

# Business Costs in Connecticut:

## How Do They Stack Up?

A report for Northeast Utilities

prepared by Global Insight

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### **Summary:**

*Among nine key sectors analyzed, business costs in Connecticut are 6-16% lower than in New York and New Jersey, but more than 20% higher than in North Carolina, Texas, and New Hampshire. The Constitution State is in a virtual dead heat with neighboring rivals Massachusetts and Rhode Island. Connecticut's competitiveness is handicapped by high costs for unemployment insurance, workers' compensation, health-care premiums, and municipal taxes. The state has some cost advantages in terms of land costs and the sales & use tax.*

## Introduction

Connecticut's economy has experienced slow or negative growth over the last few years and has been outperformed economically by the majority of U.S. states. From 1995-2005, the state's job and population growth (averaging 0.6% and 0.5% annually, respectively) was less than half that of the rest of the country (1.3% and 1.1%). This was not just a reflection of weaker northeastern economies, either, as Connecticut also trailed its New England neighbors, which averaged 1.0% job and 0.6% population growth over the same period. Anecdotal remarks from firms as they leave the Nutmeg State often include mention of the high costs of doing business as a major reason for relocation or closure. As a means to focus future policy discussions, this report details cost differentials between Connecticut and seven competitor states in nine industries.

The analysis presented here represents an extension of a report<sup>1</sup> by Global Insight for the Pioneer Institute of Boston in Fall 2006, which compared business costs in Massachusetts to competitor states that are local (Rhode Island and New Hampshire), regional (New York and New Jersey), and national (North Carolina and Texas). This report adds Connecticut to the mix, and uses more recent data where available to document how the state's business-cost structure compares to neighbors and economic rivals in the selected industries.<sup>2</sup>

**Table 1: The Industries**

	NAICS	Connecticut 2005		Location
		Avg Pay	Employees	Quotient
<b>Aerospace/Defense</b>	3364	\$76,646	30,229	524
<b>Financial Services – Securities</b>	5231 / 5239	\$313,394	18,633	186
<b>Precision Metal Mfg</b>	332	\$51,370	33,645	263
<b>Biotech Manufacturing</b>	3254	\$107,756	9,671	174
<b>Medical Devices Mfg</b>	3391	\$53,000	7,044	183
<b>Plastics Product Mfg</b>	3261	\$46,643	6,424	80
<b>Software</b>	5112	\$104,960	1,579	52
<b>Search &amp; Navigation Instruments Mfg</b>	334511	\$70,382	1,207	61
<b>Information Tech -- Semiconductor Equip. Mfg</b>	334413 / 334419	\$62,362	1,313	36
<b>All 9 Key Sectors</b>		\$108,820	109,745	185
<b>State Average, Non-Govt</b>		\$ 53,678	1,409,194	

Table 1 shows summary statistics for the nine sectors, which include some of the most significant industries in the Constitution State -- maintaining either high levels of employment, a significant concentration of activity compared to elsewhere (as shown by the location quotient), and/or above-average wage levels. Combined, these nine industries alone comprise 8% of the state's employment, and have wages that are double the state

<sup>1</sup> "Measuring Up?: The Costs of Doing Business in Massachusetts." October 2006. Global Insight and Pioneer Institute. <http://www.globalinsight.com/Highlight/HighlightDetail7341.htm>

<sup>2</sup> The methodology and data sources are the same as in the earlier report, where they are fully explained.

average. Even excluding the very high-paying Securities industry, these sectors have average wages more than 20% higher than the state, evidence of their importance to the Connecticut economy.

As with the previous report, we use a Representative Firm approach. This method involves the hypothetical creation of a firm in each industry with a specific level of employment, capital use, energy use, and tax structure. Each of these representative firms is then subjected to the area-specific costs. Revenues are held constant across geographies, enabling us to examine how each firm’s profitability changes depending on the cost structure in each location.

## Results by Industry

In terms of overall business costs, Connecticut finds itself just behind the middle of the pack compared with the other states in the analysis, as shown in Table 2. In almost all sectors, the state has lower costs than New York and New Jersey, where expenses average about 16% and 6% higher, respectively. Conversely, across all industries Connecticut is more expensive than New Hampshire, North Carolina, and Texas – all have costs more than 20% lower on average, which has no doubt partly fueled their strong employment growth in recent years.

**Table 2: Total Costs by Industry and Percent Difference with CT**

Costs presented are for the representative firm in each industry and location. In millions.

	CT	MA	NH	NJ	NY	NC	RI	TX
<b>Aerospace</b>	\$33.47	\$37.30 11%	\$28.50 -15%	\$38.52 15%	\$38.88 16%	\$26.80 -20%	\$35.41 6%	\$27.27 -19%
<b>Finance</b>	\$400.89	\$388.78 -3%	\$313.98 -22%	\$396.18 -1%	\$482.52 20%	\$273.96 -32%	\$359.31 -10%	\$286.68 -28%
<b>Prec. Metal</b>	\$1.68	\$1.61 -4%	\$1.46 -13%	\$1.91 14%	\$1.94 15%	\$1.34 -20%	\$1.78 6%	\$1.35 -20%
<b>Biotech</b>	\$10.57	\$10.97 4%	\$8.40 -21%	\$11.14 5%	\$11.66 10%	\$8.48 -20%	\$10.66 1%	\$8.14 -23%
<b>MedDvcs</b>	\$3.14	\$3.27 4%	\$2.53 -20%	\$3.41 8%	\$4.06 29%	\$2.39 -24%	\$3.14 0%	\$2.42 -23%
<b>Plastics</b>	\$3.33	\$3.00 -10%	\$2.70 -19%	\$3.60 8%	\$4.25 27%	\$2.48 -26%	\$3.31 -1%	\$2.52 -24%
<b>Software</b>	\$3.04	\$2.93 -4%	\$2.12 -30%	\$3.01 -1%	\$3.64 20%	\$2.18 -28%	\$2.74 -10%	\$2.23 -27%
<b>SrchNav</b>	\$112.37	\$107.59 -4%	\$82.37 -27%	\$111.42 -1%	\$110.43 -2%	\$78.59 -30%	\$101.18 -10%	\$80.67 -28%
<b>InfoTech</b>	\$7.84	\$8.24 5%	\$6.13 -22%	\$8.39 7%	\$8.57 9%	\$6.17 -21%	\$7.81 0%	\$6.27 -20%

The hotly contested battle is between the Constitution State and its local rivals Massachusetts and Rhode Island, as all three have fairly similar cost structures. Connecticut is a cheaper option in the key sector of Aerospace versus both its neighbors, but is more expensive in Finance/Securities. The results are split for Precision Metal, Biotech, and Medical Devices.

