



LABOR SITUATION

Office of Research
Sharon M. Palmer, Commissioner

FOR IMMEDIATE RELEASE

August 2014 Data
CT Unemployment Rate = 6.6%
US Unemployment Rate = 6.1%

Private sector employment gains continue despite nonfarm job loss; jobless rate steady

WETHERSFIELD, September 18, 2014 – Nonfarm job estimates for August indicate that Connecticut broke its six-month string of monthly job gains, according to the preliminary results from the federal payroll survey from the Bureau of Labor Statistics (BLS). The state lost 3,600 jobs (-0.2%) in August with extensive losses in the local government subcomponent (-4,000, -2.6%). Since August 2013, the state has added 5,600 nonfarm jobs (0.3%). On the other hand, the core private sector, which makes up about 86% of Connecticut's nonfarm employment, added positions (400, 0.03%) for the seventh month in a row. The private sector has now added 13,000 jobs (0.9%) over the year. July's preliminary total nonfarm job gain of 2,400 was revised lower to a 1,000 job gain.

Connecticut's unemployment rate was 6.6% in August 2014 (from the household survey). This is unchanged from the July 2014 figure of 6.6% and lower by one and two-tenths of a percentage point from the August 2013 unemployment rate of 7.8%. The unemployment rate has not been this low in the state since December 2008 when it was 6.7% (it was 6.4% in November 2008 and rising quickly at the time). The number of unemployed residents has declined by 22,033 (-15.1%) since August 2013. Connecticut's labor force has now expanded by 13,593 (0.7%) participants over the year.

"Despite the overall nonfarm job decline last month, Connecticut's private sector continued to add jobs," said Andy Condon, Director of the Office of Research. "This summer appeared to be the best economically since the recovery began in 2010. Some of the lull in overall employment growth may be due to an early sample week in August, as compared to when public school educators and support staff normally return to work for the new school year. This suggests we should return to form in local education next month."

Nonfarm Jobs (business establishment survey)

August 2014 initial nonfarm employment estimates decreased 3,600 (-0.2%) positions to 1,665,300 jobs (seasonally adjusted). This is the first total nonfarm employment decline in seven months after six straight monthly nonfarm job gains coming out of the January 2014 deep freeze. The state's nonfarm employment has increased 5,600 positions (0.3%) since August 2013. There were downward revisions to the July preliminary estimates of -1,400 positions as well, but this still resulted in a 1,000 monthly jobs increase for the state.

The **private sector**, in contrast, added 400 positions (0.03%) in August, for the seventh month in a row. Since August 2013, the state has added 13,000 private sector jobs (0.9%). The **government supersector** (-4,000, -1.7%) influenced mainly by local government job losses (-4,000, -2.6%), accounted for the entirety of the overall monthly nonfarm job loss this month. Over the year, the **government supersector** is much lower in employment (-7,400, -3.1%). As a result, the private sector and public government sector job growth divergence in Connecticut's job recovery persists.

Five major industry *supersectors* posted job gains while five *supersectors* experienced job losses in August. The five job gainers in August were led by the **manufacturing supersector** (1,400, 0.9%), with the sub-component **durable manufacturing** (1,300, 1.0%) providing the bulk of the increase. The **nondurable manufacturing** (100, 0.3%) portion contributed to gains, while the **construction and mining** (1,000, 1.8%) *supersector* also showed a solid increase for the third month in a row. The **trade, transportation & utilities** (800, 0.3%) *supersector* added jobs in August, with the **retail trade** (1,000, 0.6%) segment providing all of the increase during this back-to-school shopping month. The **other services** (800, 1.3%) *supersector* was also positive for the month. The **financial activities** (100, 0.1%) *supersector* was just slightly higher as **finance and insurance** was unchanged, but **real estate** (100, 0.5%) added a small gain.

The five declining *supersectors* were led lower again this month by **government** (-4,000, -1.7%). **State** (-200, -0.3%) and **federal** (200, 1.2%) government segments had offsetting movement while local government, which includes Indian casinos, posted a large decline (-4,000, -2.6%). The **professional and business services** *supersector* (-1,500, -0.7%) also was lower in August. **Education and health services** dropped as well (-1,100, -0.3%) with health services (-1,400, -0.5%) accounting for all of the monthly weakness. The **leisure and hospitality** (-1,000, -0.7%) *supersector* declined with restaurants revealing a pullback as summer's end neared. The **information** *supersector* (-100, -0.3%) was down with slight declines in **telecommunications**.

