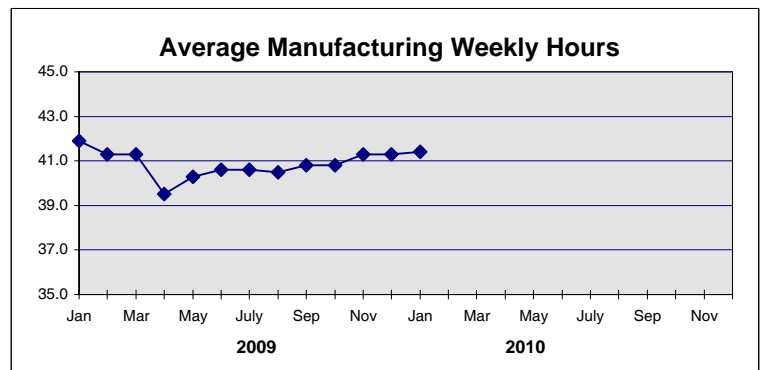
2010		
Jan	1,610.4	9.0
Feb		
Mar		
Apr		
May		
Jun		
July		
Aug		
Sep		
Oct		
Nov		
Dec		



	Avg Weekly Initial Claims	Avg Manufacturing Weekly Hours*
2009		
Jan	6,538	41.9
Feb	6,858	41.3
Mar	7,510	41.3
Apr	6,750	39.5
May	6,949	40.3
Jun	6,706	40.6
July	6,626	40.6
Aug	6,679	40.5
Sep	6,444	40.8
Oct	5,988	40.8
Nov	5,635	41.3
Dec	5,006	41.3



2010		
Jan	5,611	41.4
Feb		
Mar		
Apr		
May		
Jun		
July		
Aug		
Sep		
Oct		
Nov		
Dec		



* Not Seasonally Adjusted

** Labor-management dispute