By sector, Connecticut fares best in its large Aerospace/Defense industry, where its costs are cheaper than four of the seven states in the study. No doubt the state's competitiveness there is a significant reason for aerospace's heavy concentration in the Nutmeg State -- nearly 7% of all US aerospace workers are in CT. Nonetheless, significant cost savings elsewhere offer the possibility of firms at the margin getting peeled off. Meanwhile, the state does the worst in another key sector -- Finance/Securities -- where six of its seven competitors offer cheaper alternatives. Tables for each sector, detailing all the various costs, are located in the Appendix.

## Results by Cost Factor

Looking at individual cost types, Connecticut fares poorly nearly across the board. Its unemployment insurance, workers' compensation, healthcare, and municipal property-tax costs are among the highest of the eight states analyzed. The state does, however, have some advantage in rent/property and the sales and use tax.

Connecticut's **unemployment insurance** (UI) rate<sup>3</sup>, at 3.1%, trails only New York's, while almost all other states are clustered at 2.5-2.7% (see Table 3). Similarly, the state's **workers' compensation** (WC) rate of 2.9% is again second highest, and in particular well above Massachusetts' 1.7%. Since WC costs are a larger expense than UI, Massachusetts' advantage here is significant. The Bay State's combined WC and UI costs are 1/3 lower than Connecticut's, while Rhode Island's are 10% lower.

Another employment-related expense is **health-care premiums**. While true that health-care costs are rising across the country, Connecticut faces specific problems. First, the state's initial cost level for basic medical services is high relative to elsewhere in the country. This is compounded in that, as a crucial business cost, existing firms or firms looking to relocate must consider that Connecticut possesses one of the oldest labor pools in the country. This older and aging workforce means higher health insurance premiums.

There are separate health-care rates for manufacturing (most industries in this study), and service (financial and software) firms. The manufacturing premiums are second highest in CT, trailing only New Jersey, which was 13% greater. The least expensive locale was North Carolina, where costs were 18% lower. Meanwhile, Connecticut's service premiums are closer to the group median. There is not much advantage there, however: taking out the highest (NH) and lowest (NC) states, the remaining six are all within 6% of each other.

Location-specific costs represent both a strength and weakness for the state. Traditionally there has been strong support for public education in Connecticut, which, in turn is a partial driver of high **municipal tax** rates. While property taxes vary within each state,<sup>4</sup> Connecticut is generally second or third highest in this measure. Massachusetts, with a

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<sup>3</sup> Firms pay different UI rates depending on several factors; we use the rate associated with a new company. Similarly, WC rates and health-care premiums vary with firm characteristics. In each case we made an assumption for our representative firm -- this is fully explained in the earlier (Fall 2006) report.

<sup>4</sup> For each industry, a representative metro area was also chosen based on where the industry is most heavily concentrated in each state. For Connecticut, Aerospace and Precision Metals are in the Hartford MSA; Biotech, Medical Devices, Plastics, and InfoTech are in the New Haven MSA; and Financial, Software, and Search & Navigation are in the Bridgeport MSA. For the chosen geographies in other states, see the Appendix of the earlier report.

similar legacy of quality public education, manages to have rates that are generally much lower -- sometimes by as much as 50%. Conversely, cheaper land and less vibrant economies translate into lower **industrial and office rents** in Connecticut. Here, the state is usually the third or fourth cheapest. Combined, these two location costs are significantly lower in the state than in New York (by 43%) and Massachusetts (17% on average). Nevertheless, costs are even lower -- by 25% on average -- in North Carolina and New Hampshire. This has sizeable impacts on profitability for space intensive-industries such as Finance and Defense/Aerospace.

**Table 3: Rates and Cost Indices Across States**

	<b>CT</b>	<b>MA</b>	<b>NH</b>	<b>NJ</b>	<b>NY</b>	<b>NC</b>	<b>RI</b>	<b>TX</b>
Unemp Ins	3.1%	2.5%	2.7%	2.7%	4.1%	1.2%	2.6%	2.7%
Workers Comp	2.9%	1.7%	2.8%	2.5%	3.2%	2.2%	2.7%	2.8%
Sales & Use Tax	6.0%	5.0%	0.0%	7.0%	8.4%	7.0%	7.0%	6.3%
HlthCare-Mfg	1.00	0.88	0.97	1.13	0.84	0.82	0.94	0.91
HlthCare-Svcs	1.00	1.01	1.10	0.96	1.02	0.92	0.96	0.96
Elec - Ind	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28
Elec - Comm	1.43	1.67	1.54	1.24	1.46	0.76	1.51	1.04

There are three other components where Connecticut either fares well or is in the middle of the pack, and at least has an advantage over some of its competitors. The state has the third lowest **sales & use tax**, trailing only New Hampshire and Massachusetts (see Table 3). Meanwhile, CT's energy costs and wages are average among this group of states.

**Energy** costs are divided between electricity and natural gas, and, like health-care, there are different rates for industrial and commercial users. In all industries, however, electricity is far more heavily used, so natural gas costs are generally negligible. Electricity prices have increased sharply in Connecticut, surging more than 40% between mid-2004 and mid-2006. That jump was the fifth highest in the country, and well above the national increase of 15%. As the state continues to follow the outcome of its deregulation in 1998, businesses will be keeping an eye on these changes, especially energy-hungry sectors such as plastics (which are key to maintaining a manufacturing foothold in the state).

On the industrial side (manufacturing firms), Connecticut has the third-highest rates among all locations studied. Electric costs are more than 25% cheaper in New York and Texas, and a whopping 55% lower in North Carolina. The state's industrial rates fall squarely in between more expensive Rhode Island (+5%) and less costly Massachusetts (-6%). Connecticut is a bit better in commercial (financial and software) rates, still trailing Texas and North Carolina substantially, but leading the rest of southern New England by 6-17%. While the state is generally competitive with its neighbors on energy, higher regional electric prices put the state at a severe disadvantage compared to many other parts of the country.

