News from
COMPTROLLER KEVIN LEMBO

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COMPTROLLER LEMBO PROJECTS $615.2 MILLION DEFICIT, CITING ECONOMIC IMPROVEMENTS

Comptroller Kevin Lembo today, in his monthly financial and economic update, projected the General Fund will end Fiscal Year 2021 with a deficit of $615.2 million, an improvement from last month's estimate as modest signs of economic recovery continue.

Lembo pointed to a thriving housing market, lower-than-expected spending and improving revenues as reasons for cautious optimism.

"As we enter 2021, it is encouraging to see our economy trending in the right direction after so many months of hardship," Lembo said. "Connecticut's housing market had another solid month, and our economy has weathered the storm better than many anticipated. The most urgent economic need remains supporting the thousands of Connecticut residents that have lost their jobs during this pandemic."

Connecticut's housing market continues to be strong as the state saw significant increases in both new single-family home listings and sale prices. In November, sellers received, on average, 99.8 percent of the list price for their homes. A recent analysis by the Bureau of Economic Analysis showed declining personal income across the country in the third quarter, but with only a 4.4 annual decrease, Connecticut was the third-highest performing state. The stock market also continues to grow with the three main indices exceeding their pre-pandemic standings and reaching or approaching record-highs.

Revenue collection trends in several categories for FY21 are running ahead of last year's numbers, including revenue derived from real estate sales, sales tax, and the withholding portion of the state income tax which grew by 1.6 percent through November. Lembo noted this improvement is likely the result of high-income earners emerging from the pandemic financially unharmed while job losses have been concentrated in low-wage sectors.

"The continued rollout of the COVID-19 vaccine, coupled with the recently approved federal stimulus, means our most vulnerable citizens are finally receiving some of the assistance they need," said Lembo. "However, federal relief efforts have yet to meet the scale of the problem and more assistance will be needed before this crisis is truly behind us. Congress must get back to work immediately to ensure middle- and working-class families are not left behind."

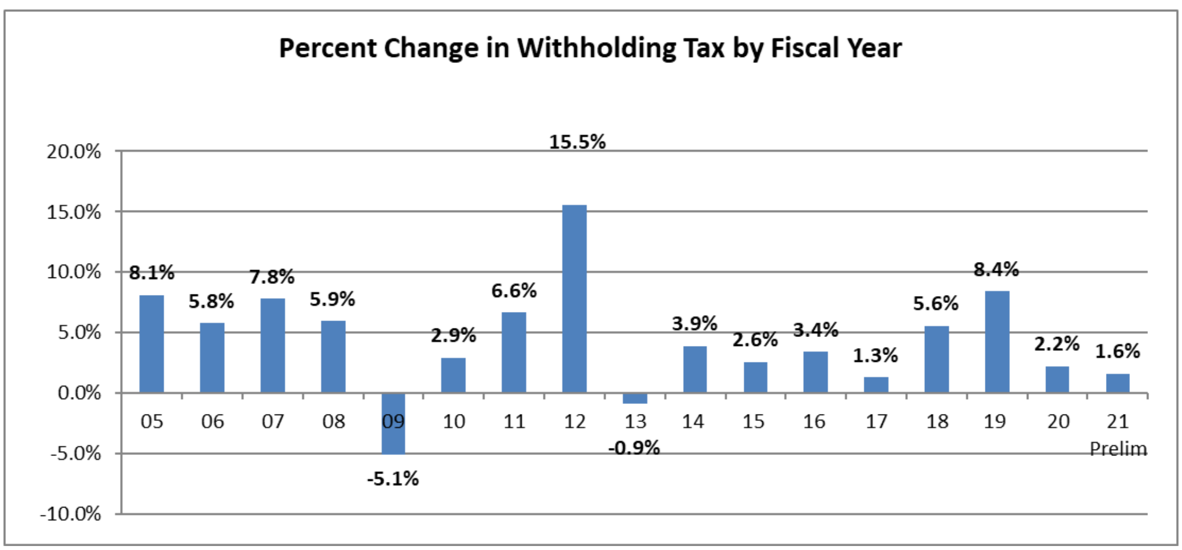
In a letter to Gov. Ned Lamont, Lembo noted that the upcoming consensus revenue forecast in January will provide important new data as the 2021 legislative session begins.

Lembo pointed to recent economic indicators and trends from national and state sources that show:

NOTE: *Economic indicators largely look back to past periods. Therefore, some of the information presented this month may appear inconsistent with more recent developments in the rapidly changing response to the COVID-19 pandemic.*

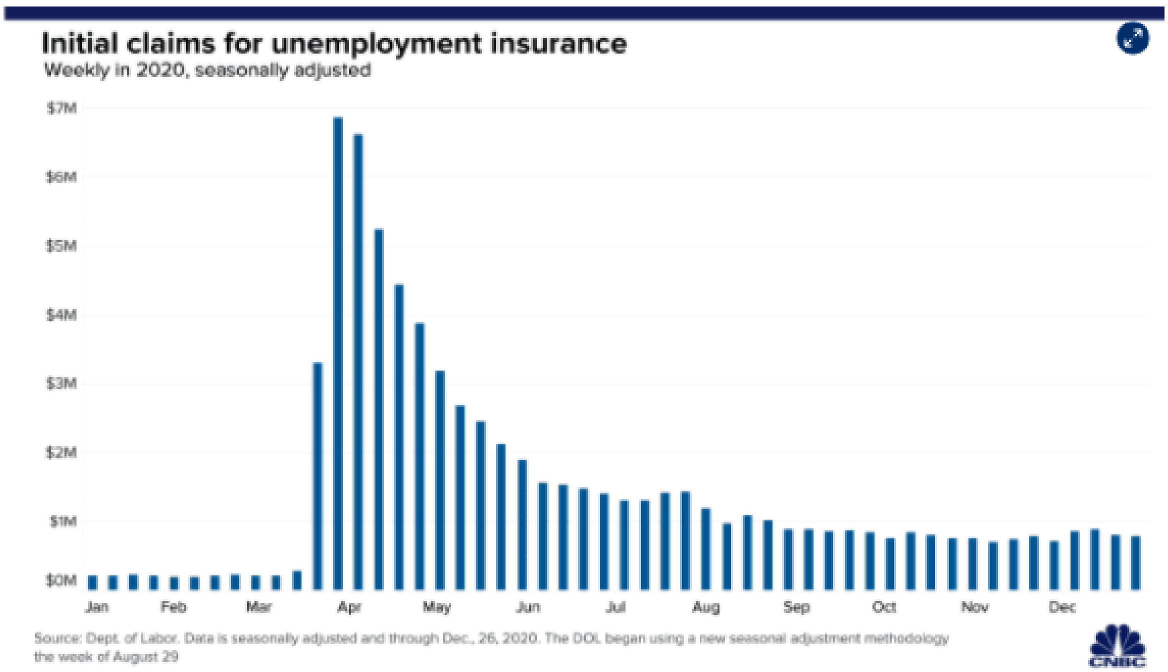
Employment

The withholding portion of the income tax is the largest single General Fund revenue source. Final results for FY 2020 showed withholding receipts came in 2.2 percent above FY 2019 levels but somewhat below the growth rate built into the FY 2020 budget plan. Current collection trends for FY 2021 show withholding receipts growing by 1.6 percent above FY 2020 levels through November. These results are surprising based on the remaining number of jobs the state has yet to recover on a year-over-year basis. One possible explanation is that many of the employment losses were in concentrated in the service sector, such as leisure and hospitality, which tends to have lower wages.



