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CT ECONOMIC DIGEST

The *Connecticut Economic Digest* is a joint publication of the Connecticut Department of Labor and the Department of Economic and Community Development. Its purpose is to regularly provide users with a comprehensive source for the most current, up-to-date data available on the workforce and economy of the state, within perspectives of the region and nation. *A brief monthly summary will constitute the major monthly topic of this newsletter.*

State Economic Indexes Improved Further in 2018

Connecticut's economic performance last year was the best in terms of ranking in eight years. After annual revisions, Connecticut ranked 37th out of the 50 states and the District of Columbia (DCI) in the State Economic Indexes (SEI) in 2018, up from the 38th position in 2017.

Applying the same components and methodology of the Connecticut Town Economic Indexes (See October 2019 issue), the Connecticut Department of Labor's office of Research also developed the State Economic Indexes for all 50 states and DC. With recently available annual average data from the Quarterly Census Employment and Wages (QCEW) program, along with the revised annual average unemployment rate from Local Area Unemployment Statistics (LAUS), annual SEI is reestimated for the 2010-2018 period.

Four annual average state economic indicators were used as components: 1. the number of the total covered business establishments, 2. total covered employment, 3. real covered wages, and 4. the unemployment rate.

Business establishments are the physical work units located in the state. Employment is the number of employees on payrolls in the establishments that are located in the state who are covered under the unemployment insurance law. Average annual pay is the aggregate wages earned divided by the total average employment.

Establishments, employment and wages are proxies for each state's business activities and its overall economic strength, while the unemployment rate measures the overall economic health of each state's working residents.

SEI: 2017-2018: Connecticut ranked 20th among states, in terms of over-the-year growth rate (6.3%), moving up from 38th place in 2017.

SEI: 2010-2018: Looking longer term, all 50 states and DC continued to show positive SEI growth. Connecticut index increased 36.9% since 2010, when the economy began to recover, while the nation's index grew 48%. Among the nine Northeast states, Connecticut again ranked 8th.

Establishments: Connecticut's establishment growth rate ranked 19th among the states

Real Wages: Connecticut ranked second to last in terms of wage growth. Connecticut's wage fell from fourth to fifth highest. Connecticut's wage growth came in last place among the states in the last eight years.

Unemployment Rate: Over the longer period, Connecticut's jobless rate dropped from 9.1% to 4.1%.