The largest component of business costs are **wages**,<sup>5</sup> and as with energy, Connecticut falls in the middle compared to other states. Although there are variations by industry, in general, the state has lower labor costs than New York, New Jersey, and Massachusetts, but is 20-30% higher than North Carolina and Texas.

## **Conclusion**

In this analysis, the key industries in Connecticut of Aerospace/Defense, Precision Metal, Biotech, and Medical Devices mostly experience partial victories. While the costs for their representative firms may be lower than most regional competitors, the state cannot compete on cost with North Carolina, Texas, or the local success story, New Hampshire. The picture is even gloomier in another significant sector – Finance/Securities – where Connecticut fares better only than New York.

Clearly, New York's Wall Street, Hartford's insurance concentration, and to a lesser degree, the burgeoning Hedge Fund cluster in Fairfield County prove that there are other factors involved in firm location decisions. Additionally, all of the states in this analysis engage in targeted tax incentives which mitigate some of these costs or provide firms with direct cash outlays. Lastly, many firms have been located in the economically dense northeast for decades so that key labor components, market networks and supply chains are well established, creating its own inertia and retaining firms in spite of higher costs.

Nevertheless, “inertia” is not an economic development strategy, and is unlikely to succeed continually. As global markets make both labor and capital more mobile, and process innovations cause intermediate requirements to evolve, Connecticut, as a mature economy with high costs, must continue to give businesses reasons to call it home. This report allows a targeted look at the effects of Connecticut's cost structure on business competitiveness in industries that are crucial to the existing economic base of the state, provide high value-added positions to residents, and that are at the forefront of the knowledge economy.

Generally, the results show Connecticut to be a high-cost place for business. While it competes well locally in certain sectors, its unemployment, workers’ comp, and health care costs are a burden for labor-intensive firms, and its rental and municipal property tax costs diminish the competitiveness of firms that require larger facilities or commercial space. Targeting these areas and leveraging natural non-cost advantages such as its educated workforce, proximity to New York, and its historical knack for entrepreneurship and innovation could help Connecticut to change its reputation as a difficult place to do business.

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<sup>5</sup> In order to avoid capturing productivity and skill-level differences which would obscure the location-specific differences we are studying, we use cost-of-living measures as our source of wage variation across states. For a more detailed explanation of this methodology, see the Section II of the original report.

## Appendix Table 1: Aerospace / Defense

NAICS Code: 3364		Square Footage: 200,000							
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$111,889,000	\$111,889,000	\$111,889,000	\$111,889,000	\$111,889,000	\$111,889,000	\$111,889,000	\$111,889,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	116.4	133.6	107.8	136.8	133.6	91.1	122.5	91.1	
Avg. Ann Pay	\$71,434	\$81,990	\$66,166	\$83,954	\$81,987	\$55,908	\$75,178	\$55,908	
Total Ann Pay	\$25,931,000	\$29,762,000	\$24,018,000	\$30,475,000	\$29,761,000	\$20,295,000	\$27,290,000	\$20,295,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$169,000	\$129,000	\$78,000	\$242,000	\$127,000	\$73,000	\$152,000	\$88,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	71,434.4	\$81,990	\$66,166	\$83,954	\$81,987	\$55,908	\$75,178	\$55,908	
Total Worker's Comp Costs	\$752,000	\$506,000	\$661,000	\$768,000	\$937,000	\$440,000	\$731,000	\$576,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$594,000	\$559,000	\$618,000	\$497,000	\$448,000	\$267,000	\$622,000	\$398,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$85,000	\$112,000	\$92,000	\$78,000	\$87,000	\$86,000	\$103,000	\$52,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8'all employees)	\$1,804,000	\$1,583,000	\$1,756,000	\$2,041,000	\$1,511,000	\$1,482,000	\$1,699,000	\$1,634,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$2,551,000	\$2,126,000	\$0	\$2,976,000	\$3,561,000	\$2,976,000	\$2,976,000	\$2,657,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$114,000	\$0	\$0	\$0	\$66,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$4.64	\$9.80	\$5.50	\$5.75	\$9.09	\$4.33	\$6.42	\$3.54	
Total Cost	\$928,000	\$1,960,000	\$1,100,000	\$1,150,000	\$1,817,000	\$866,000	\$1,284,000	\$709,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.399%	1.634%	0.648%	1.082%	2.321%	0.917%	2.036%	3.166%	
Property Tax Paid	\$654,000	\$445,000	\$177,000	\$295,000	\$633,000	\$250,000	\$555,000	\$863,000	
<b>Costs</b>									
Costs Varying By Location	\$33,468,000	\$37,296,000	\$28,500,000	\$38,522,000	\$38,882,000	\$26,801,000	\$35,412,000	\$27,272,000	
Compared to CT		11.4%	-14.8%	15.1%	16.2%	-19.9%	5.8%	-18.5%	
Costs Not Varying By Location	\$70,901,000	\$70,901,000	\$70,901,000	\$70,901,000	\$70,901,000	\$70,901,000	\$70,901,000	\$70,901,000	
Total Costs	\$104,369,000	\$108,197,000	\$99,401,000	\$109,423,000	\$109,783,000	\$97,702,000	\$106,313,000	\$98,173,000	
<b>Net Income (Sales minus Costs)</b>									
	\$7,520,000	\$3,692,000	\$12,488,000	\$2,466,000	\$2,106,000	\$14,187,000	\$5,576,000	\$13,716,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$677,000	\$351,000	\$1,155,000	\$222,000	\$158,000	\$979,000	\$502,000	\$617,000	
		0.52	1.71	0.33	0.23	1.45	0.74	0.91	
<b>Profits After State Tax</b>									
Compared to CT	\$6,843,000	\$3,341,000	\$11,333,000	\$2,244,000	\$1,948,000	\$13,208,000	\$5,074,000	\$13,099,000	
		-51%	66%	-67%	-72%	93%	-26%	91%	