COVID-19 Related Job Losses

Throughout November and into December, the nation continued seeing high levels of initial unemployment insurance (UI) claims by historical standards. For the week ending December 26th the U.S. Bureau of Labor Statistics (BLS) reported that seasonally adjusted initial claims totaled 787,000. This represents a decline of 19,000 from the previous week. CNBC reported that economists polled by Dow Jones expected initial claims to rise to 828,000, so results were better than expected. Still the jobs picture looking forward remains uncertain as coronavirus cases rise throughout the nation and states adopt more restrictions to combat the pandemic. The current level of initial UI claims is over three and a half times higher than totals seen before the coronavirus hit. Prior to the pandemic, initial UI claims averaged closer to 210,000 per week.



In the same release, BLS reported the number of individuals receiving unemployment benefits (all programs) was approximately 19.6 million for the week ending December 12th. The corresponding figure for the prior year was 1.8 million.

CONTINUED WEEKS CLAIMED FILED FOR UI BENEFITS IN ALL PROGRAMS (UNADJUSTED)

WEEK ENDING	December 12	December 5	Change	Prior Year[1]
Regular State	5,393,440	5,457,941	-64,501	1,796,207
Federal Employees	17,003	17,269	-266	10,315
Newly Discharged Veterans	9,907	9,501	+406	5,854
Pandemic Unemployment Assistance[3]	8,459,647	9,271,112	-811,465	NA
Pandemic Emergency UC[4]	4,772,853	4,793,230	-20,377	NA
Extended Benefits[5]	802,713	712,878	+89,835	0
State Additional Benefits[6]	3,035	2,560	+475	5,726
STC / Workshare [7]	105,307	99,255	+6,052	9,998
TOTAL[8]	19,563,905	20,363,746	-799,841	1,828,100

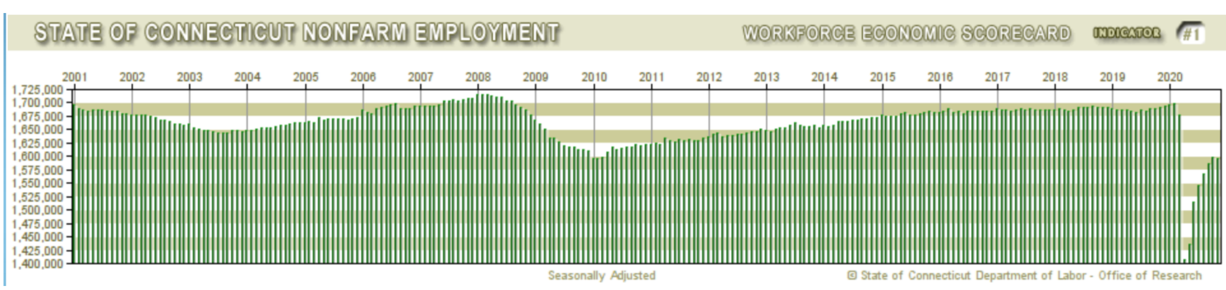
Congress recently passed legislation (H.R. 133), which contained nearly $900 billion in additional COVID-19 relief provisions, including approximately $120 billion for extensions to unemployment insurance programs and supplemental UI benefits. After a delay, the President signed the bill into law, which includes an additional $300 per week in supplemental unemployment benefits for all qualifying beneficiaries through March 14, 2021.

Connecticut Jobs Picture – Step Back in November After Six Months of Growth

Connecticut also experienced historic levels of employment losses this spring, although has reversed that trend in recent months and began recovering jobs.

On December 17th, Connecticut Department of Labor (DOL) reported the preliminary Connecticut nonfarm job estimates for November 2020 from the business payroll survey administered by the U.S. Bureau of Labor Statistics (BLS). DOL's Labor Situation report showed the state lost 1,600 net jobs (0.1%) to a level of 1,596,000 jobs seasonally adjusted. At the same time, the preliminary October 2020 job gain of 14,100 was revised downward by 2,600 jobs. To date, the state has regained 64.5 percent of the jobs lost in March and April.

November represented the first monthly job losses following six months of gains after April's drop due to the COVID-19 lockdown. DOL noted that among the employment losses seen in November, approximately 1,000 were related to temporary Federal census jobs ending, along with a decrease in leisure and hospitality jobs in accommodation
and food service sector. One bright spot was in transportation and warehousing, which includes delivery services. This sector saw gains in November and now employs more people than it did one year ago.



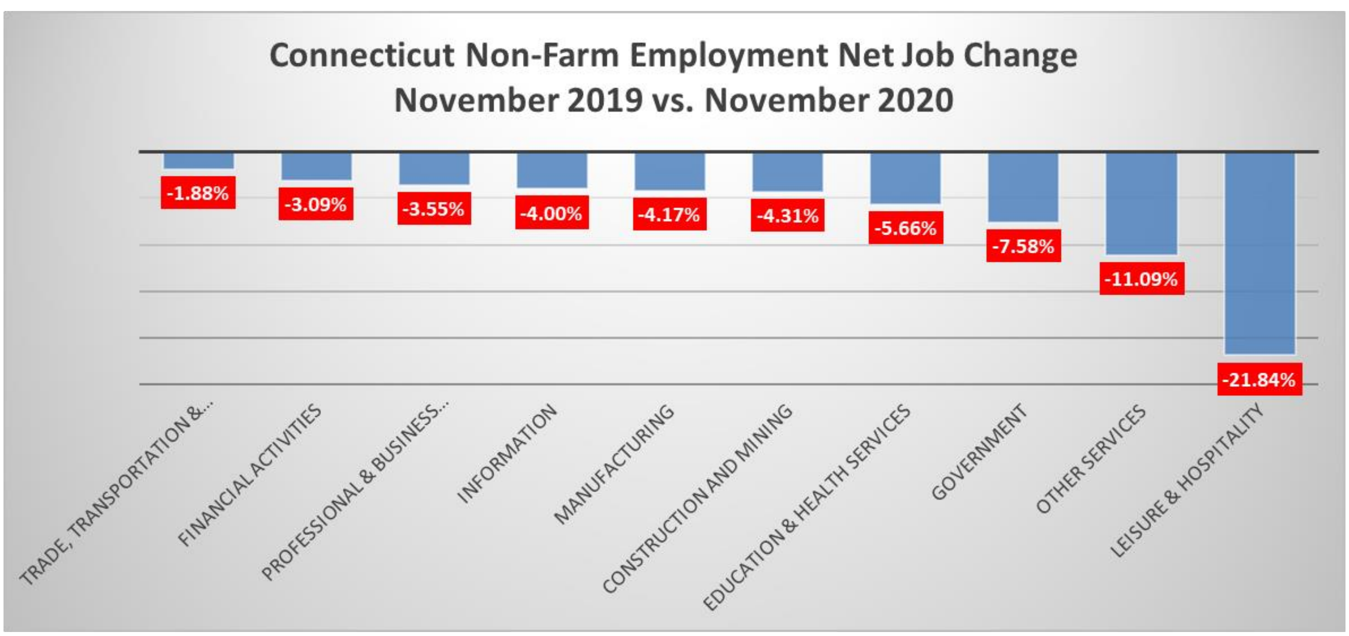
Despite gains in recent months, Connecticut's employment level is still significantly down on a year-over-year basis. Compared with November 2019, nonagricultural jobs in the state fell by a net 96,500 positions (-5.7 percent) below one year ago seasonally adjusted. Connecticut's official unemployment rate stood at 8.2 percent in November 2020, up from 6.1 percent a month ago, but significantly higher than the 3.8 percent rate a year ago. After months of underestimating the unemployment rate, DOL reports this month's estimate is more accurate, though still somewhat understated:

"For several months, the official unemployment numbers were inconsistent with the number of claims. This resulted in a gap between the federal assessment and Connecticut's assessment of the unemployment rate. This report reflects a better alignment and picture of the unemployed population in the state. Connecticut economists estimate the unemployment rate is 9-10%, down from about 11% last month."

The U.S. jobless rate in November 2020 was 6.7 percent, down two-tenths of a percentage points from October's rate of 6.9 percent, but up from the unemployment rate of 3.5 percent a year ago.

Among the major job sectors listed below, all ten experienced significant losses in November 2020 versus November 2019 levels. The leisure & hospitality sector remains particularly hard hit, losing one-fifth of its jobs for the period, followed by the other services and the government sectors.

Payroll Employment Trend				
November 2020 Versus November 2019				
Sector	**November 2019 (R)**	**November 2020 (P)**	**Gain/Loss**	**% Change**
Construction and Mining	60,500	58,000	-2,500	-4.3%
Manufacturing	162,300	155,800	-6,500	-4.2%
Trade, Transportation & Utilities	293,100	287,700	-5,400	-1.9%
Information	31,200	30,000	-1,200	-4.0%
Financial Activities	123,500	119,800	-3,700	-3.1%
Professional & Business Services	221,700	214,100	-7,600	-3.5%
Education & Health Services	341,900	323,600	-18,300	-5.7%
Leisure & Hospitality	157,300	129,100	-28,200	-21.8%
Other Services	64,100	57,700	-6,400	-11.1%
Government	236,900	220,200	-16,700	-7.6%
Total Connecticut Non-Farm Employment	**1,692,500**	**1,596,000**	**-96,500**	**-5.7%**



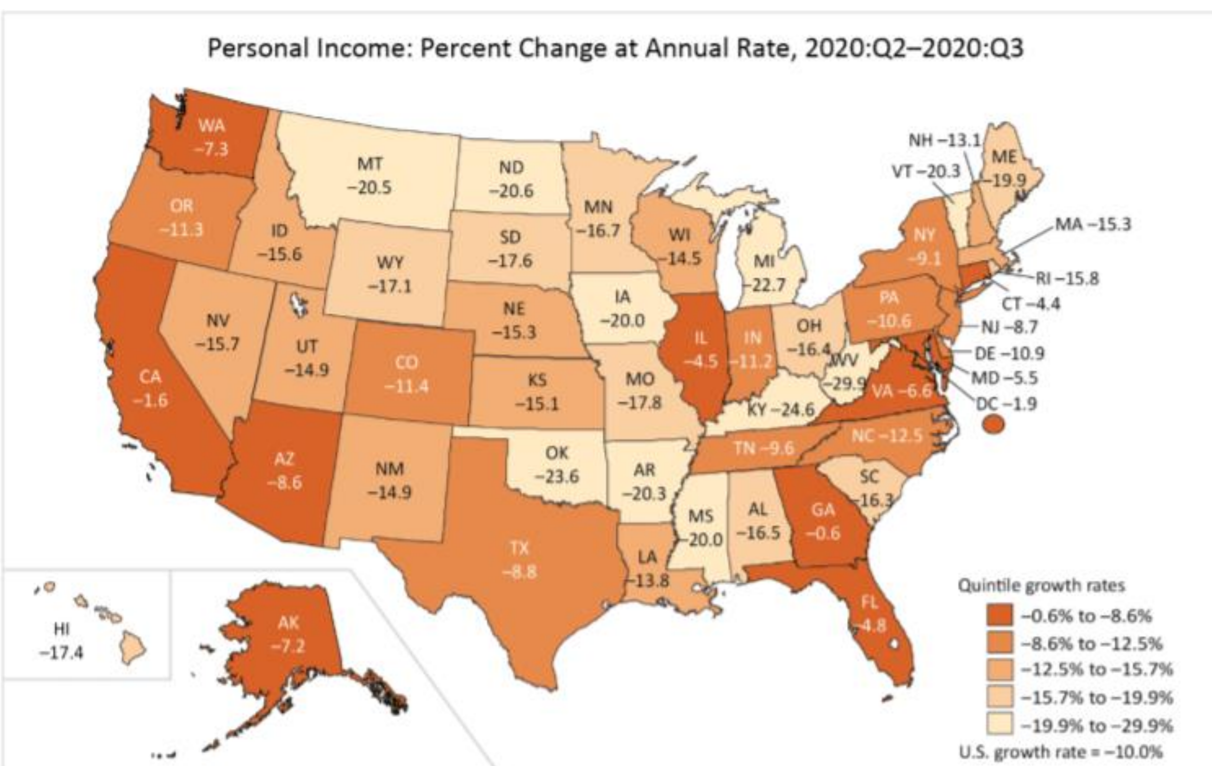
Income and Salary

November 2020 average hourly earnings at $34.73, not seasonally adjusted, were up $1.28 (3.8%) from the November 2019 estimate ($33.45). The resultant average private sector weekly pay came in at $1,191.24, up $60.63 from a year ago (5.4 percent). However, DOL warns that due to fluctuating sample responses, private sector earnings and hours estimates can be volatile from month-to-month. In addition, the data may reflect that Connecticut's pandemic-related job losses are concentrated in the lower paying service sector, thus raising average earnings.

The 12-month percent change in the Consumer Price Index for All Urban Consumers (CPI-U, U.S. City Average, not seasonally adjusted) in November was a modest 1.2 percent.