Recession recovery: Connecticut has now recovered 71,400 positions, or 59.9% of the 119,100 seasonally adjusted **total nonfarm** jobs that were lost in the state during the March 2008 - February 2010 recession. Connecticut's jobs recovery is now 54 months old and is averaging approximately 1,322 jobs per month overall since February 2010. The core **private sector** has brought back employment at a faster clip and has now recovered 83,900 (74.9%) of the 112,000 private sector jobs that were lost during the same recessionary downturn (1,554 per month pace). At 1,665,300 nonfarm jobs for August 2014, the state needs to reach the 1,713,000 level to start a true nonfarm employment expansion. This will require an additional 47,700 jobs going forward. A total of 28,100 additional private sector positions are needed to have a fully restored private sector. The **government** *supersector*, which also includes tribal casino employment, has continued to lose employment (-12,500 positions) since the overall recovery began in February 2010.

Labor Market Areas (LMAs): The August 2014 preliminary nonfarm estimates show two of the six major Connecticut Labor Market Areas (Bureau of Labor Statistics-recognized LMAs) increasing employment, while four LMAs listed job declines. The largest labor market in the state, the **Hartford LMA** (1,000, 0.2%), was also the biggest job gaining LMA in August. The **Norwich-New London LMA** (100, 0.1%) was the other gaining labor market last month. This is a good sign as this labor market is the only region experiencing over-the-year employment declines (-2,500, -2.0%). The **New Haven LMA** (-1,500, -0.5%) led the LMAs in regional job losses last month while the **Bridgeport-Stamford-Norwalk LMA** (-1,300, -0.3%), which is the fastest and largest growing labor market over the year (6,600, 1.6%), also experienced an August decline. Smaller job losses were posted from the **Danbury LMA** (-400, -0.6%) and the **Waterbury LMA** (-100, -0.2%). *Note: The major Connecticut LMAs are estimated and seasonally adjusted independently from the statewide numbers by the BLS and cover about 90% of the nonfarm employment in the state, so they will not fully sum to the statewide total.*

Hours and Earnings: The **private sector** workweek, not seasonally adjusted, averaged 33.8 hours in August 2014, higher by two-tenths of an hour from the year-ago estimate of 33.6 hours. Average hourly earnings at \$27.94, not seasonally adjusted, were up 15 cents, or 0.11%, from the August 2013 hourly private sector pay figure of \$27.79. The resulting average **private sector** weekly pay was calculated at \$944.37, up \$10.63, or 1.1% over the year. Current all-employee private sector wage estimates have turned positive over the year as of late. The year-to-year change in the Consumer Price Index for All Urban Consumers (CPI-U, U.S. City Average, not seasonally adjusted) in August 2014 was 1.7%. Information for the manufacturing production workweek and earnings can be found in the table section of this release under the "Hours and Earnings" data category.

Labor Force Data (residential household survey)

Connecticut's unemployment rate was calculated at **6.6%** for August 2014 (seasonally adjusted). This is unchanged from July 2014, and down one and two-tenths of a percentage point from the August 2013 unemployment rate of 7.8%. The unemployment rate in Connecticut has not been this low since December of 2008 when it was 6.7%.

Unemployment: Based on the household survey, the number of unemployed, seasonally adjusted, showed a small increase of 645 (0.5%) over the month to 123,464 in August 2014. This is up slightly from last month, when it was the lowest level in the state since the employment recovery began in February 2010. The state's number of unemployed residents has decreased by 22,033 (-15.1%) since August 2013. The United States unemployment rate was 6.1% in August, down one-tenth of a percentage point from the July 2014 rate (6.2%), but lower by one and one-tenth of a percentage point from the August 2013 rate when it was estimated at 7.2%.

As always, the sample size underlying our labor force and unemployment data is very small and caution is advised in interpreting these trends.

The August 2014 average weekly initial unemployment claims for first-time Connecticut filers (seasonally adjusted) decreased over the month by 259 claims (-6.0%) to 4,052, and were considerably lower by 533 claims (-11.6%) from last August 2013 (4,585).