## Appendix Table 2: Financial Services / Securities

NAICS Code: 5231 & 5239									
Square Footage: 300,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$786,592,000	\$786,592,000	\$786,592,000	\$786,592,000	\$786,592,000	\$786,592,000	\$786,592,000	\$786,592,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	138.8	133.6	114.5	136.8	165.8	91.1	122.5	95.8	
Avg. Ann Pay	\$172,431	\$165,971	\$142,237	\$169,946	\$206,008	\$113,173	\$152,181	\$119,012	
Total Ann Pay	\$344,862,000	\$331,942,000	\$284,474,000	\$339,893,000	\$412,016,000	\$226,347,000	\$304,363,000	\$238,024,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$890,000	\$708,000	\$432,000	\$1,336,000	\$697,000	\$401,000	\$838,000	\$486,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	172,430.9	\$165,971	\$142,237	\$169,946	\$206,008	\$113,173	\$152,181	\$119,012	
Total Worker's Comp Costs	\$10,001,000	\$5,643,000	\$7,823,000	\$8,565,000	\$12,979,000	\$4,912,000	\$8,157,000	\$6,760,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.43	1.67	1.54	1.24	1.46	0.76	1.51	1.04	
Electricity Expenditures	\$5,602,000	\$6,293,000	\$5,372,000	\$4,988,000	\$5,449,000	\$2,878,000	\$5,602,000	\$4,067,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.18	1.32	1.26	1.07	1.00	1.16	1.45	0.85	
Nat. Gas Expenditures	\$283,000	\$315,000	\$283,000	\$246,000	\$244,000	\$285,000	\$317,000	\$214,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,608	\$7,710	\$8,363	\$7,328	\$7,766	\$7,010	\$7,309	\$7,266	
Total Cost (.8*.8'all employees)	\$9,738,000	\$9,868,000	\$10,705,000	\$9,379,000	\$9,940,000	\$8,973,000	\$9,356,000	\$9,301,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$16,990,000	\$14,159,000	\$0	\$19,822,000	\$23,716,000	\$19,822,000	\$19,822,000	\$17,698,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$2,906,000	\$0	\$0	\$0	\$1,677,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$28.72	\$39.99	\$11.20	\$29.00	\$36.74	\$22.55	\$15.00	\$18.05	
Total Cost	\$8,616,000	\$11,997,000	\$3,359,000	\$8,700,000	\$11,022,000	\$6,765,000	\$4,500,000	\$5,415,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.318%	2.968%	0.917%	1.951%	3.868%	1.136%	3.807%	2.826%	
Property Tax Paid	\$3,868,000	\$4,952,000	\$1,530,000	\$3,255,000	\$6,454,000	\$1,895,000	\$6,352,000	\$4,715,000	
<b>Costs</b>									
Costs Varying By Location	\$400,890,000	\$388,783,000	\$313,978,000	\$396,184,000	\$482,517,000	\$273,955,000	\$359,307,000	\$286,680,000	
Compared to CT		-3.0%	-21.7%	-1.2%	20.4%	-31.7%	-10.4%	-28.5%	
Costs Not Varying By Location	\$304,205,000	\$304,205,000	\$304,205,000	\$304,205,000	\$304,205,000	\$304,205,000	\$304,205,000	\$304,205,000	
Total Costs	\$705,095,000	\$692,988,000	\$618,183,000	\$700,389,000	\$786,722,000	\$578,160,000	\$663,512,000	\$590,885,000	
<b>Net Income (Sales minus Costs)</b>									
	\$81,497,000	\$93,604,000	\$168,409,000	\$86,203,000	-\$130,000	\$208,432,000	\$123,080,000	\$195,707,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$7,335,000	\$8,892,000	\$15,578,000	\$7,758,000	\$0	\$14,381,808	\$11,077,000	\$8,807,000	
		1.21	2.12	1.06	0.00	1.96	1.51	1.20	
<b>Profits After State Tax</b>									
	\$74,162,000	\$84,712,000	\$152,831,000	\$78,445,000	-\$130,000	\$194,050,192	\$112,003,000	\$186,900,000	
Compared to CT		14%	106%	6%	0%	162%	51%	152%	

### Appendix Table 3: Precision Metal Manufacturing

NAICS Code: 332									
Square Footage: 10,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$4,337,000	\$4,337,000	\$4,337,000	\$4,337,000	\$4,337,000	\$4,337,000	\$4,337,000	\$4,337,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	116.4	113.3	106.9	134.4	133.6	91.1	122.5	90.2	
Avg. Ann Pay	\$61,557	\$59,897	\$56,522	\$71,076	\$70,650	\$48,177	\$64,783	\$47,701	
Total Ann Pay	\$1,293,000	\$1,258,000	\$1,187,000	\$1,493,000	\$1,484,000	\$1,012,000	\$1,360,000	\$1,002,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$10,000	\$7,000	\$5,000	\$14,000	\$7,000	\$4,000	\$9,000	\$5,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	61,556.9	\$59,897	\$56,522	\$71,076	\$70,650	\$48,177	\$64,783	\$47,701	
Total Worker's Comp Costs	\$37,000	\$21,000	\$33,000	\$38,000	\$47,000	\$22,000	\$36,000	\$28,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$46,000	\$43,000	\$48,000	\$39,000	\$35,000	\$21,000	\$48,000	\$31,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$13,000	\$17,000	\$14,000	\$12,000	\$14,000	\$13,000	\$16,000	\$8,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8=all employees)	\$104,000	\$92,000	\$102,000	\$118,000	\$87,000	\$86,000	\$98,000	\$95,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$109,000	\$91,000	\$0	\$128,000	\$153,000	\$128,000	\$128,000	\$114,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$8,000	\$0	\$0	\$0	\$5,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$4.64	\$6.60	\$5.95	\$5.51	\$9.09	\$4.33	\$6.42	\$3.57	
Total Cost	\$46,000	\$66,000	\$60,000	\$55,000	\$91,000	\$43,000	\$64,000	\$36,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.399%	0.953%	0.797%	1.086%	2.321%	0.917%	2.036%	3.066%	
Property Tax Paid	\$22,000	\$9,000	\$7,000	\$10,000	\$21,000	\$8,000	\$19,000	\$28,000	
<b>Costs</b>									
Costs Varying By Location	\$1,680,000	\$1,612,000	\$1,456,000	\$1,907,000	\$1,939,000	\$1,342,000	\$1,778,000	\$1,347,000	
Compared to CT		-4.0%	-13.3%	13.5%	15.4%	-20.1%	5.8%	-19.8%	
Costs Not Varying By Location	\$2,443,000	\$2,443,000	\$2,443,000	\$2,443,000	\$2,443,000	\$2,443,000	\$2,443,000	\$2,443,000	
Total Costs	\$4,123,000	\$4,055,000	\$3,899,000	\$4,350,000	\$4,382,000	\$3,785,000	\$4,221,000	\$3,790,000	
<b>Net Income (Sales minus Costs)</b>	\$214,000	\$282,000	\$438,000	-\$13,000	-\$45,000	\$552,000	\$116,000	\$547,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$19,000	\$27,000	\$41,000	\$0	\$0	\$38,000	\$10,000	\$25,000	
		1.42	2.16	0.00	0.00	2.00	0.53	1.32	
<b>Profits After State Tax</b>	\$195,000	\$255,000	\$400,000	-\$13,000	-\$45,000	\$515,000	\$106,000	\$524,000	
Compared to CT		31%	105%	0%	0%	164%	-46%	169%	

