

Job Machines and Bedroom Communities

This issue's centerfold (pp. 10-11) focuses on two measures of the work force: jobs and employment. The job total, which is based on a survey of about 5,000 Connecticut employers, including nearly all the large ones and a sampling of smaller ones, gets the most attention. Job totals are reported monthly for the entire state and for each of the ten labor markets. Estimates for each town appear only once a year with a substantial lag. The most recent town estimates are for June 1997.

The second measure of the work force, *employment*, reflects a federal survey of about 550 Connecticut households and is reported monthly statewide, by labor market, and by town. This survey captures some workers missed by the employer survey, such as the self-employed and domestic workers, but has a greater margin of error.

Jobs and employment measure worker activity in different ways. Jobs count people where they work; employment, where they live. For example, someone working in Hartford and living in Bristol gets counted in Hartford's job total and in Bristol's employment total. By comparing job estimates with employment estimates by town, we can get a good idea where the jobs are and where workers live.

The first column of the centerfold's table reports the number of jobs in each town. The second column identifies the number of people in each town who are employed. The third column shows the number of jobs in the town relative to the number of residents in the town who are employed; a figure exceeding 100% indicates that the town has more jobs than employed residents, and thus imports workers on balance (or exports jobs on balance).

The centerfold maps town-by-town information on the relation of jobs to employment. The darkest green towns have more jobs than employed residents, and thus are net job producers. In all, 40 of the state's 169 towns have more jobs than employed residents. The biggest cluster of net job producers occurs in the Hartford region, shown by the dark green patch of 15 towns. A dark green streak also runs south along the spine of the state, following Interstate 91 from the Hartford cluster to a smaller cluster in the New Haven region, and then runs west along the coast to Stamford, where five of the eight towns in that labor market area are dark green. The only other notable cluster of net job producers in the

state is a four-town bunch in the New London area.

Hartford ranks first in percentage terms as a net job producer at 244.8%, meaning that the city's 123,260 jobs were 244.8% of the 50,354 employed city residents. The balance of the top six ranking towns are Farmington, Windsor Locks, Ledyard, North Haven, and East Granby. On average, in these top six towns, there are about two jobs relative to each employed resident. Five of the top six towns also ranked in the top six in 1992; the newcomer, Ledyard, is the home of Foxwoods.

The bottom six towns in percentage terms are Colebrook, Lyme, Warren, Hampton, Hartland, and Scotland. These small, rural, "bedroom" communities could be described as where people go to "get away from it all." But all lie within commuting distance of Greater Hartford's job machine—three east of the Connecticut River and three west. These bottom six towns average only about one job relative to seven employed residents. Half these towns also ranked in the bottom six in June of 1992.

If jobs in the town exceed the number of employed residents, then the town most likely imports workers to fill town jobs. Thus, we could also rank towns based on the *number* of "imported" workers and "exported" workers. The top six net importers of workers, measured (in parentheses) as jobs in the town minus employed residents, are Hartford (72,906), New Haven (17,871), Farmington (15,161), Stamford (13,241), Groton (10,662), and North Haven (10,494). These same six towns also ranked as the top six net importers of workers in June of 1992, demonstrating remarkable stability in this measure.

On the flip side, the top six net "exporters" of workers, measured as employed residents minus jobs in town, are Bristol (10,465), Bridgeport (10,173), West Haven (9,108), Hamden (8,665), Naugatuck (7,368), and Waterbury (7,364). Perhaps it's a sign of the times that two of the state's largest cities, Bridgeport and Waterbury, did not generate enough jobs to match the number of employed residents. Dare we call them bedroom communities?

FIRE Up, Manufacturing Down

Connecticut's real gross state product (GSP) was revised upward by federal statisticians for 1993, from a decline of 0.1% to a growth of 0.8% (national growth that year was 2.3%). For 1994 GSP growth was revised upward from 1.8% to 3.0%

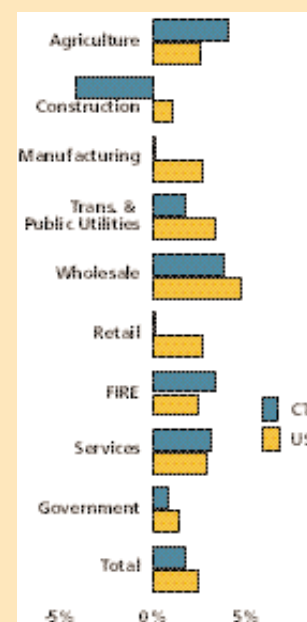
(national growth was 4.2%). GSP grew an estimated 3.0% in 1995 (national, 2.6%) and 2.6% in 1996 (national, 3.2%). Between 1992 and 1996, real GSP grew an average of 2.3% per year versus a national average of 3.1%. But GSP *per capita* grew at an average annual rate of 2.3% in Connecticut between 1992 and 1996 (versus a national average of 2.1%).