On December 17th, the Bureau of Economic Analysis reported that U.S. state personal income decreased at an annual rate of 10.0 percent in the third quarter of 2020, after increasing 35.8 percent in the second quarter. Personal income decreased in every state and the District of Columbia, ranging from –29.9 percent in West Virginia to –0.6 percent in Georgia.

Between the second and third quarters of 2020, Connecticut's personal income decreased by a 4.4 percent annual rate. Based on this result, Connecticut ranked 3rd in the nation for third quarter income growth, ahead of both the national average (-10.0%) and New England regional average (-13.0%).



U.S. Bureau of Economic Analysis

BEA reported that decreases in personal current transfer receipts and property income (dividends, interest, and rent) more than offset an increase in earnings. Transfer receipts decreased $1.3 trillion for the nation in the third quarter of 2020. Reduced government relief payments provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 was the leading contributor to the decrease in personal current transfer receipts.

Earnings primarily come from wages and salaries as well as income from owning a business (proprietors' income). The sectors that contributed most to Connecticut's earnings in the third quarter on a percentage basis were health care & social assistance (+2.84%), durable goods manufacturing (+2.29%) and accommodation & food services (+1.96%).

Housing

Continuing a trend from recent months, Berkshire Hathaway HomeServices reported another month of very strong results for the Connecticut housing market in November 2020 compared with November 2019. Sales of single-family homes increased by 40.76 percent, with the median sale price increasing by 23.35 percent. In addition, year-to-date sales through November 2020 are now in positive territory, up 17.84 percent compared with 2019 results. New listings were up 16.42 percent this November versus last year, with the median list price up 21.90 percent. At the same time, average days on the market decreased 30.38 percent in November 2020 compared to the same month in the previous year (55 days on average compared with 79 in November 2019). Finally, on average sales prices are approaching the asking price for single family homes with the sales to list price ratio of 99.8 percent.

The table below contains more detailed data for the Connecticut housing market.

MARKET SUMMARY

NOVEMBER 2020 | SINGLE FAMILY HOMES

Market	Month to Date			Year to Date		
Summary	November 2020	November 2019	Percent Change	Year-To-Date 2020	Year-To-Date 2019	Percent Change
New Listings	3261	2801	16.42% ▲	51667	53726	-3.83% ▼
Sold Listings	3947	2804	40.76% ▲	39853	33821	17.84% ▲
Median Listing Price	$329,000	$269,900	21.9% ▲	$315,000	$275,000	14.55% ▲
Median Selling Price	$327,500	$265,500	23.35% ▲	$312,000	$270,000	15.56% ▲
Median Days on Market	33	56	-41.07% ▼	42	54	-22.22% ▼
Average Listing Price	$520,682	$411,116	26.65% ▲	$503,255	$414,440	21.43% ▲
Average Selling Price	$512,328	$391,483	30.87% ▲	$489,854	$397,916	23.1% ▲
Average Days on Market	55	79	-30.38% ▼	70	78	-10.26% ▼
List/Sell Price Ratio	99.8%	97%	2.81% ▲	98.7%	97.4%	1.36% ▲

For the U.S. housing market, the National Association of Realtors (NAR) reported existing-home sales fell in November 2020 following five consecutive months of sales gains. Each of the four major U.S. regions either took a step or held steady back in terms of month-over-month sales, but each region experienced significant year-over-year growth.

Total existing-home sales, (completed transactions that include single-family homes, townhomes, condominiums and co-ops) decreased 2.5 percent from October to a seasonally adjusted annual rate of 6.69 million in November. However, sales in total rose year-over-year, up 25.8 percent from a year ago (5.32 million in November 2019).

Nationally, home prices have remained strong during the pandemic. NAR reported the median existing-home price for all housing types in November was $310,800, up 14.6 percent from November 2019 ($271,300), as prices increased in every region. November's national price increase marks 105 straight months of year-over-year gains.

Other highlights from the NAR report included:

- Seventy-three percent of homes sold in November 2020 were on the market for less than a month.

- First-time buyers were responsible for 32 percent of sales in November, equal to the percentage seen in both October 2020 and November 2019.

- Individual investors or second-home buyers, who account for many cash sales, purchased 14 percent of homes in November, identical to the share recorded in October 2020 and a small decline from 16 percent in October 2019.

- Foreclosures and short sales represented less than 1 percent of sales in November, equal to October's percentage but down from 2 percent in November 2019.

Stock Market – Strong Results for 2020 After Low Point in March

In the third week of March, the stock market reached its low point in 2020 as the impact of the coronavirus became more widespread throughout the country. For the most part, despite volatility, stocks have performed well since then, except for a steep decline in the last week of October. The stock market rose steadily in November and continued its climb through December, though at a more modest pace. As 2020 comes to end, the overall economy has not recovered to its pre-pandemic levels, but the stock market is ending the year at or near record highs. The DOW gained 7.25 percent and ended the year at an all-time high. The NASDAQ, heavily composed of tech

stocks, continued to be the strongest performer and was up 43.64 percent. The S&P 500 rose to record levels as 2020 ended, rising 16.26 percent for the year.
Charts for the three major stock indices follow.

DOW

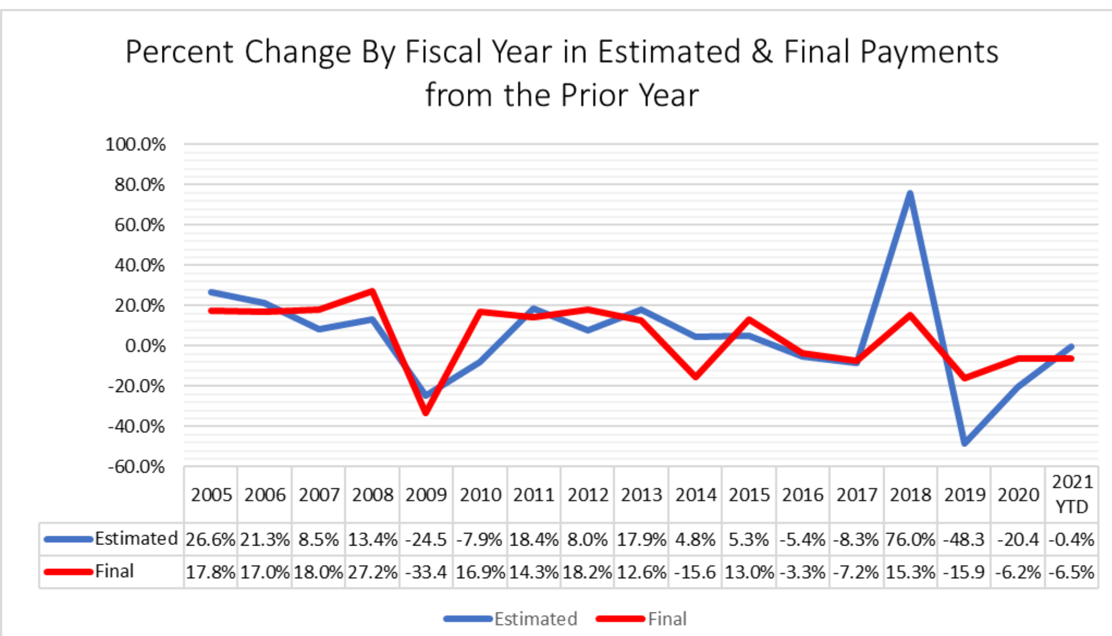
NASDAQ

S&P 500 INDEX

To give more perspective on the performance of the stock market over the longer term, the chart below shows the level of the DOW from 2007 to the present:

The performance of the stock market has a significant impact on the State of Connecticut's revenues. In a typical year, estimated and final income tax payments account for approximately 25-30 percent of total state income tax receipts, but can be an extremely volatile revenue source.