*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. Overall, as the national and state economies recover, volatility in monthly numbers can be expected. Additionally, changes in methodology that culminated in March 2011 with the U.S. Department of Labor, Bureau of Labor Statistics assuming complete responsibility for estimating all states' monthly nonfarm job counts, have contributed to the month-to-month variability in the numbers. **Jobs estimates are best understood in the context of their movement over several months rather than observed changes in a single month's estimate.***

Next Connecticut Labor Situation release: Monday, October 20, 2014 (September 2014 data)

Contact: Communications Office

(860) 263-6535

09-18-14

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

NONFARM EMPLOYMENT

Jobs - by Place of Work

CONNECTICUT AND THE UNITED STATES - Seasonally Adjusted

	August 2014 P	July 2014 R	June 2014	May 2014	August 2013	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
CONNECTICUT	1,665,300	1,668,900	1,667,900	1,665,700	1,659,700	-3,600	-0.2%	5,600	0.3%
Total Private	1,432,300	1,431,900	1,431,400	1,430,500	1,419,300	400	0.0%	13,000	0.9%
Goods Producing Industries									
Mining	600	600	600	600	600	0	0.0%	0	0.0%
Construction	57,000	56,000	55,700	55,400	54,000	1,000	1.8%	3,000	5.6%
Manufacturing	164,100	162,700	162,500	162,700	163,500	1,400	0.9%	600	0.4%
Durable Goods	125,800	124,500	124,500	125,100	127,000	1,300	1.0%	-1,200	-0.9%
Nondurable Goods	38,300	38,200	38,000	37,600	36,500	100	0.3%	1,800	4.9%
Service Providing Industries									
Trade, Transportation & Utilities	303,800	303,000	303,800	303,100	299,400	800	0.3%	4,400	1.5%
Wholesale	65,600	65,600	65,800	65,000	63,200	0	0.0%	2,400	3.8%
Retail	184,300	183,300	183,500	183,400	184,200	1,000	0.5%	100	0.1%
Transp, Warehousing & Utilities	53,900	54,100	54,500	54,700	52,000	-200	-0.4%	1,900	3.7%
Information	31,400	31,500	31,800	31,700	32,100	-100	-0.3%	-700	-2.2%
Financial Activities	130,700	130,600	130,200	130,500	131,000	100	0.1%	-300	-0.2%
Finance & Insurance	111,500	111,500	111,200	111,400	112,000	0	0.0%	-500	-0.4%
Real Estate, Rental & Leasing	19,200	19,100	19,000	19,100	19,000	100	0.5%	200	1.1%
Professional & Business Services	205,600	207,100	207,200	206,200	207,000	-1,500	-0.7%	-1,400	-0.7%
Prof, Scientific & Tech Services	91,000	92,500	92,000	90,200	90,800	-1,500	-1.6%	200	0.2%
Management of Companies	28,800	28,900	29,200	29,200	29,700	-100	-0.3%	-900	-3.0%
Admn & Support & Waste Mgt Serv	85,800	85,700	86,000	86,800	86,500	100	0.1%	-700	-0.8%
Educational & Health Services	325,200	326,300	326,300	325,900	322,400	-1,100	-0.3%	2,800	0.9%
Educational Services	63,100	62,800	63,400	63,500	62,900	300	0.5%	200	0.3%
Health Care & Social Assistance	262,100	263,500	262,900	262,400	259,500	-1,400	-0.5%	2,600	1.0%
Leisure and Hospitality	150,400	151,400	151,400	152,100	147,300	-1,000	-0.7%	3,100	2.1%
Arts, Entertainment & Recreation	24,800	25,300	25,500	25,400	25,300	-500	-2.0%	-500	-2.0%
Accommodation & Food Services	125,600	126,100	125,900	126,700	122,000	-500	-0.4%	3,600	3.0%
Other Services	63,500	62,700	61,900	62,300	62,000	800	1.3%	1,500	2.4%
Government**	233,000	237,000	236,500	235,200	240,400	-4,000	-1.7%	-7,400	-3.1%
UNITED STATES	139,118,000	138,976,000	138,764,000	138,497,000	136,636,000	142,000	0.1%	2,482,000	1.8%

LABOR MARKET AREAS (LMA)

