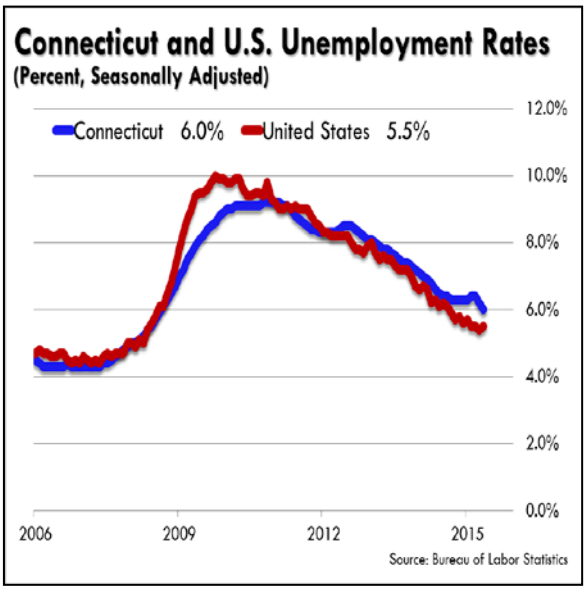
Connecticut Economic Update

June 19, 2015

Summary

Nonfarm payroll employment in Connecticut increased by 6,400 jobs and the unemployment rate fell to 6.0 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Connecticut Unemployment Rate



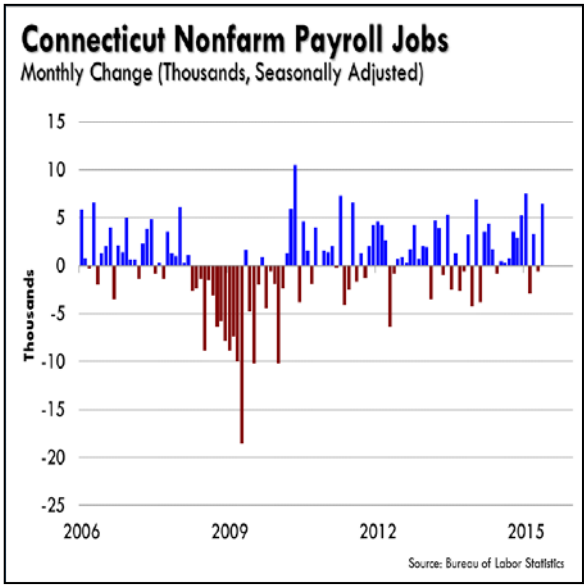
During May, the unemployment rate in Connecticut declined by 0.2 percentage point to 6.0 percent. The number of people counted as unemployed fell by 4,848 in May to 115,158, while the labor force grew by 1,133 to 1,921,768. Among the 50 states and the District of Columbia, 37 posted lower unemployment rates for the month than Connecticut. A year earlier, the unemployment rate in Connecticut stood at 6.6 percent.

The 10 year peak for the unemployment rate in Connecticut was 9.2 percent in February 2011. The series high for the unemployment rate in Connecticut occurred in January 1976 when the unemployment rate reached 10.0 percent. The 10 year low for the unemployment rate in Connecticut was 4.3 percent in May 2007. The series low for the unemployment rate in Connecticut occurred in October 2000 when the unemployment rate reached 2.2 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.

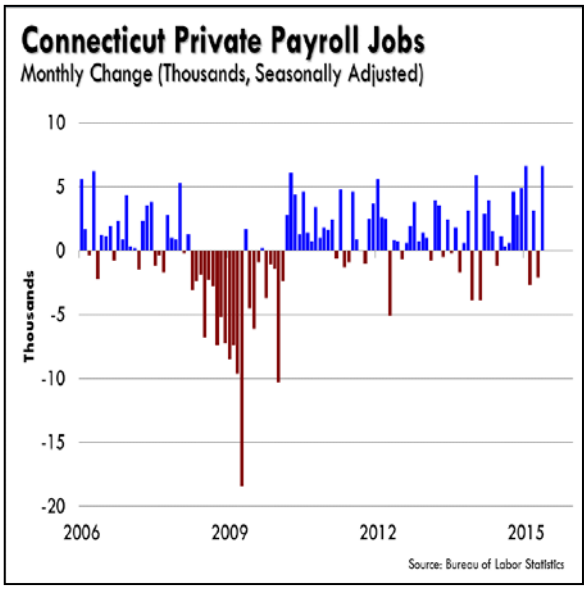
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Rep. Kevin Brady, Vice Chairman

Connecticut Payroll Employment



Connecticut nonfarm payrolls increased by 6,400 jobs, or 0.38 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 600. Over the past 12 months nonfarm payrolls in Connecticut increased by 26,100, or 1.57 percent. Connecticut nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Connecticut ranks 24th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