## Appendix Table 4: Biotech Manufacturing

NAICS Code: 3254									
Square Footage: 50,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$76,543,000	\$76,543,000	\$76,543,000	\$76,543,000	\$76,543,000	\$76,543,000	\$76,543,000	\$76,543,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	125.4	133.6	114.5	132.5	133.6	93.1	122.5	90.2	
Avg. Ann Pay	\$94,019	\$100,167	\$85,843	\$99,342	\$100,163	\$69,802	\$91,845	\$67,628	
Total Ann Pay	\$7,616,000	\$8,114,000	\$6,953,000	\$8,047,000	\$8,113,000	\$5,654,000	\$7,439,000	\$5,478,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$38,000	\$29,000	\$17,000	\$54,000	\$28,000	\$16,000	\$34,000	\$20,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	94,019.0	\$100,167	\$85,843	\$99,342	\$100,163	\$69,802	\$91,845	\$67,628	
Total Worker's Comp Costs	\$221,000	\$138,000	\$191,000	\$203,000	\$256,000	\$123,000	\$199,000	\$156,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$406,000	\$383,000	\$423,000	\$340,000	\$306,000	\$183,000	\$425,000	\$272,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$116,000	\$153,000	\$126,000	\$107,000	\$119,000	\$118,000	\$141,000	\$71,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8=all employees)	\$403,000	\$353,000	\$392,000	\$455,000	\$337,000	\$331,000	\$379,000	\$365,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$1,378,000	\$1,148,000	\$0	\$1,607,000	\$1,923,000	\$1,607,000	\$1,607,000	\$1,435,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$171,000	\$0	\$0	\$0	\$98,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$5.55	\$7.76	\$5.35	\$5.52	\$9.09	\$6.08	\$6.42	\$3.57	
Total Cost	\$278,000	\$388,000	\$267,000	\$276,000	\$454,000	\$304,000	\$321,000	\$179,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.075%	1.634%	0.550%	0.946%	2.321%	0.841%	2.036%	3.066%	
Property Tax Paid	\$112,000	\$88,000	\$30,000	\$51,000	\$125,000	\$45,000	\$110,000	\$165,000	
<b>Costs</b>									
Costs Varying By Location	\$10,568,000	\$10,965,000	\$8,399,000	\$11,140,000	\$11,661,000	\$8,479,000	\$10,655,000	\$8,141,000	
Compared to CT		3.8%	-20.5%	5.4%	10.3%	-19.8%	0.8%	-23.0%	
Costs Not Varying By Location	\$51,724,000	\$51,724,000	\$51,724,000	\$51,724,000	\$51,724,000	\$51,724,000	\$51,724,000	\$51,724,000	
Total Costs	\$62,292,000	\$62,689,000	\$60,123,000	\$62,864,000	\$63,385,000	\$60,203,000	\$62,379,000	\$59,865,000	
<b>Net Income (Sales minus Costs)</b>									
	\$14,251,000	\$13,854,000	\$16,420,000	\$13,679,000	\$13,158,000	\$16,340,000	\$14,164,000	\$16,678,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$1,283,000	\$1,316,000	\$1,519,000	\$1,231,000	\$987,000	\$1,127,000	\$1,275,000	\$751,000	
		1.03	1.18	0.96	0.77	0.88	0.99	0.59	
<b>Profits After State Tax</b>									
	\$12,968,000	\$12,538,000	\$14,901,000	\$12,448,000	\$12,171,000	\$15,213,000	\$12,889,000	\$15,927,000	
Compared to CT		-3%	15%	-4%	-6%	17%	-1%	23%	