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

Seasonally Adjusted data	August 2014 P	July 2014 R	June 2014	May 2014	August 2013	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
Bridgeport-Stamford	418,800	420,100	419,200	417,400	412,200	-1,300	-0.3%	6,600	1.6%
Danbury	69,400	69,800	69,600	68,900	68,900	-400	-0.6%	500	0.7%
Hartford	553,900	552,900	553,300	555,700	549,900	1,000	0.2%	4,000	0.7%
New Haven	278,100	279,600	280,100	278,100	275,200	-1,500	-0.5%	2,900	1.1%
Norwich-New London	125,300	125,200	126,000	126,200	127,800	100	0.1%	-2,500	-2.0%
Waterbury	64,700	64,800	65,100	64,600	64,300	-100	-0.2%	400	0.6%
<i>Not Seasonally Adjusted data (Non-Classified Areas, State estimated not BLS)</i>									
Enfield	43,800	43,700	45,100	45,000	43,300	100	0.2%	500	1.2%
Torrington	36,700	36,900	37,300	36,700	36,500	-200	-0.5%	200	0.5%
Willimantic-Danielson	37,500	37,700	38,300	38,100	37,000	-200	-0.5%	500	1.4%

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

P = Preliminary

R = Revised

Starting with March, 2011, our monthly statewide and major LMA nonfarm job estimates have been taken over by the US Department of Labor Bureau of Labor Statistics. This is the final phase of transition in this program, which began in 2008. As a result of changes in the estimation procedures, you are likely to see more variability in month-to-month estimates of job counts. Caution should be used in interpreting any single month's estimate. The data are best interpreted to identify trends and cycles over several months and quarters. If you have any questions about these changes, please email us at: dol.lmi@ct.gov.

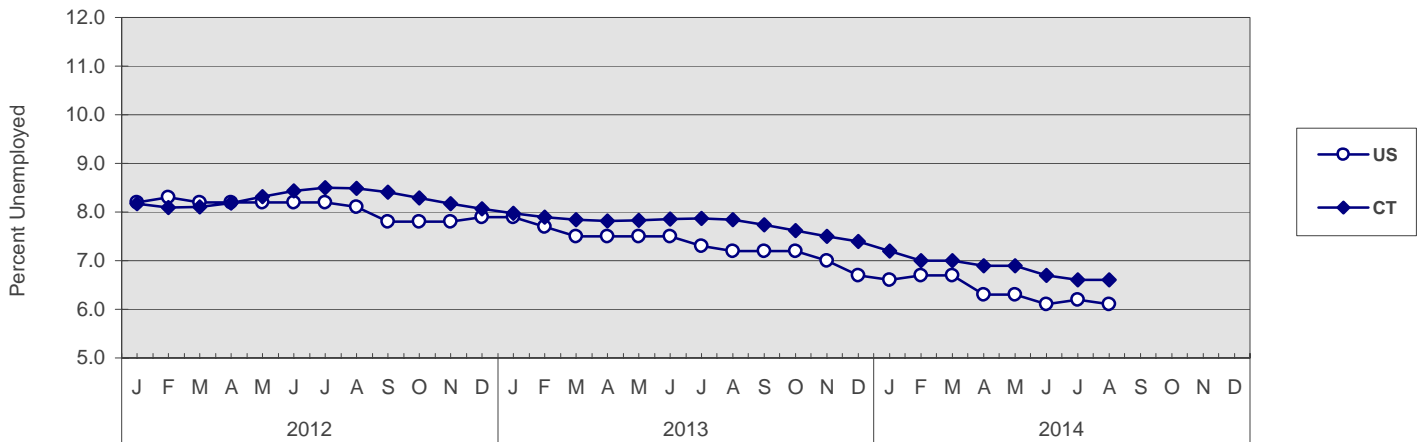
UNEMPLOYMENT

Persons Unemployed - by Place of Residence

CONNECTICUT AND THE UNITED STATES - Seasonally Adjusted

	Aug. 2014 P		Aug. 2013		Change		Jul. 2014 R	
	Number	Rate	Number	Rate	Number	Points	Number	Rate
CONNECTICUT								
Unemployed	123,500	6.6	145,500	7.8	-22,000	-1.2	122,800	6.6
Labor Force	1,870,400		1,856,800		13,600		1,872,100	
UNITED STATES								
Unemployed	9,591,000	6.1	11,256,000	7.2	-1,665,000	-1.1	9,671,000	6.2
Labor Force	155,959,000		155,435,000		524,000		156,023,000	