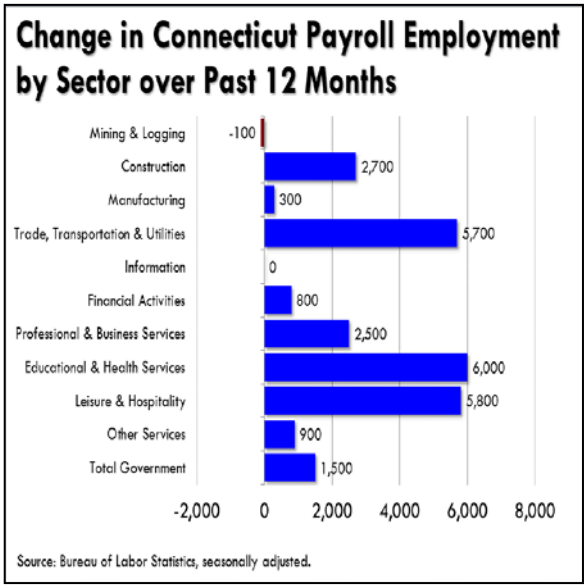


During May, Connecticut private sector payrolls increased by 6,600, or 0.46 percent. Private sector payrolls declined by 2,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Connecticut increased by 24,600, or 1.72 percent. Connecticut private sector payroll employment has increased in 9 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. Connecticut ranks 31st among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Connecticut declined by 200, or 0.08 percent. Federal government payroll employment was unchanged. State government payroll employment was unchanged, while local government payroll employment was unchanged.

Over the past year, total government payroll employment increased by 1,500, or 0.63 percent. State government payroll employment declined by 400, or 0.59 percent. Local government payroll employment was unchanged.

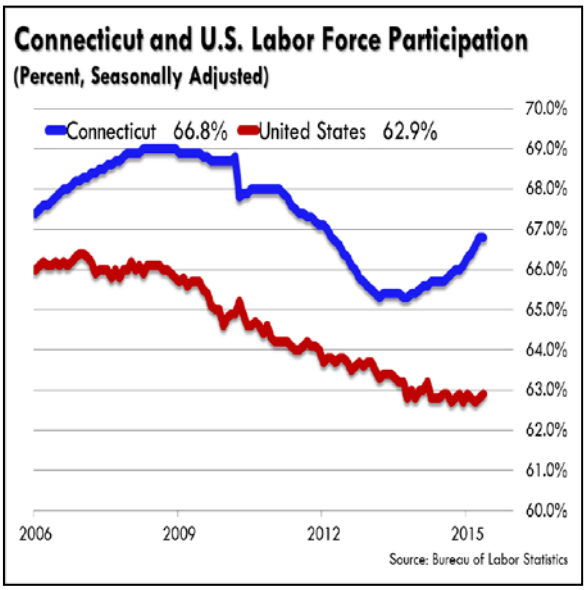


The best performing sectors on a seasonally adjusted basis during May were Trade, Transportation & Utilities (+3,200) and Construction (+2,400). The poorest performing sectors during the month were Manufacturing (-1,000) and Total Government (-200).

The best performing sectors during the last twelve months were Educational & Health Services (+6,000) and Leisure & Hospitality (+5,800). The poorest performing sectors for the year were Mining & Logging (-100) and Information (unchanged).

<u>Other Connecticut Labor Force Statistics</u>

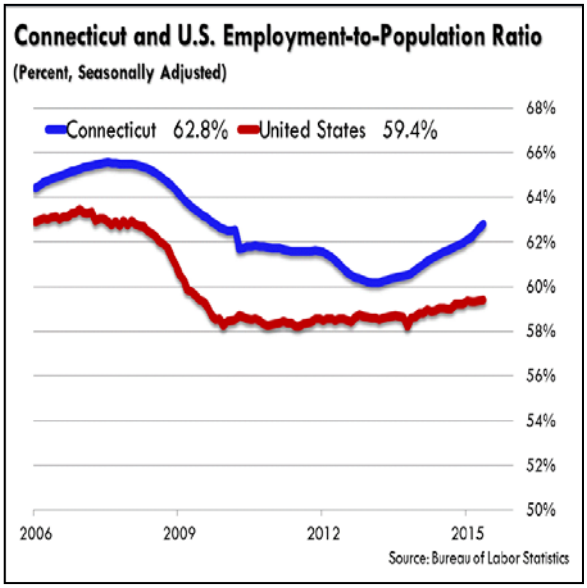
The labor force participation rate in Connecticut was unchanged at 66.8 percent in May. Among the 50 states and the District of Columbia, 14 have a higher labor force participation rate than Connecticut. The labor force participation rate in Connecticut is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Connecticut was 69.0 percent in December 2008. The series high for the labor force participation rate in Connecticut occurred in November 1991 when the labor force participation rate hit 71.8 percent. The 10 year low for the labor force participation rate was 65.3 percent in October 2013. The series low for the labor force participation rate occurred in January 1976 when the labor force participation rate hit 63.9 percent.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.

The employment-to-population ratio, or the percentage of the Connecticut civilian noninstitutionalized population 16 years and older counted as employed, rose to 62.8 percent in May from 62.6 percent the prior month. Among the 50 states and the District of Columbia, 16 have higher employment-to-population ratios than Connecticut. The employment-to-population ratio in Connecticut is 1.4 percentage points higher than a year earlier.



The 10 year high for the employment-to-population ratio in Connecticut was 65.5 percent in January 2008. The series high for the employment-to-population ratio in Connecticut occurred in December 1989 when the employment-to-population ratio hit 68.3 percent. The 10 year low for the employment-to-population ratio was 60.2 percent in April 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 57.6 percent.

The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.