FY 2020 results showed estimated and final payments were down a combined 13.2 percent compared with the previous year. Preliminary estimates for the first five months of FY 2021 indicate better than expected results for estimated payments through November 2020. Reflecting this trend, the November 10th consensus revenue forecast reached by the Office of Policy and Management (OPM) and the Office of Fiscal Analysis (OFA) increased the projection for estimated and final income taxes by $117 million compared with the prior month. However, as shown below, this category is still running behind FY 2020's pace year-to-date.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Estimated	26.6%	21.3%	8.5%	13.4%	-24.5	-7.9%	18.4%	8.0%	17.9%	4.8%	5.3%	-5.4%	-8.3%	76.0%	-48.3	-20.4	-0.4%
Final	17.8%	17.0%	18.0%	27.2%	-33.4	16.9%	14.3%	18.2%	12.6%	-15.6	13.0%	-3.3%	-7.2%	15.3%	-15.9	-6.2%	-6.5%

Consumer Spending

Consumer spending is the main engine of the U.S. economy, accounting for more than two-thirds of total economic output.

On December 16th, the Commerce Department reported that U.S. advance retail sales decreased by 1.1 percent in November, a larger drop than many economists had expected, creating new fears for a slowing recovery. This was the second consecutive decline in retail sales as October results were revised down, with sales sliding 0.1 percent instead of rising 0.3 percent as previously reported.

Analysts noted the slowdown in consumer spending was due to the rising spread of coronavirus cases in the U.S. combined with declining income as Federal pandemic-related relief programs wind down. In addition, state and local governments have begun imposing new restrictions on businesses as positivity rates rise and pressure builds on the capacity of local hospitals and health systems.

Declines in receipts were widespread in November with auto sales dropping 1.7 percent and gas stations decreasing 2.4 percent. Other declines included clothing stores (-6.8%), electronics & appliance retailers (-3.5%) and furniture stores (-1.1%). Business closures and new restrictions took their toll on restaurants and bars, with sales decreasing 4 percent. On the upside, sales at building material & garden supply stores advanced 1.1 percent and food and beverage stores grew 1.6 percent. Non-store retailers (on-line sales) eked out a small gain, rising 0.2 percent.

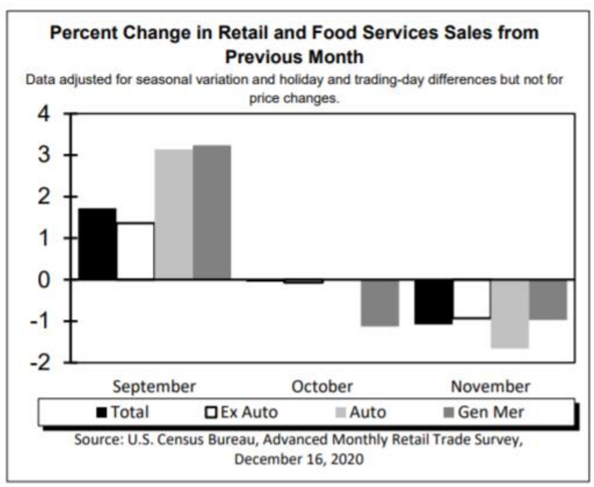
So-called core retail sales dropped 0.5 percent in November, after declining a revised 0.1 percent in October. This category excludes automobiles, gasoline, building materials and food services.

ADVANCE MONTHLY SALES

November 2020	**$546.5 billion**	**-1.1%**
October 2020 (revised)	**$552.5 billion**	**-0.1%***

Next release: January 15, 2021

* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero.
Data adjusted for seasonal variation and holiday and trading-day differences but not for price changes. Source: U.S. Census Bureau, Advanced Monthly Retail Trade Survey, December 16, 2020.



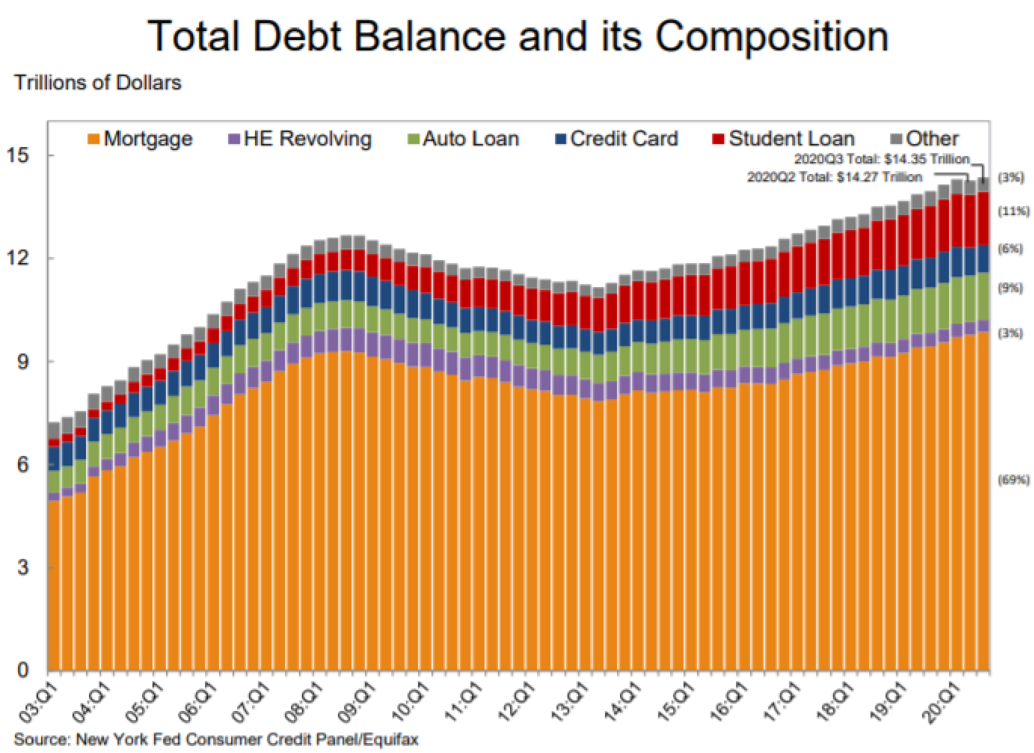
Consumer Debt and Savings Rates

According to the Federal Reserve Bank of New York, aggregate household debt balances increased in the third quarter of 2020 after stepping back in the second quarter. Total household debt increased by $87 billion (0.6 percent) to $14.35 trillion in the quarter ending September 30, 2020. The increase more than offset the decline seen in the second quarter of 2020 as total household debt has now surpassed its first quarter 2020 level.