U.S. AND CONNECTICUT UNEMPLOYMENT RATES - Seasonally Adjusted 2012 - 2014



LABOR MARKET AREAS - Not Seasonally Adjusted

	Aug. 2014 P		Aug. 2013		Change		Jul. 2014 R	
	Number	Rate	Number	Rate	Number	Points	Number	Rate
Bridgeport-Stamford								
Danbury								
Enfield								
Hartford								
New Haven								
Norwich-New Britain								
Torrington								
Waterbury								
Willimantic-Danielson								
CONNECTICUT	130,100	6.9	148,100	7.9	-18,000	-1.0	129,300	6.8
UNITED STATES	9,787,000	6.3	11,462,000	7.3	-1,675,000	-1.0	10,307,000	6.5

Release of the August 2014 sub-state labor force data is restricted by the U.S. Bureau of Labor Statistics until Friday, September 19, 2014.

An updated *Connecticut Labor Situation* with these data will be available on our website at that time at:

<http://www1.ctdol.state.ct.us/lmi/laborsit.pdf>.

P = Preliminary

R = Revised

Labor force data included in this publication are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

UNEMPLOYMENT RATES

Not Seasonally Adjusted

LABOR MARKET AREAS

Release of the August 2014 sub-state labor force data is restricted by the U.S. Bureau of Labor Statistics until Friday, September 19, 2014.

An updated *Connecticut Labor Situation* with these data will be available on our website at that time at:

<http://www1.ctdol.state.ct.us/lmi/laborsit.pdf>.

HOURS AND EARNINGS

CONNECTICUT Statewide - Not Seasonally Adjusted

	Average Weekly Earnings				Average Weekly Hours				Average Hourly Earnings			
	Aug. 2014 P	Aug. 2013	Change over Yr.	Jul. 2014 R	Aug. 2014 P	Aug. 2013	Change over Yr.	Jul. 2014 R	Aug. 2014 P	Aug. 2013	Change over Yr.	Jul. 2014 R
Private Industry All Employees	\$944.37	\$933.74	\$10.63	\$943.36	33.8	33.6	0.2	33.8	\$27.94	\$27.79	\$0.15	\$27.91
Manufacturing*												
Production Workers	\$900.88	\$889.54	\$11.34	\$887.92	40.2	41.9	-1.7	40.6	\$22.41	\$21.23	\$1.18	\$21.87

* Production worker data have been impacted by the loss of a large, high-paying manufacturer from the monthly sample.

P = Preliminary

R = Revised

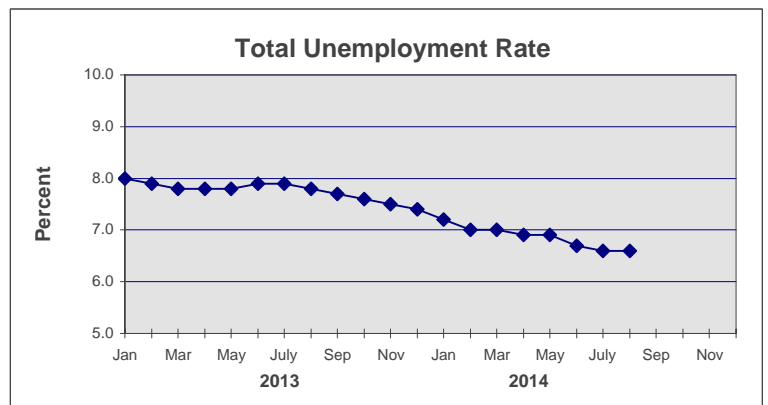
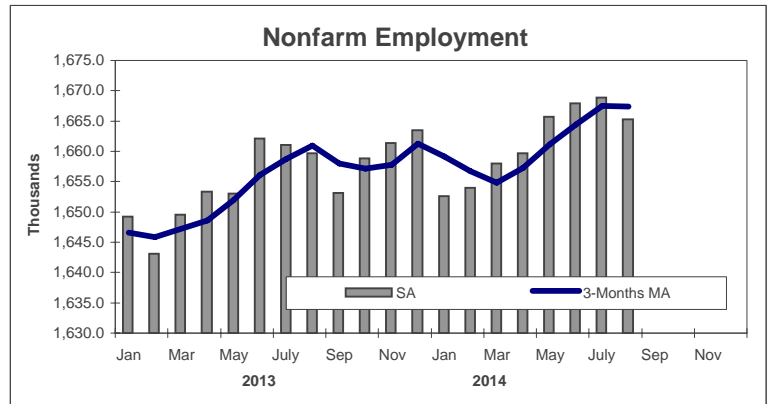
Hours and earnings are also developed for the state's major industry sectors and Labor Market Areas. They can be found on our website at: www.ctdol.state.ct.us/lmi.