Let's step back and take a longer view. Between 1987 and 1996, Connecticut's real GSP growth averaged 1.8% per year; the nation averaged 2.4%. The accompanying bar chart compares growth by sector between 1987 and 1996 for Connecticut and the nation. While six of Connecticut's nine sectors lagged the national average, agriculture, FIRE (finance, insurance, and real estate), and services grew faster than the national average.

Connecticut's manufacturing output grew hardly at all—averaging only 0.1% per year from 1987 and 1996. U.S. manufacturing output growth averaged 2.7% per year. The value of manufacturing as a percent of all output in Connecticut dropped from 21.3% in 1987 to 18.4% in 1996. Nationally, that share *increased* from 18.6% to 19.1%. Connecticut's manufacturing share thus has gone from ranking above the national average to ranking below it.

But manufacturing jobs still account for a larger fraction of all jobs in Connecticut than in the nation. Being above average

Average Annual Change in Real Output by Industry in Connecticut and the Nation: 1987 to 1996



Developed by *The Connecticut Economy* based on annual output estimates from the U.S. Department of Commerce.

in job share but below average in output share suggests either that Connecticut's manufacturing workers are less productive than those in the nation, or that Connecticut's non-manufacturing workers are more productive than their counterparts across the nation. I think the latter explanation is more likely, as evidenced by Fairfield County's success, which we turn to next.

Fairfield County Dynamo

Although manufacturing output in Connecticut now accounts for a smaller fraction of all state output than is the case nationally, the state continues to rank first in the nation in per capita income, with a growing lead on second ranked New Jersey. And keep in mind that per capita income excludes capital gains. County-level estimates indicate that Fairfield County is a dynamo. Per capita income in Fairfield County climbed to \$47,982 in 1996, ranking second among the more than 3,000 counties nationally.

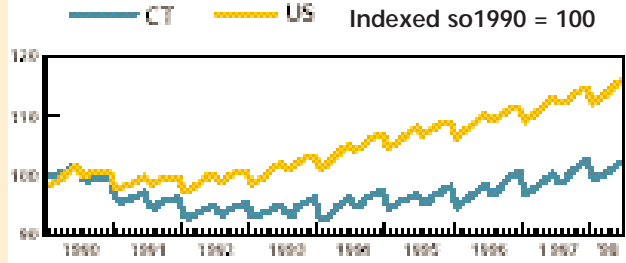
The average for the balance of the state was \$29,465, or 39% below Fairfield County's figure. In 1994 the balance of the state trailed by only 35%. Still, the rest of the state, by itself, in 1996 would, if a state, rank third in the nation, behind New Jersey at \$31,265 and Massachusetts at \$29,808. Fairfield County's income surged despite losing manufacturing jobs at a faster rate than the rest of the state. Hello financial services!



ECONOMIC SCORECARD

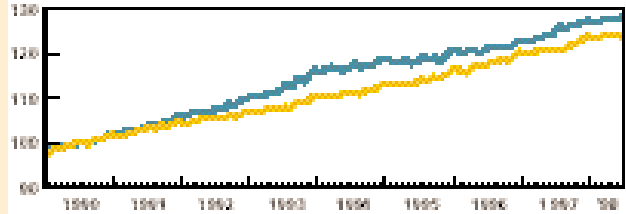
Job Totals

(not seasonally adjusted)



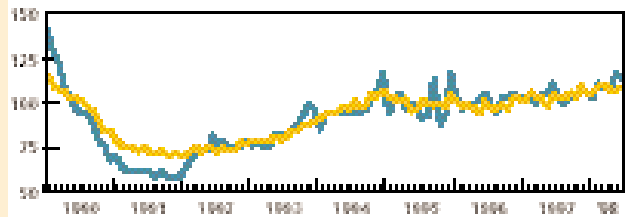
Average Hourly Earnings in Manufacturing

(seasonally adjusted)



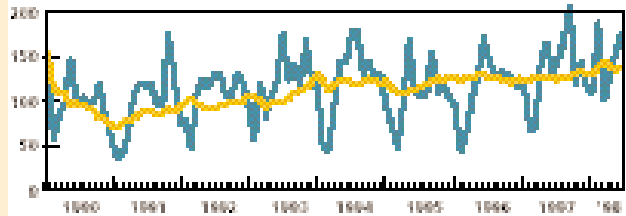
Help-Wanted Ads

(seasonally adjusted)



New Housing Permits

(not seasonally adjusted)



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Connecticut Travel and Tourism Index

The overall index increased 7.1% in the second quarter compared to the same quarter the year before. The index consists of hotel-motel revenues, hotel-motel occupancy rates, attendance at six major tourist attractions, and traffic on tourist roads.

Hotel/Motel Rev.	s	8.9%
Occupancy Rate	t	-2.8%
Attendance	s	16.6%
Traffic	s	5.8%
Overall	s	7.1%

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