The report titled "Quarterly Report on Household Debt and Credit" noted mortgage balances—the largest component of household debt—rose by $85 billion in the third quarter and stood at $9.86 trillion on September 30th. Outstanding student loans, the second largest category of household debt, totaled $1.55 trillion in the third quarter, a $9 billion increase from the second quarter. Auto loan balances increased by $17 billion in the third quarter, reaching $1.36 trillion.

The Federal Reserve reported credit card balances fell slightly in the third quarter by $10 billion and total 807 million as of September 30th. This drop follows the $76 billion decrease in second quarter of 2020, the steepest decline in card balances in the history of the data (since 1999). The report noted the decline in card balances reflects continued weak consumer spending amidst the COVID-19 pandemic, as well as households paying down existing credit card debt. Balances on home equity lines of credit saw a $13 billion decline, their 15th consecutive decrease since 2016Q4, bringing the outstanding balance to $362 billion.

The Federal Reserve reported aggregate delinquency rates across all debt products fell again in the third quarter, indicating the ongoing effect of forbearances provided by the CARES Act or voluntarily offered by lenders. As of September 30, 3.4 percent of outstanding debt was in some stage of delinquency, a 0.2 percentage point decrease from the second quarter, and 1.4 percentage points lower than the rate observed in the fourth quarter of 2019. The number of federal student loans and federally backed mortgages transitioning into delinquency both continued to fall as they remained covered by CARES Act forbearances. Auto loans and credit

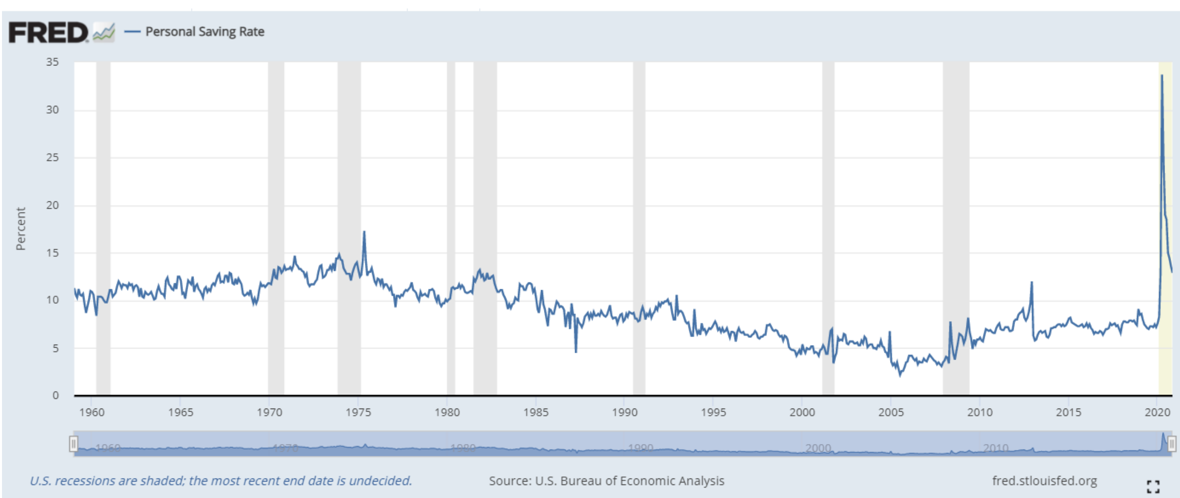


cards also showed continued declines in delinquency transition rates, reflecting the impact of government stimulus programs and bank-offered forbearance options for distressed borrowers.

The full report can be accessed at the following link:
https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2020Q3.pdf

Personal Savings Rate

In its December 23rd release, the Bureau of Economic Analysis (BEA) reported the personal-saving rate was 12.9 percent in November 2020, down from a revised 13.6 percent in October. This level still represents a relatively high savings rate by historical standards, although it continues to decline from the record 33.7 percent revised rate recorded in April. The personal savings rate is defined as personal saving as a percentage of disposable personal income. As seen in the chart below, the savings rate tends to increase during recessionary periods as consumers cut back on discretionary spending.



BEA reported that personal income decreased $221.8 billion (1.1 percent) in November and disposable personal income (DPI) decreased $218.0 billion (1.2 percent). Personal consumption expenditures (PCE) decreased $63.3 billion (0.4 percent) as federal economic recovery payments and pandemic-related assistance programs continued to wind down.

Aggregate statistics and averages can be deceiving. While the personal savings rate may be high by historical standards, some households fare better than others. Even before the current coronavirus pandemic hit, studies showed nearly four in ten U.S. adults would have difficulty covering an emergency $400 expense due to lack of savings. Even in relatively good economic times, many working families live paycheck to paycheck. Now with large scale job losses, a lack of savings will make the present downturn much more difficult to navigate.

JPMorgan Chase Institute Study - Household Cash Balances During COVID-19

The JPMorgan Chase Institute recently published a study that looked at household cash balances during the COVID-19 pandemic. The research analyzed trends in checking account balances between 2019 and October 2020 to understand how the pandemic and government aid programs have affected household finances across the income spectrum. Checking accounts were chosen because they are highly liquid assets and often serve as a family's first line of defense to shield against financial shocks. Here is a summary of the report's findings:

Finding 1: The median checking account balance increased by 65 percent after the arrival of the Economic Impact Payments in April 2020 and has fallen continuously since May, losing half of the initial balance gains.

Finding 2: Compared to high-income families, low-income households experienced the largest year-over-year percent increase in median balances in April but the largest decrease in balances since then.