TRENDS

Seasonally Adjusted

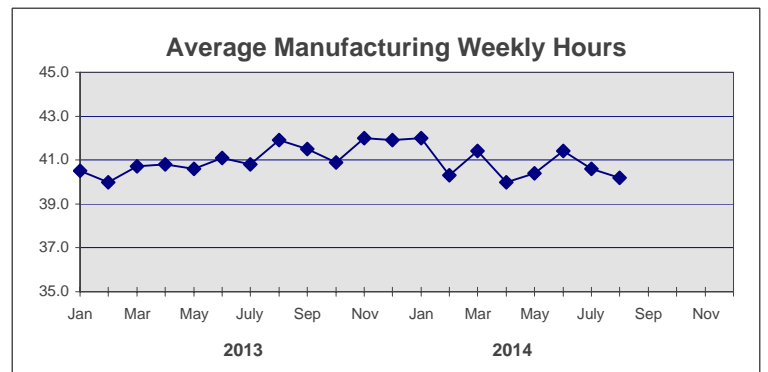
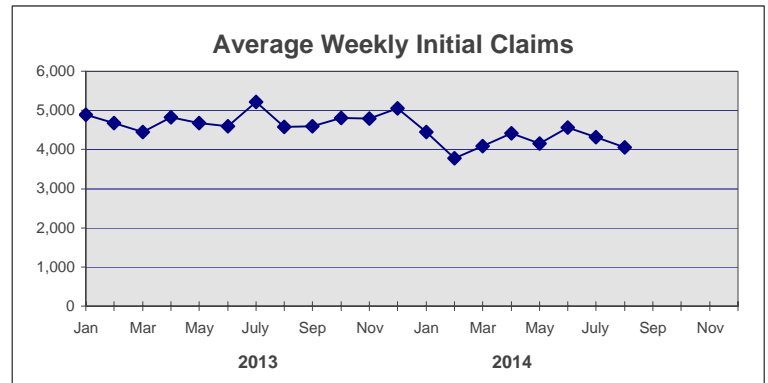
	Nonfarm Employment (000s)	Total Unemployment Rate
2013		
Jan	1,649.2	8.0
Feb	1,643.1	7.9
Mar	1,649.5	7.8
Apr	1,653.3	7.8
May	1,653.0	7.8
Jun	1,662.1	7.9
July	1,661.1	7.9
Aug	1,659.7	7.8
Sep	1,653.1	7.7
Oct	1,658.8	7.6
Nov	1,661.4	7.5
Dec	1,663.5	7.4

2014		
Jan	1,652.6	7.2
Feb	1,654.0	7.0
Mar	1,658.0	7.0
Apr	1,659.7	6.9
May	1,665.7	6.9
Jun	1,667.9	6.7
July	1,668.9 R	6.6 R
Aug	1,665.3 P	6.6 P
Sep		
Oct		
Nov		
Dec		



	Avg Weekly Initial Claims	Avg Manufacturing Weekly Hours*
2013		
Jan	4,884	40.5
Feb	4,669	40.0
Mar	4,452	40.7
Apr	4,823	40.8
May	4,672	40.6
Jun	4,602	41.1
July	5,220	40.8
Aug	4,585	41.9
Sep	4,598	41.5
Oct	4,805	40.9
Nov	4,786	42.0
Dec	5,054	41.9

2014		
Jan	4,442	42.0
Feb	3,775	40.3
Mar	4,089	41.4
Apr	4,412	40.0
May	4,150	40.4
Jun	4,556	41.4
July	4,311	40.6 R
Aug	4,052	40.2 P
Sep		
Oct		
Nov		
Dec		



* Not seasonally adjusted

P = Preliminary

R = Revised

** Labor-management dispute