## Appendix Table 5: Medical Devices Manufacturing

NAICS Code: 3391									
Square Footage: 20,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$9,108,000	\$9,108,000	\$9,108,000	\$9,108,000	\$9,108,000	\$9,108,000	\$9,108,000	\$9,108,218	
<b>Annual Payroll</b>									
<i>Relative Cost of Living - (U.S. = 100)</i>	125.4	133.6	106.9	136.8	165.8	91.1	122.5	95.8	
Avg. Ann Pay	\$58,776	\$62,619	\$50,095	\$64,119	\$77,725	\$42,699	\$57,416	\$44,902	
Total Ann Pay	\$2,351,000	\$2,505,000	\$2,004,000	\$2,565,000	\$3,109,000	\$1,708,000	\$2,297,000	\$1,796,078	
<b>Unemployment Insurance</b>									
<i>Rate for new firm - 2007</i>	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$19,000	\$14,000	\$9,000	\$27,000	\$14,000	\$8,000	\$17,000	\$9,720	
<b>Workers' Compensation</b>									
<i>State Rate</i>	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	58,775.6	\$62,619	\$50,095	\$64,119	\$77,725	\$42,699	\$57,416	\$44,902	
Total Worker's Comp Costs	\$68,000	\$43,000	\$55,000	\$65,000	\$98,000	\$37,000	\$62,000	\$51,009	
<b>Energy Costs</b>									
<i>Relative Electricity Prices - (U.S. = 1.00)</i>	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$59,000	\$56,000	\$62,000	\$50,000	\$45,000	\$27,000	\$62,000	\$39,822	
<i>Relative Natural Gas Prices - (U.S. = 1.00)</i>	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$63,000	\$83,000	\$68,000	\$58,000	\$65,000	\$64,000	\$77,000	\$38,442	
<b>Health Care</b>									
<i>Single Rate (per employee)</i>	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8=all employees)	\$199,000	\$174,000	\$194,000	\$225,000	\$166,000	\$163,000	\$187,000	\$180,073	
<b>Sales &amp; Use Taxes</b>									
<i>Tax Rate</i>	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$230,000	\$191,000	\$0	\$268,000	\$320,000	\$268,000	\$268,000	\$239,091	
<b>Property/Net Worth Tax</b>									
<i>Tax Rate</i>	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$14,000	\$0	\$0	\$0	\$8,000	\$0	\$0	
<b>Rental Costs</b>									
<i>Per square foot</i>	\$5.55	\$7.76	\$5.95	\$6.72	\$9.83	\$4.33	\$6.42	\$3.94	
Total Cost	\$111,000	\$155,000	\$119,000	\$134,000	\$197,000	\$87,000	\$128,000	\$0	
<b>Municipal Property Tax</b>									
<i>Tax Rate</i>	2.075%	1.634%	0.797%	0.890%	2.321%	0.917%	2.036%	2.985%	
Property Tax Paid	\$45,000	\$35,000	\$17,000	\$19,000	\$50,000	\$20,000	\$44,000	\$63,938	
<b>Costs</b>									
Costs Varying By Location	\$3,144,000	\$3,271,000	\$2,527,000	\$3,410,000	\$4,064,000	\$2,389,000	\$3,141,000	\$2,418,173	
<i>Compared to CT</i>		4.0%	-19.6%	8.5%	29.3%	-24.0%	-0.1%	-23.1%	
Costs Not Varying By Location	\$4,717,000	\$4,717,000	\$4,717,000	\$4,717,000	\$4,717,000	\$4,717,000	\$4,717,000	\$4,717,000	
Total Costs	\$7,861,000	\$7,988,000	\$7,244,000	\$8,127,000	\$8,781,000	\$7,106,000	\$7,858,000	\$7,135,173	
<b>Net Income (Sales minus Costs)</b>									
	\$1,247,000	\$1,120,000	\$1,864,000	\$981,000	\$327,000	\$2,002,000	\$1,250,000	\$1,973,045	
<b>State Corporate Income Tax</b>									
<i>State Corporate Tax Rate</i>	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$112,000	\$106,000	\$172,000	\$88,000	\$25,000	\$138,000	\$113,000	\$88,787	
		0.95	1.54	0.79	0.22	1.23	1.01	0.79	
<b>Profits After State Tax</b>									
	\$1,135,000	\$1,014,000	\$1,692,000	\$893,000	\$302,000	\$1,864,000	\$1,137,000	\$1,884,258	
<i>Compared to CT</i>		-11%	49%	-21%	-73%	64%	0%	66%	

## Appendix Table 6: Plastics Product Manufacturing

NAICS Code:	3261								
Square Footage	20,000								
	<b>CT</b>	<b>MA</b>	<b>NH</b>	<b>NJ</b>	<b>NY</b>	<b>NC</b>	<b>RI</b>	<b>TX</b>	
<b>Annual Sales</b>									
Avg. Ann Sales	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000	\$9,641,000
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	125.4	113.3	106.9	136.8	165.8	91.1	122.5	90.2	
Avg. Ann Pay	\$53,141	\$47,997	\$45,293	\$57,972	\$70,274	\$38,606	\$51,912	\$38,224	
Total Ann Pay	\$2,444,000	\$2,208,000	\$2,083,000	\$2,667,000	\$3,233,000	\$1,776,000	\$2,388,000	\$1,758,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$25,800	\$8,500	\$17,300	\$16,000	\$9,000	
Total UI Costs	\$21,000	\$16,000	\$10,000	\$32,000	\$16,000	\$10,000	\$19,000	\$11,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	53,141.1	\$47,997	\$45,293	\$57,972	\$70,274	\$38,606	\$51,912	\$38,224	
Total Worker's Comp Costs	\$71,000	\$38,000	\$57,000	\$67,000	\$102,000	\$39,000	\$52,000	\$50,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$174,000	\$164,000	\$181,000	\$146,000	\$131,000	\$78,000	\$182,000	\$117,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$15,000	\$19,000	\$16,000	\$13,000	\$15,000	\$15,000	\$18,000	\$9,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8=all employees)	\$229,000	\$201,000	\$223,000	\$259,000	\$191,000	\$188,000	\$215,000	\$207,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$231,000	\$193,000	\$0	\$270,000	\$323,000	\$270,000	\$270,000	\$241,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$8,000	\$0	\$0	\$0	\$5,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$5.55	\$6.60	\$5.95	\$6.24	\$9.83	\$4.33	\$6.42	\$3.57	
Total Cost	\$111,000	\$132,000	\$119,000	\$125,000	\$197,000	\$87,000	\$128,000	\$71,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.075%	0.953%	0.797%	1.082%	2.321%	0.917%	2.036%	3.066%	
Property Tax Paid	\$38,000	\$17,000	\$15,000	\$20,000	\$43,000	\$17,000	\$37,000	\$56,000	
<b>Costs</b>									
Costs Varying By Location	\$3,334,000	\$2,996,000	\$2,704,000	\$3,598,000	\$4,250,000	\$2,483,000	\$3,310,000	\$2,521,000	
Compared to CT		-10.1%	-18.9%	7.9%	27.5%	-25.5%	-0.7%	-24.4%	
Costs Not Varying By Location	\$6,115,000	\$6,115,000	\$6,115,000	\$6,115,000	\$6,115,000	\$6,115,000	\$6,115,000	\$6,115,000	
Total Costs	\$9,449,000	\$9,111,000	\$8,819,000	\$9,713,000	\$10,365,000	\$8,598,000	\$9,425,000	\$8,636,000	
<b>Net Income (Sales minus Costs)</b>	\$192,000	\$530,000	\$822,000	-\$72,000	-\$724,000	\$1,043,000	\$216,000	\$1,005,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$17,000	\$50,000	\$76,000	\$0	\$0	\$72,000	\$19,000	\$45,000	
<b>Profits After State Tax</b>	\$175,000	\$480,000	\$746,000	-\$72,000	-\$724,000	\$971,000	\$197,000	\$960,000	
Compared to CT		174%	326%	0%	0%	455%	13%	449%	