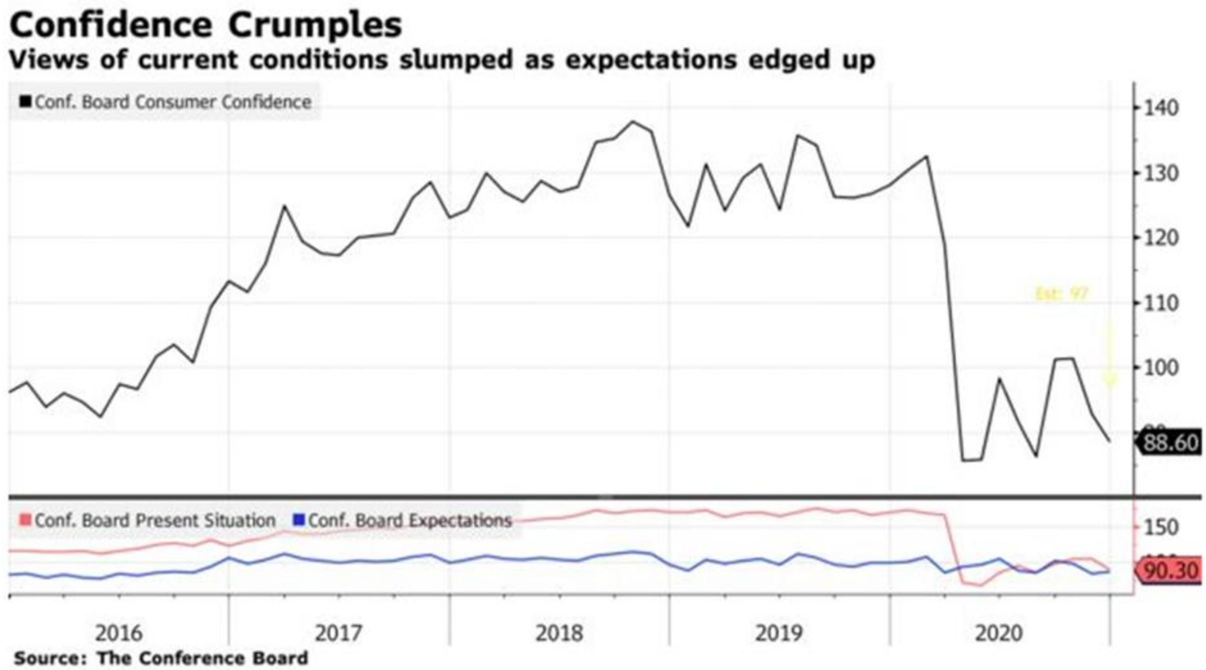
The authors concluded that median cash balances are falling, especially for low income families, leaving them vulnerable as relief programs expire. In addition, without further government support or significant labor market improvements, many families may exhaust their accumulated savings, leaving them with a choice to cut spending or fall behind on debt or rent payments.

The full report can be found at the following link:
www.jpmorganchase.com/institute/research/household-income-spending/household-cash-balances-during-covid-19-a-distributional-perspective

Consumer Confidence – Second Consecutive Monthly Decline in December

The U.S. consumer confidence index (CCI) is published by the Conference Board. The CCI looks at U.S. consumer's views of current economic conditions and their expectations for the next six months. The index is closely watched by economists because consumer spending accounts nearly 70 percent of U.S. economic activity.

The Conference Board reported that the Consumer Confidence Index declined in December, after decreasing in November. The Index now stands at 88.6, down from 92.9 in November. This is the lowest confidence rating since August, representing a four-month low. Analysts noted rising COVID-19 cases and delays in approving another relief package as reasons behind the drop.



The Consumer Confidence Index is made up of two parts, including the Present Situation Index, which looks at current conditions and the Expectation Index, which measures consumers' views of anticipated conditions for the next six months.

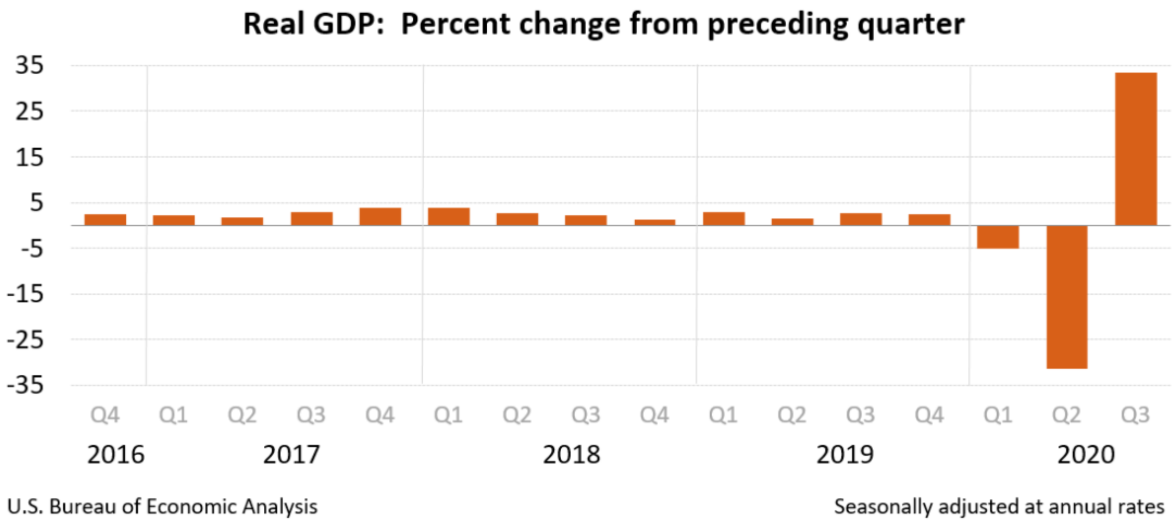
The Present Situation Index decreased sharply from 105.9 to 90.3 in December, which was attributed to the resurgence of COVID-19 and renewed business closures. However, the Conference Board reported consumers were moderately more optimistic about the short-term outlook for income, business and labor market conditions. This measure rose to 87.5 in December from 84.3 in November.

The Conference Board's Lynn Franco, Senior Director of Economic Indicators, noted "Overall, it appears that growth has weakened further in the fourth quarter, and consumers do not foresee the economy gaining any significant momentum in early 2021."

Business and Economic Growth - Rebound in 3rd Quarter GDP

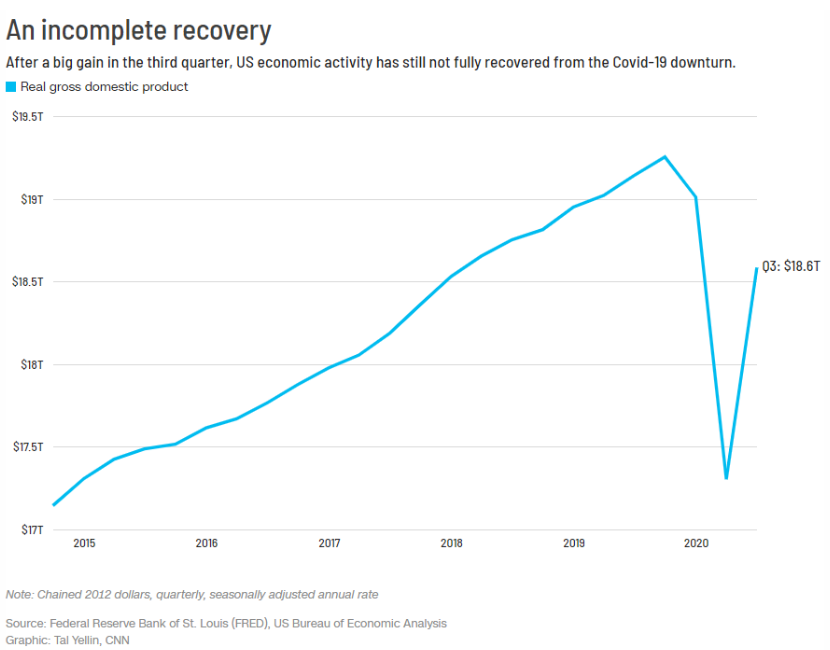
According to a December 22nd report from the Bureau of Economic Analysis (BEA), U.S. Real Gross Domestic Product (GDP) increased at an annual rate of 33.4 percent in the third quarter of 2020, according to BEA's third estimate. This upward revision for the third quarter reflected larger increases in personal consumption expenditures (PCE) and nonresidential fixed investment than previously reported.

The rebound in the third quarter GDP comes after the worst quarter in U.S. history and was slightly better than economists predicted. In the second quarter of 2020, real GDP decreased 31.4 percent.



Despite the positive GDP results for the 3rd quarter, analysts warned the U.S. economy still has a way to go to climb back to pre-pandemic levels. The reason is that third quarter GDP growth was calculated on a smaller economic base, which can be illustrated by the following analogy: If someone has $100 and that is reduced by 31 percent, the amount remaining is $69. That represents what happened in the second quarter. If that $69 is then increased by 33 percent in the following quarter, the result is about $92. Even with the significant rebound, the total is still $8 less than the beginning balance.

This graph from CNN shows the pattern:



In addition, the impact of earlier Federal relief efforts in the form of supplemental unemployment payments and stimulus checks is fading, which could create a drag on fourth quarter growth. BEA reported the third-quarter increase in real GDP reflected increases in consumer spending, inventory investment, exports, business investment, and housing investment that were partially offset by a decrease in government spending. Imports, a subtraction in the calculation of GDP, increased.

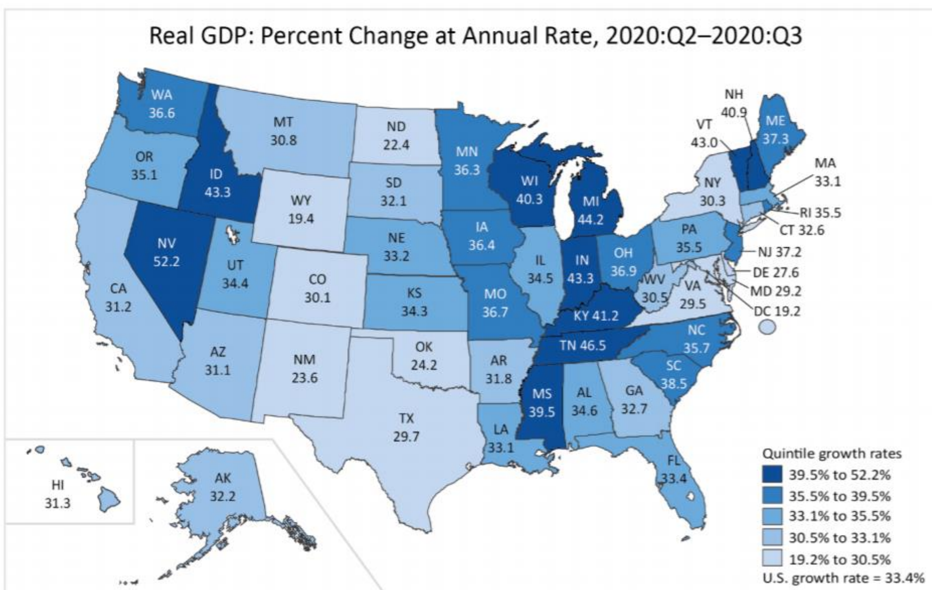
State Level GDP Results – Third Quarter 2020

On December 23rd, BEA reported updated state level GDP data. Real gross domestic product (GDP) increased in all 50 states and the District of Columbia in the third quarter of 2020, as real GDP for the nation increased at an annual rate of 33.4 percent. The percent change in real GDP in the third quarter ranged from 52.2 percent in Nevada to 19.2 percent in the District of Columbia.

Connecticut fared slightly worse than the nation and the New England region, with its GDP growing 32.6 percent, which ranked 32nd overall. The Connecticut industries experiencing the largest gains on a percentage basis were health care and social assistance (+5.41%), durable goods manufacturing (+5.21%) and accommodation and food services (+4.26%).

Other highlights from the release included the following industry-level results:

- Healthcare and social assistance increased 75.1 percent nationally and contributed to the increases in all 50 states and the District of Columbia. This industry was the leading contributor to the increases in 26 states, including Tennessee and Idaho, the states with the second and fourth largest increases.



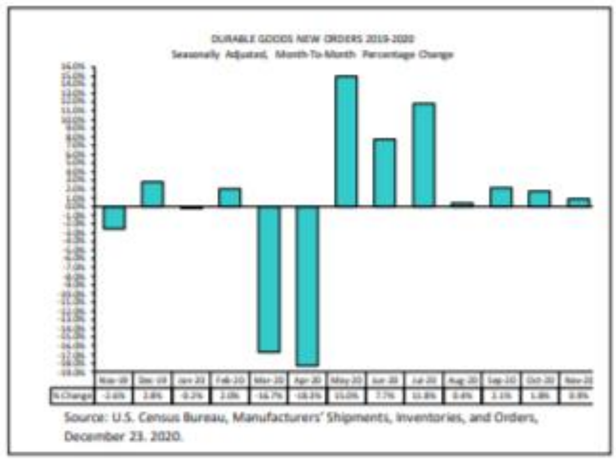
U.S. Bureau of Economic Analysis

- Durable goods manufacturing increased 80.3 percent nationally and contributed to the increases in all 50 states and the District of Columbia. This industry was the leading contributor to the increases in 16 states, including Michigan, the state with the third largest increase.

Accommodation and food services increased 344.5 percent nationally and contributed to the increases in all 50 states and the District of Columbia. This industry was the leading contributor to the increases in five states

Durable Goods

According to a December 23rd report by the U.S. Department of Commerce, new orders for manufactured durable goods increased $2.2 billion in November or 0.9 percent to $244.2 billion. This increase, up now for seven consecutive months, followed a 1.8 percent increase in October. Analysts noted that the COVID-19 pandemic has shifted demand away from services, like travel and hospitality, with more spending on goods.



November orders were lifted by demand for electrical equipment, appliances and components, computers and electronic products, primary metals and machinery. Growth in transportation equipment was due to increases in motor vehicles and defense aircraft.

Orders for so called core capital goods rose 0.4 percent in November, after growing 1.6 percent the prior month. Core capital goods are defined as non-defense capital goods excluding aircraft, which is considered a proxy for business spending. CNBC reported that some analysts are hoping business investment on equipment can help offset slower consumer spending on GDP growth in the fourth quarter.

***** END *****