## Appendix Table 7: Software

NAICS Code: 5112									
Square Footage: 5,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$7,646,000	\$7,646,000	\$7,646,000	\$7,646,000	\$7,646,000	\$7,646,000	\$7,646,000	\$7,646,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	138.8	136.1	106.9	136.8	165.8	93.1	122.5	95.8	
Avg. Ann Pay	\$114,368	\$112,148	\$88,066	\$112,720	\$136,638	\$76,712	\$100,937	\$78,937	
Total Ann Pay	\$2,402,000	\$2,355,000	\$1,849,000	\$2,367,000	\$2,869,000	\$1,611,000	\$2,120,000	\$1,658,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$10,000	\$7,000	\$5,000	\$14,000	\$7,000	\$4,000	\$9,000	\$5,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	114,367.6	\$112,148	\$88,066	\$112,720	\$136,638	\$76,712	\$100,937	\$78,937	
Total Worker's Comp Costs	\$70,000	\$40,000	\$51,000	\$60,000	\$90,000	\$35,000	\$57,000	\$47,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.43	1.67	1.54	1.24	1.46	0.76	1.51	1.04	
Electricity Expenditures	\$13,000	\$15,000	\$14,000	\$11,000	\$13,000	\$7,000	\$14,000	\$10,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.18	1.32	1.26	1.07	1.00	1.16	1.45	0.85	
Nat. Gas Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Health Care</b>									
Single Rate (per employee)	\$7,608	\$7,710	\$8,363	\$7,328	\$7,766	\$7,010	\$7,309	\$7,266	
Total Cost (.8*.8*all employees)	\$102,000	\$104,000	\$112,000	\$98,000	\$104,000	\$94,000	\$98,000	\$98,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$257,000	\$214,000	\$0	\$300,000	\$359,000	\$300,000	\$300,000	\$268,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$29,000	\$0	\$0	\$0	\$17,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$28.72	\$25.42	\$12.40	\$24.63	\$26.30	\$18.39	\$15.00	\$17.90	
Total Cost	\$144,000	\$127,000	\$62,000	\$123,000	\$132,000	\$92,000	\$75,000	\$90,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.318%	2.167%	1.329%	1.803%	3.868%	1.041%	3.807%	2.826%	
Property Tax Paid	\$41,000	\$38,000	\$23,000	\$32,000	\$68,000	\$18,000	\$67,000	\$50,000	
<b>Costs</b>									
Costs Varying By Location	\$3,039,000	\$2,929,000	\$2,116,000	\$3,005,000	\$3,642,000	\$2,178,000	\$2,740,000	\$2,226,000	
Compared to CT		-3.6%	-30.4%	-1.1%	19.8%	-28.3%	-9.8%	-26.8%	
Costs Not Varying By Location	\$2,683,000	\$2,683,000	\$2,683,000	\$2,683,000	\$2,683,000	\$2,683,000	\$2,683,000	\$2,683,000	
Total Costs	\$5,722,000	\$5,612,000	\$4,799,000	\$5,688,000	\$6,325,000	\$4,861,000	\$5,423,000	\$4,909,000	
<b>Net Income (Sales minus Costs)</b>									
	\$1,924,000	\$2,034,000	\$2,847,000	\$1,958,000	\$1,321,000	\$2,785,000	\$2,223,000	\$2,737,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$173,000	\$193,000	\$263,000	\$176,000	\$99,000	\$192,000	\$200,000	\$123,000	
		1.12	1.52	1.02	0.57	1.11	1.16	0.71	
<b>Profits After State Tax</b>									
	\$1,751,000	\$1,841,000	\$2,584,000	\$1,782,000	\$1,222,000	\$2,593,000	\$2,023,000	\$2,614,000	
Compared to CT		5%	48%	2%	-30%	48%	16%	49%	

## Appendix Table 8: Search & Navigation Instruments Manufacturing

NAICS Code: 334511									
Square Footage: 250,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$233,523,000	\$233,523,000	\$233,523,000	\$233,523,000	\$233,523,000	\$233,523,000	\$233,523,000	\$233,523,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	138.8	136.1	106.9	136.8	133.6	93.1	122.5	95.8	
Avg. Ann Pay	\$93,353	\$91,541	\$71,884	\$92,008	\$89,852	\$62,616	\$82,390	\$64,432	
Total Ann Pay	\$93,353,000	\$91,541,000	\$71,884,000	\$92,008,000	\$89,852,000	\$62,616,000	\$82,390,000	\$64,432,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$465,000	\$354,000	\$216,000	\$668,000	\$349,000	\$200,000	\$419,000	\$243,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	93,352.8	\$91,541	\$71,884	\$92,008	\$89,852	\$62,616	\$82,390	\$64,432	
Total Worker's Comp Costs	\$2,707,000	\$1,556,000	\$1,977,000	\$2,319,000	\$2,830,000	\$1,359,000	\$2,208,000	\$1,830,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$1,487,000	\$1,401,000	\$1,549,000	\$1,245,000	\$1,121,000	\$669,000	\$1,557,000	\$996,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$177,000	\$234,000	\$192,000	\$163,000	\$182,000	\$179,000	\$215,000	\$108,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,765	\$6,814	\$7,559	\$8,785	\$6,502	\$6,378	\$7,314	\$7,034	
Total Cost (.8*.8*all employees)	\$4,969,000	\$4,361,000	\$4,838,000	\$5,623,000	\$4,161,000	\$4,082,000	\$4,681,000	\$4,502,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$6,445,000	\$5,371,000	\$0	\$7,519,000	\$8,996,000	\$7,519,000	\$7,519,000	\$6,714,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$426,000	\$358,000	\$0	\$0	\$0	\$206,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$7.11	\$8.27	\$5.95	\$6.24	\$9.09	\$6.08	\$6.42	\$3.94	
Total Cost	\$1,778,000	\$2,068,000	\$1,488,000	\$1,560,000	\$2,272,000	\$1,520,000	\$1,605,000	\$984,000	
<b>Municipal Property Tax</b>									
Tax Rate	1.956%	1.193%	0.797%	1.082%	2.321%	0.841%	2.036%	2.985%	
Property Tax Paid	\$562,000	\$343,000	\$229,000	\$311,000	\$667,000	\$242,000	\$585,000	\$858,000	
<b>Costs</b>									
Costs Varying By Location	\$112,370,000	\$107,586,000	\$82,372,000	\$111,417,000	\$110,430,000	\$78,594,000	\$101,180,000	\$80,668,000	
Compared to CT		-4.3%	-26.7%	-0.8%	-1.7%	-30.1%	-10.0%	-28.2%	
Costs Not Varying By Location	\$112,393,000	\$112,393,000	\$112,393,000	\$112,393,000	\$112,393,000	\$112,393,000	\$112,393,000	\$112,393,000	
Total Costs	\$224,763,000	\$219,979,000	\$194,765,000	\$223,810,000	\$222,823,000	\$190,987,000	\$213,573,000	\$193,061,000	
<b>Net Income (Sales minus Costs)</b>									
	\$8,760,000	\$13,544,000	\$38,758,000	\$9,713,000	\$10,700,000	\$42,536,000	\$19,950,000	\$40,462,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$0	\$1,287,000	\$3,585,000	\$874,000	\$803,000	\$2,935,000	\$1,796,000	\$1,821,000	
<b>Profits After State Tax</b>									
	\$8,760,000	\$12,257,000	\$35,173,000	\$8,839,000	\$9,897,000	\$39,601,000	\$18,154,000	\$38,641,000	
Compared to CT		40%	302%	1%	13%	352%	107%	341%	

## Appendix Table 9: Information Technology / Semiconductor Equipment Manufacturing

NAICS Code: 334413 & 334419									
Square Footage 35,000									
	CT	MA	NH	NJ	NY	NC	RI	TX	
<b>Annual Sales</b>									
Avg. Ann Sales	\$31,471,000	\$31,471,000	\$31,471,000	\$31,471,000	\$31,471,000	\$31,471,000	\$31,471,000	\$31,471,000	
<b>Annual Payroll</b>									
Relative Cost of Living - (U.S. = 100)	138.8	136.1	106.9	136.8	165.8	93.1	122.5	95.8	
Avg. Ann Pay	\$77,996	\$76,482	\$60,059	\$76,872	\$93,184	\$52,316	\$68,836	\$53,833	
Total Ann Pay	\$6,060,000	\$6,577,000	\$5,165,000	\$6,495,000	\$6,456,000	\$4,499,000	\$5,920,000	\$4,630,000	
<b>Unemployment Insurance</b>									
Rate for new firm - 2007	3.1%	2.53%	2.7%	2.68%	4.1%	1.2%	2.62%	2.7%	
Wage Base - 2006	\$15,000	\$14,000	\$8,000	\$24,900	\$8,500	\$16,700	\$16,000	\$9,000	
Total UI Costs	\$40,000	\$30,000	\$19,000	\$57,000	\$30,000	\$17,000	\$36,000	\$21,000	
<b>Workers' Compensation</b>									
State Rate	2.90%	1.70%	2.75%	2.52%	3.15%	2.17%	2.68%	2.84%	
Wage Base	77,995.7	\$76,482	\$60,059	\$76,872	\$93,184	\$52,316	\$68,836	\$53,833	
Total Worker's Comp Costs	\$176,000	\$112,000	\$142,000	\$164,000	\$203,000	\$98,000	\$159,000	\$131,000	
<b>Energy Costs</b>									
Relative Electricity Prices - (U.S. = 1.00)	1.91	1.80	1.99	1.60	1.44	0.86	2.00	1.28	
Electricity Expenditures	\$118,000	\$111,000	\$123,000	\$99,000	\$89,000	\$53,000	\$123,000	\$79,000	
Relative Natural Gas Prices - (U.S. = 1.00)	1.44	1.90	1.56	1.33	1.48	1.46	1.75	0.88	
Nat. Gas Expenditures	\$21,000	\$28,000	\$23,000	\$19,000	\$22,000	\$21,000	\$26,000	\$13,000	
<b>Health Care</b>									
Single Rate (per employee)	\$7,608	\$7,710	\$8,363	\$7,328	\$7,766	\$7,010	\$7,309	\$7,266	
Total Cost (.8*.8*all employees)	\$427,000	\$375,000	\$416,000	\$484,000	\$358,000	\$351,000	\$403,000	\$387,000	
<b>Sales &amp; Use Taxes</b>									
Tax Rate	6.0%	5.0%	0.0%	7.0%	8.4%	7.00%	7.0%	6.25%	
Sales & Use Taxes Paid	\$718,000	\$598,000	\$0	\$837,000	\$1,002,000	\$837,000	\$837,000	\$747,000	
<b>Property/Net Worth Tax</b>									
Tax Rate	0.31%	0.26%	0.0%	0.0%	0.0%	0.15%	0.025%	0.25%	
Property/Net Worth Tax Paid	\$0	\$75,000	\$0	\$0	\$0	\$43,000	\$0	\$0	
<b>Rental Costs</b>									
Per square foot	\$28.72	\$25.42	\$12.40	\$24.63	\$26.30	\$18.39	\$15.00	\$17.90	
Total Cost	\$194,000	\$289,000	\$208,000	\$193,000	\$318,000	\$213,000	\$225,000	\$138,000	
<b>Municipal Property Tax</b>									
Tax Rate	2.318%	2.167%	1.329%	1.803%	3.868%	1.041%	3.807%	2.826%	
Property Tax Paid	\$84,000	\$48,000	\$32,000	\$44,000	\$93,000	\$34,000	\$82,000	\$120,000	
<b>Costs</b>									
Costs Varying By Location	\$7,838,000	\$8,243,000	\$6,128,000	\$8,392,000	\$8,571,000	\$6,166,000	\$7,811,000	\$6,266,000	
Compared to CT		5.2%	-21.8%	7.1%	9.4%	-21.3%	-0.3%	-20.1%	
Costs Not Varying By Location	\$20,867,000	\$20,867,000	\$20,867,000	\$20,867,000	\$20,867,000	\$20,867,000	\$20,867,000	\$20,867,000	
Total Costs	\$28,705,000	\$29,110,000	\$26,995,000	\$29,259,000	\$29,438,000	\$27,033,000	\$28,678,000	\$27,133,000	
<b>Net Income (Sales minus Costs)</b>									
	\$2,766,000	\$2,361,000	\$4,476,000	\$2,212,000	\$2,033,000	\$4,438,000	\$2,793,000	\$4,338,000	
<b>State Corporate Income Tax</b>									
State Corporate Tax Rate	9.0%	9.5%	9.25%	9.0%	7.5%	6.9%	9.0%	4.5%	
State Corporate Taxes Paid	\$249,000	\$224,000	\$414,000	\$199,000	\$153,000	\$306,000	\$252,000	\$195,000	
		0.90	1.66	0.80	0.61	1.23	1.01	0.78	
<b>Profits After State Tax</b>									
	\$2,517,000	\$2,137,000	\$4,062,000	\$2,013,000	\$1,880,000	\$4,132,000	\$2,541,000	\$4,143,000	
Compared to CT		-15%	61%	-20%	-25%	64%	1%	65%	